

# **Regulated retail electricity prices for regional Queensland in 2026-27**

**Information session on  
draft determination**

# Welcome

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## **At today's information session, we want to talk through:**

- key aspects of the draft determination, including the:
  - estimated bill impacts
  - factors we consider when making the price determination
- provide information to help stakeholders with their submissions
- Q & A

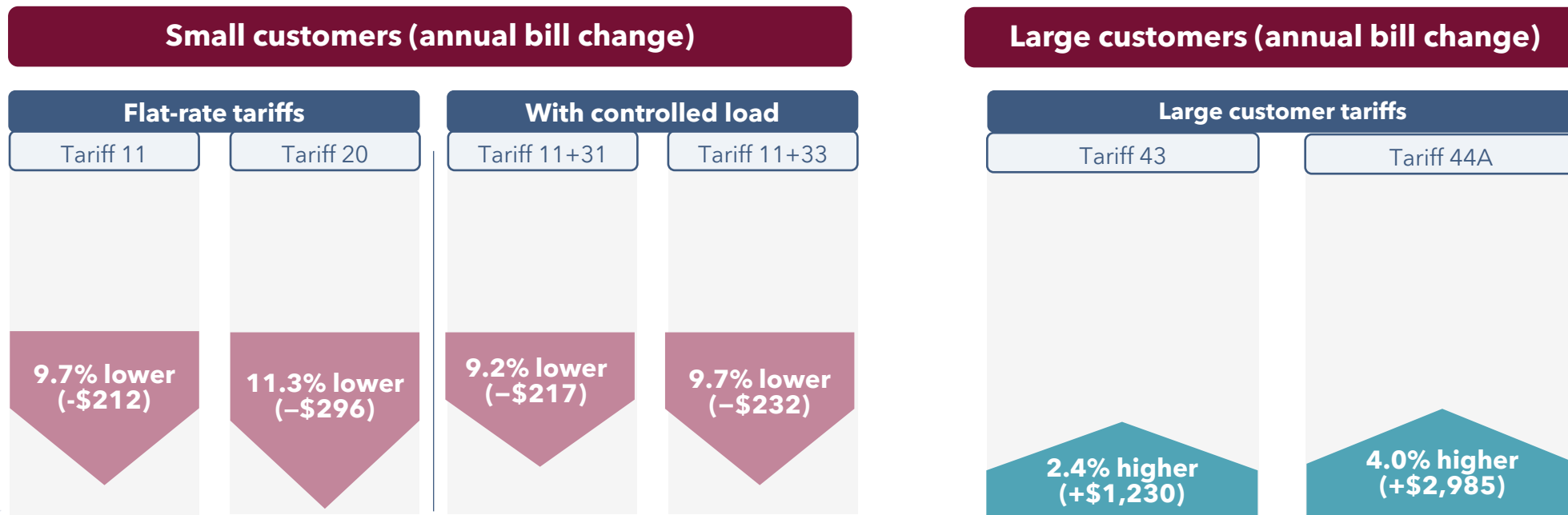
# Burning issues?

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**Do you have any key questions you want us to cover?**

# In 2026-27, we expect typical small customer bills to decrease and large customers bills to increase

Residential and small business bill decreases are mainly driven by the draft default market offer (DMO) for southeast Queensland. Large customer bills increase, mainly due to higher network costs.

