Queensland Competition Authority

# Regulated retail electricity prices 2026–27

## Information booklet

**Final determination**
**June 2026**

# Summary

The Treasurer, Minister for Energy and Minister for Home Ownership (the Minister) asked us to set notified prices for regional Queensland in 2026–27. This information booklet summarises our final determination, which is available on our website.

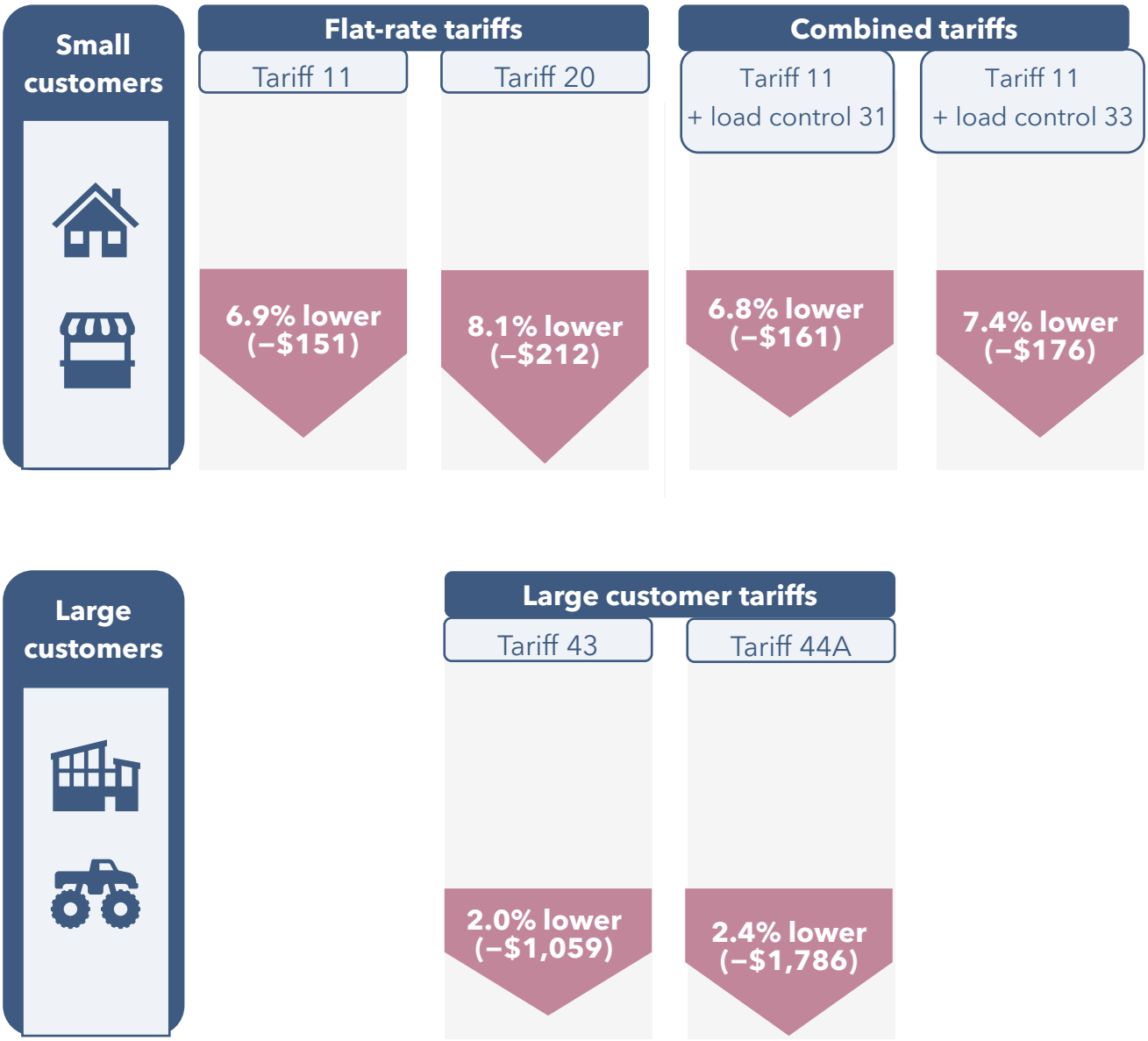
## Key takeaways

- Residential and small business customers can expect a decrease in their electricity bills, including customers with load control tariffs. While underlying supply costs have changed, the decrease is largely driven by lower default market offers (DMOs) for south-east Queensland (SEQ), which cap notified prices.
- Large customers can expect a decrease in their electricity bills, largely due to lower energy costs, which more than offset the increase in network costs.
- Our final determination reflects updated information and stakeholder feedback, as well as the final DMOs for SEQ.
