



COTTON
AUSTRALIA

**Regulated electricity prices for
regional Queensland 2026-27 –
Response to Interim Consultation
Paper**

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Submission prepared by Michael Murray – General Manager

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ABOUT COTTON AUSTRALIA

Cotton Australia is the peak body for Australia's cotton growers, representing up to 1,500 cotton farms mainly in New South Wales and Queensland but also in the Northern Territory and Western Australia. Cotton Australia works with growers and stakeholders to ensure the Australian cotton industry remains viable.

Cotton Australia supports the Australian cotton industry to be globally competitive, sustainable and valued by the community. It drives the industry's strategic direction, retains a strong focus on research and development, promotes strength of the industry, manages sustainability reporting and implements policy objectives.

1. Executive summary

Cotton Australia welcomes the opportunity to respond to the Queensland Competition Authority's (QCA) Interim Consultation Paper on regulated retail electricity prices for 2026–27. As the peak body representing Queensland's cotton growers and ginneries, electricity pricing remains a critical issue for the industry, significantly influencing production costs and operational decision-making. Cotton Australia supports the broader scope of this year's Ministerial Delegation and endorses the submission provided by the Queensland Farmers' Federation.

This submission focuses on key tariff reforms with the potential to improve cost-reflectivity, equity, and incentives for behavioural change. Cotton Australia provides in-principle support for the development of a genuine Solar Soaker tariff for Large Customers, provided it reflects true periods of solar abundance and avoids unreasonably high daily supply charges that would undermine its effectiveness.

Cotton Australia also supports the proposed Electric Vehicle (EV) tariff on the condition that it is made available to all users, not exclusively EV charging. The tariff should mirror the characteristics of a well-designed Solar Soaker tariff, providing access to cheaper, solar-aligned daytime electricity while ensuring realistic supply charges.

The organisation reiterates its long-standing position that the threshold distinguishing Small and Large Customers should be increased from 100 MWh to 160 MWh, eliminating the need for complex transitional tariffs and improving productivity.

Finally, Cotton Australia recommends retaining tariff T22C due to its effectiveness in promoting daytime energy use, and raises no concerns regarding the planned removal of several other obsolete tariffs.

2. Recommendations

1. That the QCA prepares a framework for a Solar Soaker Tariff for Large Customers, and engages specifically on this with stakeholders, before including it in its Draft Determination.
2. That the QCA prepares a framework for its proposed EV Tariff (but it needs to be available to all users), and engages specifically on this with stakeholders, before including it in its Draft Determination.
3. That the QCA advises the Queensland Government that it should amend the Small/Large Customer threshold from 100MWh to 160MWh.
4. That the QCA reverses its previous decision to make T22C Obsolete.

3. Submission response

Cotton Australia welcomes the opportunity to provide this brief submission on the Queensland Competition Authority's (QCA) Interim Consultation paper on Regulated retail electricity prices for 2026-27.

As the peak representative body of cotton growers and cotton ginners in Queensland, regional electricity prices are of critical interest to Cotton Australia, its growers and its ginners.

Cotton Australia has long participated in this annual Determination process and welcomes the broader nature of this year's Ministerial Delegation, which has opened up some wider consideration.

Cotton Australia is an active member of the Queensland Farmers Federation (QFF) and endorses its submission to this Determination.

Cotton Australia does not intend to address all matters identified for discussion by the QCA, but does provide commentary on the following:

3.1. NEW SOLAR SOAKER TARIFF FOR LARGE CUSTOMERS

In principle Cotton Australia would support a genuine Solar Soaker tariff for Large Customers, provided:

- the "Solar Soaker" period genuinely reflected the period of solar abundance such as T14C which currently offers a Day pricing period of 11am to 4pm. T49 and other TOU tariffs that only offer a reduced rate between 11am and 1pm are entirely inadequate, and to unattractive to induce user change.
- The daily supply charge is realistic. The Daily Supply Charge determined for T49 in the last Determination basically tripled from the Draft Determination to the Final Determination. A Daily supply charge of over \$300 (GST Inc) is completely unattractive. Cotton Australia has long argued for a consumption based Large Customer Tariff and had cautiously welcomed the inclusion of T49 in last year's draft Determination, but the tripling of the supply charge simply makes this tariff completely uneconomic.
- Cotton Australia would not support access to a Large Customer solar soaker tariff being limited by either a minimum level of demand or a maximum level of use.

