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YSP Podcast Transcript: 401. From one to many: how Allume has unlocked solar for apartments

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Intro: Welcome to Your Strata Property, the podcast for property owners looking for reliable, accurate and bite-sized information from an experienced and authoritative source.

Amanda Farmer: Welcome to this week's podcast episode. I'm your host, strata lawyer, Amanda Farmer, and my guest this week is Will Anstee.

With experience in renewable energy project management and business development, Will specializes in fostering partnerships to drive sustainable solutions in the housing sector. Currently serving as the housing partnerships manager at Allume Energy, Will leads initiatives that facilitate collaborations between social housing providers and government agencies to implement solar energy solutions.

His role involves advocating for policy development in strata, overseeing shared solar project implementations in existing and new build apartment complexes, and collaborating with industry stakeholders to unlock electrification opportunities across Australia.

Previously, Will worked in the solar installation industry where he managed commercial solar projects across South Australia and Victoria, earning recognition for retrofitting sole share in existing apartment buildings. Passionate about inclusivity and environmental stewardship, Will is dedicated to harnessing solar energy to benefit communities while navigating complex stakeholder landscapes.

And I'm not sure that there is a more complex stakeholder landscape than strata. I'm going to take you right on over now to my chat with Will Anstee. Will Anstee, welcome to the show.

Will Anstee: Hi Amanda, it's great to be here.

Amanda Farmer: Wonderful to have a representative of Allume back on the podcast. It's been a long time, quite a few years. Episode number 63, I was chatting to Cameron Knox from Allume. Well, for listeners who may not have come across Allume before, let's start with understanding exactly what this famous world-first technology is. What is it achieving for apartment owners?

Will Anstee: Setting a big, a large bar there, but yes, so SOLshare. So that's the technology that Allume Energy has developed down here in Australia. Now we basically, saw that there was a really big need in the strata space particularly; which the key part of that was extending solar for those hard-to-reach markets, obviously strata being one of them, but also renters, low-income, middle income, and because of that, we put a lot of R&D time and work into developing SolShare, which allows the sharing of solar behind the metre to multiple apartments.

So pretty much it takes your standard approach to solar being behind the metre, very similar to that of a standalone home, but it then makes it possible for those in apartments to experience the same benefits and actually to a bit more of a more efficient degree as well. So it's quite an exciting use of the tech. And I guess you can say the strata one-ups the standard approach to solar in that way, in many ways, in our opinion at least.

Amanda Farmer: My understanding of SOLShare is that it is allowing individual apartment owners to access the benefits of solar power inside their own apartments. Whereas perhaps without this technology some years ago, it was only possible for solar to power common areas in buildings. Is that kind of an outsider's description of SOLShare?

Will Anstee: Yes, absolutely. So I guess, you know, typical apartments, very limited roof space, very limited room in common areas as well. So I guess the key thing that we had to think about was how do we use the, I guess, roof space available most efficiently.

Also taking note of the topography of the majority of strata buildings, you know, there's a very large proportion of buildings around

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that, five to 50 apartments. You know, a lot of people's perceptions are skewed by those much larger high rises, but the harsh reality is that a lot of those buildings do have quite a bit of roof space to utilise. There just needed to be, I guess, a technology use that facilitated that. And that's where the Allume has come in with SOLshare.

I'm very excited to be able to offer this to market where you can combine the solar system with your common area as well as the apartments with the really the biggest outcome of that is really self-consuming all of that solar locally. So you're not exporting back to the grid so it means that you can actually maximise your savings to a higher degree than in any other manner.

Amanda Farmer: And we'll talk a little bit more about how it works in practice and what some of the challenges are. But can you share with us why you say apartment owners even need to be thinking about solar at this point in time? Why should this be on their radar?

Will Anstee: Yes, absolutely. 8:34 It's been, typically apartments probably have lower energy bills than that of standalone homes. But from what I've seen in me personally living in apartments, I guess the ever-increasing cost of living on top of increased strata costs when it comes to insurance or anything else has sort of put the pressure on, you know, the vast majority of households in Australia. And those low to middle income has been have been at the forefront of that.

So, you know, where we come into the party, the opportunity lies at quite commonly a 30 to 40% reduction in energy bills for those households, which to be honest has been really, really impactful for a lot of especially single parents, single people, even-aged couples for example, that may have retired into an apartment building who may be on the pension.

