Cheaper Home Batteries 2.0: Lessons learnt and opportunities

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Cyan Ventures

~250k installations and >6 GWh in eight months is a striking result, but rapid uptake raises questions about sustainability and programme design

Key stats

Number installed

>250K

Batteries installed since July 2025

Amount of storage

>6 GWh

Storage capacity added to the grid

Average size of system

23.8 kWh

Average system (vs ~11 kWh need)

How the program has evolved since inception

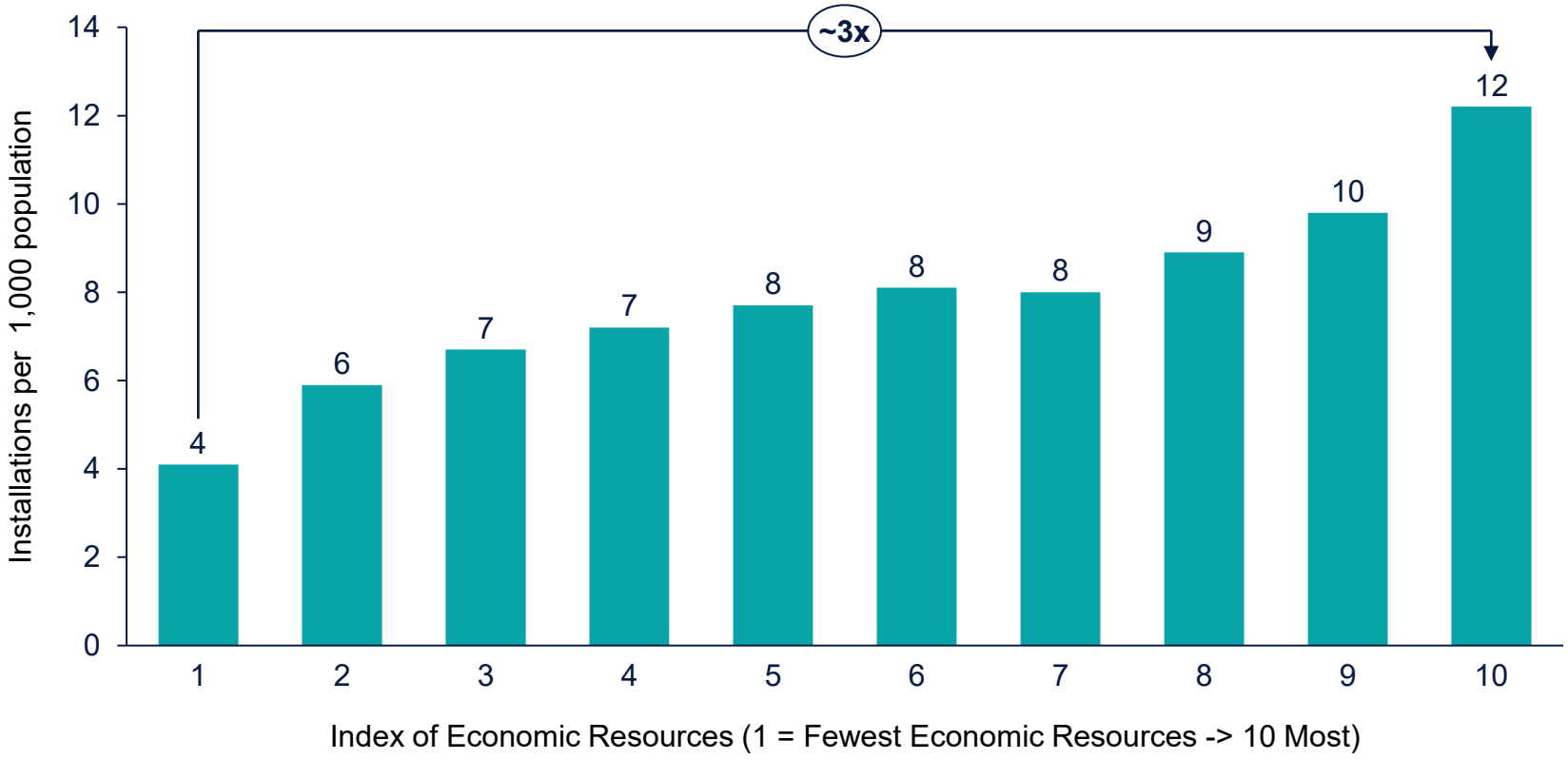
- The CHBP likely moved engaged consumers from contemplation to action
- Design flaw — oversized systems
- May 2026 redesign
- What to watch

