Department of Climate Change, Energy,
the Environment and Water

By email: SolarSharerOffer@dcceew.gov.au

November 21, 2025

Re: Solar Sharer Offer Consultation Paper 2025-26

The Energy Efficiency Council (EEC) welcomes the opportunity to provide initial feedback on the Solar Sharer Offer (SSO) consultation paper.

As the peak body for Australia's energy management sector, our members include technology suppliers, energy service providers, major energy users, governments, education providers, and NGOs.

Australia is undergoing an unprecedented energy transformation. In 2022, the federal government set a target of 82 per cent renewable electricity by 2030. Much of the national debate has focused on building the renewables, networks, and storage needed to replace ageing coal-fired generation, while the role of behind-the-meter actions has often been underrepresented.

With initiatives such as the Consumer Energy Resources (CER) Roadmap and the announcement of the SSO, the discussion is now evolving to consider the critical role the demand side of the energy system plays in the energy transition. Behind-the-meter measures, including energy efficiency, electrification, and active energy management, are essential to optimising the energy system, helping to maximise renewable electricity use and reduce wasted energy and expenditure.

Significant public investment has already stimulated rooftop solar PV uptake and, more recently, the installation of home batteries through the Cheaper Home Batteries Program. However, additional measures are needed to shift demand, support a decarbonising grid, and ensure equity for households that cannot access solar or battery incentives. A well-designed SSO presents a significant chance to ensure more Australians benefit from the country's widespread rooftop solar adoption, and transition to clean energy. It also provides a concrete mechanism to capture surplus renewable generation and encourage energy usage patterns that maximise the value of this clean energy. However, targeted design is important to avoid unintended outcomes.

The announcement of the SSO has already advanced public discourse and helped educate households not only about the differing value of solar at various times of day, but also about the need to shift demand and avoid peak periods, to reduce their bills and ensure a stable grid at least cost into the future. We see this as an immensely positive early outcome for the SSO.

The success of the SSO will rely on careful design, proactive management of risks, and complementary measures to ensure it achieves its intended outcomes. In particular, we highlight the following considerations:

Consumer engagement

- Information disclosure requirements must be robust to ensure consumers clearly understand the details of SSO offers and how these offers may affect them. The consumer consent process outlined in the consultation paper must ensure consent is fully informed. This is particularly important as the AER defines customers on standard offers as not engaged with the market, but customers will need to materially respond to obtain the benefits of this type of plan.
- The government should provide clear, accessible consumer resources explaining how the SSO standing offer operates compared with other retail offers. These resources should also explain that accessing the full benefits of the SSO requires flexible appliances, and that a home's thermal and energy efficiency levels will influence consumer costs under the SSO. If consumers do not understand their energy-use patterns or which demand can be shifted, they cannot make a fully informed assessment of potential bill impacts.
- Retailers could also be required to provide simple, practical advice on how customers can make the most of the three free hours, both in their standing-offer materials and through a dedicated webpage. Many retailers are likely to expand the SSO structure to their market offers, so consistent advice will be important. This guidance could encourage load-shifting behaviours and direct consumers to programs that help them adopt energy efficient and flexible technologies in states where these are available (e.g., the Retailer Energy Productivity Scheme in South Australia, and the Energy Security Safeguard in New South Wales). *Energy Made Easy* could also be expanded to include this information for all offers incorporating the SSO.

SSO tariff design

- There is concern about the regulated increase in rates that will be required outside the 'free price period' to recover costs, such as network, policy and hedging costs. Regulated tariffs in Queensland and Western Australia offer discounted rates, rather than free, during the day to balance incentivising load shifting with potential customer detriment.

- The price cap and the guardrails on peak, shoulder, and fixed charges will need to be carefully considered by the AER. Tariffs must remain easy for consumers to understand and should ensure that customers are not paying more for electricity under this arrangement. Retailers will also need to be able to recover sufficient revenues to remain viable, which is particularly important for smaller retailers to support competition in the retail market.
- To offer a 'free price period', the AER could introduce network tariff structures (which include policy costs) that are also 'zeroed' during this period. This will support clear signals and alignment across the industry. As set out in the AEMC's discussion paper *The pricing review: Electricity pricing for a consumer-driven future*, the role that network tariffs can play in contributing to lower overall consumer costs need to be considered. The AER should consider the responses to AEMC's pricing review (along with the draft report expected in December 2025).