But I guess there is a really big opportunity to, I guess, cover a large cohort of people with a small number of projects with this approach. So, although a lot of what we do is in the strata space, we do a lot in social housing as well.

And I guess it sort of highlights the really key, really positive stories that come from that. You know, we've had people that have turned on their heating for the first time in winter, people meeting sort of minimum living standards that weren't at all possible beforehand, let alone before the energy price increases that we've seen.

So it may probably get a little bit worse in the short term before it gets better, but we're really excited about the change and I guess reducing the impact that cost of living increases are, you know, I guess providing to people.

Amanda Farmer: Well, 30 to 40% decrease in your household bills sounds good to me. And I suppose that's not even taking into account if solar is powering your common areas as well over time, the reduction in your common area expenses.

And as you say, increased insurance premiums, increased strata management costs, remedial works projects, anywhere that buildings can be saving money should be getting their attention, I suggest.

Will Anstee: Absolutely. And, you know, I guess solar is step one of the process, I guess, as we move towards electrification, if that's what those buildings desire, you know, getting off gas, if you know, that's something as well. Although SOLShare is typically just to begin with just solar, you can then go and add batteries in future as you get a lot of use case data as well. So there's a lot of opportunities to get buildings as close to being, I guess, net zero as possible.

So we've seen some really exciting opportunities, all cases throughout the East Coast. New South Wales has been a really big uptake market for us, but they've been on the forefront of some of the potential opportunities and even pilots looking at those first use cases of different technologies, to sort of set the standard for the rest of the strata community as well.

Amanda Farmer: And SOLshare has been around for a little while when you're talking about pilots. I mean, I think it maybe has been a few years since I first heard the term SOLshare.

Will Anstee: Yes, so Allume Energy itself, we came out of University of Melbourne in 2015, and we didn't always have SOLshare

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as the product or the focus of the company. We did a lot of trying to, I guess, equitably share solar and hard-to-reach markets, and that's how we got to apartments.

But SOLShare itself has been, commercial since late 2018, early 2019. So just sitting over five years now in market. So we've got quite a lot of established sites and got almost 2,000 apartments connected within Australia as well. And pushing almost up to 3,000 globally as we are in a few other continents across the world.

Amanda Farmer: Excellent. So fair bit of experience rolling this out now across different buildings. What are the challenges that you've been facing when you start talking to buildings about this, when you're installing the infrastructure? I imagine it is there is actual equipment that you have to install. What are some of the blocks along the way that we can be prepared for?

Will Anstee: Yes, great question Amanda. And I think probably the most important question when it comes to strata and probably the listeners as well. There's a few things, I mean, keeping in mind that, I guess, Allume as a company, we're a manufacturer provider and we sort of facilitate and work with any solar installer that we sort of bring to the party who's qualified to install. We help the stratas do that, but I guess access to information or what is potentially possible has been a really key thing or a roadblock up to now and it's slowly changing and we've been seeing a lot of, especially LGAs, a lot of local councils getting on the forefront, developing programs, educational guides, for example.

There's been really important in, I guess, communicating what's possible, what the electrification journey may look like, and also what the potentials are and where their assistance may lie. So there's a lot of councils that might pay for feasibility reports or electrification journey reports for strata, which has been really key.

On top of that, I guess the condition of our strata buildings has been a really key one as well. I think electrical switchboards has been a very long-term thing, I guess, keeping to standard, keeping to spec. It can be sometimes quite an expensive thing. But I think we're quite in a unique situation as, I guess the path to electrification does pick up pace. There's a lot of really exciting initiatives to help support modernising some of these older buildings, especially up to spec.

But it's really important that you're getting good quality advice, good quality guidance as to what the right approach is for your building to ensure that you're not going to incur costs down the track you want to sort of do it right the first time.

But they're sort of the key things. I guess yes overall building considerations even roof tight You know whether your roof needs replacing all these little bits and pieces when you're you know on your rooftop are sort of key things to think about.

Amanda Farmer: And when you're talking about a system that has the ability to serve all owners, which I understand is the unique product that SOLShare is, do you get questions about what if I don't want to be part of the system? What if I want to opt in later or I want to opt-out or where you have competing interests, for example, and you're dealing with resident owners, you're dealing with investor owners, everyone has a different interest. How is that coming to the fore if it is?

