

# Submission

in respect of

Independent Pricing and Regulatory Tribunal of New South Wales

Interim report on

## **Changes in regulated electricity retail prices from 1 July 2011**

**Please retain URL links as they provide further background detail**

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## Background

Whilst the report is extensive in its analysis for the determined increase and the impact this will have on households, there is only passing reference given to the options available to consumers to reduce their energy consumption.

Chapter 6 and 7 comprise 31 pages of consumer impacts and recommendations to improve affordability. Yet only one page (page 94) makes any mention of helping consumers to actually reduce their energy consumption.

It is this lack of attention to reducing energy consumption that this submission is trying to address. There are options available to consumers right now to substantially reduce their energy usage. This submission details just one of these options - the use of an Energy Monitor.

## Recommended Report Inclusions

We request IPART give consideration to including additional commentary in the report around the options available to consumers to reduce their energy usage. Specifically expansion of section - 7.5.1 Customer assistance issues raised in consultation - to include

- The benefits of installing an Energy Monitor
- Recommendation that the Home Power Savings Program include highlighting the benefits of using an Energy Monitor.

Each of these points are discussed in further detail.

## Benefits of installing an Energy Monitor

[http://en.wikipedia.org/wiki/Home\\_energy\\_monitor](http://en.wikipedia.org/wiki/Home_energy_monitor)

For the purposes of this submission an Energy Monitor represents a device that monitors the electricity consumption of the entire residence and relays this information to a display unit that is retained inside the residence. (Fig. 1)

The display unit will indicate in real time how much electricity is being used and what the current consumption costs. The units are programmable and can accommodate multiple tariffs.

They can be installed by the consumer or by an electrician in under 15 minutes.

There have been a number of studies undertaken that confirm where an Energy Monitor is installed and displaying the actual cost of consumption, that consumers will take an active interest in reducing their energy usage.



Fig. 1

With an Energy Monitor consumers will be able to identify the high use appliances applicable to their circumstances.

They can then focus their attention on changing a few behaviors and/or appliances that deliver the greatest reduction in energy consumption.

With fewer changes in behavior required and the Energy Monitor providing immediate feedback the likelihood of sustaining the changes in behavior are significantly increased.

Over time the monitor will then continue to prompt further fine tuning of consumption habits.

This can be seen in Fig. 2 where after receiving and Energy Monitor this customers Peak usage was more than halved. Further smaller reductions were then achieved in the next 2 quarters.

It is for these reasons that we believe the report should include the benefits of installing an Energy Monitor.

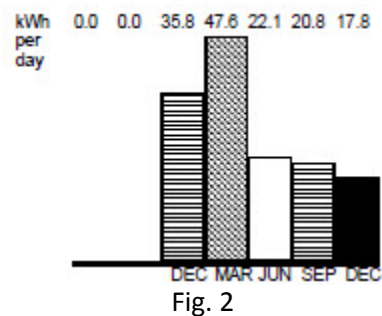


Fig. 2

## Home Power Savings Program

<http://www.savepower.nsw.gov.au/households/home-power-savings-program/about-the-program.aspx>

The Home Power Savings Program includes

- Home power assessment by an energy expert
- Power Savings Kit to help kick start savings
- Personal Power Savings Action Plan.

Where households have undertaken an energy audit they will come away with a list of activities to reduce their energy consumption. What the consumer cannot see is any real benefit of these activities until the next full quarterly bill is received.

This lack of feedback erodes consumer commitment to sustain the changes in behavior identified in the energy audit. However, where an Energy Monitor is installed in conjunction with the energy audit this is no longer an issue given changes in behavior deliver immediate and visible results.

The success of these programs is also dependent on the entire household being dedicated to reducing energy consumption. With a significant portion of the households including children and/or teenagers who are not always energy conscious, involving the children is a requirement for success. Their involvement is made significantly easier when they can see the immediate drop in energy consumption when they turn something off.

In general where these programs are supported by an Energy Monitor the reduction in energy usage will be greater and more sustainable.

It is for these reasons that we believe the report should include a recommendation that the Home Power Savings Program include highlighting the benefits of using an Energy Monitor.

Regards

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