



Western Australia Regional Business Energy Transition Index 2025

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people of WA*

HORIZON
POWER

Acknowledgement of Country

We acknowledge and pay our respect to Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia.

We are privileged to share their lands, throughout 2.3 million square kilometres of regional and remote Western Australia and Perth, where our corporate office is based, and we honour and pay respect to the past, present and emerging Traditional Owners and Custodians of these lands.

We acknowledge Aboriginal and Torres Strait Islander peoples' continued cultural and spiritual connection to the seas, rivers and the lands on which we operate. We acknowledge their ancestors who are part of one of the oldest continuous cultures on Earth and their unique place in our nation's historical, cultural and linguistic history.



Foreword

Since the launch of the inaugural Western Australia Regional Business Energy Transition Index, momentum toward emission reduction has continued to build across the State. In 2025, this progress is reflected not only in policy and infrastructure, but in the growing strategic intent of regional businesses.

The Federal Government's Net Zero Plan and 2035 Emissions Reduction Targets, alongside Western Australia's Sectoral Emissions Reduction Strategy, continue to shape the landscape. These frameworks provide clearer pathways for industry, transport, agriculture, and the built environment to transition toward net zero. At the same time, the economic implications of climate change—highlighted in recent modelling—reinforce the urgency of action across all sectors.

Businesses remain central to this transition. With non-households responsible for over half of Australia's domestic energy-related emissions, and Western Australia contributing a disproportionate share due to its industrial and resource-heavy economy, the role of regional businesses is critical. Encouragingly, this year's Index shows that businesses are responding. The overall score has increased to 41.2 (+8.3 points), with gains across all three Index pillars—Energy Sources, Energy Practices, and Energy Strategy—indicating a shift from aspiration to action.

This Index also highlights the critical role of Horizon Power in enabling business-led emission reduction with continued investment in enabling technologies and infrastructure to support this shift. Initiatives such as the WA EV Network, Community Wave virtual power plant (VPP), and centralised solar farms in the Mid West are helping businesses overcome barriers and access cleaner, more reliable energy. The Exmouth Power Project and Integrated Decarbonisation Plans further demonstrate our commitment to supporting both small and large businesses in their transition.

The Index remains a vital benchmarking tool, capturing the views and actions of regional businesses across a broad spectrum of energy-related initiatives—from electrification and emissions reduction to fleet transition and energy data usage. This year, we see strong momentum among small businesses, with significant increases in investment and strategic planning. However, challenges persist. Cost, capability, and competing priorities continue to constrain progress, particularly among medium-sized businesses.

One of the most compelling insights from this year's Index is the emergence of a clear tipping point: while businesses overwhelmingly recognise the importance of sustainability, many remain in a state of "strategic readiness" without full-scale implementation. The gap between ambition and action is narrowing, but not yet closed. Businesses are increasingly investing in planning, setting shorter-term targets, and exploring new technologies—yet long-term commitments and comprehensive energy strategies remain limited. This signals a critical opportunity for targeted support, capability building, and policy alignment to help businesses move from intent to impact.

As we approach Australia's 2030 emissions reduction target, the need to accelerate implementation is clear. The Energy Transition Index provides a practical framework to guide businesses on their journey, helping them understand their current position, identify opportunities, and track progress over time.

We thank the 76 participating regional WA businesses for their insights and leadership. Their contributions help shape a more sustainable, resilient energy future for regional Western Australia.

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Index overview

In 2022, Horizon Power commissioned independent market research consultancy CoreData WA to develop the Energy Transition Index – an Australian-first initiative designed to benchmark and monitor the energy transition trends and evolving emission reduction maturity among Western Australia’s regional businesses over time.

Now in its third release, the Index provides valuable insights into how businesses are progressing, the challenges they face, and where opportunities exist to accelerate emission reduction. It reflects Horizon Power’s commitment to supporting regional WA businesses in navigating the transition to net zero.

The Index is designed to:

Benchmark energy transition maturity among businesses operating in regional Western Australia.

Support businesses to understand their current position and identify practical steps to progress their energy transition.

Highlight the role Horizon Power can play in enabling and supporting business-led emission reduction.

Based on direct input from business energy decision-makers, the Index offers a clear, data-driven view of how businesses are engaging with energy transition—from strategy and investment to implementation and impact.

Responses were collected from representatives of **76 businesses** from across regional WA, recruited via online surveys and computer-assisted telephone interviews. Respondents were offered the opportunity to receive a short, individualised report showing their organisation Index score benchmarked against the overall Index score, of which 84% requested the report.

How the Index can help your business

Over time, the Index is expected to evolve to:

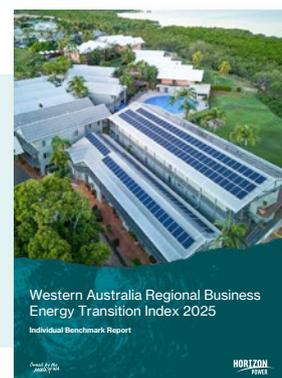
- Identify best practices and showcase examples of leadership in energy transition across regional WA
- Enable industry and regional comparisons, helping businesses benchmark their progress against peers
- Inform business planning and strategy, providing insights that support more confident and targeted energy decisions
- Highlight opportunities for support that can accelerate action

Whether your business is just starting out or already taking steps toward emission reduction, the Index provides a practical framework to guide your journey, understand what areas need prioritisation, and track your progress.

Index participation criteria

In 2025, eligible Horizon Power business customers were invited to participate in this survey based on the following criteria:

- Business operations are located in a Horizon Power service region
- Business energy consumption of 50 MWh per annum or higher
- Respondents answering on behalf of a qualifying business were required to be in a senior or technical role with direct involvement in energy decision-making



Purpose

The purpose of the Index is to support regional WA business efforts to decarbonise by providing a framework to understand the level of energy transformation maturity and net-zero transformation enablers. The Index also helps businesses to benchmark their progress over time and identify actions they can take to prioritise areas to act upon and accelerate progress.