- We applied the same framework used in previous reviews, considering factors outlined in the Electricity Act and in the Minister's delegation, including:
  - the network plus retail (N+R) cost build-up methodology, which includes regulated network costs (N component) and estimated energy and retail costs (R component)
  - the Queensland Government's uniform tariff policy (UTP), which means we set notified prices below actual supply costs for most customers.

We have an online bill estimator tool for residential and small business customers. It estimates the bill impact changes using notified prices, your own consumption and any solar exports.

# Forecast electricity bill changes in 2026–27

## Typical customer electricity bills are expected to be lower than in 2025–26

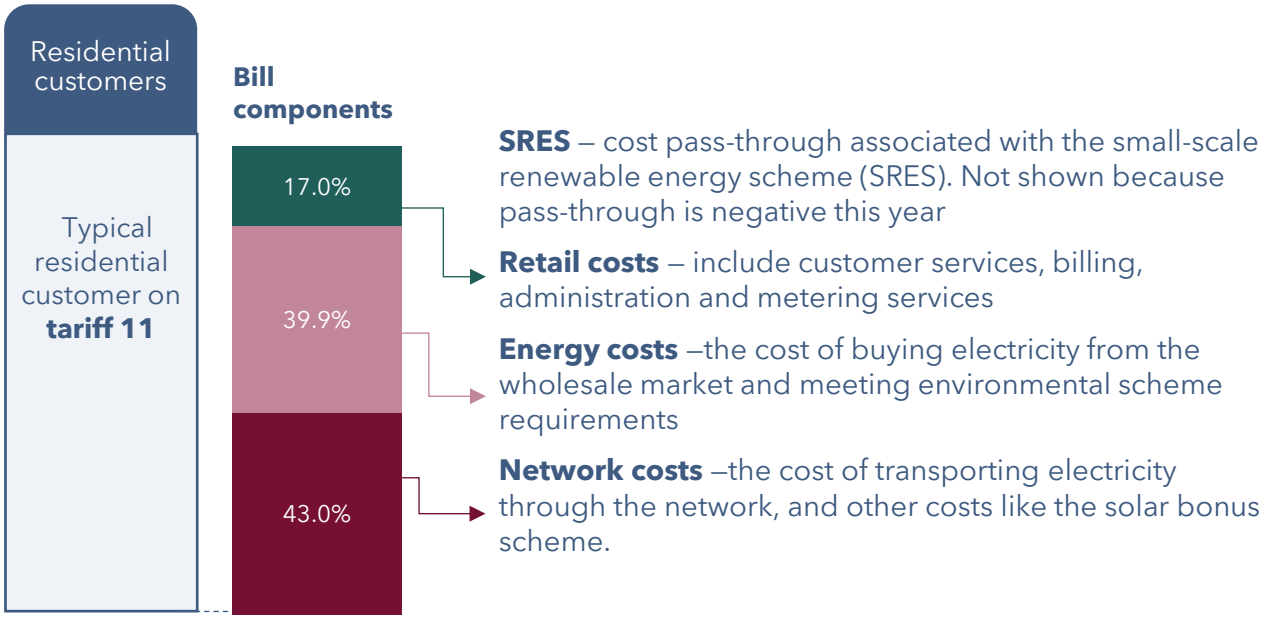



Actual bill impacts will vary depending on electricity use and any rebates or concessions received.

Notes: Bills are based on median annual consumption for each tariff in 2026–27 and include GST. Bill values are rounded to the nearest dollar.