Recommendation – That the QCA prepares a framework for a Solar Soaker Tariff for Large Customers, and engages specifically on this with stakeholders, before including it in its Draft Determination.

3.2 NEW PROCESS FOR ELECTRIC (EV) TARIFF

In principle Cotton Australia supports this proposal but seeks clarification as to whether access to this tariff would be limited to EV use only. Cotton Australia would strongly oppose to this Tariff if it was not available to all electricity users.

In many ways Cotton Australia would see this tariff should operate in a way very similar to a well-designed Solar Soaker tariff, allowing users to access electricity during the peak solar generation period at a price that reflects the average wholesale price of this electricity.

The ability to access significantly cheaper electricity for a significant period during the middle of the day should provide many agricultural users with the incentive to modify their usage patterns.

However, like Cotton Australia's comments on the new solar soaker tariff, the success of this tariff will largely depend on how realistically the Daily supply charge is determined.

Recommendation – That the QCA prepares a framework for its proposed EV Tariff (but it needs to be available to all users), and engages specifically on this with stakeholders, before including it in its Draft Determination.

3.3 TARIFF TO ASSIST SMALL BUSINESS TO TRANSITION TO LARGE CUSTOMER TARIFFS

It is both Cotton Australia's and QFF's long standing policy that the Small Business and large Business Threshold should be increased from the current 100MWh to 160MWh (a level available to customers in some other States). Cotton Australia recommended that the QCA provide advice to the Minister that this change should be implemented.

Adoption of this change would eliminate the need for a transitional tariff and do away with what would inevitably be an additional layer of complexity and provide a significant productivity boost to the Queensland economy.

However, should the Queensland government ignore the overwhelming arguments for an increase in the threshold, Cotton Australia would have little choice but to engage in good faith in developing a transition tariff, capable of improving equity while minimising complexity.

Recommendation – That the QCA advises the Queensland Government that it should amend the Small Customer/Large Customer threshold from 100MWh to 160MWh.

3.4 OBSOLETE TARIFFS

Cotton Australia supports the continuation of T22C as this was a genuine Small Business Solar Soaker tariff, that provided enough price signals, and wide enough usage windows, to encourage usage behavior change. Cotton Australia recommends that the QCA reverses its Determination to make T22 C obsolete.

Cotton Australia is unaware of any unexpected or unintended consequences in making T44, T62A, T65A and T66A obsolete on June 30, 2026, and recommends that the QCA maintains its Determination on these Tariffs.

Recommendation – That the QCA reverses its previous decision to make T22C Obsolete.

4. Conclusion

Cotton Australia appreciates the opportunity to contribute to the QCA's 2026–27 regulated retail electricity price review. Electricity pricing remains a critical factor influencing the viability and productivity of Queensland's cotton industry, and well-designed tariff structures have the potential to drive meaningful efficiency and behavioural change. Cotton Australia supports reforms that improve cost-reflectivity, enhance equity across customer classes, and strengthen incentives to shift consumption into periods of high solar generation, provided that supply charges remain realistic and eligibility is not constrained in ways that limit participation.

Raising the Small/Large Customer threshold, retaining effective daytime-aligned tariffs, and developing genuine Solar Soaker and EV-type tariffs are practical reforms that would benefit agricultural users and contribute to broader economic productivity. Cotton Australia welcomes continued engagement with the QCA as it develops its Draft Determination and stands ready to provide further industry insights as required.

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