



Information booklet

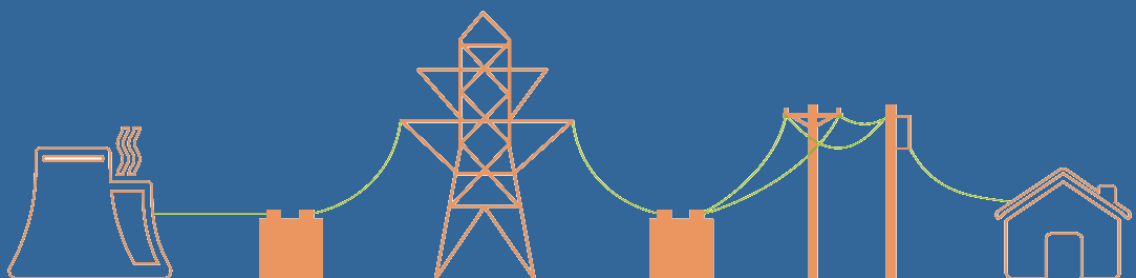
Supplementary review

Regulated retail electricity prices 2020–21

Applies to customers in regional Queensland

Draft determination

August 2020



Overview

What is the QCA's role in setting electricity prices?

The Queensland Government has asked us to set supplementary regulated electricity prices (**notified prices**) to apply during 2020–21.

What is this document?

This booklet gives an overview of our draft determination for the supplementary notified prices.

It is **not a substitute** for the draft determination, and should be **read in conjunction with that**.

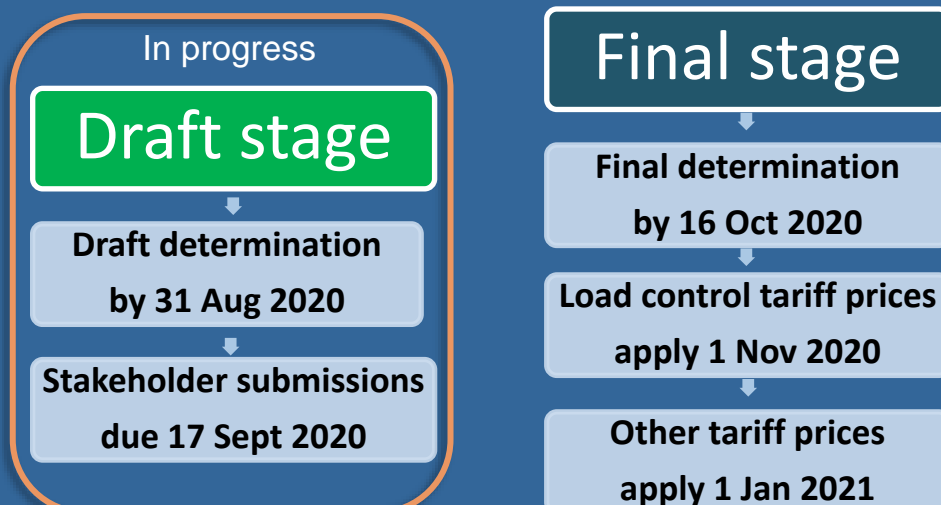
On 25 June 2020, we published a set of notified prices to apply from 1 July 2020.

Why are we setting prices again for 2020–21?

The Queensland Government has asked us to set **additional opt-in tariffs** to be added to the 2020–21 schedule of regulated retail electricity tariffs that apply in regional Queensland.