# Cost components of an electricity bill

## The cost components used to build up notified prices

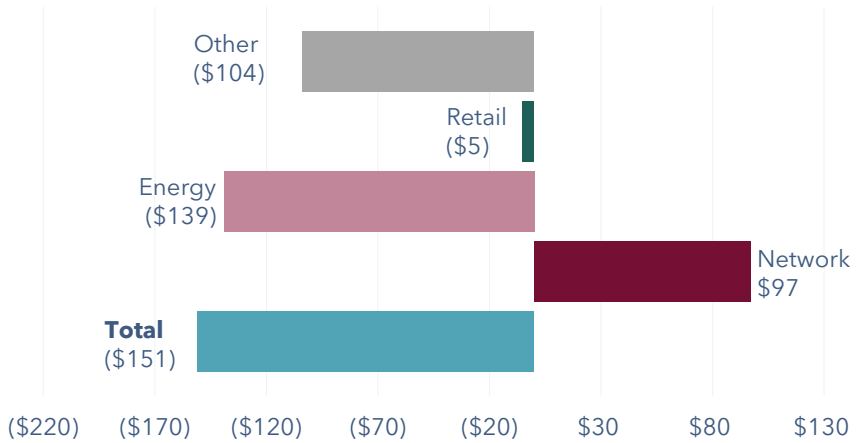



Note: Actual SRES costs were less than last year's estimate, resulting in a small, negative pass-through (not shown).

## Residential electricity bills are expected to decrease in 2026–27

The UTP enables us to set notified prices lower than the actual costs of supply for most customers (see page 6).

**Drivers of T11 bill changes** (2025–26 to 2026–27)




Note: Amounts have been rounded. The decrease in other costs reflects adjustments applied to ensure notified prices remain consistent with SEQ default market offer caps. Actual bills will vary depending on electricity use, solar energy exported and rebates or concessions that apply.

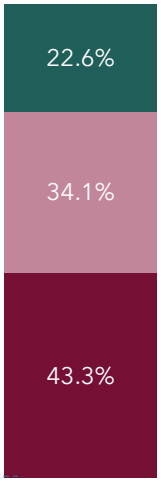
# Cost components (continued)

Small business and large customer bills are expected to decrease in 2026–27

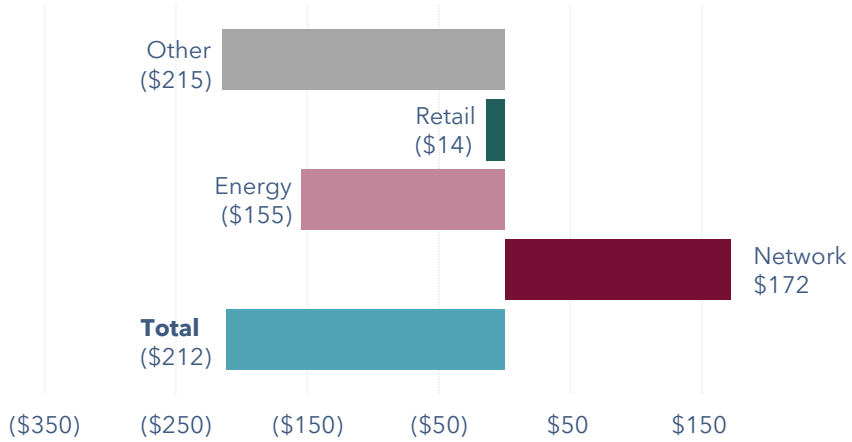
Small business customers

Typical customer on **tariff 20**

**Bill components**



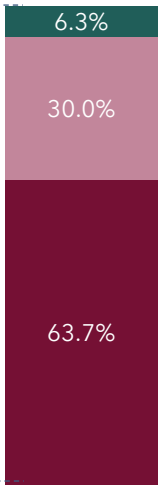

**Drivers of T20 bill changes** (2025–26 to 2026–27)



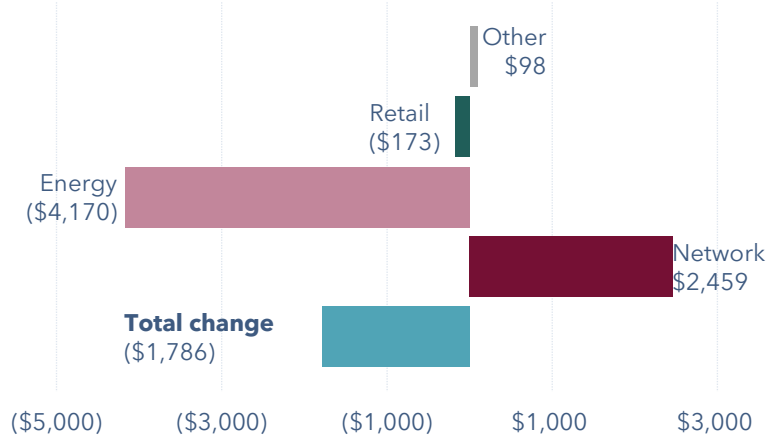

Large business customers

Typical customer on **tariff 44A**

**Bill components**




**Drivers of T44A bill changes** (2025–26 to 2026–27)




Notes: Amounts have been rounded. The decrease in the T20 bill's other costs reflects adjustments applied to ensure notified prices remain consistent with SEQ default market offer caps. Actual bills will vary depending on electricity use, solar energy exported and rebates or concessions that apply.