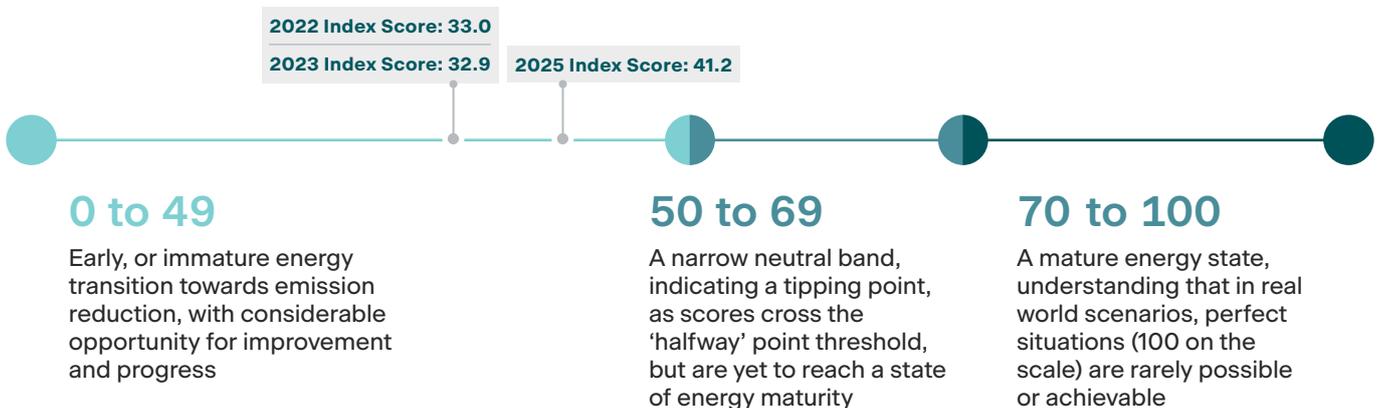
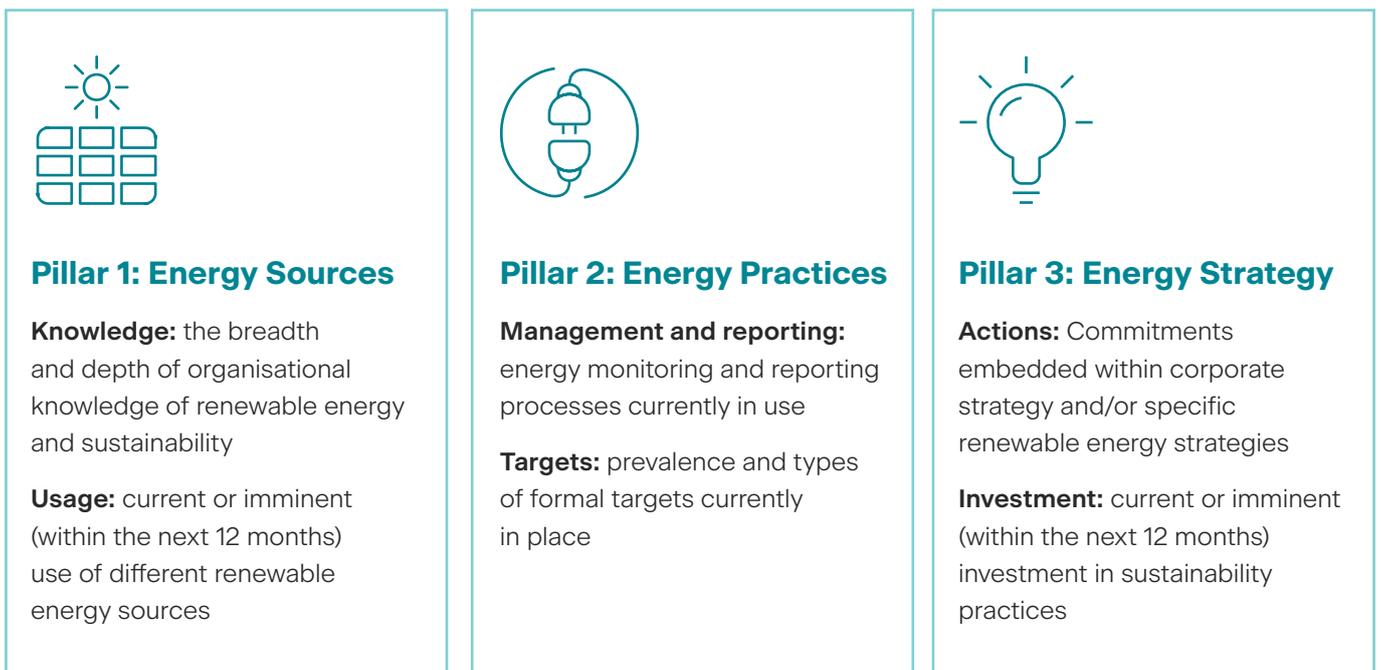
Methodology

Business customers were asked to self-rate across the three pillars of the energy transition framework. These three pillars – Energy Sources, Energy Practices, and Energy Strategy – form the basis of the Index.

The businesses responses were aggregated for assessment, with scores calculated on a 0–100 rating scale for each of the three pillars, details of which are provided below. Due to rounding of individual figures, Index scores and percentages presented throughout the report may not always sum precisely to expected values.

To ensure insights presented are not due to sampling bias but reflect real change, the 2025 sample was weighted by business size and energy consumption. For a detailed breakdown of the sample profile, see Appendix Sample Profile.

Energy Transition Index Pillars and Score



2025 Index Score: 41.2

The overall score increased by 8.3 points compared to previous research results (32.9), indicating that positive momentum towards energy transition is building among regional WA businesses.

While businesses remain in an early, aspirational phase of energy transition, gains have been realised across all three pillars in 2025: Energy Sources, Energy Practices and Energy Strategy.

Current and imminent investments into sustainability practices and renewable energy strategies, captured through the Energy Strategy pillar, provide strong upward momentum on the Index results. The Energy practices of energy monitoring, management, and reporting have also improved, though this is accompanied by only a slight increase in the prevalence of formal energy transition targets. While businesses' knowledge levels remain similar to previous results, current or expected usage of renewable energy sources has increased, leading to an overall uplift in the Energy Sources pillar.

Large businesses have continued building on their strong foundations and maintain a substantial lead over smaller businesses. However, small businesses are accelerating rapidly, making greater relative gains compared to the previous research results. Small businesses also boast the single largest score improvement, with investment increasing 28.2 points and outpacing medium-sized businesses.



The three Index pillars*



Energy Sources: 39.7 (+4.5)

Knowledge

43.5 (-0.7)

Usage

35.8 (+9.6)

Businesses report moderate to high levels of energy and sustainability knowledge, although expert-level understanding remains uncommon. Familiarity with foundational energy concepts – such as Consumer Energy Resources and available renewable energy sources – has remained steady since 2022.

However, specialised expertise relating to energy remains low. Knowledge of practices to reduce environmental impact, potential impacts of climate change, government initiatives and policies on climate change and emission reduction have all declined marginally or remained static since the previous research.

Consistent with previous results, renewable energy usage and likelihood of take up is almost entirely through solar – mostly without batteries. Businesses show little interest in or adoption of non-solar renewable energy sources.

Energy Practices: 36.4 (+5.5)



Management and reporting

48.6 (+9.2)

Energy transition targets

24.2 (+1.8)

Management and reporting practices on energy usage have become more common in 2025. Consistent with previous results, increasing energy efficiency – a more easily implementable practice – is more common than reporting on emissions, using an energy management system, or reducing supply chain emissions.

The adoption of specific and measurable energy targets remains limited, with half of businesses still lacking any formal targets. While there has been an uplift in targets set for 2030, this appears to coincide with a slight decline in longer-term goals such as achieving net zero by 2050 or transitioning to 100% renewable energy. This trend suggests a shift in focus among businesses already engaged in emissions planning, prioritising nearer-term milestones over distant goals.

Energy Strategy: 47.4 (+15.0)



Actions

47.4 (+15.8)

Investments

52.8 (+14.2)

This pillar saw the largest gains in this year's research, with substantial increases in energy-related actions and investments.

More businesses are implementing strategic actions related to emission reduction (organisational strategies, objectives, and action plans) and an increasing proportion are liaising with Aboriginal communities for the development of large-scale renewable energy projects.

On the investment front, many businesses are either already investing in Consumer Energy Resources ('CER') or intending to do so in the next 12 months. We're also seeing an increase in businesses investing or showing intention to invest in staff, upskilling in renewable energy practices and usage, and green infrastructure.

*Figures in brackets indicate the year-on-year change (positive/negative)

Executive summary

1

The 2025 Energy Transition Index returned a score of 41.2, reflecting steady and positive momentum.

While businesses generally remain early in their energy transition journey, considerable progress has been achieved in the last three years.

This progress is demonstrated by improvements in the overall Energy Transition Index Scores, from 33.0 in 2023 and comes despite businesses identifying more barriers to their energy transition than in previous years.

2

All three Index pillars contributed to the overall improvement in the Index score.

The Energy Strategy pillar provided the strongest upward momentum, driven by more businesses embedding sustainability commitments into corporate strategies, as well as improvements in current and imminent investments in sustainability practices. The Energy Practices and Energy Sources pillars also experienced increases this year, though knowledge of renewable energy sources remains at similar levels to previous results.

3

Small businesses have made strong gains, despite facing barriers.

While starting from a much lower level of energy transition maturity than their medium and large business counterparts, small businesses experienced the largest gains in both the overall Index and underlying pillars. This was influenced by investment or intention to invest in sustainable energy sources. This positive uplift occurred despite costs and affordability of renewable energy solutions continuing to be the major barrier to small businesses and the primary lens through which decisions are made.

4

Many aspire to make progress but there's a gap between intention and action.

While businesses broadly view the energy transition as a strategic and industry-wide opportunity, many remain hesitant to take bold, immediate actions. This hesitation may be due to cost pressures and more urgent competing priorities, such as developing their regional workforce, or short-term business demands. Increasing energy consumption among small and medium businesses potentially adds to these cost pressures.

5

Businesses remain in the solar 'comfort zone'.

