



The Hon. David Janetzki MP
Treasurer
Minister for Energy
Minister for Home Ownership

1 William St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

ABN 90 856 020 239

Our Ref: QT 00456-2024/ MN 10980-2024

Professor Flavio Menezes
Chair
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Email: [REDACTED]

Dear Professor Menezes

Pursuant to section 90AA of the *Electricity Act 1994* (the Act), I am delegating to the Queensland Competition Authority (QCA) the functions under section 90(1) of the Act for the determination of regulated retail electricity prices in regional Queensland for the 2025–26 Tariff Year.

The enclosed Delegation No. 1 2024 is for the setting of notified prices for existing retail tariffs in the usual manner. To achieve this, I ask QCA to consider applying the same cost build-up methodologies it used in setting prices for 2024–25 for all current tariffs.

Additionally, pursuant to section 93 of the Act, I direct the QCA to decide the flat rate regional Queensland solar feed-in tariff (FiT) for the 2025–26 Tariff Year.

As you are aware, the Queensland Government's uniform tariff policy (UTP), as described in the Delegation, provides an important and longstanding mechanism to ensure people living in regional Queensland pay equivalent prices to those in South East Queensland (SEQ) – despite the actual higher costs of delivering electricity to those areas.

As such, I require the QCA continue to apply the UTP and to consider the SEQ Default Market Offer (DMO) price to be a cap – meaning the standard flat rate tariffs should be set no higher than the equivalent SEQ DMO. For the removal of doubt, this means a negative Standing Offer Adjustment (SOA) can be applied if necessary to deliver on the Queensland Government's UTP. When applying any SOA adjustment, retention of bill relativity remains important and is to be maintained for more complex small customer tariffs, including those for which equivalent DMOs are not determined by the Australian Energy Regulator (AER).

I note the 2025–2030 Energex and Ergon Energy network regulatory reset period will apply from 1 July 2025. As such, the delegation provides that the QCA should consider its approach to incorporating underlying network tariffs in its standard retail tariff decisions, including the option for transitional arrangements where network tariffs will become obsolete or expire, if deemed necessary.

In the enclosed Direction for the regulated FiT, I ask that the QCA continue to apply its avoided cost methodology, consistent with the previous years' decisions. However, for the 2025–26 decision, the QCA may consider including a public consultation process, while undertaking consultation activities for the regulated electricity pricing decision.

The QCA is required to publish its draft determinations within one week after the AER publishes the draft DMO for the 2025–26 tariff year, and to publish its final determinations by 7 June 2025.

Queensland Treasury will be available to consult with the QCA on the 2025–26 price determination and FiT. If you require further information or assistance with this matter, Ms Kaitlyn Stutz, Executive Director, Energy, Queensland Treasury, can be contacted by email at [REDACTED]

Yours sincerely



DAVID JANETZKI MP
Treasurer
Minister for Energy
Minister for Home Ownership

19 / 12 / 2024

Encl. (2)

QUEENSLAND TREASURY
Electricity Act 1994
SECTION 93 DIRECTION
to the Queensland Competition Authority

As the Treasurer, Minister for Energy and Minister for Home Ownership, pursuant to section 93 of the *Electricity Act 1994* (the Act), I hereby direct the Queensland Competition Authority (QCA) to decide a flat rate feed-in tariff for the 2025-26 tariff year.

TERMS OF REFERENCE

Matters to consider

In accordance with section 93(2) and 93(3) of the Act, in deciding the feed-in tariff the QCA must consider the following:

1. The flat rate feed-in tariff should be decided using the general 'avoided cost' methodology applied for previous tariff years from 2014-15 onwards.
2. The effect of the feed-in tariff on competition in the Queensland retail electricity market.
3. The matters described below:
 - the arrangements in place for Origin Energy to provide retailer services to Queensland customers connected to the Essential Energy supply network in southern Queensland; and
 - any other matter the QCA considers relevant.

Application of the feed-in tariff

4. The flat rate feed-in tariff is to apply for the period 1 July 2025 to 30 June 2026.

Interim Consultation Paper

5. The QCA may publish an interim consultation paper identifying key issues to be considered when deciding the flat rate feed-in tariff.
6. The QCA may publish a written notice inviting submissions about the interim consultation paper, stating the period during which anyone can make written submissions to the QCA about issues relevant to the decision.
7. The QCA may consider any submissions received within the consultation period and make them available to the public, subject to normal confidentiality considerations.

Consultation Timetable

8. The QCA may publish an annual consultation timetable within two weeks after submissions on the interim consultation paper are due, which can be revised at the discretion of the QCA, detailing any proposed additional public papers and information sessions that the QCA considers would assist the consultation process.

Draft decision and consultation

9. The QCA may publish its draft price decision for the solar feed-in tariff and undertake public consultation to decide the 2024-25 flat rate feed-in tariff, given that the QCA may decide to apply a different methodology as applied in previous Tariff Years.
10. The QCA may a written notice inviting submissions about the draft price decision. The notice must state a period during which anyone can make written submissions to the QCA about issues relevant to the draft price determination.
11. The QCA may consider any submissions received within the consultation period and make them available to the public, subject to normal confidentiality considerations.

Final decision

12. The QCA must publish its final decision for the regulated solar feed-in tariff in the form of a final decision report, to be published alongside the final decision report for regulated retail electricity pricing.
13. As part of consultation and in consideration of submissions in response to the interim consultation paper, the QCA must consider the merits of additional public consultation on identified key issues in its final decision.

Timing

14. The QCA must decide the flat rate feed-in tariff and, in accordance with section 94 of the Act, announce the flat rate feed-in tariff on the QCA's website and publish the decision via Gazette Notice no later than 7 June 2025.

This direction is made by **The Honourable David Janetzki MP**, Treasurer, Minister for Energy and Minister for Home Ownership.

Signed:



The Honourable David Janetzki MP
Treasurer
Minister for Energy
Minister for Home Ownership

Dated:

19/12/24