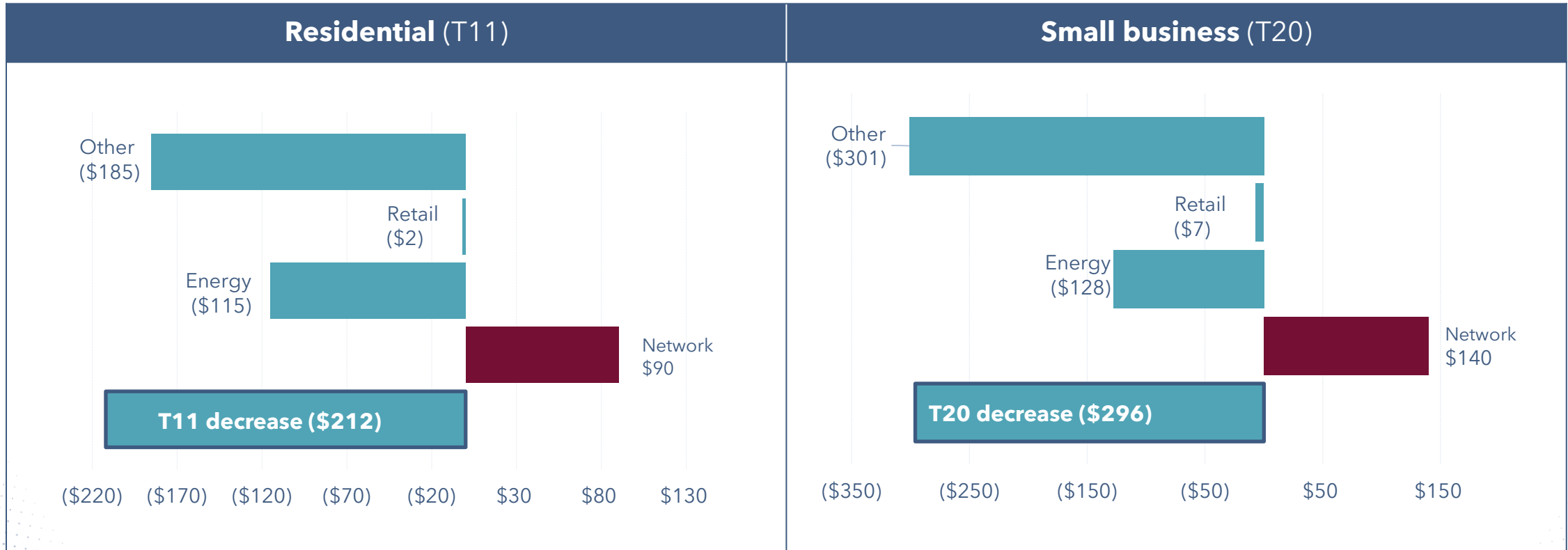


- Bill impacts are indicative only – actual bills depend on individual usage and any rebates or concessions.
- Based on typical (median) customer usage in regional Queensland.

# Why small customer bills are decreasing

Energy and 'other' costs decrease, more than offsetting higher network costs.

Change in cost components (2025-26 to 2026-27)

