

Australia's

# ROOFTOP REAL ESTATE

Part two

New analysis shows that solar PV is more popular in low and middle socio-economic postcodes and on less valuable homes—demonstrating once and for all that solar benefits all Australians.



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# INTRODUCTION

In Australia’s ongoing energy debate, households with solar PV are frequently pigeonholed as having a high income or being ‘wealthy retirees.’ Part two of Australia’s Rooftop Real Estate report, commissioned by Solar Citizens and written by Associate Professor Dr Bruce Mountain and Dr Asli Kars from the Victoria Energy Policy Centre, debunks this detrimental myth.

**The report analysed over 10,000 electricity bills, including more than 2,000 from households with PV, and found that rooftop solar PV is more popular in low and middle socio-economic postcodes and on less valuable homes.**



100 electricity bills

This first-of-its-kind analysis utilised data from Victoria, South Australia, Queensland and New South Wales, which was supplied by the consumer group CHOICE.

It’s clear from the findings of the report that rooftop PV is helping low to middle income households get their bills back under control, but as these households try to get ahead, a number of electricity retailers are still ripping off solar owners by paying them a pittance for the solar electricity fed into the grid.

In fact, approximately one third of PV households were paid a lower rate for electricity exported to the grid than retailers would otherwise pay on the spot market.

This summary, written by Solar Citizens, represents the key findings of part two of Australia’s Rooftop Real Estate report and includes recommendations of how all levels of government can help struggling households get the most out of rooftop solar PV. In particular, Solar Citizens is calling on state and territory governments to mandate a minimum feed-in tariff to stop electricity retailers profiteering from households with solar PV.



## ROOFTOP SOLAR IS SLASHING BILLS FOR MIDDLE AND LOW-INCOME HOUSEHOLDS

It's often touted in Australia's ongoing energy debate that only wealthy households can afford solar panels, but actually, analysis of the data provided by CHOICE found that rooftop solar PV is the most popular in middle and low socio-economic postcodes. **In fact, the report found that residential solar PV is proportionately the most common in the poorest communities and the least common in the wealthiest.**

It stands to reason that it's low to moderate income households that benefit the most from the cost-cutting benefits of solar PV—and the results demonstrate that, where possible, they're utilising it. To further bust the myth that solar is a technology favoured by the wealthy, the analysis compared the uptake of solar PV

with the approximate value of properties and found that solar is more popular on less valuable homes.

Regardless of income, on average the households with solar PV had electricity bills that were approximately 20% lower than households without PV. This goes to show that residential solar is already helping households across the income spectrum take back control of their bills.



## ALTHOUGH, ENERGY RETAILERS ARE STILL MAKING A MINT

Rooftop solar PV is good for all energy consumers—it means there is more clean and affordable solar energy pumped into the grid, and Australia's millions of solar rooftops help reduce the wholesale price of electricity by lessening demand during daylight hours. Despite the cost, network and environmental benefits of distributed PV, solar households are getting ripped off by energy retailers.

The report found that a staggering one third of all the PV households analysed were paid less for the electricity they fed into the grid than retailers would otherwise pay on the spot market.

**That's right: electricity retailers often make a profit buying solar electricity generated behind-the-meter and that saving is not necessarily being passed on to other consumers.** This finding directly stands at odds with the common misconception that non-solar households pay for the feed-in tariffs that solar households receive.

Electricity retailers are also the winners when it comes to the myriad of confusing electricity deals available to both PV and non-PV households. The report found that households with and without solar PV could save an average of around \$420 per year by switching to a better deal.



## HOW TO SAFEGUARD VULNERABLE HOUSEHOLDS

The findings of part two of Australia's Rooftop Real Estate report demonstrate that all energy consumers stand to benefit from increased uptake of distributed solar PV—especially low-income households. Part one of the report found that Australia is only utilising less than a sixth of the total residential rooftop PV potential across the country, so it's clear there are ample opportunities to expand distributed solar.

In addition to helping more low-income households, renters and people living in apartments access rooftop solar, Solar Citizens recommends that all levels of government implement policies that safeguard PV households from getting ripped off by electricity retailers for the clean energy exported to the grid.

### SOLAR CITIZENS' POLICY RECOMMENDATIONS:

- **Mandate a minimum fair feed-in tariff** in states and territories that are yet to have one.
- **Provide rebates as well as no-interest loans** for solar PV households to invest in battery storage.
- **Independently review default offers** to consider the role fixed charges play in undermining the bill savings of households with PV.