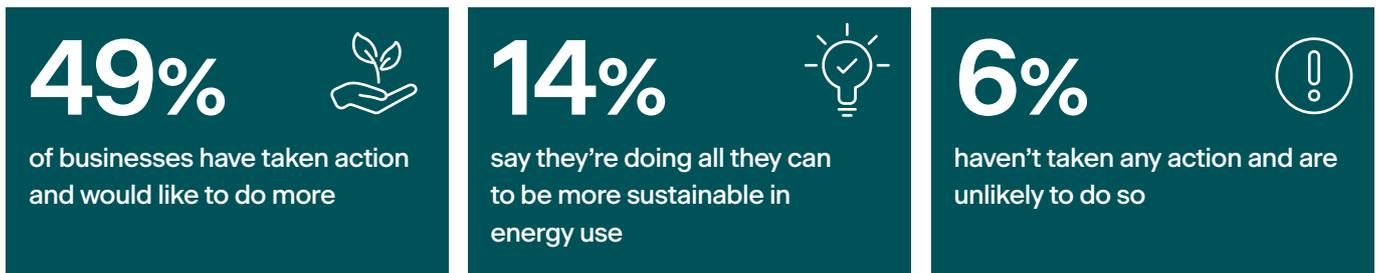
Businesses are defaulting to solar as the single pathway to achieve emissions reduction goals. While attitudes towards adoption of renewable sources have improved, this solar preference may indicate a broader limitation in energy transition thinking. There is an opportunity to present solar as a stepping stone towards broader, more integrated renewable energy assets of solar, battery and electric vehicle, and energy management solutions.

Key highlights

Businesses of all sizes are caught between aspiration and action.

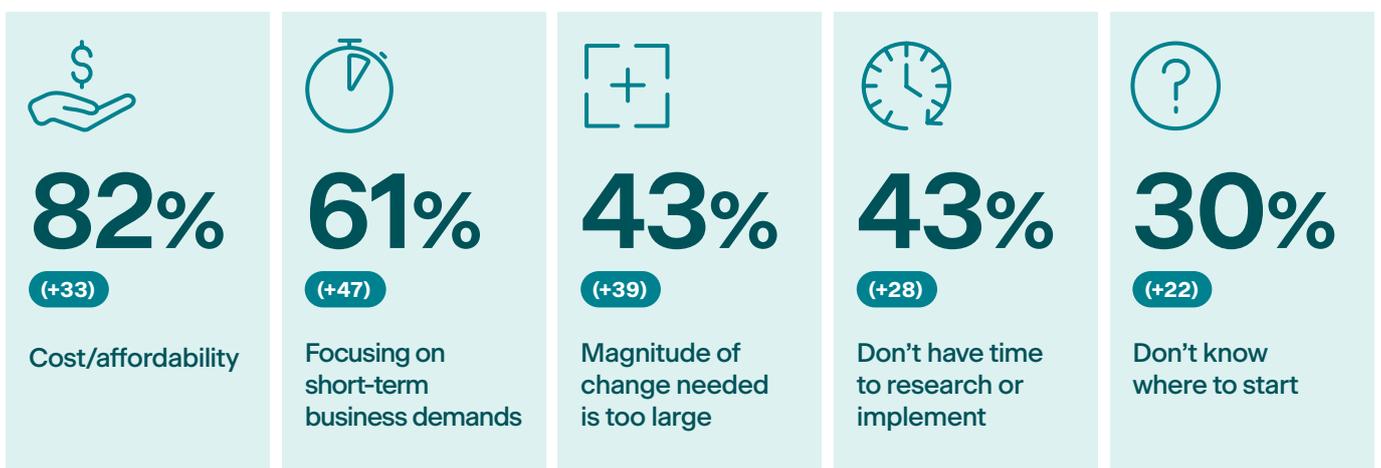


Businesses of all sizes are taking sustainable energy actions and are evolving from 'doing all we can' to wanting to go further as awareness deepens and options expand.



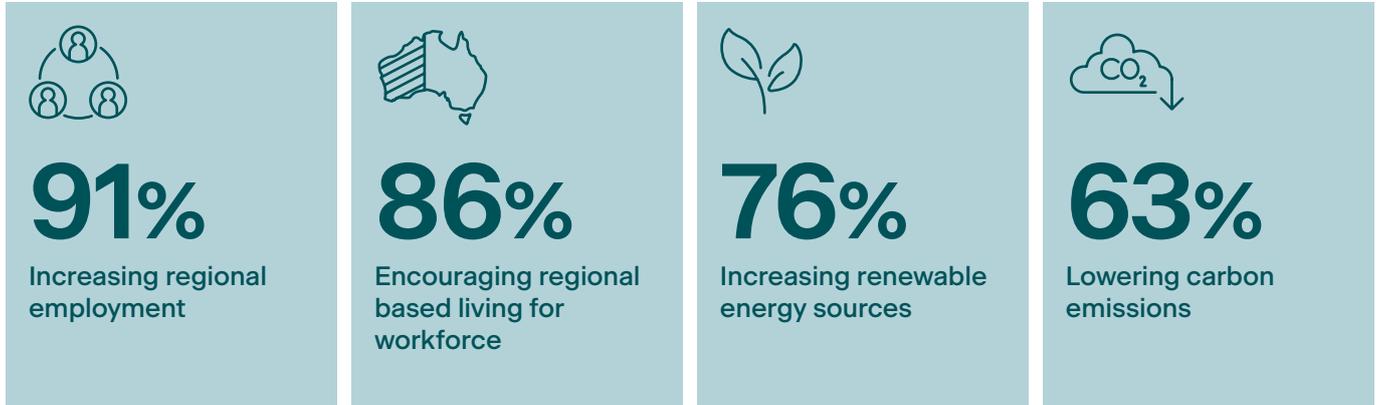
However, businesses taking action towards energy transition are encountering a broader range of existing barriers this year, with some previously less prominent challenges now gaining significance due to shifting environmental factors.

Key barriers include:



While climate change is a focus for many, it's clear businesses have other priorities, particularly accessing, retaining and developing the regional workforce and industry.

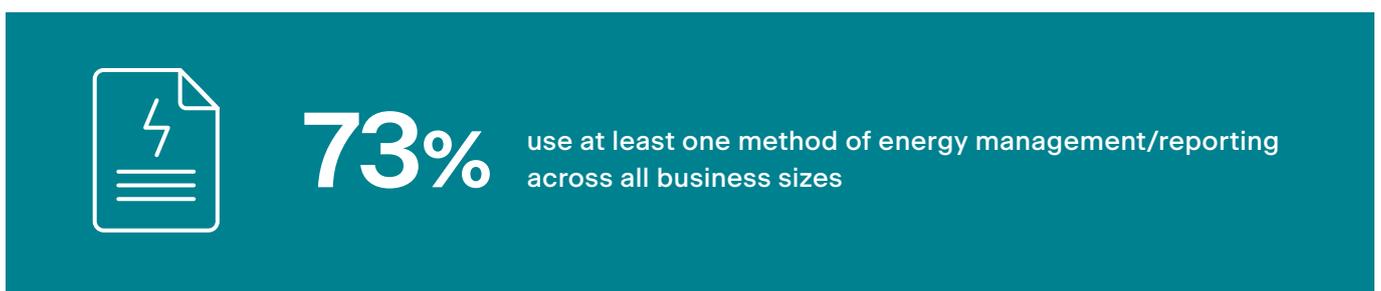
Key priorities include:



At least four in 10 businesses have an organisational decarbonisation strategy, an increase on the previous results.



Most large businesses have energy targets – mostly relating to emissions reduction and decarbonisation.





Energy Transition Index: Reflecting the latest business sentiment

The current state

Business community caught between aspiration and action

Businesses view energy transition and emission reduction in a positive light.

Nearly all businesses (96%) believe progress comes through collaboration between industry, partners and customers.

The vast majority (90%) believe profitability and purpose go hand in hand. This is confirmed by the majority view (88%) that energy transition is an opportunity rather than an obligation.

Despite broad optimism about energy transition, only 14% of businesses report they are doing all they can to be more sustainable, compared to 24% in 2023. Slightly under half of all businesses (49%) say they have taken some action but would like to do more.