Will Anstee: Yes, to be honest, it's probably one of the first questions that definitely gets brought up. Although it becomes less of an issue as people learn more and more about it in the building, it's definitely a key consideration. I and the Allume team as a broader context, I spend a lot of time providing webinars and direct education with owners corporations, strata and body corporates. And the biggest thing we find is communicating those benefits to all parties.

Now, the unique and best part of Allume or SOLShare itself as a technology is they do have the ability to have an opt-in sort of approach to it. So quite often if you, let's say we had a 10-apartment building, only eight wanted to take part. I guess there's two ways you can go about it. You don't have to include those other two. They could potentially opt in down the track or you can pass a special resolution or an ordinary resolution depending on the state and have it implemented for all.

So there's two approaches to do there. But we find that as people move along the journey, there's a little bit of FOMO that sort of kicks in and it is very rare that someone doesn't take part. And I guess where there is opportunities such as state funding to help

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facilitate, I guess, the cost of the install. It really sweetens the deal and makes it all possible.

The big thing though is I guess the investor and owner-occupier situation is quite different when you have the common area connected, which a lot of installs do, you do have the strata savings that are experienced by the landlord when it comes to common area electricity usage.

On top of that though, you also get your increased property value. So there's been a few articles and I guess studies that have sort of provided some firm concrete evidence that there is increase in property value that we estimate at two to five times the input cost before you've got rebate supply, which is pretty exciting.

And on top of that, negotiating with your tenant and saying, "Look, let's do a bit of a split incentive. We may increase your rent by a little bit next year to cover our cost to it, but still ensuring that you as the energy account holder are still receiving that broader benefit because that's where you experience the direct apartment savings."

But it is very rare that we have someone that opts out, but if it does happen, it's absolutely no stress, they can opt-in later on, and they can just negotiate with their own strata as to how they do that.

Amanda Farmer: And I can't avoid having my lawyer hat on here and thinking about the legal mechanisms that might need to be in place to make sure that can all happen smoothly and in accordance with each state's strata laws.

So if it's something that your community is thinking about, if you ask strata managers listening in and thinking about having these conversations with committees, definitely making sure that you get the legal advice that you need to ensure this is all structured in a way that makes it all work, especially where you've got people opting in or opting out.

In relation to the vested interests of the landlord versus the tenant, I would think that with more and more buildings electrifying, more and more buildings having solar available, both to common areas and to individual lots, tenants are going to start recognising that, becoming familiar with that. And over time, to the extent the market allows them to, which may not be this market, but in the future, choosing those apartments that are powered by solar.

And in that way, there is so much benefit from an investor perspective in being on the front foot with this stuff and making sure that down the track, your property is the one that's more desirable from a tenant perspective.

Will Anstee: That's it. And I mean, we had a beautiful example down here in Victoria, in the suburb of Murrumbeena. We had a landlord who owned a 12-apartment complex, owned all the, I guess, every single tenancy in the building.

And he procured shared solar for that building as a really key value add as far as being able to market those tenancies. And I guess at a, you could say, slightly premium rate when it comes to rental. But at the same time, understanding that the impact on the end residents was greater based on the energy savings. So if you can have that ability to sort of look at it and see the benefits as a landlord, it's really exciting. But it's also about understanding what the opportunity is.

And we find that you know, a lot of the Q&A sessions we run where we specifically invite landlords for particular buildings in and sort of expose them and give them the opportunity to have their say and share their sort of opinion. We have a really, really good, I guess, you could say almost conversion rate, but they end up seeing the benefit and the impact or the positive impact it has on their investment for the future, for the long term.

Amanda Farmer: Yes, it's a really good point to make about that enrollment piece, which not just in the context of SOLAR, but any kind of project, it could be an upgrade and improvement project, or it could be a remedial works project. I know we're often talking on this podcast about how powerful transparency is, how powerful communication and inclusion and having these information evenings.

