

Interim consultation paper

**Regulated retail electricity
prices 2026-27**

January 2026



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Notified prices for 2026-27

This interim consultation paper (ICP) sets out the key issues for our determination of regulated retail electricity prices (notified prices) for regional Queensland in 2026-27.

Stakeholders are invited to make submissions by
13 February 2026.



Overview of our framework and approach

We set notified prices in accordance with the requirements of the *Electricity Act 1994* and the delegation from the Treasurer, Minister for Energy and Minister for Home Ownership (the Minister).¹

Box 1 sets out the key matters we must consider when setting notified prices. These matters align closely with those considered in previous determinations and the approaches used to set notified prices in the past.

Our methodology for setting notified prices is well established and uses a cost build-up approach to set notified prices that include:

- **network costs (the N component)** – the distribution and transmission costs involved with transporting electricity to customers
- **retail costs (the R component)** – the costs associated with buying and selling electricity to customers, consisting of:
 - energy costs: the costs incurred by retailers when purchasing electricity in the national electricity market (NEM) for their customers, including wholesale energy costs and other NEM-related operational expenses
 - retail costs: the costs associated with running a retail electricity business, such as billing systems and administrative costs.

The notified prices we set under the N+R methodology represent the estimated costs a retailer would incur to supply electricity to customers for the year the prices apply. However, in setting these prices, we also have regard to the Queensland Government's uniform tariff policy (UTP), which reduces prices for most customers in regional Queensland.

¹ We received the delegation on 19 January 2026. A copy of the delegation is provided on our website.

Box 1: Overarching framework for our determination

The Electricity Act requires us to have regard to the following factors when setting notified prices:²

- the actual costs of making, producing or supplying the goods or services
- the effect of the price determination on competition in the Queensland retail electricity market
- any matters specified in the Minister's delegation.³

The Minister's delegation outlines the terms of reference for our review. Among other requirements, it specifies the policies, principles and matters we must consider when making our determination, including:

- use of the network plus retail (N+R) cost build-up methodology to set notified prices. This involves passing through network tariffs and prices approved by the Australian Energy Regulator (AER) and adding the retail and energy costs, which we determine
- having regard to the Queensland Government's UTP, which provides that, wherever possible, customers of the same class should pay no more for their electricity, and should be able to pay for their electricity via similar common price structures, regardless of their geographic location. As a result of this policy, most customers pay prices below the actual cost of supply, with the difference funded through a community service obligation payment from the Queensland Government.

For small customer tariffs, we also consider including a standing offer adjustment (SOA) in the notified prices. The SOA is intended to reflect the value of the more favourable terms and conditions in standard contracts compared with market contracts. However, we may reduce the SOA if the resulting notified prices would exceed the equivalent default market offer (DMO)⁴ set by the AER for customers in south-east Queensland (SEQ).

Review process and matters for consultation

We invite all stakeholders, including members of the community, to participate in our review.

We welcome feedback on all aspects of our review, including our existing methodology for setting notified prices and any matters arising from the Minister's delegation. Although our methodology and the approach we apply are well-established, we continue to seek opportunities to improve the accuracy of our estimates, building on past refinements. We will consider all feedback in the context of our obligations under the Electricity Act and the Minister's delegation (summarised in box 1).

There are several new matters in this year's delegation on which we are particularly interested in receiving stakeholder feedback. These matters are outlined below.

² Electricity Act, s 90(5)(a).

³ We may also have regard to any other matter we consider relevant (s 90(5)(b)).

⁴ The AER sets a default market offer each year, which caps the price retailers can charge small customers on standard retail contracts in south-east Queensland.

New 'solar soaker' tariff for large customers

The delegation asks us to consider creating a new 'solar soaker' time-of-use (TOU) tariff for large customers.⁵ Like the existing 'solar soaker' TOU tariffs for small customers (tariffs 12E and 22E), this tariff would be based on an existing network tariff but with time-varying wholesale energy costs to create stronger price differences between peak and non-peak periods.

