INDUSTRY BRIEFING • AMBER PARTNER NETWORK • MARCH 2026

Avoiding the battery rebate cliff:

What the May 2026 Cheaper Home Battery Program rebate changes mean for solar battery retailers

Based on the February 2026 Amber Installer Partner Survey and official government announcements

The short version:

- From 1 May, the Cheaper Home Battery Program rebates will change to be indexed to battery system size.
- Battery demand will soften after 1 May as higher post-rebate system prices push some buyers to the sidelines.
- Average battery sizes will shrink - the incentive economics now encourage 14-28 kWh sizings for most households.
- Installers who lead with Amber can still close larger jobs at better margins - even in a tougher market.

1. What's Changing on 1 May 2026

The Cheaper Home Batteries Program (CHBP) has been a rocket ship. Since launching in July 2025, more than 240,000 battery systems have been installed nationally. The average size ballooned to 28 kWh as households (and retailers) raced to maximise the flat-rate rebate before it ran out.

That race accelerated the scheme's burn rate. In December 2025, the government responded by expanding funding from $2.3 billion to $7.2 billion and restructuring the rebate to make it last to 2030. Two big structural changes kick in on 1 May 2026.

Change 1: The rebate goes tiered

From 1 May, the STC factor applied to battery capacity is no longer flat. It steps down sharply as battery size increases:

Battery Capacity	STC Factor Applied	Effective Rebate Support
0 - 14 kWh	100%	**Full rebate**
14 - 28 kWh	60%	Significantly reduced
28 - 50 kWh	15%	**Limited benefit**

> A 30 kWh battery that attracted a $9,324 rebate before May will attract just $5,698 after. A 48 kWh system drops from a $14,911 rebate to $6,364 (57% reduction).*

**Assumes $37 per Battery STC*

Change 2: The STC rate steps down faster

The STC factor also drops from 8.4 (Jan-Apr 2026) to 6.8 from 1 May, and will now decline every six months instead of annually - compounding the reduction year on year through to 2030.

The combined effect:

Every battery job after 1 May is working with a smaller government tailwind. And once systems go over 28kWh, each additional kWh of storage will seem more expensive for customers because it is less subsidised.

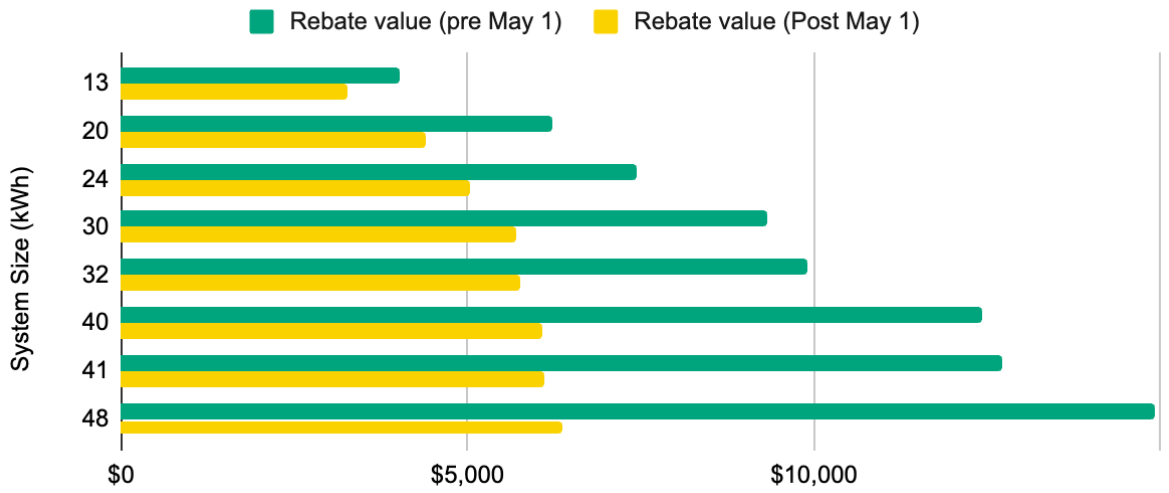
2. What this means for demand

When a 30 kWh system cost after rebate increases by approximately 19% post-May (all else equal), some buyers will pause. Others will downsize. A smaller number won't proceed at all.

