



Community batteries are the missing link in Australia's \$2.3 billion electrification push

By Mohan Jesudason, CEO of X2M Connect

The Albanese Government's \$2.3 billion pledge to support household battery adoption is a welcome and necessary step towards a decarbonised energy system. With energy prices continuing to squeeze households and our grid under growing pressure, empowering Australians to store and manage their own clean energy is common sense. But there's one vital element missing from the government's election pledge: community batteries.

At X2M, we support the goal of making cleaner, cheaper energy more accessible. As a technology provider connecting utilities and communities, we see first-hand the challenges households face in electrifying, affordably and efficiently. Whilst rooftop solar uptake has been a runaway success (now on one in three Australian homes) battery adoption lags behind, largely because of cost and complexity. Only one in 40 homes has a battery. Labor's subsidy will help bridge that gap, but it doesn't go far enough for the millions of Australians who can't or won't install their own storage.

That's where community batteries come in.

Community batteries – typically 250kWh to 500kWh storage systems located on local distribution networks – offer shared access to storage for dozens or even hundreds of households. They smooth grid demand, soak up surplus solar during the day, and return it to homes at night when prices are highest and all within the local grid without requiring expanded infrastructure. For renters, apartment dwellers, and low-income households who can't afford a \$10,000 system or don't own their roof, they're a game-changer. And they can be deployed faster and with greater equity, than individually tailored home solutions.

Scaling for impact

The current subsidy framework rewards those who can afford to go it alone. But the real opportunity lies in collective solutions that reduce grid stress, lower emissions, and bring savings to everyone, not just the top third of households with the cash and roof space to electrify.

Community batteries can do just that. Yet they are largely absent from the federal policy discussion driving this election. This is a missed opportunity. If the government extended its rebate program to support local councils, strata developments, and community organisations to install and access shared batteries, the impact would be broader and more enduring.

Furthermore, integration is easier. Community batteries can be placed where they deliver the greatest network benefit, rather than shoehorned into already constrained homes. They can be managed intelligently through platforms like ours at X2M, balancing supply and demand in real time, enabling dynamic pricing, and maximising value to users and the grid.

The technology is ready

We've already seen successful trials of community batteries across Australia, from WA's PowerBank program to Victoria's Yackandandah model. These initiatives demonstrate the

technology works and the appetite is strong. What's needed now is scale. And scale requires support.

Neither major party has got it right – yet

With Labor's new subsidy, and with the Coalition outlining its energy strategy, we're entering a rare moment of bipartisan competition to support household electrification. But there's a crucial omission from both sides.

While the Albanese Government's \$2.3 billion policy focuses squarely on household batteries, the Liberal-National Coalition's energy platform prioritises large-scale infrastructure like nuclear power and domestic gas supply. As of now, the LNP has not released a dedicated battery subsidy policy for households or communities. Community batteries – despite their proven value – remain unaddressed by either major party.

That's not good enough. A truly equitable energy transition must offer access to all, including renters and low-income households. Supporting shared battery infrastructure is one of the fastest, fairest ways to achieve that.

Think system wide. Think impact. Think community.

We stand at a tipping point for Australia's energy future. Households want more control over their energy use. Communities want cleaner, more resilient power. Governments want to reduce cost-of-living pressures while achieving net-zero targets. The \$2.3 billion battery pledge is a strong step forward, but it mustn't overlook the power of shared infrastructure.

Let's ensure this policy isn't just about individual homes. Let's build a truly comprehensive energy future – one where every household, no matter their income or postcode, can participate in and benefit from the clean energy revolution.

The missing link isn't technology or demand. It's vision. Let's connect the dots and include community batteries in Australia's electrification roadmap.