Source: DCCEEW (2026); Clean Energy Regulator SRES data (Jan 2026); Energy.gov.au

The programme overwhelmingly benefits wealthier homeowners — renters, apartment dwellers and lower-resource areas face a 3x uptake gap

The home battery program has seen the highest uptake in the most financially well-off suburbs in Australia

Battery installations by economics resource (IER)



Key takeaways

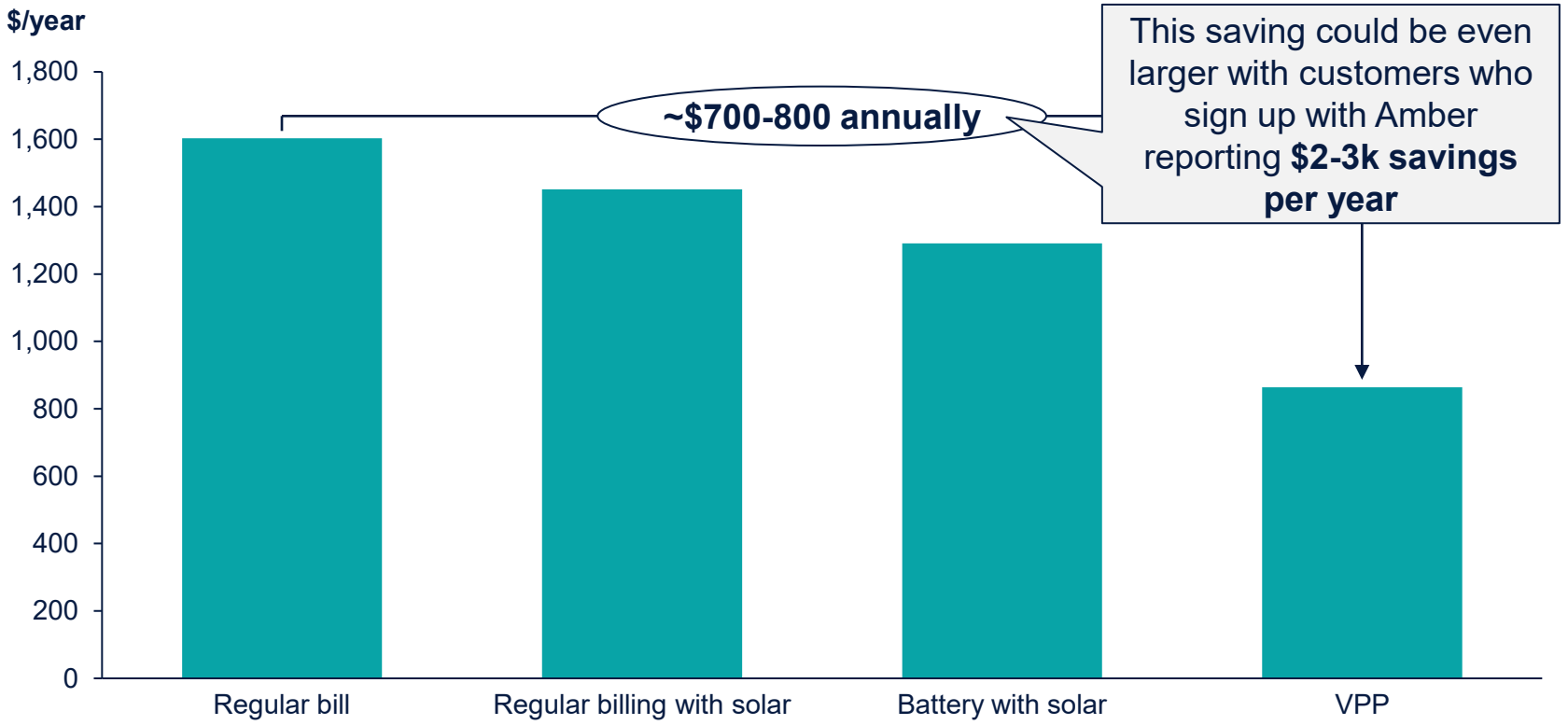
- **3x gap in installations per capita** between most and least economics resourced areas
- Renter-majority postcodes are home to about **1 in 15 Australians**, but they're receiving roughly 1 **in 50 of the battery installations**.