# What is driving changes in costs?

## Energy costs have decreased for all customers

We estimate wholesale energy costs using a market hedging approach. This approach estimates the costs of an efficient retailer purchasing electricity from the spot market and using ASX Energy contracts to manage price risk. We also estimate other energy costs, including NEM fees and energy losses.

Energy costs have decreased for both small and large customers. This is due to lower wholesale electricity spot prices in 2025, driven by higher availability of Queensland coal generators, lower gas prices, and increased battery storage and renewable generation.

## Retail costs have decreased slightly for most customers

We set retail cost allowances using an established benchmark, adjusted for inflation.

Advanced digital meter (ADM) costs are included in the retail cost component based on the expected rollout of ADMs in regional Queensland. There is a slight reduction in these costs.

While retail costs have increased with inflation, retail costs for small and some large customers have decreased slightly due to changes in network and energy costs, which affect variable retail costs.

## Network costs have increased for most customers

Network costs are approved by the AER and are included in notified prices.

Based on the final network prices approved by the AER for Ergon Energy Network and Energex, network costs are expected to increase for most customers.

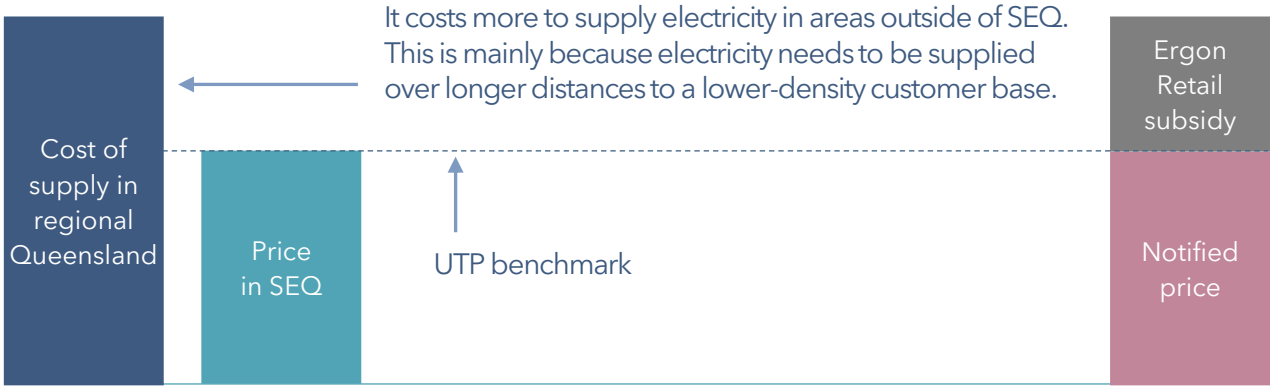
## Other costs have decreased for small customers but increased for large customers

Other costs include renewable energy scheme costs and, for small customers, the standing offer adjustment used to align notified prices with SEQ price caps (see page 7).

# The uniform tariff policy lowers prices

## The UTP helps make electricity more affordable for customers in regional Queensland

Notified prices are set lower than the costs of supply for most customers in regional Queensland.




Notified prices are set below the actual cost of supply

The cost difference is paid by the Queensland Government to Ergon Retail (around $604 million in 2025–26)*

Without the UTP, electricity prices for most customers would be higher

West zone: UTP reduced bills by approximately 60%

East zone: UTP reduced bills by approximately 14%

SEQ

* Expected amount, which includes isolated systems.

# How notified prices compare to SEQ prices

## This year, lower SEQ DMOs capped small customer notified prices

We use market data to estimate a standing offer adjustment (SOA) to include in small customer notified prices. The SOA reflects the value of more favourable terms and conditions included in standard contracts, compared with market contracts.

For consistency with the UTP, the delegation requires us to treat the AER's SEQ DMOs as a cap. Where required, we reduce the SOA to ensure notified prices do not exceed that cap.

