

Will a home solar battery save you money?

A home solar battery system can be a great way to reduce your electricity bills and save you money. However, they are a significant financial investment and not always right for everyone.

Things to consider

There are a range of factors to consider when deciding whether you would financially benefit from a home solar battery system. Some of these include:



Payback period

The 'payback period' is the time it takes for a battery to pay for itself with savings in your energy bills. In some cases a solar battery system may not pay itself back before the warranty ends.



Battery size

Choosing an appropriately sized battery for your needs will achieve the best economic return. Depending on your requirements, the payback time is generally quicker for a small battery, when paired with a new solar system, than a big one. The best way to choose the right size battery is to consult an expert.



Consumption and tariffs

If you have higher than average electricity consumption (more than \$2,000 per year), are on a time of use tariff, and are planning on installing a new solar system, it could make financial sense to install a solar battery system.



Location

In a rural area where electricity is more expensive a solar battery system could help reduce your energy bills. Sunnier inland locations also tend to pay back one year quicker than coastal locations.



Solar export to the grid

If you have, or want to install a large solar system and the grid has limited how much excess solar you can export, a battery may be a good option.



Future battery costs

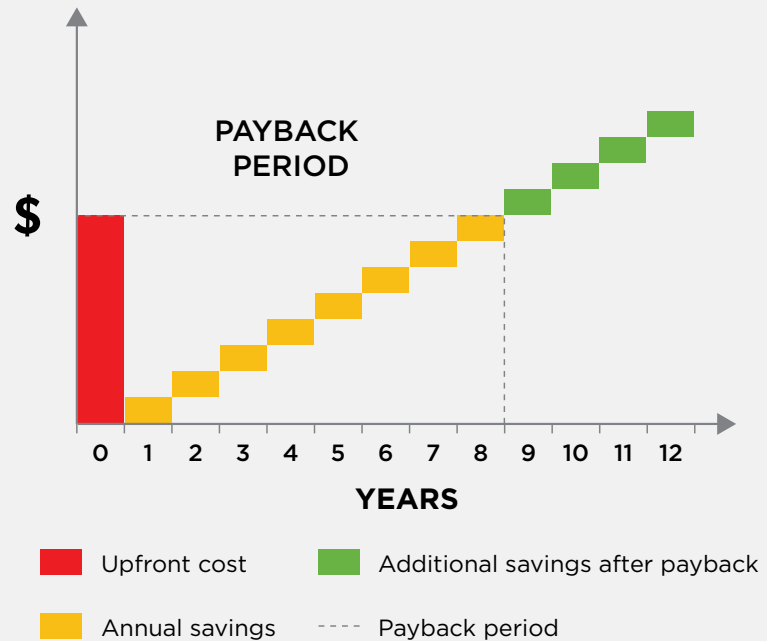
Battery costs are expected to continue to decline over the next few years, which will reduce payback times.

Estimating your payback period

To estimate the payback period in years, simply divide the upfront system cost by the projected annual savings in your energy bills.

If you have a warranty that is less than the payback period, the battery system may not pay for itself before the warranty expires.

The [NSW Home Solar Battery Guide](#) lists some more detailed online calculators that might help you assess the payback once you have a quote.



Options and payback periods



New solar without battery

A new rooftop solar system, without a battery, usually has the **shortest payback period**.



New solar and new battery

Installing a new solar system with your new battery usually has the **shortest payback period of the battery options** mainly due to the solar system.



Addition of battery to existing solar

An addition of a battery to existing solar, also called retrofitting, **has a longer payback period than new solar and new battery**, often exceeding the warranty period. While this option may not pay for itself, it still improves your energy self-sufficiency.



New battery without solar

Installation of a battery only, without having rooftop solar, currently doesn't make financial sense and has the longest payback period. It is also **unlikely to recover the cost of the battery**.

Next steps

If you feel a home solar battery will be of financial benefit to you, we recommend you organise a consultation with a minimum of two Clean Energy Council accredited installers and compare options and costs according to your requirements.



For more information, download the [NSW Home Solar Battery Guide: energysaver.nsw.gov.au/solar-battery-systems](#)

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