We seek stakeholder views on this, including which existing tariff structure should be used as the basis for this new large customer retail tariff. For example, whether it should be based on the tariff structure for:

- tariff 49, which has TOU usage charges and a daily supply charge (but is limited to customers with monthly peak demand greater than 120 kVA and annual consumption below 160 MWh); or
- tariff 50B, which has TOU usage and demand charges, as well as a daily supply charge.⁶

New process for an electric vehicle (EV) tariff

This year, the delegation includes a new process that allows Ergon Energy Retail to submit a proposal for an EV tariff. The proposal must include a commitment that consultation with Queensland Treasury on any potential community service obligation implications has occurred. We must then assess the proposal and decide whether to approve and publish the tariff as part of the notified prices.

In assessing the tariff, we must consider the requirements of the Electricity Act. However, the Minister has advised that the tariff does not need to satisfy the N+R methodology that applies to other tariffs. Instead, our assessment must consider:

- if the EV tariff can be offered under a standard retail contract
- the tariff rates that should apply based on what could reasonably be offered by a retailer in the SEQ electricity market.

We intend to consult with stakeholders on Ergon Energy Retail's proposal before making a decision. However, we welcome any initial stakeholder views on:

- what key considerations are needed to ensure an EV tariff under a standard retail contract adequately protects customers?
- what benchmarks or market evidence from the SEQ electricity market should be used to assess whether any proposed EV tariff is reasonable?

Potential new retail tariffs for future determination

The Minister has asked us to consult on two potential retail tariffs that may be introduced in future:

- a TOU tariff for residential customers with a zero-cost electricity period. This would align with the Australian Government's solar sharer offer (SSO), which will include a zero-cost electricity period and is planned for inclusion in the DMO from 2026-27⁷

⁵ A customer is classified as a large customer when their annual electricity consumption exceeds 100 MWh per annum.

⁶ Both tariff structures have the same TOU charging windows (peak - 5 to 8pm weekdays; day - 11am to 1pm; night - all other times).

⁷ AER, [Default market offer 2026-27](#), issues paper, November 2025, p 10.

- a tariff to assist small business customers transition to large customer tariffs when their usage exceeds 100 MWh per annum and they are re-classified as a large customer. This tariff would include fixed, volume and demand charges. Rates would be set so that a typical customer on this tariff using 100 MWh per year would only see a minimal increase, with rates escalating so that a customer using 160 MWh would pay a similar amount to a typical customer on tariff 44A.

We seek stakeholder views on any issues we should consider when assessing these potential tariffs. In particular, for the transitional tariff:

- which elements of the tariff should be transitional (e.g. the daily supply charge only, or all charges)?
- are there any retailer specific implementation or billing issues that should be considered to support effective rollout and customer understanding of this tariff?

DMO comparison

The AER has stated it is planning changes to the 2026–27 DMO in response to reforms to the DMO announced by the Australian Government. These changes will only proceed if the relevant regulations are amended by the Australian Government in time for the AER’s determination (the draft determination is due to be published in March 2026).⁸

One key announced change is that for some standing offers (including flat-rate offers) the AER would set the tariffs (i.e. set the fixed daily supply charge and the usage charge) rather than set an annual reference bill.⁹

If these reforms affect how we compare and ultimately cap notified prices with the SEQ DMOs, we will outline our revised approach in the draft determination and invite stakeholder feedback.

Update of retail cost allowance benchmark

As part of this review, we will assess whether the retail cost benchmarks that underpin the retail costs component of notified prices should be updated. In doing so, we will consider recent market data – including market offers in the competitive SEQ electricity market – to ensure the benchmark costs remain appropriate given current retail operating conditions.

Dynamic flex storage tariffs

In last year’s review, we updated regulated retail tariffs to reflect the new network tariffs approved by the AER from 1 July 2025. However, we did not introduce new retail tariffs based on the new dynamic flex storage network tariffs due to time constraints and uncertainty.¹⁰

Under the network tariff arrangements, large customers and connection asset customers (CAC) will be eligible for the dynamic flex storage tariff if they have a dynamic connection agreement¹¹ with the distributor and only import electricity for the purpose of exporting it back. Customers with storage connected to solar photovoltaic (PV) systems, or with additional load behind the same connection

⁸ Australian Energy Regulator, [Default Market Offer 2026-27 Issues Paper](#), pp 2–3.