Source: CER SRES postcode data (Jul 2025 – Jan 2026) merged with ABS SEIFA 2021 IER and Census 2021 (G02, G37). n = 2,324 postcodes

The program delivers cost-of-living relief, with significant grid relief potential through VPPs still to be unlocked

Energy customers who sign up to a VPP are currently paying the lowest bills in Australia

Comparison of annual bills between virtual power plant customers and other customer types (ACCC, 2025)



Key takeaways

VPP opportunity that:

1. Delivers real bill savings
2. Relieves grid stress and defers network investment
3. Unlocks system-wide value from individual batteries

But is struggling in uptake:

1. Only 5-10% of household batteries are enrolled in a VPP
2. Key driver is consumer trust

Source: ACCC (2025)

Proposed network pricing reforms have sparked debate over balancing returns for battery-owning households with broader equity for all

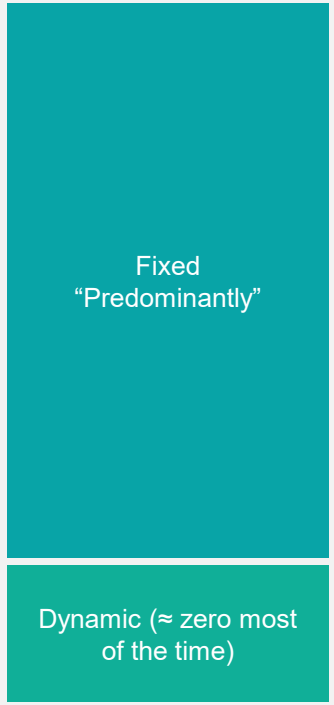
What the proposed tariff design will change and how stakeholders have reacted

Network costs recovered mostly per kWh consumed

CURRENT MODEL

- Rewards solar/battery owners and efficient households — less grid use means lower bills
- But those households still rely on the grid while paying less toward it, shifting costs onto non-CER households and renters
- Can conflict with wholesale signals — discourages daytime consumption when cheap solar is abundant
- Minimal mechanisms for networks to procure distributed flexibility. VPP operators capture value through wholesale arbitrage and hedging offsets instead of grid services

Flat daily charge recovers most costs; dynamic only at congestion



PROPOSED MODEL

- Spreads infrastructure costs more evenly across all grid users, arguably fairer given network costs are largely sunk
- Dramatically reduces the controllable portion of bills, impacting the case for solar, batteries and efficiency
- The dynamic component if it’s “zero most of the time,” might not replace lost battery revenues
- May not solve the system value gap. Shifting to fixed charges changes cost allocation but still doesn't create a procurement mechanism for network flexibility

Innovation such as new market exposure and V2G are changing battery ownership but need to ensure rules and consumer protection keeps pace

Smart battery automation

AI-driven charge/discharge optimisation is becoming standard — batteries that respond to wholesale prices, weather forecasts and household patterns can deliver 20–40% more value than simple time-of-use cycling

Wholesale price pass-through

Retailers like Amber expose consumers to wholesale prices, creating genuine arbitrage opportunities but also risk. Not all consumers have the sophistication or risk appetite for this model

V2G and vehicle-to-home

Vehicle-to-grid trials are expanding. An EV battery (60–100 kWh) dwarfs a home battery — creating both an opportunity for massive distributed storage and a potential threat to dedicated home battery demand

Consumer protection gap

Doorknockers, fly-by-night installers (ABNs from Apr 2025), and oversized systems paired with undersized inverters have drawn scrutiny from CHOICE and consumer advocates. Standards and enforcement lag behind the pace of rollout

Key question

Are rules, standards and consumer protections keeping pace with the speed of technology and market innovation?

Source: CHOICE (2025); ARENA V2G trials (2025); RenewEconomy (2026); SolarQuotes (2026)

The CHBP must deliver system value and consumer protection, not just subsidised hardware

Key principles that should guide the CHBP program moving forward

1. **Ensure subsidised battery capacity delivers system and grid value beyond the wholesale market benefits already captured by retailers and consumers**

2. **Make consumer protection visible and accessible**

3. **Close the equity gap before it locks in**