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There was one for a community that I'm involved in a couple of weeks ago and it was about a strata loan. And the strata loan provider came to the meeting and explained how it all worked. And then that resolution to enter into the loan just sailed through. I think if you do that hard work upfront of making sure everyone understands what's being offered, how it works, why it's being offered and what's in it for them, then it does make those decisions, those resolutions that need to be obtained in our space much easier to make and easier to obtain.

Will Anstee: Yes, definitely agree. And I think, you know, especially, I mean, a lot of people, you know, refer to strata as maybe a fourth level of government in that way. But at the same time, there's a lot of expectations to make large decisions that involve large amounts of money as well.

So I think it's definitely where, you know, finding that trusted information source is really, really key. You know, cross-referencing that source, councils are a great tool. And, you know, I guess industry people such as yourself, Amanda, as well is really, really important because there can be a lot of pressure to make the right decision because you've got to live with the people that you make the decision on behalf of.

Amanda Farmer: Good point.

Will Anstee: So I definitely echo that impact of that information and education of being beneficial.

Amanda Farmer: So you've mentioned there an experience with a Victorian building where you invited the investors in to keep them up to speed. Have you got any other case studies you want to share building specifically using shared solar? What their experience has been? What their savings have been perhaps?

Will Anstee: Yes, absolutely. So we've, it's been quite exciting. There are quite a few states rolling out rebates for their I guess, for the states themselves. Prior to that, a lot of the time, a lot of the projects we've been working in have been in I guess, higher income class buildings, which is why we've been a really big driver and you know, where we have come from is low to middle income.

But for those buildings that can access fundings or use of funds. We've done a lot in New South Wales, for example. New South Wales is our most popular market. We've got a lovely site up in Alexandria, which is around 40 apartments. So they've just got solar via SOLshare at the moment. They are looking at adding batteries to those systems as well. So now they've had it's been installed for about 12 months.

Based on the last time I checked, they're saving around a 35% reduction bills for this exact building. So it's around that 450 mark from the last time I checked. Obviously, it depends on the individual and depends on what individual energy plan they are, but on average it sat around there. But that's quite exciting because they're also involving Tesla charges, EV charges within the building. So it's really good example of bringing in different technologies and making sure that they interact well and work correctly.

So it's been one of our more successful ones. We have had apartments as small as 6 or 7 across New South Wales, very similar, I guess bill savings. What we typically find that when SOLshare is set up, as far as allocation goes of solar, it is generally as per Strata a lot entitlement or as close to as possible.

So it really ensures that irrespective of your, I guess, number of bedrooms or footprint, everyone should receive a similar percentage saving on their energy bills, which keeps nice and equitable. Also helps when it comes to some of the law considerations around Strata but we've found that worked really, really well across the East Coast.

We have some, even one up in Queensland, Bulimba apartments. We do have access to a lot of the case studies on our website. So for anyone listening, please feel free to check it out. And those ones, they send around that \$400 mark for a 12-month period. In saying that since the last lot of energy price increases, it would be now a bit more for the next 12 months.

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So we're excited to revisit those case studies and look at what they have saved since then. But depending on, I guess, as well, the common area for a lot of these sites. Some have them connected, some don't, because you may have an individual independent system dedicated to the common area as well. We have seen some really great savings, around that \$1,500 to \$2,000 savings just for the common area on top of those resident savings as well. So it's been quite exciting.

Amanda Farmer: And you mentioned there, Will, Tesla charges in that Alexandria building and uh, EV charging more generally. I was talking to Brent Clark from WattBlock who I'm sure you know, well, a couple of months ago on the podcast. And he was sort of indicating that the goal here for the most progressive buildings is to power their EV charging with solar. And if you can get there, then you're really at the top of your game. So I'm looking forward to more buildings doing that into the future.

Will Anstee: It'll be quite exciting. There's sort of two different approaches people can take there, either through that, the common area, which is the most common option, especially utilized in Australia, or hopefully what we'll see one day. The tech isn't quite there, but having behind-the-metre, individual EV charges, there's just a bit of low-demand management that needs to occur or development of tech before that happens. But that would mean that you can use your solar, your own individual solar allocation to charge your EV and hopefully one day, maybe EV vehicle to home possibly...

Amanda Farmer: Very cool.

Will Anstee: But it's such a moving space so you know the pace of technology development is quite exciting so we'll see what happens.