This is not a market collapse - the fundamentals of battery storage remain strong, and almost a quarter of a million installations in eight months proves the appetite is real. But the low-hanging fruit (customers who were borderline and got over the line on price alone) will be harder to convert.

57%	39%	23%
Rebate reduction on a 48 kWh system after May	Rebate reduction on a 30 kWh system after May	Rebate reduction on a 16 kWh system after May

The price sensitivity curve shifts meaningfully. Budget-conscious households who previously stretched to 30+ kWh may now opt for a 16 kWh system. Larger configurations above 28 kWh become a genuinely hard sell on price alone because rebate cliff is just too steep.



> The installers who position themselves for success won't be those competing on price. They'll be those who can authentically make the ROI case for a bigger battery in a more expensive market.

3. What the ROI numbers look like post-May

The pre-May average of 28 kWh is almost certain to fall thanks to prices effectively increasing, but upfront costs are far less important than ROI and payback. We modelled payback periods for a typical household in NSW on Ausgrid (22 kWh/day usage, single phase) across battery sizes from 14 to 46 kWh when also adding 13.3 kW of solar.

Battery Size	Self-Consumption (Pre-May)	Self-Consumption (Post-May)	Amber (Pre-May)	Amber (Post-May)
14 kWh	4.4 yrs	4.4 yrs	3.4 yrs	3.4 yrs
22 kWh	5.3 yrs	6.0 yrs	3.6 yrs	4.1 yrs
30 kWh	**5.9 yrs**	**7.1 yrs**	**3.6 yrs**	**4.3 yrs**
38 kWh	**6.4 yrs**	**7.9 yrs**	**3.5 yrs**	**4.4 yrs**
46 kWh	**6.7 yrs**	**8.4 yrs**	**3.6 yrs**	**4.5 yrs**

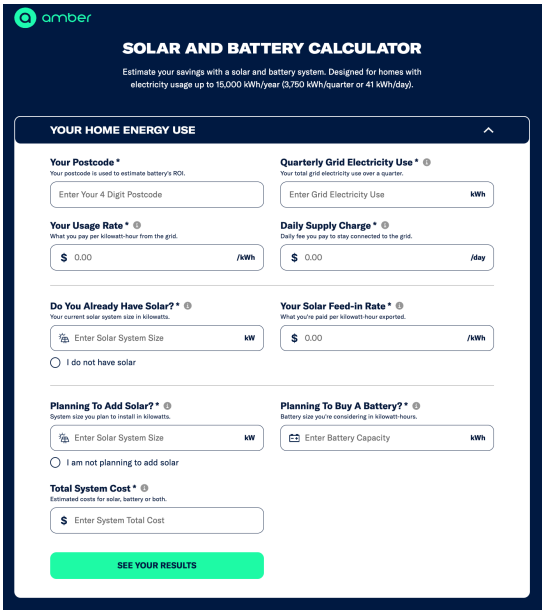
Source: Amber ROI Calculator, February 2026. Scenario: single phase household in postcode 2000, using 2,008 kWh per quarter ($0.34/kWh usage rate, $1.43/day supply charge), adding 13.3 kW solar and a battery simultaneously, no existing solar or battery. Every household is different — use the Amber ROI Calculator with your customer's actual specifications for job-specific estimates.

On self-consumption alone, the May 1 changes hit hard. A 30 kWh system goes from 5.9 years to 7.1 years - more than a year longer. At 46 kWh, payback blows out by 20 months. Anything above 22-26 kWh becomes a tough sell.

