

Australian Capital Territory

Independent Competition and Regulatory Commission (Price Direction for the Supply of Electricity to Certain Small Customers on Standard Retail Contracts) Terms of Reference Determination 2026

Disallowable instrument DI2026-95

made under the

Independent Competition and Regulatory Commission Act 1997 ('the Act'), Section 15 (Nature of Industry Reference) and Section 16 (Terms of References).

EXPLANATORY STATEMENT

The purpose of this instrument is to refer to the Independent Competition and Regulatory Commission (the Commission) the process to determine a new price direction for the supply of electricity to small customers (who consume less than 100MWh of electricity in any 12 consecutive months) on standard retail contracts for the period of 1 July 2027 to 30 June 2030. The current price direction expires on 30 June 2027.

The instrument requires the Commission to make provision for annual recalibrations of prices to occur by 30 June 2028 and 30 June 2029.

Under section 15(4) of the Act, the reference is restricted to only apply to the authorised electricity retailer ActewAGL.

The industry reference also seeks investigation of the merits of amending current processes to enable separate reference prices for time of use and fixed rate tariff customers. This advice will be provided in the Commission's final report to assist consideration by Government of measures to support consumers to benefit from competition, consistent with the Intergovernmental Agreement on National Competition Policy.

The Terms of Reference outline the matters that must be considered by the Commission when setting the next price direction. This includes considering the impact on electricity costs of Government policies or schemes, such as the ACT Government's Energy Efficiency Improvement Scheme and the Commonwealth

Government's Large-Scale Renewable Energy Target and Small-scale Renewable Energy Scheme.

The Terms of Reference will see time-of-use tariffs individually determined by the ICRC from 2027-28. This marks a change from the present approach, where an average price adjustment is applied across all standing offer tariff types. This will assist to bring about more cost reflective time-of-use standing offer tariffs, improve transparency and benefit Canberra households transitioning to smart meters.

The Commission is also required to consider and ensure changes to the standing offer approval process provide sufficient time for the subsequent determination of the reference price by Ministers and for retailers to meet their obligations under the ACT Retail Electricity (Transparency and Comparability) Code Part 2 and *National Electricity Rules*.

As per section 16(2)(a) of the Act, the Terms of Reference require the Commission to release its final report and price direction within the period of 1 March 2027 to 4 June 2027. This is to ensure that sufficient time is available for ActewAGL Retail to provide information to customers about new prices, and to make any necessary changes to its billing system, in advance of the commencement of the new price direction on 1 July 2027.

Chris Steel MLA
Treasurer
12 June 2026