

Poor households are locked out of green energy unless governments help

August 7 2017, by Alan Pears

A [report released this week by the Australian Council of Social Service](#) has pointed out that many vulnerable households cannot access rooftop solar and efficient appliances, describing the issue as a serious problem.

It has provoked controversy. Some have [interpreted the report as an attack on emerging energy solutions](#) such as rooftop solar. Others see it as exposing a [serious structural crisis](#) for vulnerable households.

The underlying issue is the fundamental change in [energy](#) solutions. As I pointed out in my previous column, we are moving away from investment by governments and large businesses in big [power stations](#) and centralised supply, and towards a distributed, diversified and more complex energy system. As a result, there is a growing focus on "behind the meter" technologies that save, store or produce energy.

What this means is that anyone who does not have access to capital, or is uninformed, disempowered or passive risks being disadvantaged – unless governments act.

The reality is that energy-efficient appliances and buildings, rooftop solar, and increasingly energy storage, are cost-effective. They save households money through energy savings, improved health, and improved performance in comparison with buying grid electricity or gas. But if you can't buy them, you can't benefit.

In the past, financial institutions loaned money to governments or big

businesses to build power stations and gas supply systems. Now we need mechanisms to give all households and businesses access to loans to fund the new energy system.

Households that cannot meet commercial borrowing criteria, or are disempowered – such as tenants, those under financial stress, or those who are disengaged for other reasons – need help.

Governments have plenty of options.

- They can require landlords to upgrade buildings and fixed appliances, or make it attractive for them to do so. Or a bit of both.
- They can help the supply chain that upgrades buildings and supplies appliances to do this better, and at lower cost.
- They can facilitate the use of [emerging technologies](#) and [apps](#) to identify faulty and inefficient appliances, then fund their replacement. Repayments can potentially be made using the resulting savings.
- They can ban the sale of inefficient appliances by making mandatory performance standards more stringent and widening their coverage.
- They can help appliance manufacturers make their products more efficient, and ensure that everyone who buys them know how efficient they are.

To expand on the last suggestion, at present only major household white goods, televisions and computer monitors are required to carry energy labels. If you are buying a commercial fridge, pizza oven, cooker, or stereo system, you are flying blind.

The Finkel Review made it clear that the energy industry will not lead on this. It clearly recommends that energy efficiency is a job for

governments, and that they need to accelerate action.

It's time for governments to get serious about helping everyone to join the energy transition, not just the most affluent.

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