30

With Amber, the picture is completely different. That same 30 kWh system adds just 8 months (3.6 to 4.3 years), and every system size stays under 4.5 years post-May. The rebate changes barely dent the Amber ROI.

> On self-consumption, the argument for batteries above 26 kWh falls apart post-May. With Amber, the entire range up to 46 kWh stays under 4.5 years. That's the difference between losing the upsell and closing it.



Run your own simulations using your real system designs at: ***roi.amber.com.au/***

4. The Amber opportunity

Here is the core opportunity for retailers who use Amber as part of their pitch: the scheme changes on May 1 bring ROI forward in the sales conversation and make it a make or break point in the sale. Amber has the potential to move ROI economics more than any other single factor in a proposal.

Amber cuts payback by 40-50%

Amber's automated battery management delivers payback periods that are dramatically faster than self-consumption alone. Post-May, the gap is even more pronounced:

ROI payback estimates (in years)

Battery Size	Self-Consumption	Amber Plan	Amber Advantage
14 kWh	4.4	3.4	1 year faster
22 kWh	6.0	4.1	1.9 years faster
30 kWh	**7.1**	**4.3**	**2.8 years faster**
38 kWh	**7.9**	**4.4**	**3.5 years faster**
46 kWh	**8.4**	**4.5**	**3.9 years faster**

Source: Amber ROI Calculator, February 2026. Same scenario as Chapter 3.

At 30 kWh, Amber delivers a 4.3-year payback versus 7.1 years on self-consumption - nearly 3 years faster. At 46 kWh, the gap widens to 3.9 years. In a market where the rebate cliff has made the ROI case harder for larger batteries, this will be a huge selling point.

2.8 yrs faster
Amber payback advantage on a 30 kWh system post-May

35+ kWh
becomes the defensible upsell - with Amber making the numbers work

Amber keeps larger batteries attractive and economical

With Amber, ROI on entire 14-46 kWh range stays under 4.5 years. That means you can confidently pitch significantly larger systems in the post-May environment and back it up with numbers that work for you and your customers. The annual savings with Amber are significantly higher too - a 30 kWh system on Amber saves over $5,100 per year compared to approximately $3,500 per year without a battery at all, and the Amber automation delivers substantially more than self-consumption alone.

You can check up to date battery compatibility at
https://www.amber.com.au/smartshift-compatibility-checker

What the battery actually earns for customers

Payback period is only half the story. The other half is what happens after the system has paid for itself. On self-consumption, a battery reduces your customer's energy bill - but on Amber, larger batteries can actually flip the bill negative (the customers get paid by Amber).

Estimated annual energy bill comparison

Battery Size	No Battery	Self-Consumption	Amber	Amber Benefit
14 kWh	$3,545	$868	**-$232**	$1,100
22 kWh	$3,545	$616	**-$974**	$1,590
30 kWh	$3,545	$594	**-$1,618**	$2,212
38 kWh	$3,545	$603	**-$2,248**	$2,851
46 kWh	$3,545	$574	**-$2,566**	$3,140

Estimated annual energy bill. Negative values mean the household is earning money. Same scenario as Chapter 3.

On self-consumption, the estimated bill drops from $3,545 to roughly $600 regardless of battery size. This is because the savings plateau quickly with only so much solar to self-consume. On Amber, the battery actively trades on wholesale prices, and the bigger the battery, the more it earns. A 30 kWh system on Amber flips the energy bill estimate to -$1,618 per year. At 46 kWh, the household could earn over $2,500 annually. That's the story that closes the upsell - not just faster payback, but a bigger ongoing return for the life of the system.

The May 1 changes hit Amber customers less

Perhaps the most powerful datapoint for your pitch: the May 1 changes affect Amber customers far less than those on a standard energy plan. On self-consumption, a 46 kWh system sees its payback increase by approximately 20 months post-May. On Amber, the same system should add just 11 months. At 30 kWh, it's 14 months longer on self-consumption versus only 8 months on Amber.