This lack of progress represents the fundamental tension defining the current energy landscape: widespread recognition of opportunity coupled with limited practical implementation.

Of concern, 13% of businesses appear to be relying on the grid to decarbonise, showing a commitment to emission reduction but delaying taking immediate action.

Attitudes towards energy transition and emission reduction vary by business size. While most small businesses aspire to integrate sustainability in everything they do, far fewer are ready to take bold steps now. Similarly, the majority of medium businesses want to be part of the movement, yet many remain hesitant to take immediate action—primarily due to cost pressures, short-term

business demands, and a strong focus on regional economic priorities like employment and population growth. In contrast, large businesses are the most prepared and able to take immediate action.

Australia's 43% emissions reduction commitment¹ is now just five years away, so the disconnect between current business action and required pace of change represents a critical challenge. The legislative framework is in place through the Climate Change Act 2022², but business implementation remains fragmented and insufficient to meet national commitments.

Barriers to progress on a steep trajectory

Cost emerges as the overwhelming barrier to transition, cited by 82% of respondents, up from 49% in 2023. Nearly three-quarters of businesses (72%) say cost is the most important factor when it comes to energy decisions, an increase of 11 percentage points from 2023.

Despite the improvement in 2025 Index results, businesses are identifying more barriers to progress this year, suggesting they may be finding it harder to take the steps required to move them from an early to a more mature state of energy transition.

The deeper challenge could lie in competing priorities. The number of businesses focusing on short-term business demands skyrocketed, from 15% in 2023 to 61% in 2025. Regional employment consistently ranks as the top organisational priority across all business sizes (91%), significantly outweighing environmental considerations. These findings suggest businesses are currently approaching energy transition primarily through an economic development lens rather than viewing it as a climate imperative.

¹ Net Zero - DCCEEW

² Climate Change Act 2022 - Federal Register of Legislation

This Index reveals a notable shift in energy consumption patterns among small and medium-sized businesses. While large businesses remain the most consistent consumers, with little change since the previous report, smaller businesses are increasingly moving into higher consumption brackets.

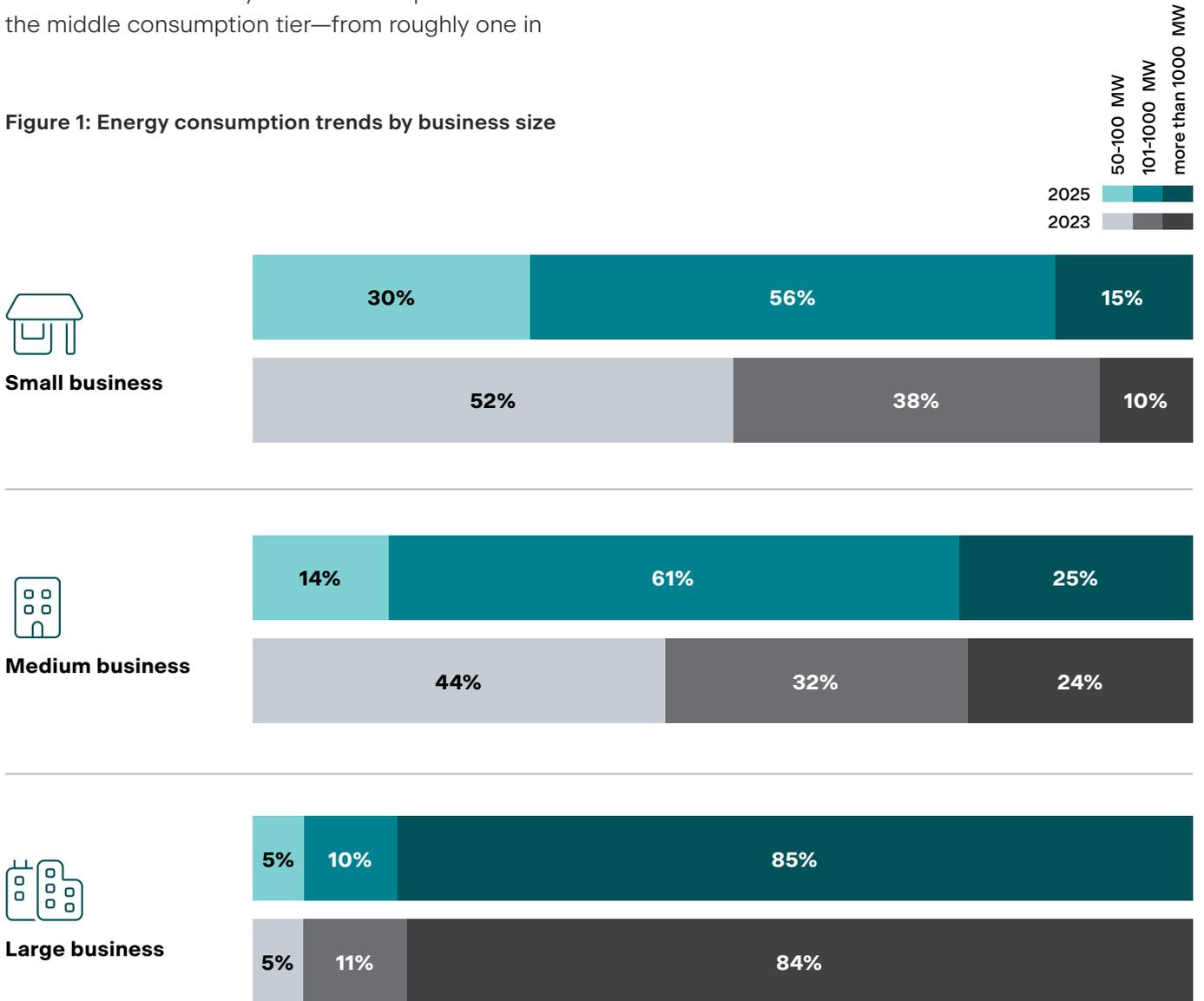
In 2023, around half of small businesses were classified as low-energy users. By 2025, that figure has dropped significantly, with more than half now consuming between 101 MWh and 1000 MWh annually. Similarly, medium-sized businesses have nearly doubled their presence in the middle consumption tier—from roughly one in

three in 2023 to two in three in 2025. Only one in seven medium businesses now fall into the lowest consumption category.

This upward shift in reported energy use may reflect increased operational activity, greater electrification, or improved access to and use of energy data.

It's important to note that these findings are based on a relatively small sample size. While directional trends are clear, broader conclusions should be drawn with caution and supported by ongoing monitoring in future Index cycles.

Figure 1: Energy consumption trends by business size



Base: Regional small businesses May 2025 n=27*, October 2023 n=29*; Medium businesses May 2025 n=28*, October 2023 n=25*; Large businesses May 2025 n=21*, October 2023 n=19*

*Low base size (n<30)
 Note: Data weighted only by organisation size

What's changed?

Small business is making progress towards energy transition

The 2025 Index results reveal a narrowing gap between small and medium-sized businesses in their approach to energy transition since 2023. Small businesses are catching up rapidly from a very low starting point, while medium-sized businesses appear to be in a holding pattern—too large for simple solutions, yet constrained by limited resources to pursue more advanced solutions for environmental strategies.

- **Small businesses** have demonstrated the most improvement, with their Energy Transition Index score surging from 14.1 to 26.4, a remarkable improvement that outpaces all other segments. A sizable increase in energy strategy investment contributes to success and even surpasses investment from medium-sized businesses
- **Medium businesses** have largely stagnated, their overall Index score static between the last two reports, 2023 (30.1) and 2025 (31.4),

effectively treading water while other segments advance. They also experienced a backward slide in both energy sources and energy practices pillars, the only segment to do so. Despite nearly doubling their strategic action score (18 to 35.1), minimal overall improvement, coupled with increased energy consumption, suggests missed opportunities for this segment. More targeted intervention for medium-sized businesses may be required.

- **Large businesses** maintained steady progress, with an 11 point improvement (53.9 to 64.9) in their Index score, but their advance appears more incremental given their higher baseline. The consumption data shows large businesses continue to be heavier energy users with similar consumption level to 2023 report. With notable improvements in management and reporting, strategic action, and strategic investment, large businesses continue to gain ground.