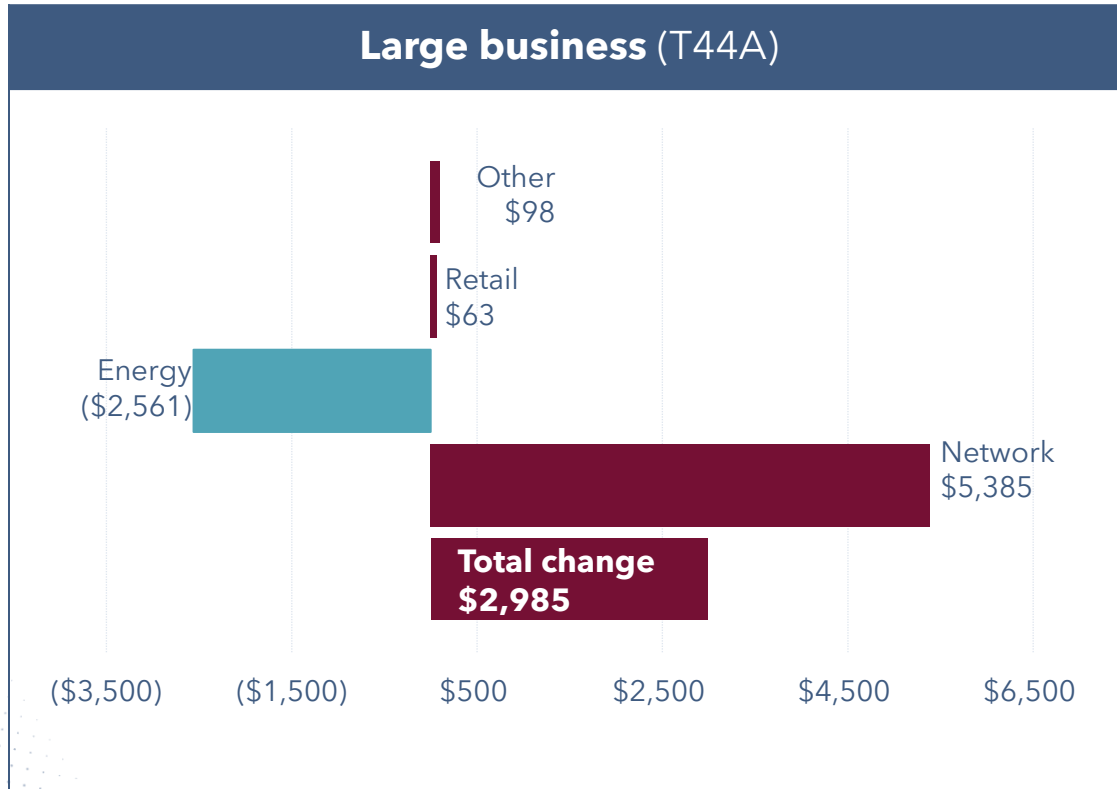


- Based on a typical (median) customer bill.
- Other costs include SRES and the standing offer adjustment (and DMO cap).

# Why large customer bills are increasing

Energy costs decrease, partially offsetting the increase in network costs.

Change in cost components (2025-26 to 2026-27)



- Based on a typical (median) customer bill

# How we set notified prices

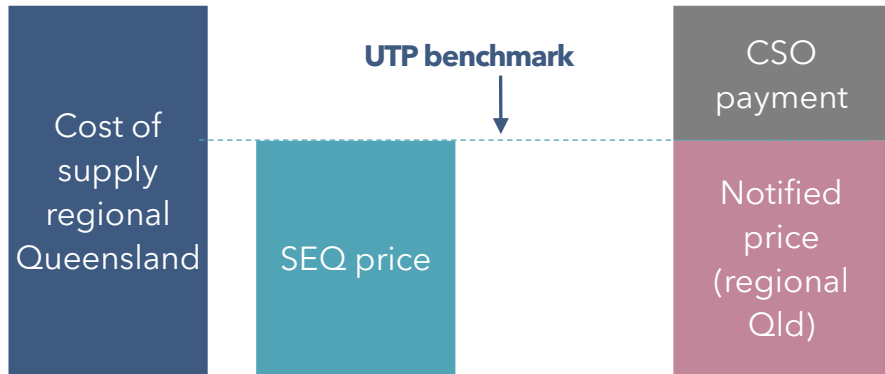
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We set notified prices using a well-established framework, based on factors in the Electricity Act and matters in the Minister's delegation, which include:

- costs of supplying electricity
- using the **network plus retail (N+R) framework**
- applying the government's **uniform tariff policy (UTP)**.

# Uniform tariff policy

The UTP ensures **small customers** in regional Queensland pay no more than similar customers in **SEQ**. For **large customers**, prices are aligned with Ergon's **east zone** (the lowest-cost NEM-connected region).

