

# Electricity cost pass-through trial 2024-25

## Barker Barambah Bulk Water Supply Scheme

### Background

Irrigation customers in the Redgate Relift section of the Barker Barambah Bulk Water Supply Scheme participated in a three-year electricity cost pass-through trial from 1 July 2020 to 30 June 2023.

During the trial, Sunwater's actual scheme-level electricity cost savings (if any) were passed through to irrigation customers at the end of the financial year via a credit applied to their bills. If Sunwater spent more on electricity than it recovered from customers, no debits were applied to customers' bills.<sup>1</sup>

The trial involved customers in the 'Redgate Relift – medium priority' irrigation tariff group only.

### Decision to extend the trial

In 2024 Sunwater elected to extend the electricity cost pass-through trial for an additional two years (until 30 June 2025). Sunwater made this decision, in response to the Queensland Competition Authority's (QCA) Irrigation Pricing Review 2025-2029 Draft Report. Sunwater determined it was more equitable to return electricity credits to individual customers through the pass-through mechanism than lowering future prices and distributing the credits to all customers, some of whom might not have been eligible for the credits.

The final electricity pass-through credits will be applied to eligible irrigation customer bills in October 2025.

### 2024-25 electricity pass-through summary

In 2024-25, Sunwater spent **less** on electricity than we recovered from customers in the Redgate Relift section of the Barker Barambah Bulk Water Supply Scheme.

This means eligible customers who used water in 2024-25 will have a credit applied to their bill in October 2025.

The following section explains how the 2024-25 scheme level pass-through amount and individual customer credits are calculated.

### Calculation of the pass-through amount

QCA included an allowance for electricity in its fixed and volumetric cost-reflective prices for the Redgate Relift section.

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<sup>1</sup>Sunwater may seek to recover its prudent and efficient electricity costs via an end of price period review if QCA's cost-reflective allowance is less than actual costs. This will not occur as part of the trial.

The pass-through amount is determined by deducting Sunwater’s actual electricity costs in 2024–25 from the amount allowed by QCA in its cost-reflective prices and subsequently recovered by Sunwater during the year. This amount is then divided by the Redgate Relift’s water usage in 2024–25 to arrive at a dollar per megalitre (\$/ML) pass-through rate.

The scheme-level pass-through rate is based on cost-reflective pricing. In 2024–25 irrigation customer prices differed from cost-reflective levels. This reduces the electricity allowance recovered from irrigation customers via fixed and variable charges. This is reflected in the right-hand column of Table 1, which shows the electricity allowance recovered via actual irrigation prices. The right-hand column also shows how this has been used to calculate the irrigation customer pass-through rate.

Table 1: Calculation of the 2024-25 electricity cost pass-through amount<sup>1</sup>

Scheme-level information	Scheme	Customer
Water access entitlements (WAEs) – Redgate Relift	1452 ML	
Usage (including channel harvesting) – Redgate Relift	254 ML	
Actual electricity costs	\$3,528	
<b>QCA electricity cost allowances</b>		
Electricity allowance in fixed cost-reflective price – Redgate Relift	\$5.51/ML	\$3.39/ML
Electricity allowance in volumetric cost-reflective price – Redgate Relift	\$53.99/ML	\$19.36/ML
<b>Pass-through calculations</b>		
Electricity costs recovered via fixed cost-reflective prices	$(\$5.51 \times 1,452 \text{ ML}) = \$8,001$	$(\$3.39 \times 1,452 \text{ ML}) = \$4,929$
Electricity costs recovered via volumetric cost-reflective prices	$(\$53.99 \times 254 \text{ ML}) = \$13,692$	$(\$19.36 \times 254 \text{ ML}) = \$4,910$
Total electricity costs recovered via cost-reflective prices	$(\$8,001 + \$13,692) = \$21,692$	$(\$4,929 + \$4,910) = \$9,839$
Proportion of electricity costs recovered from scheme / irrigation customers	$(\$21,692 / \$21,692) = 100\%$	$(\$9,839 / \$21,692) = 45.36\%$
Total pass-through amount = recovered amount minus actual electricity costs	$(\$21,692 - \$3,528) \times 100\% = \$18,164$	$(\$21,692 - \$3,528) \times 45.36\% = \$8,239$
Total pass-through rate per ML = total pass-through amount divided by water usage (ML)	$(\$18,164 / 254 \text{ ML}) = \$71.63/\text{ML}$	$(\$8,239 / 254 \text{ ML}) = \$32.49/\text{ML}$

1. Figures may not sum due to different rounding conventions between this table and the underlying electricity cost pass-through modelling.

## Impact on individual customers

The credit is calculated by multiplying the irrigation customer pass-through rate of \$32.49 ML by the irrigation customer’s 2024–25 water usage at a water account level. Only water usage associated with eligible irrigation tariff groups is included in the calculation.

The credit will be visible on customers’ October bills in the ‘Other Fees and Charges’ section. The accompanying description will include the following key inputs used to calculate the credit amount:

- the irrigation customer’s aggregate annual water usage
- the pass-through rate of \$32.49/ML.

An example of how the credit will be displayed on an irrigation customer’s bill is shown in Figure 1.

Figure 1: Example of how the credit will be displayed on a bill<sup>1</sup>

### This invoice in detail

#### Other Fees and Charges

Date	Transaction	Description	Amount(\$)
28 Jul 2021	Irrigation Electricity Passthrough	644.32 ML @ \$6.49 per ML pa in arrears	4,181.64 CR
<b>Total Other Fees and Charges</b>			<b>4,181.64 CR</b>

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1. *The pass-through rate of \$6.49/ML is used for illustrative purposes. As noted above, the Barker Barambah Scheme's pass-through rate for 2024-25 is \$32.49/ML.*

## How can I find out more?

More information is available in the frequently asked questions document available on the Sunwater [website](#).

If you have a query in relation to the calculation of the pass-through amount, please contact customer support via email [customersupport@sunwater.com.au](mailto:customersupport@sunwater.com.au) or phone on 13 15 89.