The sustainability paradox: Recognition without commitment

The most striking change since 2023 is the evolution of business attitudes toward sustainability leadership. The data reveals a fundamental shift in how businesses perceive their role, but this hasn't yet translated to action. Organisations increasingly recognise they should be leading on sustainable energy, with leadership sentiment strengthening across most categories, but practical implementation remains constrained by cost considerations and competing business priorities.

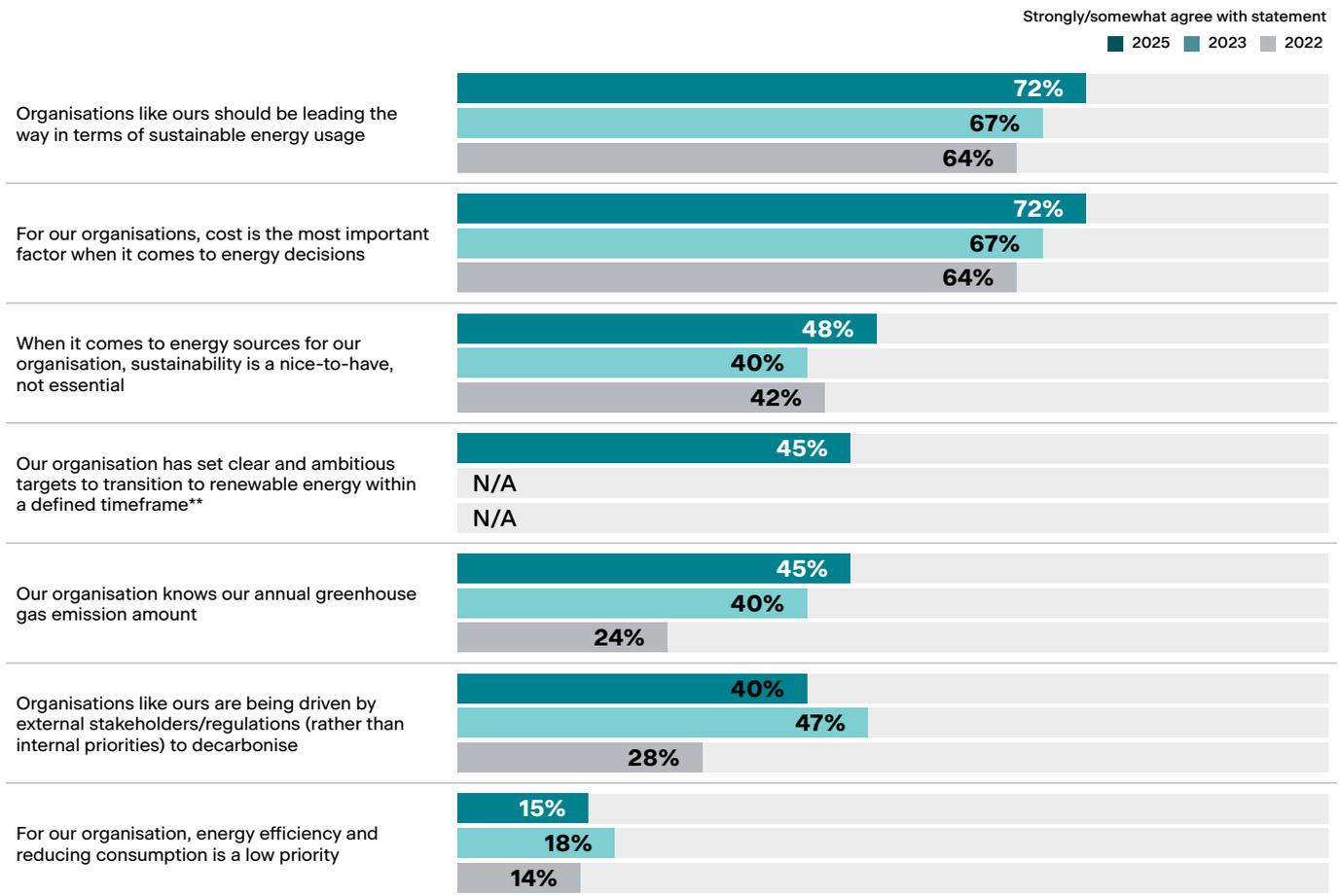
Despite years of increased awareness, stakeholder focus, and policy pressure, less than half of businesses view sustainability as essential to their operations (44%), have clear and ambitious time-bound targets (45%), or know their annual greenhouse gas emissions amount (45%) – although the latter has improved since 2022.

This suggests that while businesses have become more sophisticated in their messaging about sustainability, integrating it into their core business model remains elusive.

One explanation for this paradox may be that businesses are feeling overwhelmed. More than four in 10 businesses (43%) grappled with the sheer magnitude of required change, up from 4% in 2023. When combined with a third of businesses saying they don't know where to start (30%), up from 8% the year before, a state of implementation paralysis may be at play.

Cost also remains a key factor in energy decision-making. Small businesses are most influenced by cost, while a growing number of large businesses—facing less external pressure to decarbonise than in the previous report—now also cite cost as the most important consideration in their decision-making process

Figure 2: Energy attitudes



Base: Regional businesses May 2025 n=76; October 2023 n=74; December 2022 n=50

Question A2. How much do you agree or disagree with the following statements about energy? (**Added in May 2025)

*Caution: low base size (n<30), unweighted n reported

Complex energy knowledge remains limited

Despite overall Index improvements, energy comprehension across all business sizes remains an area for capability building. The knowledge component remained static (44.2 vs 43.5), indicating that while businesses have better strategic frameworks, practical understanding of energy and implementation pathways hasn't kept pace.

A knowledge gap around fundamental energy concepts—particularly energy management in the context of consumer energy resources like rooftop solar and battery storage—can impact energy investment decisions and slow progress toward transition goals. While 57% of businesses reported understanding the term, many appeared to conflate it with general energy usage or environmental sustainability, suggesting that practical comprehension remains underdeveloped. This suggests that practical comprehension of energy management remains low, especially among small and medium-sized businesses, with large businesses showing relatively stronger familiarity.

Energy management is the ability to turn up or down, the amount of electricity a solar system generates. (Horizon Power calls this Smart Connect Solar.) This allows more rooftop solar to connect to the grid without impacting network stability.

Although other factors such as cost, operational priorities, and external pressures play a more influential role in decision-making, improving energy literacy could help businesses make more informed and confident investment choices.

Knowledge of emerging technologies is in decline

The awareness gap about energy transition and decarbonisation is particularly pronounced in emerging technologies. Hydrogen knowledge is extremely limited, with only 9% claiming expertise. Businesses that are very knowledgeable about building and facility energy management systems dropped from 37% to 23%, suggesting most organisations lack the technical foundation necessary for sophisticated energy transition strategies.

This is confirmed by a decrease in knowledge of design policy for sustainable building design, from 26% to 16% since previous report. Adding to this is a widespread lack of knowledge in small and medium-sized businesses — and a third of large businesses — about the supply chain requirements needed to reduce emissions.



The solar comfort zone: opportunity and limitation

Solar PV has emerged as the clear gateway technology for business energy transition, with 17% expressing a likelihood to adopt in the next 12 months, while 64% have already done so. This trend is up significantly on 2023, when about two in five of businesses were using solar PV.

For solar PV with a battery system, nearly a quarter (23%) are already using it, and 30% say they are likely to use it in the next 12 months. Solar PV (with or without a battery) has the highest adoption across all renewable technologies, a reflection that businesses are gravitating toward familiar, proven solutions.

Fewer small businesses report being extremely unlikely to use all renewable sources compared to 2023 – suggesting improved adoption attitudes.

However, this solar preference may indicate a broader limitation in energy transition thinking. While solar adoption intent is strong, enthusiasm drops dramatically for other renewable technologies, which is to be expected given the limited availability and lower levels of knowledge about these sources: wind power (2% likely to use), green hydrogen (4% likely to use), and solar smoothing subscription services (20% likely to use).

Similarly, the likelihood of investing in green infrastructure, including fleet EVs, and investing in climate risk mitigation have all declined

slightly since 2023. This suggests businesses are seeking simple, singular solutions rather than comprehensive energy transition strategies.