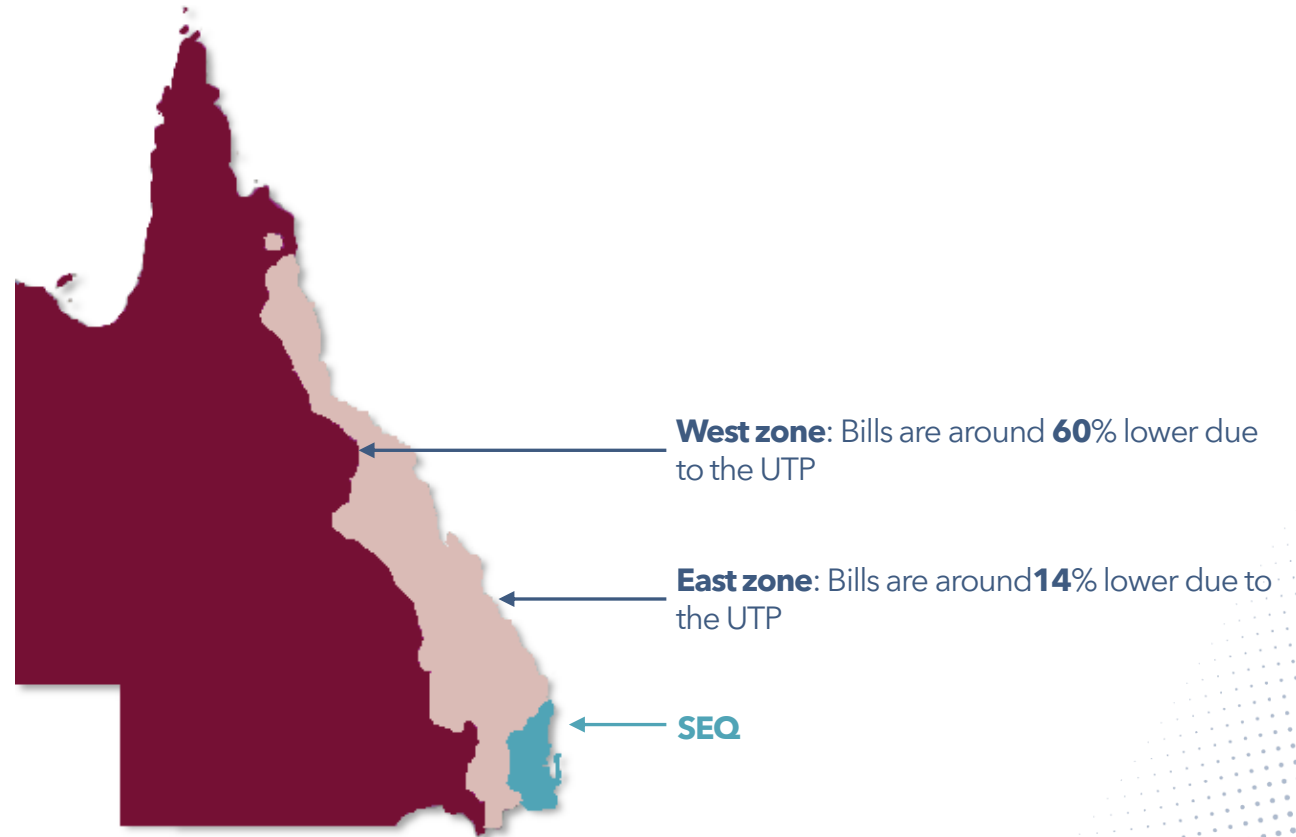


Notified prices are below the cost of supply for most customers

The Queensland Government pays the difference to Ergon Retail (around \$604m in 2025-26).\*

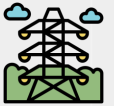
Without the UTP, most customers would pay more.

\* Expected amount, which includes isolated systems.



# N+R cost build-up methodology

Notified prices are made up of **four cost components**:



**Network costs** – cost of transporting electricity through the network and related charges (e.g. solar bonus scheme).



**Retail costs** – customer services, billing and metering



**Energy costs** – cost of buying electricity from the wholesale market and complying with environmental schemes



**Other costs** – Small-scale renewable energy scheme (SRES) and the standing offer adjustment (SOA).

**N component**



**R component**



**Other costs**

# New tariff matters

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## Potential new tariffs (2026-27)

### Large customer 'Solar soaker' tariff (TOU)

- uses time-varying wholesale energy costs to strengthen peak / non-peak price signals
- based on tariff 50B structure: includes TOU usage charges, TOU demand charges and a daily supply charge.

### Ergon Energy Retail's proposed EV tariff (residential)

- TOU tariff with discounted charging during eligible EV charging sessions.
- discount applied as a bill adjustment
- we are assessing against Electricity Act requirements and delegation criteria.
- We have published the proposal for stakeholder comment.