Put simply, the worse the rebate changes get, the more Amber matters.

> The shift happening right now: the conversation is moving from "How much does a battery cost?" to "What will this battery earn me?". Amber is what makes that second conversation possible.

Margin per job holds (or improves)

In a softening demand environment, the instinct can be to compete on price. The smarter play is to compete on value. Amber gives retailers a differentiated value proposition that other VPP alternatives typically can't match. Grid-connected trading, real wholesale price access, and a genuine ROI story you can put a number on.

5. What results Amber partnered retailers are seeing

In February 2026, Amber surveyed installer partners to understand how Amber is already impacting sales outcomes. The results (gathered from businesses ranging from 1 to 50+ installs per month) are clear.

Battery size: the uplift is real

When Amber is part of the pitch, the vast majority of installers see customers choosing larger systems.

33% of installers see 12+ kWh more capacity sold with Amber	**40%** see 8 kWh more capacity sold with Amber	**73%** see meaningful uplift in battery size vs pitches without Amber

Revenue per job: up across the board

Higher battery capacity sold with Amber naturally lifts net revenue. Partners also report improved margin quality - competing on value rather than discounting to close:

47% see 10-20%+ higher net revenue per system with Amber	**13%** see 20%+ higher net revenue with Amber	**80%** report at least some net revenue improvement

Conversion rates and close speed

Including Amber in the pitch is helping sales teams win more of the jobs they quote, making them more efficient and effective:

- 60% of partners report improved close rates when Amber is part of the proposal (up to 30% more likely to convert).
- 53% say deals close faster - meaning less time nursing a quote and more time installing.
- The top-rated benefit by partner installers: “Ability to sell larger batteries,” cited almost universally.

The most successful installers use the ROI calculator in-pitch

Partners who show the Amber ROI calculator during the sales conversation (rather than sending it after) consistently report stronger outcomes. The calculator makes an abstract concept (wholesale price trading) concrete, visual, and compelling in the moment when the customer is deciding.

> Demonstrating the payback benefit of Amber after the pitch is a huge missed opportunity for you and your customers. When Amber is used as part of the pitch, you'll sell larger systems that pay back quickly and improve earning opportunities for your customers.

6. Setting your business and customers up for success

The Cheaper Home Battery Program changes on 1 May 2026 will reshape the battery market. The solar and battery retailers who come out ahead won't be the cheapest - they'll be the ones who understand the new economics better than their customers do, and have the tools to demonstrate value in real dollars.

Without Amber	With Amber
• Average battery size drifts to 16-20 kWh as sticker shock bites • ROI story weakens for anything above 24 kWh • Competing on price becomes the default position • Margins compress as the market tightens	• 24-32 kWh remains the defensible sweet spot with a credible ROI • 45% faster payback reopens the upsell conversation • Competing on value - a story no one else can tell as well • Revenue per job and margin protected

Three things to do before 1 May

1. Run your pipeline now: Lock in jobs at the current rebate level while you can.
2. Know the new sweet spot: 24-32 kWh. That's where the ROI story holds post-May.
3. Build Amber into every battery pitch: Use the ROI calculator in the room, not after.

ROI Calculator Disclaimer: The payback period and savings estimates in this white paper are provided for illustrative purposes only, based on projections using the Amber ROI Calculator (roi.amber.com.au). Results reflect a single representative scenario - a typical NEM household in postcode 2000, using approximately 2,008 kWh per quarter with 13.3 kW of solar added and based on estimated system pricing sourced from various system brand and installer pricing inputs. Actual results will vary depending on final system pricing, individual usage patterns, system size, location, wholesale price variability, and future tariff changes. These figures should not be relied upon as financial advice.

This briefing was prepared by Amber for its installer partner network based on the February 2026 Installer Partner Survey, official CHBP government announcements (December 2025), and internal pricing analysis. Data reflects indicative modelling for a typical NEM household and should be used as a guide only.