The missed opportunity lies in the integration potential for broader energy transition strategies that could deliver greater impact but require stepping beyond conventional approaches. Solar installation could serve as an entry point for broader energy management solutions, storage solutions, and grid interaction capabilities, but businesses appear to be approaching it as a standalone answer rather than part of a comprehensive strategy.



Supporting business EV fleet transition

Horizon Power's rollout of the WA EV Network³ is a key enabler for regional businesses considering the transition to electric vehicle (EV) fleets.

By establishing a network of fast-charging stations across 49 locations in Western Australia, the initiative addresses one of the primary barriers to EV adoption in regional areas: access to reliable charging infrastructure.

One of the longest connected EV highways in the world⁴, the network is particularly relevant for commercial fleets, where reliability and coverage are critical. It includes chargers powered by standalone power systems in remote areas, ensuring access even where grid connections are limited.

For businesses, this development offers several practical benefits. Firstly, it supports the shift to lower-emission transport options, aligning with increasing stakeholder expectations and regulatory pressures identified in this Index. Secondly, it opens up opportunities for long-term cost savings—not only through reduced fuel costs but also through lower maintenance and servicing requirements, contributing to a lower total cost of ownership over time.

The statewide EV charging network also unlocks intrastate travel for more EVs, enabling regional and remote servicing and opening up logistics corridors across WA. Horizon Power's investment in charging infrastructure helps de-risk this transition and builds purchasing confidence, especially for businesses operating across dispersed locations.

The Index also found that slightly fewer than one in five (17%) businesses already include EVs in their fleet, and a further 20% are planning to include EVs within the next 12 months—indicating a growing appetite for electrification as fuel prices fluctuate and sustainability



expectations grow. This shift is supported by increased understanding of EV benefits, including cost efficiency and operational reliability. State Government initiatives such as the 'Charge Up' grants are also stimulating private investment in EV charging infrastructure, while tax incentives further support EV uptake across the state.

By supporting the practical requirements of fleet electrification, the WA EV Network contributes to a more accessible and cost-effective pathway for businesses to reduce transport-related emissions and improve energy resilience.



³ WA EV Network - Future-Ready Solutions

⁴ WA takes the wheel with EV network plugged in and charged up | Western Australian Government

Strategic development signals positive momentum

This Index reveals a strong uplift in strategic engagement with energy transition, with Energy Strategy scores rising by 15.0 points—from 32.5 to 47.4. This marks a clear shift in mindset, as more businesses begin laying the groundwork for future action. Strategy typically precedes implementation, and this result reflects growing confidence, clearer planning, and a more structured approach to energy transition across the sector.

Encouragingly, investment intentions also strengthened (+14.2 points), suggesting that businesses are not only thinking strategically but are also preparing to allocate resources. While implementation gains have not yet kept pace—Energy Practices improved by 5.5 points—this gap is not unexpected. It highlights the natural lag between planning and execution, particularly in complex operational environments.

This momentum signals potential to translate into more tangible action in future Index results, as businesses move from intent to implementation. These early signs of progress represent important ‘green shoots’ for the sector and signal a growing readiness to engage with the energy transition in a meaningful and sustained way.

2030 timeline pressure and implementation reality

With Australia’s 43% emissions reduction target now just five years away, the timeline pressure has intensified significantly since the previous Index report. The legislative framework established through the Climate Change Act 2022 has created formal accountability mechanisms, yet business preparation remains inadequate for the required pace of change.

Only 30% of businesses have formal emissions reduction targets aligned with Western Australia’s commitment of 80% emissions reduction by 2030. Less than half (45%) have specific action plans for decarbonisation. With the Annual Climate Statement⁵ now providing greater transparency



and accountability, the disconnect between commitments and business implementation represents an escalating policy challenge.

Progress has been made in energy management and reporting practices, demonstrating businesses understand their climate obligations. In 2025, organisations show increases across the board from 2023, including notable increases in the energy efficiency (67%, up from 57%), use of an energy management system (43%, up from 32%), and a reduction in carbon emissions in their supply chain (40%, up from 28%).

The survey data suggests that while businesses have moved beyond scepticism to acknowledge the need for action, the gap between current implementation rates and 2030 requirements represents a critical acceleration challenge relying on turning strategic ambition into operational momentum through timely and focused implementation to address it effectively.

This survey reveals an unprecedented alignment of business readiness and market opportunity. However, this window requires an immediate, focused industry response. The momentum experienced by small businesses suggests accessible entry points are working. However, medium-sized businesses seem stuck and even though large businesses are keeping pace, the fact remains that energy transition and decarbonisation are not top priorities for Western Australian businesses of any size.

5 Department of Climate Change, Energy, the Environment and Water : Annual Climate Change Statement

Helping regional businesses transition

Horizon Power is dedicated to working alongside regional businesses to help businesses adopt and integrate solutions to use renewable energy in day-to-day operations and business strategy.

Small businesses seek incentives to encourage energy transition

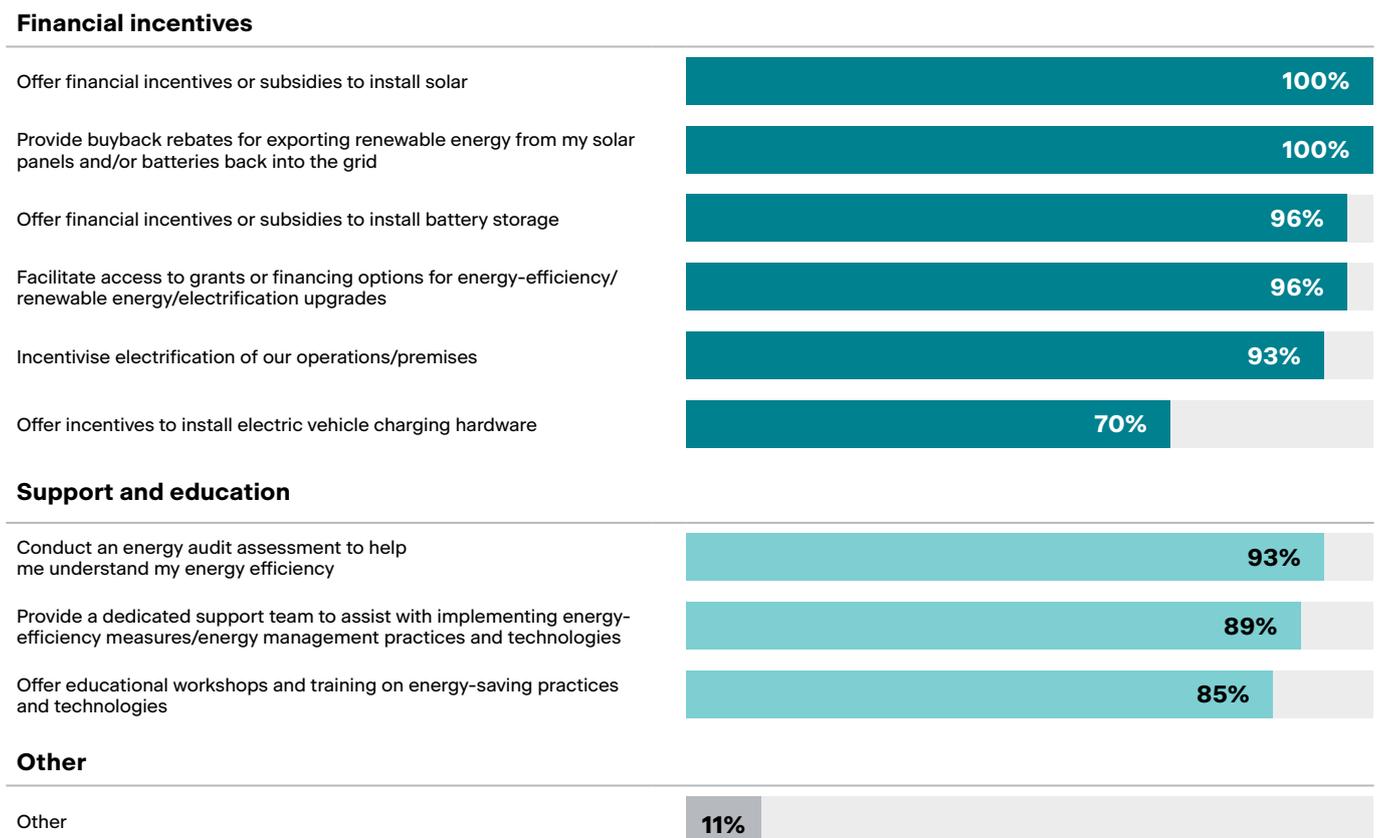
With cost remaining the primary barrier to energy transition, it's not surprising that financial incentives, including subsidies, buyback rebates and grants, would most encourage small businesses to decarbonise their businesses' premises, processes, and transport.