## Potential tariffs for future determination

The Minister has asked us to consult on:

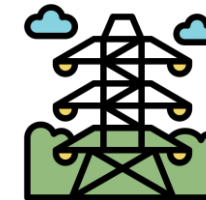
- residential TOU tariff with zero-cost period during the day (solar sharer offer)
- tariff to assist customers transitioning from small business customer tariffs to large customer tariffs.

# Expiring obsolete tariffs

- A number of obsolete tariffs will expire on 30 June 2026.
- Most were made obsolete following network tariff reforms last year.
- We do not propose to extend these tariffs.
- Customers have had time to review their options and transition to alternative tariffs.
- Affected customers should contact their retailer to switch to a suitable tariff.

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)

# Network costs



Network costs cover transporting electricity through transmission and distribution networks. We use AER-approved network prices to set notified prices:

For <b>small customer</b> standard retail tariffs	For <b>large customer</b> standard retail tariffs
Based on SEQ (Energex) network prices	Based on Ergon's lowest cost region connected to the NEM

Network costs are expected to **increase** for all customers.

Tariff 11 Residential	Tariff 20 Small business	Tariff 44A Large business
+\$90 (+11.3%)	+\$140 (+14.1%)	+\$5,385 (+12.3%)

Draft network prices from Ergon and Energex have been used in our draft determination. We intend to use the AER-approved network prices in our final determination.

# Retail costs



Retail costs reflect the cost of running a retail electricity business, including customer services, billing and administration.

For small customers, retail costs include digital metering.

## Our estimates

- Based on established benchmark (competitive market data/costs)
- Use AER metering costs (small customers)
- Reflect the roll-out of digital meters in regional Queensland

Retail costs change slightly across all customers:

Tariff 11 Residential	Tariff 20 Small business	Tariff 44A large business
-\$2 (-0.6%)	-\$7 (-1.1%)	+\$63 (+1.3%)

# Energy costs



Energy costs mainly reflect wholesale energy costs – the costs retailers incur to purchase electricity from the national electricity market (NEM).

Retailers use hedging strategies to manage price risk.

## Our estimates

- use a market-based approach reflecting retailer purchasing in the NEM
- based on ASX Energy futures contract prices (publicly available)
- use ASX data until 20 February 2026
- Incorporate digital meter data, including solar exports.

Energy costs are expected to decrease for all customer groups:

Tariff 11 Residential	Tariff 20 Small business	Tariff 44A large business
-\$225 (-11.9%)	-\$128 (-11.9%)	-\$2,561 (-9.9%)

Energy costs may change as additional contract data is incorporated in the final determination.

# DMO cap reduces small customer prices

## Standing offer adjustment (SOA)

- **reflects the value of standard contracts relative to market contracts**
- applies to small customer tariffs only
- **Estimated at 3.09%** based on SEQ market data

## DMO comparison

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

- converted the relevant DMO prices for SEQ into reference bills
- adjusted bills to make a like-for-like comparison (GST / consumption)
- compared notified prices (with SOA) with DMO bills

- **Draft notified price bills exceeded the DMO caps**



## SOA reduction to meet DMO cap

To ensure draft notified prices do not exceed the DMO:

- **residential customer SOA: -5.62%**
- **small business customer SOA: -13.87%**
- **secondary load control SOA: -2.13%**

These values **may change** in our final determination (based on AER's final DMOs).

# Next steps

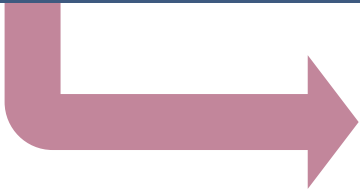
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## Draft determination

Available on our [website](#).

Our information booklet provides an overview of the draft determination.



## Submissions

Stakeholders invited to provide written comments by **1 May 2026**.

Information on how to make a submission can be found on our [website](#).



## Final determination

Published by 5 June 2026.

Notified prices apply from 1 July 2026.

# Question and answer session



Please keep in mind that this Q&A session is to provide clarification on matters in our draft determination.

We encourage stakeholders to provide written submissions about matters you want the QCA to consider when making the final determination.



**Thank you for participating in  
today's information session.**