Household capability and equity

- The largest benefits are likely to accrue to homes with batteries or electric vehicles (EVs), who can store free electricity in the middle of the day, for use later in the day, particularly at peak periods when electricity is more expensive. However, design can help refocus benefits towards low-income households and customers who rent, such as eligibility requirements or caps on consumption.
- Some households, including low-income households and those housing frontline workers who are absent during the day, may struggle to shift usage to benefit from the SSO. If these households are unable to shift their demand, they may face higher bills for no benefit. Nonetheless most households, even those not home during the day, may still benefit via timers on common appliances (e.g., washing machines, dishwashers, air conditioners).
- For households without batteries or EVs, this policy has the potential to reduce electricity use for heating or cooling, often the largest source of electricity costs. Ideally, households could heat or cool their homes during the SSO window, reducing the need for space conditioning at expensive peak demand periods at the end of the day. However, for this to work, it is vital that homes are well insulated: poor thermal performance limits its effectiveness, as properties will not maintain temperature after the SSO window.
- Education on the link between thermal efficiency and energy efficiency will be valuable, but for low-income households, renters, and others unable to fund or access upgrades, education alone will have limited impact. Minimum rental standards, social housing upgrades and other complementary measures will be more effective in these circumstances.
- Access to smart meters is a prerequisite for participation in the SSO. Complementary measures should continue to be undertaken to support the universal rollout of smart meters to all households. Smart meter data can help provide consumers with appropriate and accessible information so they only take up the SSO if they can benefit from it.

- Households without flexibility-capable appliances will be less able to benefit from the SSO. Complementary measures including the modernisation of the GEMS program should be undertaken to ensure that all new electric appliances sold are flexibility-capable by 2030 or earlier.
- Households must also understand the nature of a standing offer means that while the structure and levels are set by the regulator, they will not have access to the discounts and additional offers provided through market offers. This may include the emerging new energy services outlined in the ACCC's Inquiry into the National Electricity Market July 2025 Report.
- Effective time-of-use (TOU) tariffs are critical to align consumption with low-carbon supply. However, poorly designed TOU tariffs can disadvantage households with limited flexibility, less efficient homes, or no access to solar/battery systems. Consumers must be given appropriate and accessible information so they only take up the SSO if they can benefit from it.

Market and network impacts

- As SSO is expanded after the initial roll out, it will be critical to understand that not every network faces minimum demand during the day; in fact, some networks face peak demand and congestion during the proposed period. Care will need to be given to avoid incentivising further congestion which will drive the need for additional capital expenditure in that network to be funded by consumer bills.
- There is a risk the SSO could negatively affect rooftop solar uptake and act as a disincentive for investment. However, an alternative view is that higher prices in other time-of-use periods will still drive solar uptake.
- Further modelling is needed to better understand the potential impact of SSO on the physical operation of the system. For example, demand shifting may help address emerging minimum system load issues, however it will not mitigate the requirement to procure frequency, voltage and system strength services.
- Other questions that would benefit from modelling include whether the policy could inadvertently create network reliability issues if simultaneous demand spikes occur or in distribution areas where there is limited solar export; and the potential impacts on market dynamics – for example, whether the policy's impact on daytime wholesale prices could result in fossil generators bidding in more.
- The SSO's proposed free-usage window at midday would change retailers' load profiles. Some retailers may struggle to access hedge or contract products that match this new pattern. Further consultation should consider whether new market products or mechanisms are needed to help manage these risks without increasing costs for consumers.
- The SSO should provide a reference point rather than limit innovation. Retailers need flexibility to offer dynamic tariffs, battery or EV-based products, and smart automation services that reflect changing wholesale and network conditions.

Supporting competition and innovation in retail markets will help maximise the value of consumer energy resources.

Research, evaluation, and stakeholder engagement

- Industry stakeholders advise that further modelling and consultation are critical before implementation to ensure program design is robust and equitable.
- If implemented, a funded research program should be established from the outset to evaluate the SSO given the exceptional opportunity this policy presents to better understand consumer behaviour in response to price signals *at scale*. It is imperative that the data generated from this policy change is captured and analysed to inform future demand-side policies and programs. Rigorous monitoring will also support community confidence, enable evidence-based adjustments, and provide insight into minimum flexibility availability for energy system planners.

Please contact our Senior Advisor, Rachael Wilkinson at Rachael.Wilkinson@eec.org.au should you wish to discuss these matters further.

Yours sincerely,

Jeremy Sung
Head of Policy
Energy Efficiency Council