Financial incentives (including subsidies, buyback rebates, and grants) that encourage uptake of solar

panels and battery storage are more attractive than incentives offered for installing electric vehicle chargers.

All small businesses surveyed believe financial incentives or subsidies, as well as buyback rebates from solar panels, would make it easier for them to adopt cleaner, sustainable energy solutions. For most small businesses, education and support would encourage their energy transition, including support on implementation, energy audits, training and workshops.

Figure 3: How Horizon Power can make it easier for small businesses to participate



Question C9. How might Horizon Power make it easier for small non-expert businesses to participate in the energy transition? By this, we mean how might Horizon Power support you to decarbonise business premises, processes and transport?

Base: Small regional businesses May 2025 n=27.



DIY business energy audit

As part of ongoing efforts to support regional businesses in their energy transition, Horizon Power has developed a DIY Business Energy Audit tool⁶. This resource is designed to help small businesses better understand their energy usage and identify areas where improvements can be made.

The audit focuses on eight key areas of energy consumption, encouraging businesses to observe and document their current practices. It also promotes staff engagement, which can be an important step in building internal awareness and fostering a culture of energy efficiency.

This initiative responds to findings from the previous Energy Transition Index, which highlighted that while many businesses are

interested in improving their energy practices, few have undertaken formal audits. The 2025 Energy Transition Index reinforces the importance of this initiative, with nearly all small businesses surveyed saying that an energy audit conducted by Horizon Power to help them understand their energy efficiency would make it easier for them to participate in the energy transition.

A simple, accessible starting point, the DIY audit aims to support more informed decision-making around energy use and potential efficiency upgrades.

Scan the QR code to start your DIY Business Energy Audit



6 DIY Business Energy Audit - Horizon Power

Facilitating energy transition through local access

Local access to rooftop solar (with or without a battery system) plays a key role in driving renewable energy adoption in the regions, as businesses still primarily view the energy transition through a solar lens.

Smart Connect Solar is Horizon Power’s innovative solution that uses internet-connected technology to balance solar energy generation evenly across the town during periods of fluctuations. This has resolved the hosting capacity constraints enabling a more balanced solar generation.

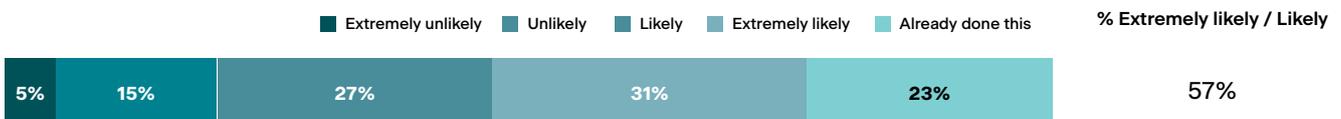
After being introduced to the concept of Smart Connect Solar, slightly more than half of businesses (57%) said they would be likely or extremely likely to install an energy-managed solar PV or solar PV plus battery system if it were available to them.

Around a quarter (23%) reported they have already installed one.

Community Wave, Horizon Power’s Virtual Power Plant (VPP), is an evolution of Smart Connect Solar. It connects participating households and businesses with solar and battery systems to the local energy network, helping to balance electricity supply and demand across the community. This creates a more reliable and resilient energy network, while also enabling more balanced solar generation.

Community Wave also provides access to Renewable Rewards, including a Battery Boost and Buyback Bonus for surplus solar exported to the grid. These incentives, along with increased understanding of EVs’ lower total cost of ownership and expanded charging options in regional WA, are helping build confidence in renewable energy investments.

Figure 4: Businesses’ likelihood to install energy managed solar PV (rooftop solar) or solar PV plus battery system in their town



Question C8. How likely would you be to install an energy managed solar PV (rooftop solar) or solar PV plus battery system for your business if this product was available in your town?

Base: Regional businesses May 2025 n=76

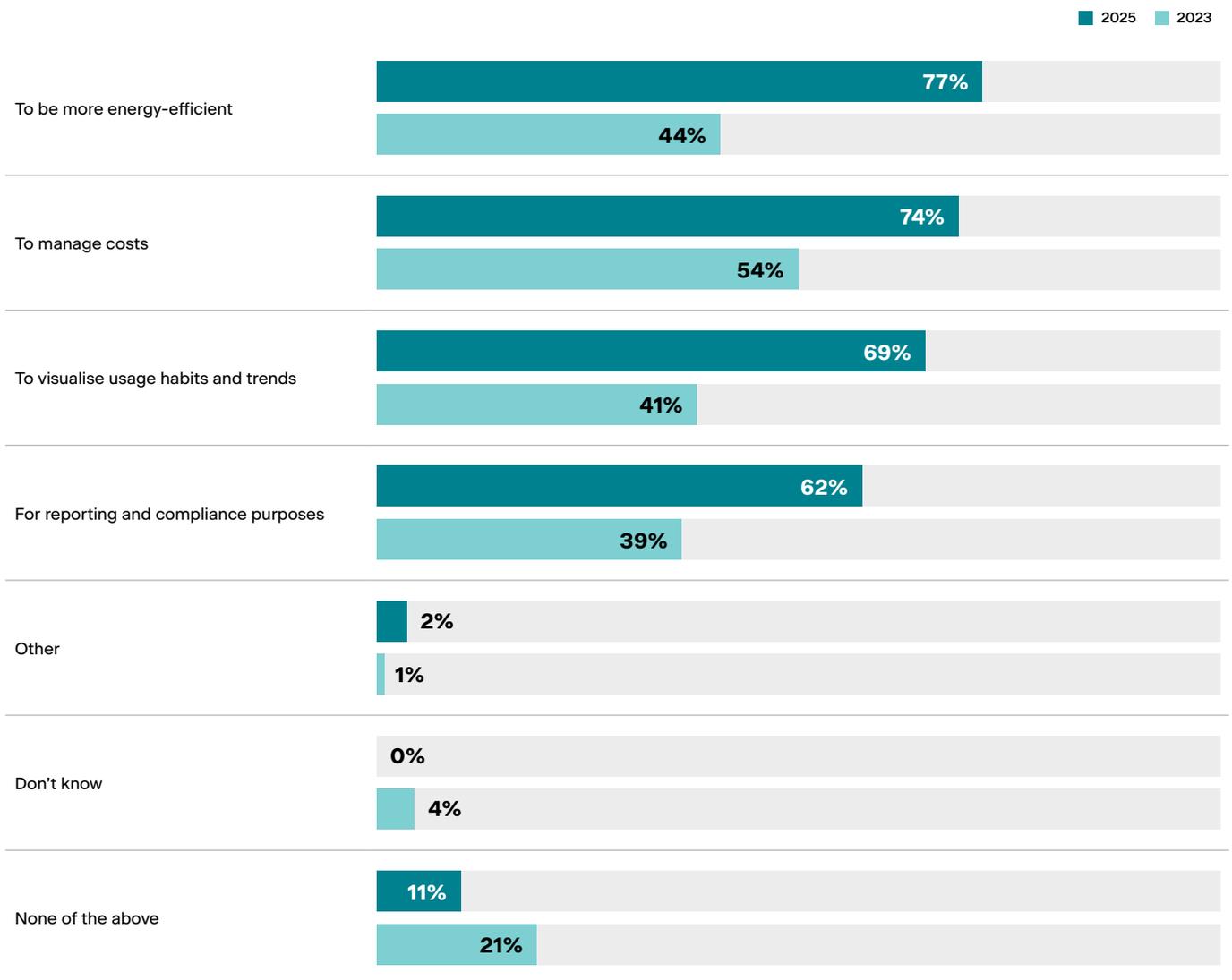


Businesses' use cases of data on energy usage

Encouragingly, compared to previous research, businesses are now making greater use of energy usage data within their operations. While the range of reasons has remained consistent, the data is being applied more actively and routinely — indicating a shift toward deeper integration of energy insights in day-to-day decision-making.

