



Options to provide Solar Sharer Offer (SSO)

Department of Climate Change, Energy, the Environment and Water



The policy problem and preferred policy approach

Australia’s rapid uptake of rooftop solar has materially reshaped electricity demand and wholesale price outcomes in the National Electricity Market (NEM). However, many households cannot access the financial benefits of abundant daytime renewable generation, retail price signals do not consistently incentivise load shifting into low-cost periods, and demand remains concentrated in higher-cost evening peak periods. These all contribute to system inefficiencies and affordability pressures.

The preferred policy approach is Option A1 - Introduce a regulated Solar Sharer Offer (SSO) standing offer that retailers would be required to offer residential customers. This is an opt-in, three-hour zero-cost daily electricity usage window during solar-abundant periods.

Impact Analysis

Impacts

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Key benefits relative to the status quo

- **Households:** bill savings for customers who can shift load into the free period; benefits households without CER.
- **Networks and the system:** potential reduction in operational challenges linked to very low daytime demand; reduction in network and system costs by avoiding system built out to meet peak demand.

Key costs relative to the status quo

- **Retailers:** small to moderate regulatory compliance burden costs, declining after the first year of operation. Smaller retailers excluded.
 - **Networks and the system:** high uptake could create localised demand spikes.
- Government and regulators:** situated within existing regulatory frameworks to minimise regulation, compliance and monitoring by the AER and ACCC, respectively.

Who is impacted

Individuals

- Transparent bill savings where consumption is shifted into the free period.
- Opt-in structure reduces risk of inadvertent bill increases.
- Reduced structural inequity over time.

Businesses

Electricity Retailers

- Most retailers required to offer a regulated SSO standing offer
- System and compliance costs.

Community organisations

- Potential reduction in energy hardship pressures where participating households achieve savings.
- Increased consumer engagement in energy transition initiatives.

Other considerations and implementation

Other policy options considered

Option A0 – Status quo (market-led approach)

- No additional regulatory burden.
- Benefits remain uneven and concentrated among engaged or CER-enabled households.
- Limited system-level demand shifting.

Option A2 – Voluntary industry code or guidance framework

- Lower regulatory burden.
- No guarantee of universal participation or consistent consumer access.
- Limited enforceability and uncertain scale of impact.

Both alternatives were assessed as unlikely to deliver the scale, equity improvements and system alignment required to address the identified problem.

Implementation Approach

- The Electricity Retail Code will be amended to incorporate the SSO into the DMO framework.
- The SSO will commence from 1 July 2026 in DMO jurisdictions, with the AER to include its next DMO determination.
- Opt-in participation for customers and retailers with fewer than 1,000 customers will be exempt
- Post-implementation review within two years by DCCEEW.