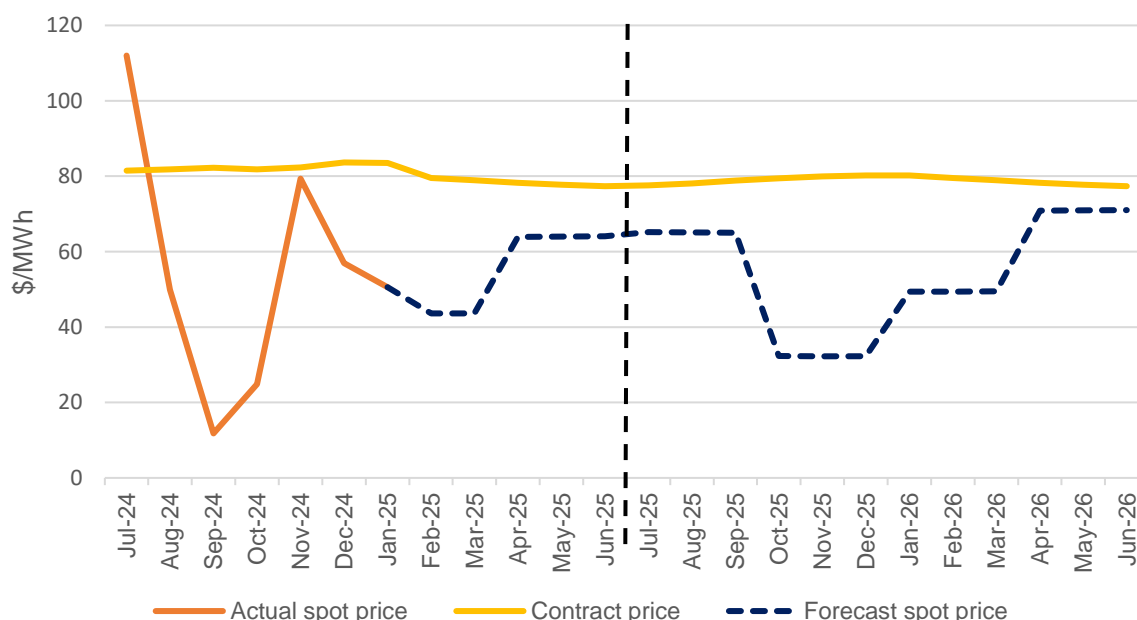


Reasonable Cost Determination (RCD): 2025-26

On 26 February 2025, the ACT Government determined that Evoenergy’s reasonable costs for the LFiT scheme are \$48.4 million in 2025-26. Evoenergy estimates the price impact to be approximately 1.6 cents per kilowatt-hour (kWh) to be paid by ACT electricity customers from 1 July 2025, or around \$2 per week for a typical residential customer (using 6,100 kWh per year).

The level of the RCD is largely determined by forecast electricity spot prices. Evoenergy forecasts that spot prices will remain below the contracted prices for the remainder of 2024-25 and all of 2025-26 (see Figure 1). This means that Evoenergy is forecast to make payments to generators for the difference.

Figure 1: Contract prices versus spot prices, 2024-25 and 2025-26



Evoenergy forecasts total generator payments of \$57 million for 2024-25 and \$61 million for 2025-26. In addition, Evoenergy expects to incur expenses of \$0.8 million per year for administering the LFiT scheme. Based on Evoenergy’s forecasts for 2024-25, there is a closing balance of \$39 million at the end of 2024-25, which must be returned to customers (plus any interest that Evoenergy earns on this over-recovery).

In its determination for 2025-26, the ACT Government determined that the 2024-25 closing balance should be returned to customers over a period of 3 years, to help smooth the impacts on electricity prices over time. This results in a total RCD for 2025-26 of \$48.4 million (see Figure 2).

Figure 2: Components of Evoenergy RCD forecast for 2025-26

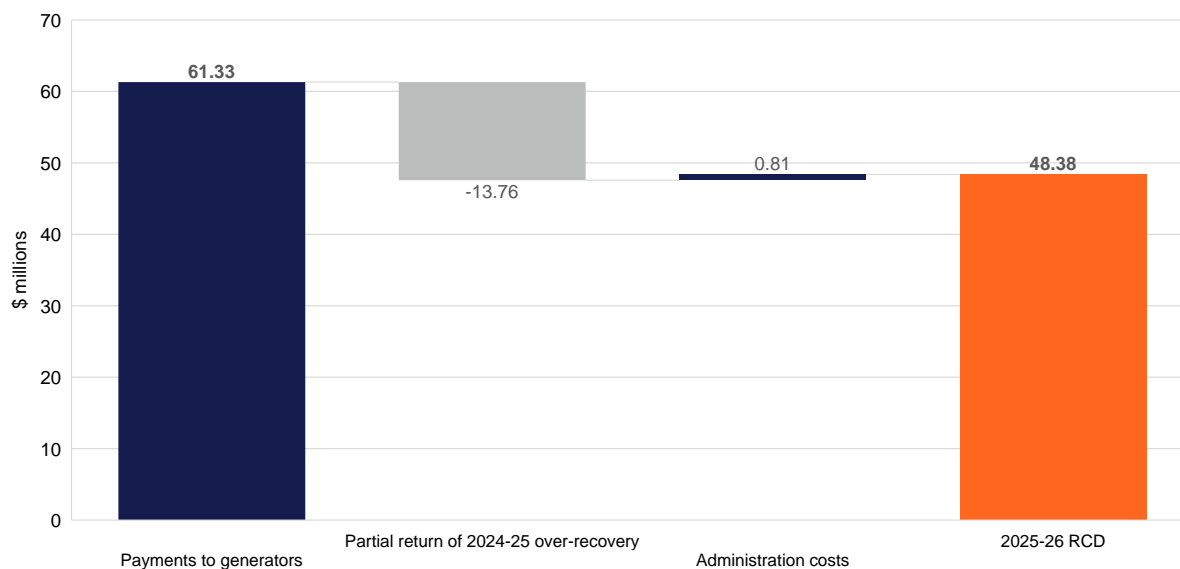


Table 1 shows the ACT Government’s LFiT reasonable costs determinations for recent years, and the estimated impact on ACT electricity network prices.

Table 1: LFiT RCD amounts and estimated impact on electricity prices

Year	ACT Government LFiT RCD	Estimated impact on prices
2025-26	\$48.4 million	1.6 cents / kWh
2024-25	\$7.8 million	0.3 cents / kWh
2023-24	-\$68.4 million	-2.3 cents / kWh