⁹ Australian Energy Regulator, [Default Market Offer 2026-27 Issues Paper](#), p 8.

¹⁰ QCA, [Regulated retail electricity prices 2025–26](#), final determination, June 2025, p 14.

¹¹ See Ergon Energy Network, [Explanatory statement in support of the Revised Regulatory Proposal 2025–30](#), November 2024, p 45.

point, would not be eligible. Importantly, these tariffs apply only to charges for imported electricity – they do not include prices for exported electricity.¹²

We seek stakeholder views on whether:

- these tariffs should be incorporated into notified prices as part of this determination, or
- their introduction should be postponed to a future review.

We are particularly interested in feedback on the likely uptake of these tariffs, any retailer-related matters and/or concerns, as well as any other relevant considerations.

Existing obsolete retail tariffs

In last year's review, we made a number of existing regulated retail tariffs obsolete due to changes to the underlying network tariffs (see table 1). A 12-month period was provided to allow affected customers time to transition to new tariff structures. Accordingly, these tariffs are set to be phased out on 30 June 2026.¹³

Table 1: Existing obsolete tariffs set to be phased out on 30 June 2026

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

The delegation requires us to consider if these obsolete tariffs should be phased out or continue to be transitional in 2026–27. We seek stakeholder views on this matter.

¹² Ergon Energy Network, [Tariff Structure Statement: In support of the Regulatory Determination Proposal 2025–30](#), November 2024, as amended and approved by the AER, April 2025, pp 25–26.

¹³ QCA, [Regulated retail electricity prices 2025–26](#), final determination, June 2025, pp 10–13.

Indicative consultation timetable

The ICP is the first step in our price determination process. Stakeholders are invited to make a written submission on any issues relevant to our review by **13 February 2026**. Information on making a submission is provided in the ‘Submissions’ section of this paper.

We will consider all submissions received by this time in preparing our draft determination, which we expect to publish in March 2026. Our draft decision must be made within one week or as soon as practicable after the AER publishes its draft DMO decision (due March 2026).

An indicative consultation timetable is provided in figure 1, showing when we intend to publish reports, hold stakeholder information sessions and seek further stakeholder submissions as part of this review.

Figure 1: Indicative timetable



Stakeholders can [subscribe to our email alerts](#) to keep up to date with the latest developments on this review, including on the information sessions.

Submissions

Closing date for submissions: 13 February 2026

Public involvement is an important element of our decision-making processes. Therefore, we invite submissions from interested parties. We will take account of all submissions received within the stated timeframes. Submissions, comments or inquiries regarding this paper should be directed to:

Queensland Competition Authority

GPO Box 2257, Brisbane QLD 4001

Tel 07 3222 0555

www.qca.org.au/submissions/

Confidentiality

In the interests of transparency, and to promote informed consultation, we intend to make all submissions publicly available. However, if a person making a submission believes that information in it is confidential, they should claim confidentiality over the relevant information (and state the basis for that claim). We will assess confidentiality claims in accordance with the *Queensland Competition Authority Act 1997*. Among other things, we will assess if disclosure of the relevant information is likely to damage a person's commercial activities, and we will consider the public interest.

Claims for confidentiality should be clearly noted on the front page of a submission, and relevant sections of the submission marked as confidential. The submission should also be provided in both redacted and unredacted versions. In the redacted version, all information claimed as confidential should be removed or hidden. In the unredacted version, all information should be exposed and visible. These measures will make it easier for us to make the remainder of the document publicly available. A confidentiality claim template is available at **www.qca.org.au/submission-policy/**

The template gives guidance on the type of information that may help us to assess a confidentiality claim. We encourage stakeholders to use this template when making confidentiality claims.

Public access to submissions

Subject to any confidentiality constraints, submissions will be available for public inspection at our Brisbane office or on our website at **www.qca.org.au/**. If you experience any difficulty gaining access to documents, please contact us on **07 3222 0555**.