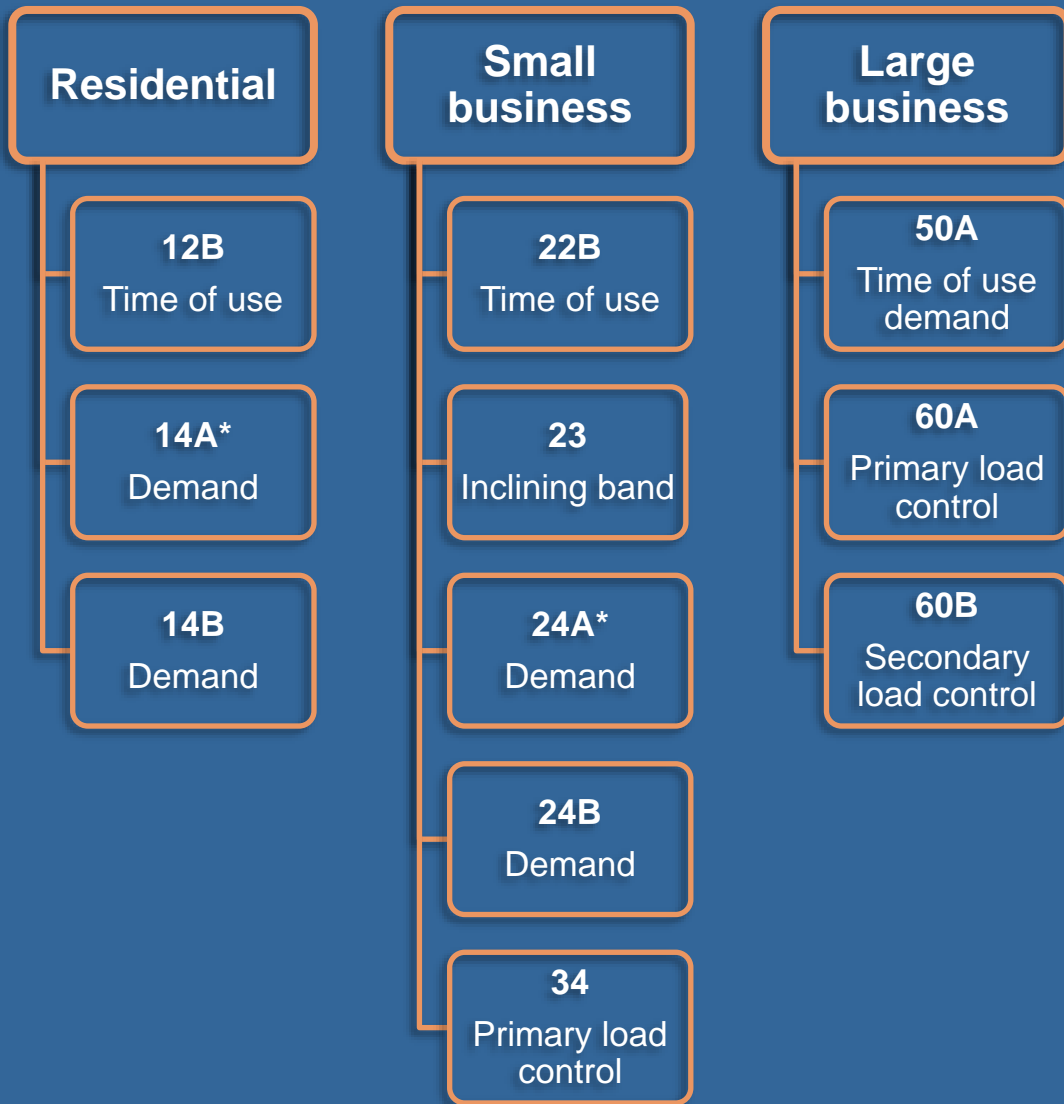
- On 24 June 2020, we received a delegation to set **3 additional load control retail tariffs**.
- On 3 August 2020, we received a delegation to set **8 additional retail tariffs**.

Key dates



Additional tariffs

What are the additional tariffs?



These tariffs are based on the new network tariffs for Energex and Ergon Distribution recently approved by the Australian Energy Regulator as part of network reforms.



This determination **will not** affect existing tariffs published as part of our determination of notified prices on 25 June 2020.

*These are based on transitional demand network tariffs – more information can be found in section 3.2.2 of the main report.

Our pricing framework

How do we propose to determine prices for the additional tariffs?

To maintain consistency with notified prices determined on 25 June 2020, we propose to continue:

- applying the **Uniform Tariff Policy**,
- using the **'N+R' framework** to build up notified prices.

Existing 2020-21 tariffs

Additional tariffs

Network

N
+

We estimated network costs by passing through network prices approved by the AER.

We propose to use the same approach in estimating the network cost components.

Energy

R

We estimated energy cost using a market-based approach.

We propose to use the same market-based approach in estimating the energy cost components.

Retail

We estimated retail costs using the RBA's CPI forecasts and our previous estimates.

We propose to use the same approach in estimating the retail cost components.

Other

O

We applied :

- a standing offer adjustment
- no headroom for large customers
- a pass-through for under recovered costs.

We propose to use the same approach in estimating the other cost components.

More information on our approaches can be found [here](#).

What makes up my electricity bill?



Retail costs

These include costs for customer services like call centres and administrative tasks (e.g. sending bills.)

Energy costs

These include costs to buy electricity from the wholesale market. It also includes the costs to comply with 'green schemes' such as the Renewable Energy Target.



