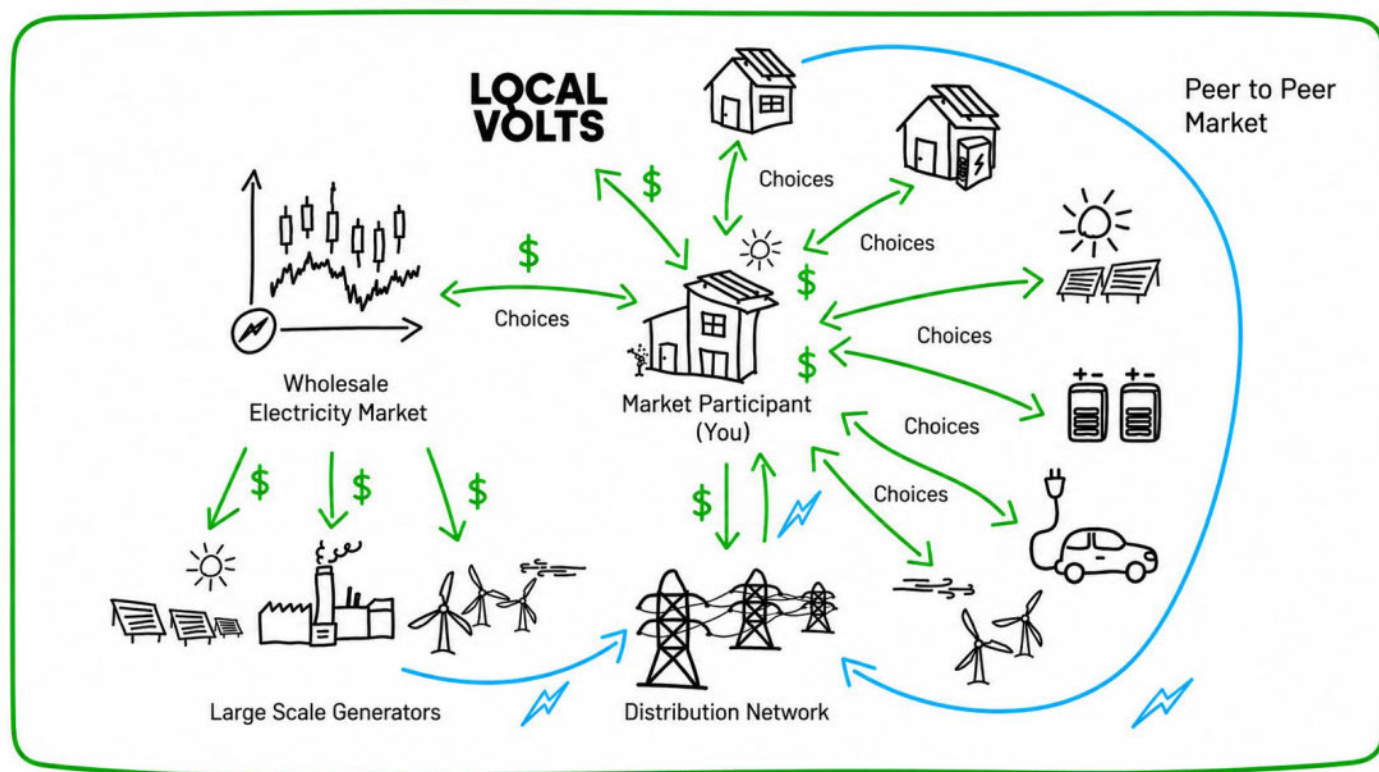


Trading power locally

Localvolts is turning solar households into energy traders, allowing consumers to buy and sell electricity directly. Janina Waldmann investigates the model and its potential to reshape the grid.



Source: localvolts.com/about-us

Look down almost any street in any city in Australia, and you'll see rooftop solar panels glimmering away in the sunlight, generating energy for the occupants below. As we know, rooftop solar panels often generate more electricity than is needed to keep that home or business running, and in most cases, energy that can't be used or stored is sold back to the grid. But what about the other homes on the street—the ones that haven't been able to invest in rooftop solar? What if the people in those homes could cut out the big energy middle players and buy excess energy directly from their neighbours? Enter peer-to-peer electricity retailer, Localvolts.

With energy retailers some of the least-trusted service providers among Australian consumers, and the hassle and confusion of regularly switching retailers often a barrier to getting the best deal, Localvolts offers an alternative. The intention, says founder Jitendra Tomar, is to move away from "an ecosystem where a few people made

energy and the rest of us great unwashed consumed it, and we just took whatever was given to us."

In Jitendra's eyes, households and businesses that can provide renewable energy should be able to take part in the system directly. "If I'm putting my money into my asset," he says, "then I want to be part of the game myself. I wouldn't like to invest in my asset and then hand it over to somebody else and be at the behest of somebody else."

Localvolts makes it possible for each energy-producing household to become a mini energy retailer by handling the many layers of admin that would typically inhibit them. As Jitendra puts it, "we take care of all the shit work, which is called electricity retailing—dealing with the regulator, dealing with the meter changes, all the stuff nobody wants to do, because electricity is complicated."

Buyers and sellers don't need to do anything more than switch to Localvolts—no special meters required. The trading system is built



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around what Jitendra calls “preference-based interactions,” which means both buyers and sellers can be as granular as they like in their purchasing decisions, down to naming the specific individual they’d like to trade with. Both parties set the prices they’re willing to buy and sell for, creating opportunities for solidarity you won’t find in the mainstream energy industry. A buyer could, for example,

choose to provide free or discounted energy to their family, friends or wider local community.

Similarly, sellers can flex their choices to keep money circulating in their own communities by buying from within a set geographic range. Where a buyer or seller hasn’t set preferences like this, the system pairs buyers and sellers based on price.

The Localvolts system does one more thing that sets it apart from traditional energy retailers: it allows users to get the best available deal without lifting a finger. Within a typical energy system, Jitendra explains, large energy retailers control the flow of power both literally and figuratively. Customers might think they’ve gotten a good deal because they chose the cheapest provider when connecting their home, but whether that price is still the most competitive option two years on is far from a foregone conclusion.

Instead, says Jitendra, “you can have a system that is fighting for you to get you the best deal every five minutes on a continuous basis.” That’s what Localvolts does. Every five minutes, the buyer or seller who best matches

the user’s saved parameters is found and matched with them.

Jitendra says Localvolts was born out of a desire to create transparency in the energy system. “The misinformation in the energy field annoyed me,” he says. The result is a system that provides individual energy consumers with choice and control over the electricity they buy, and creates a fair market for energy producers to sell their excess electricity.

Localvolts currently operates in New South Wales, Queensland, Tasmania, South Australia and the Australian Capital Territory, and is awaiting an electricity licence from the Victorian Essential Services Commission. Western Australians, unfortunately, will have to miss out—the Western Australian electricity law doesn’t currently allow customers to choose their energy provider. **1**

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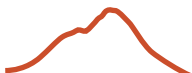
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