

Australia to force energy groups to offer free daytime electricity

Nic Fildes in Sydney | 4 Nov 2025

'Solar Sharer' plan aims to ease demand on grid and redeploy excess power from rooftop solar network



More than 4mn Australian homes have rooftop solar panels, generating more electricity than the country's residual coal-fired power stations © Hollie Adams/Reuters

Australia has launched a plan to force energy companies to offer free electricity to households during the day, aiming to use excess solar capacity and rebalance the grid away from coal and gas.

The intervention is an attempt by the government to take advantage of the country's extensive network of rooftop solar panels. More than 4mn of Australia's 10.9mn households have such panels, and capacity has overtaken the combined output of the country's residual coal-fired power stations, according to official data.

That has driven daytime power pricing — when solar supply is strongest — at times into negative territory, as solar-enabled households produce more energy than needed.

Chris Bowen, Australia's energy minister, said forcing power companies to provide three hours of free electricity during the day would give households an incentive to shift their energy use, such as by running large appliances or charging electric vehicles earlier in the day.

That would reduce the burden on the grid during evening hours and lessen the need for costly network upgrades and interventions, he said.

The "Solar Sharer" plan, announced on Tuesday, would also extend the benefits of the country's solar transition to renters and those living in flats without solar panels.

"People who are able to move electricity use into the zero cost power period will benefit directly, whether they have solar panels or not and whether they own or rent," Bowen said.

"The more people take up the offer and move their use, the greater the system benefits."

The scheme is due to come into effect in some states in July before potentially being extended by 2027, the energy department said. The government has also moved to subsidise household battery installation to store solar electricity generated during the day.

Tim Buckley, director of think-tank Climate Energy Finance, called the move a "no brainer", saying it would create a "demand pool" during the day when people can run air conditioners, washing machines and pool cleaners to balance the grid. The plan "guts coal even faster and makes gas less relevant", he said.

Some Australian energy companies such as AGL and Ovo Energy have already moved to offer limited free schemes. AGL said it would work with the government on the details of the scheme to manage costs. Origin Energy declined to comment.

Louisa Kinnear, chief executive of the Australian Energy Council trade body, criticised the government for a lack of consultation over the plan, which she warned could damage industry confidence.

"Retailers, and in particular, smaller retailers, need to carefully consider their exposure to the market, their hedging strategy, the impact of network costs, and a range of other factors," she said.

"Universal access to a product places material risks on retailers that in some instances might only be mitigated by them exiting a market."

"Providing a free time during the day is dangerous in the event of unplanned outages," said Saul Kavonic, senior energy analyst at MST Marquee, calling the scheme "another poorly thought through market intervention".

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