Highlighting a growing commitment to energy-conscious practices. Common motivations are to improve energy efficiency (77%) and manage costs (74%), further evidence that cost is front of mind when it comes to energy-related decisions. Improvements in businesses' management and reporting of energy usage is also evidenced in more businesses using energy usage data to visualise habits and trends (69%), and reporting and compliance purposes (62%).

Figure 5: Applications of energy usage data



Question C8. Does your organisation use data about its energy usage in any of the following ways?

Base: Regional businesses May 2025 n=76; Regional businesses October 2023 n=74



Expanding renewable access in the Mid West through centralised solar

To support the transition to cleaner energy in regional Western Australia, Horizon Power has delivered centralised solar farms and battery energy storage systems (BESS) across six towns in the Mid West and Goldfields-Esperance regions: Cue, Meekatharra, Sandstone, Wiluna, Yalgoo, and Norseman⁷.

Supported by \$13.5 million in Federal Government funding as part of the WA Microgrids program and delivered in partnership with Pacific Energy, the project delivers a clean energy solution integrated into the existing power stations through installation of centralised solar farms and BESS.

These towns have historically relied heavily on diesel generation, which carries high operational costs and contributes significantly to local emissions. By integrating solar and battery systems into existing power stations, Horizon Power is increasing the proportion of renewable energy in the local energy mix, with projected reductions in carbon emissions of approximately 2,100 tonnes per year and an estimated \$900,000 per annum savings in operation costs across the towns.

By generating and storing their own renewable energy, the towns will be able to significantly reduce their reliance on diesel generators - cutting down on fuel costs and reducing greenhouse gas emissions and the environmental impact associated with diesel combustion⁸. The existing diesel system can then serve as a back-up⁹.

For businesses operating in these communities, the initiative offers several benefits beyond reduced reliance on diesel. Increased renewable penetration can lead to greater energy reliability and efficiency, particularly as BESS installations help smooth power supply.

Additionally, the project supported local economic development through construction, commissioning, and maintenance activities, which were delivered with community involvement. Businesses may have benefited from subcontracting opportunities and broader economic uplift associated with the solutions.

This centralised renewable infrastructure is providing regional businesses access to cleaner energy, and opportunities to reduce operational risks and participate more actively in Western Australia's energy transition.

⁷ Mid West Centralised Solar

⁸ Horizon Power hits major solar milestone - Utility Magazine

⁹ Cue's centralised solar farm and battery energy storage system supports net zero carbon future

Securing a renewable energy future for business

Exmouth Power Project

To secure Exmouth's clean energy future, Horizon Power has signed a power purchase agreement with Perth-based Pacific Energy to deliver the Exmouth Power Project¹⁰, which aims to help decarbonise one of the state's most iconic tourism destinations.

Under the new agreement, Horizon Power will provide power to Exmouth with a mix of large-scale and rooftop solar, battery storage, and, when needed, gas-fired generation. A 9.6 MW solar farm and two battery energy storage systems (BESS) with a combined 10 MW/49.6 MWh capacity will be constructed south of the Exmouth township and adjacent to the existing Exmouth power station. The site was selected and designed to avoid impact on, and to protect Aboriginal cultural heritage sites, fauna, priority flora, karst features and waterways.

Civil works and site preparation commenced in March this year, with construction commenced in mid-2025 and project completion expected by mid-2026.

The Exmouth Power Project will have tangible and long-lasting benefits for residents, with up to 80 per cent of the town's power to be supplied by renewable energy as a result of the new energy system and integration with customer energy resources (CER). Additionally, as the need for gas will be greatly reduced, the number of trucks on the road delivering compressed natural gas will decrease from approximately 535 trucks each year to about 120 trucks. This will have positive impacts on road safety, and will also improve the community's resilience against energy supply constraints.

The Exmouth Power Project represents a major milestone and a significant step forward in our decarbonisation journey, enabling clean, reliable, and affordable energy for the Exmouth community.



10 New agreement to secure Exmouth's renewable energy future



Integrated Decarbonisation Plan

Horizon Power’s Integrated Decarbonisation Plans (IDPs) support large business customers in their journey to reduce carbon emissions and explore ways to achieve shared decarbonisation targets.

The IDPs offer a comprehensive and tailored approach to decarbonisation – providing detailed roadmaps tailored specifically for each business outlining costs, emissions, timeframes, and labour requirements for various decarbonisation options.

Our IDPs include site-specific recommendations to improve overall efficiency and reduce energy costs. This involves site visits and close liaison with the business customer to analyse current energy patterns, identify strategic goals, and assess existing renewable installations and other

infrastructure. The plans also explore the potential for electrification of operations such as fleets, manufacturing and operations, diesel generation, and gas-supplied infrastructure.

The IDPs are designed to respond to grid challenges and ensure a seamless integration of renewable energy into business operations. Horizon Power’s experience in the energy sector allows us to guide large business customers through their decarbonisation journey and achieve long-term sustainability goals.

With nearly two-thirds of large businesses eager to go further in their energy transition journey, the Integrated Decarbonisation Plans offer a robust, actionable, expert-led pathway to help them take the next steps.

Appendix sample profile

The third release of the Index highlighted a clear link between business size, energy consumption and Index scores. To ensure insights presented are not due to sampling bias, but reflect real change, the 2025 sample has been weighted by business size and energy consumption.

Number of employees	
Small (less than 20)	27
Medium (20-199)	28
Large (200 or more)	21

 Question Z1. How many employees are there in your organisation?

Regions	
Pilbara	32
Goldfields-Esperance	25
Gascoyne	25
Perth	22
Kimberley	22
Mid West	17
South West	12
Great Southern	9
Wheatbelt	8
Peel	7

 Question Z3. In which WA regions does your organisation operate?

Note: Businesses invited to participate in the Energy Index research may operate across multiple sites and regions, reflecting the diverse geographic footprint of commercial activity across Western Australia.

Location of sites (NWIS vs both SWIS and NWIS)	
Horizon Power only	52
Horizon Power and SWIS	24

 Question Z3. In which WA regions does your organisation operate?

Top 5 industries	
Accommodation and Food Services	23
Retail Trade	11
Agriculture, Forestry and Fishing	9
Public Administration and Safety (including government)	7
Mining	4

 Question Z6. In which industry is your organisation?

Glossary

Climate change	refers to long-term shifts in temperatures and weather patterns, mainly caused by human activities, especially the burning of fossil fuels.
Customer energy resources	includes renewable energy technologies such as rooftop solar, battery storage system.
Decarbonisation	the process by which countries, individuals or other entities aim to achieve zero fossil carbon existence. Typically refers to a reduction of the carbon emissions associated with electricity, industry, and transport.
Electrification	refers to the shift away from non-renewable energy sources (fossil fuels, natural gas, etc.) toward electricity generated from renewable sources.
Emission reduction	the process of lowering greenhouse gas emissions, such as carbon dioxide and methane, by adopting strategies like energy efficiency, renewable energy, and better waste management to help combat climate change.
Energy management	the ability to turn up or down, the amount of electricity a solar system generates, allowing more rooftop solar to connect to the grid without impacting network stability.
Energy management system	an Energy Management System (EMS) establishes an ongoing process of identifying, planning, and implementing improvements in the way an organisation uses energy.
Energy transition	a pathway toward transformation of the global energy sector from fossil-based to zero-carbon. At its heart is the need to reduce energy-related CO ₂ emissions to limit dangerous climate change impacts.
Green hydrogen	is produced when the energy used to power electrolysis comes from renewable energy sources like wind, water or solar.

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