### 1 Estimating the standing offer adjustment (SOA)

We calculated a SOA of 3.09% for small customers to reflect the value of more favourable standard contract terms and conditions. This estimate is based on fees that SEQ customers on market contracts may incur that customers on standard contracts would not.

### 2 Comparison of notified prices with SEQ DMOs

To enable a comparison of the SEQ DMOs with notified prices, we:


- converted relevant SEQ DMO prices into reference bills
- adjusted notified prices to enable a like-for-like comparison*
- compared notified price bills (including the SOA) with SEQ DMO reference bills.

### 3 Reduce the SOA to meet DMO caps

The comparison showed notified price bills exceeded the SEQ DMO reference bills.

As such, we reduced the SOA from 3.09% to:

- –1.74% for residential customer tariffs
- –10.69% for small business customer tariffs
- –2.14% for secondary load control tariffs.

We applied the reduced SOA to other tariffs within each customer class to maintain price relativity across the tariffs, resulting in lower bills for residential and small business customers in regional Queensland.

* Including adjustments to account for differences in treatment of GST and consumption levels.

# Potential new retail tariffs

The delegation asked us to consider several new retail tariffs – some for potential introduction in 2026–27, others for potential introduction beyond 2026-27.

## Tariffs considered for 2026–27

**Solar soaker time-of-use (TOU) tariff for large customers**

- We have introduced a new large customer solar soaker tariff. It has stronger price differences between peak and non-peak periods to encourage customers to shift electricity use away from peak periods.
- It is based on an existing network tariff (tariff 50B) but uses time-varying wholesale energy costs to strengthen these price signals.
- The new tariff is designated as tariff 50C.

**Ergon Energy Retail's proposed electric vehicle (EV) tariff**

- Ergon Energy Retail submitted a proposal for a new EV tariff . The proposal is published on our website.
- We assessed the proposal against the requirements in the Electricity Act and the Minister's delegation.
- We have decided not to include an EV tariff in notified prices for 2026–27 following our assessment of the proposal and the information provided to us (detailed in chapter 3 of the report).

**Dynamic flex storage tariffs**

- These tariffs are designed for customers who import, store and later export electricity back to the grid (large customers and connection asset customers).
- While these tariffs exist at the network level, we have not introduced them into notified prices for 2026–27 because uptake is expected to be very low.

## Tariffs for future consideration

**Residential TOU tariff with zero-cost daytime electricity period**

- We have summarised feedback from stakeholders and identified issues that may be relevant if the Minister decides to introduce a tariff of this nature in regional Queensland.

**Transitional tariff to support small businesses moving to large customer tariffs**

- We have summarised feedback from stakeholders and identified issues that may be relevant in informing future policy development if the Minister decides to introduce a tariff of this nature in regional Queensland.

# Expiring tariffs

We have decided not to extend the expiry dates for obsolete retail tariffs

- Obsolete tariffs cannot be accessed by new customers or customers that have already switched to another tariff. These tariffs are scheduled to expire on 30 June 2026.
- Most of these tariffs were made obsolete following network tariff reforms last year.
- We decided not to extend the scheduled expiry dates because affected customers have had sufficient time to consider their options and transition to another available tariff.
- Customers affected by these changes should contact their retailer to discuss available tariff options and ensure they move to their preferred tariff before the obsolete tariffs expire.

**Obsolete tariffs expiring on 30 June 2026**

| Small business tariffs | Large customer tariffs |
|---|---|
| Tariff 22B (TOU inclining-band tariff) | Tariff 44 (demand (small threshold) tariff) |
| Tariff 22C (TOU inclining-band tariff) (solar soaker tariff variant) | Tariff 45 (demand (medium threshold) tariff) |
| Tariff 24A (TOU demand tariff) | Tariff 46 (demand (large threshold) tariff) |
| Tariff 62A (limited access obsolete TOU declining-block tariff) | Tariff 50 (seasonal TOU demand tariff) |
| Tariff 65A (limited access obsolete TOU tariff) | Tariff 50A (TOU demand tariff) |
| Tariff 66A (limited access obsolete fixed dual-rate demand tariff) | Tariff 52A (seasonal TOU demand tariff for CAC supplied at 33 or 66 kV) |
| | Tariff 52B (seasonal TOU demand tariff for CAC supplied on an 11 or 22 kV bus) |
| | Tariff 52C (seasonal TOU demand tariff for CAC supplied on an 11 or 22 kV line) |