Network costs

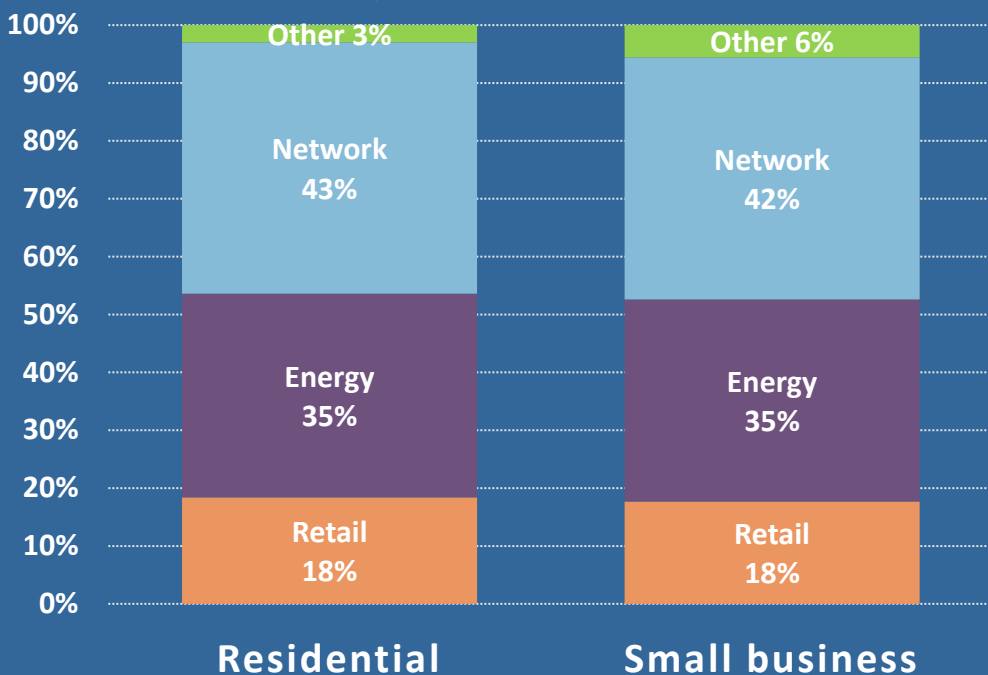
These include costs to transport electricity via the electricity network. It also includes other costs such as the solar bonus scheme.

Other adjustments

These adjustments include matters that we are required to consider under our legal framework.



The chart shows how the components contributed to the bill of a typical customer



Percentage share has been rounded to the closest whole per cent.

What are the draft prices for load control tariffs?

Small business

Fixed

Usage

Tariff 34

Primary tariff

118.081 c/day

17.295 c/kWh

Large customer (>100MWh/year usage)

Tariff 60A

Primary tariff

4021.494 c/day

19.042 c/kWh

Tariff 60B

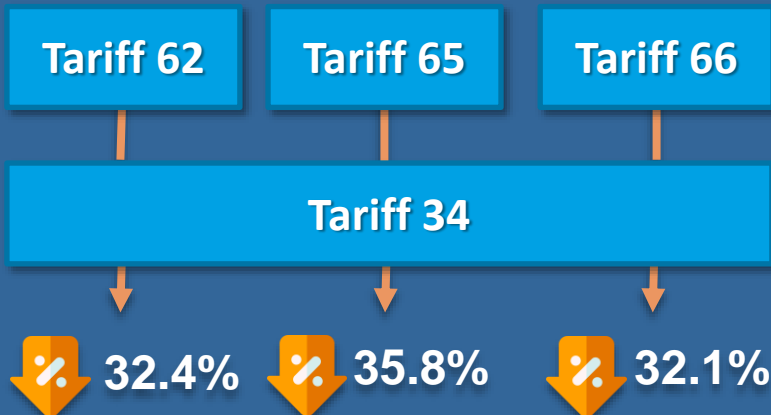
Secondary tariff

n/a

19.042 c/kWh

Prices exclude GST

Typical obsolete tariff customers may reduce their bills by moving to tariff 34



- Tariff 34 is only available to small business customers
- Unlike tariffs 62 to 65, tariff 34 is a load control tariff with availability of supply controlled by the distribution business
- Customers with different levels or patterns of usage, compared to the typical customer, may have different bill impacts.

We encourage interested customers to contact Energy Queensland to discuss if these tariffs are suitable to their needs.

How are the 8 additional tariffs billed?

Residential and small business demand tariffs

Tariff 14A, 14B, 24A and 24B



Daily supply charge



Flat usage charge



Peak monthly demand charge

Residential and small business time-of-use energy tariffs

Tariff 12B and 22B



Daily supply charge.

5 increasing supply charges apply in 20/MWh/year consumption blocks for T22B.



3 usage charging periods: peak, shoulder and off-peak

Small business inclining-band tariff

Tariff 23



5 increasing supply charges apply in 20/MWh/year consumption blocks.



Flat usage charge

Large business time-of-use demand tariff

Tariff 50A



Daily supply charge



Flat usage charge



Peak monthly demand charge



Excess monthly demand charge

Draft prices for these tariffs can be found in chapter 6 of the main report.

Consultation



We ask stakeholders to consider and provide submissions on the issues and approaches contained in the draft determination. We will consider stakeholder submissions received by the due date when making our final determination.

We will **not** be holding public workshops as part of this determination process.

Submissions on our draft determination are due by 17 September 2020

To **make a submission**, follow this link to our [website](https://www.qca.org.au/submissions/) (<https://www.qca.org.au/submissions/>).

Useful links

[Australian Energy Regulator](#)

[Department of Natural Resources, Mines and Energy](#)

[Energy and Water Ombudsman Queensland](#)

[Energex](#)

[Ergon Energy Queensland](#)

[Powerlink](#)

[QCA 2020–21 — notified prices final determination](#)

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