

🛛 Energy ≫

# Solar feed-in tariff benchmark for 2025-26 26 May 2025

### For 2025-26, the all-day solar feed-in tariff benchmark is 4.8 to 7.3 c/kWh

IPART forecasts that your solar exports will be worth between 4.8 to 7.3 c/kWh from 1 July 2025 to 30 June 2026, if your retailer pays you a flat rate for your solar exports. Your retailer may offer you a feed-in tariff within this range, however they are not required to. They may choose not to offer you a solar feed-in tariff, or they may offer a higher or lower feed-in tariff.

You can compare energy plans and solar feed-in tariffs on the Commonwealth Government's Energy Made Easy website. Some plans with higher feed-in tariffs may have conditions attached, or be paired with higher prices, so you need to look at the entire energy plan, as well as your electricity consumption and solar exports when considering which plan is best for you.

## Why IPART sets a solar feed-in tariff benchmark

IPART sets a benchmark to guide consumers about the value of feed-in tariffs they can expect to be paid by their retailer for their solar exports. Our benchmark aims to help consumers see if they are getting a reasonable feed-in tariff from their retailer and to compare feed-in tariffs on offer.

# The largest benefit of solar panels is from using the electricity you generate

Because the retail price of electricity is much higher than a solar-feed tariff, the largest benefit of solar panels is the saving on your energy bill when you use the solar electricity you generate to power your home instead of buying this electricity from your retailer. As an added benefit, consumers can be paid a solar feed-in tariff for any unused electricity they export to the grid.

When customers use the electricity they generate, they can buy less electricity from their retailer.



# Our benchmark is based on a forecast of the wholesale price of electricity at the times when solar is exporting

We estimate the value of solar exports based on our forecast of the wholesale price of electricity at the times solar is exporting to the grid. This is what retailers would have paid if they had bought the electricity from the National Electricity Market.

Our benchmark for 2025-26 is slightly higher than the benchmark of 4.9 to 6.3 c/kWh that we set for 2024-25. This reflects that wholesale prices are expected to be a bit higher over the 2025-26 financial year at the times solar is exporting.



#### Average wholesale electricity price by time-of-day and benchmark for 2025-26

Note: The 'Prices used for each year' are the average prices over the previous financial year. The percent of solar exports is of all solar exports by hour. Source: Australian Energy Market Operator, IPART analysis.

### Why our benchmark is lower than the retail price of electricity

When solar electricity is supplied to other households in your neighbourhood, retailers still need to recover other costs on each kilowatt hour of electricity they supply. These costs include:

- network charges for using the grid
- the difference between wholesale costs when solar is exporting to the grid and their average wholesale costs, which are higher
- environmental obligations to purchase renewable energy, demand reduction certificates, and paying in the climate change fund
- their operating costs like billing services and running their call centres, and GST.

Retailers also make a margin (or profit) when they supply electricity. When added up, all these costs make the retail electricity price much higher than just the cost wholesale electricity when solar is exporting.



Retail electricity price

### Could IPART set a higher feed-in tariff benchmark?

Retailers are not required to set their feed-in tariff offers within IPART's benchmark. However, if we set a higher benchmark and retailers followed this, it would mean retailers would need to recover this cost by charging all customers high overall prices. This would mean that customers who don't have solar panels would end up paying more. Many of these customers are unable to install solar because they rent or live in an apartment.