Amanda Farmer: You mentioned funding there as well. There is upfront cost when buildings are installing these systems. Is that something that Allume can help with in terms of connecting buildings to appropriate funders or does the building have to sort that out separately? What are most people doing in that space?

Will Anstee: Yes, we try to provide as much support as possible. So being very impartial, I guess, in the role that we play, we simply provide that SOLshare and I guess provide almost informal consultancy to two stratas. We do recommend and try to work with those, say, financiers or funders as much as possible to find the best opportunity for that end customer because we want to make sure that both the price and quality of any sort of install is suitable.

Because we want them to tell other people and you know for us to sell more SOLShares of course. But it is quite exciting you know there's quite a lot of government initiatives going on at the moment whether it's direct rebates for apartments to reduce that upfront cost or whether it's say low interest finance coming through for strata hopefully sometime in the next 12 months if it happens. Making sure that you know as those things become available you know we share that information as widely as possible and make sure that people get that best situation and you know to reduce that sort of hip pocket impact sort of thing.

Amanda Farmer: Are you the only ones in the market with the ability to bring solar to the individual apartments?

Will Anstee: At this stage, I guess, to keep your retailer freedom of choice in the same way that a standalone home does, so you're not locked to a retailer. There is no other option for shared solar. The only alternative would be your, if you had a small individual system per apartment, which logistically can be very difficult in anything over even 6 apartments, we can get added to embedded networks as well as the traditional way of getting solar to an apartment complex, but generally that solar only helps the common area.

So we are doing a lot more, especially new builds these days, where we get coupled with embedded networks. So it still puts the ownership of the solar with the people in the apartment complex and they get a hundred per cent benefit because there are no ongoing charges, fees, subscriptions or anything. So there's no dilution of benefit to end customers.

But for the next few years, at least, we expect solar component, Solshare will probably be the only one until I guess anyone else comes to the party. But for now, I'm just trying to enjoy and I guess prove the, you know, pioneer the industry to make sure it's as

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widely available as possible for those that need it.

Amanda Farmer: Yes, well, we're lucky to have you and proud to have you as Australians leading this space. Owners, Strata managers, and committees who are tuning in and want to get started with a shared solar setup. Allume is the first stop that they should make in that discussion. And, you know, we've talked about a few things, installers and funding and first stop, however, Allume and then you can assist them through that process. Is that how it works?

Will Anstee: Absolutely, Amanda. So, I mean, I personally work with quite a lot of strata management companies. So do a lot of, I guess, education sessions with them as well. So it's good to have your fellow strata managers actually aware of what's possible and also knowing where to go for information is key. Or you can facilitate with all the other stakeholders that are involved as well.

But if you're an apartment owner or even a renter, feel free to always contact Allume directly. We can either assist you directly or put you in touch with a qualified installer that services that area that sort of can help you along the journey. But either way, you can even go via your local council as well depending on the level of sustainability team that they have. But if in doubt just get in touch directly either by myself or just on our website there's a contact us form. That's a good starting point.

Amanda Farmer: Excellent. We'll make sure the link to the website is in the show notes for this episode. Anything else that you would like to add Will before we wrap up to make sure we haven't missed anything?

Will Anstee: I mean, to be honest, it's just, It's really exciting to see the impact that we've seen from shared solar on those that are really low to middle-income. And I think everyone has a key role to play in this space, whether it's simply being aware of what the opportunity is to facilitate others taking up that opportunity, or it is doing it themselves.

For example, in Victoria, there's a bit of solar for apartments funding there at the moment, which has just kicked off, which is quite lucrative. But over 63% of apartments in Victoria are renters. So I guess the impact for those that don't own their own homes is really, really huge.

And traditionally, the amount of solar on rental properties is, I think it's about 1% from memory. It's absolutely tiny and that's standalone homes before you even come to apartments. So I think the opportunity to sort of do some good and help impact those around us, those in our community, those in our building community, it's a really great opportunity. 3

Amanda Farmer: I like that message. Good place to finish up. Thanks very much for your time today, Will.

Will Anstee: Thanks, Amanda. I really appreciate it.

Outro: Thank you for listening to Your Strata Property. The podcast which consistently delivers to property owners reliable and accurate information about their strata property. You can access all the information below this episode by the show notes at yourstrataproperty.com.au.