

NATIONAL ELECTRICITY LAW

SECTION 74

INFRINGEMENT NOTICE TO BRAEMAR POWER PROJECT PTY LTD (ACN: 113 386 600)

To: Braemar Power Project Pty Ltd (ACN: 113 386 600)
Level 25 Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

1. The Australian Energy Regulator ('AER') has reason to believe that Braemar Power Project Pty Ltd ('BPP'), being a Registered Participant and a Scheduled Generator within the meaning of the *National Electricity Rules* ('NER'), in respect of Braemar Power Station's generating Unit 1 ('Braemar Unit 1'), has breached clause 4.9.8(a) of the NER on 17 March 2009 for the reasons set out in Schedule 1 to this Infringement Notice ('the alleged breach').
2. The alleged breach comprises a breach of a civil penalty provision within the meaning of the *National Electricity (Queensland) Law* ('NEL').
3. The infringement penalty for the alleged breach is \$20,000.
4. Pursuant to section 74 of the NEL, the AER resolved to serve this Infringement Notice on BPP.

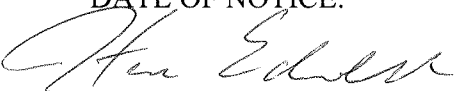
PAYMENT OF THE INFRINGEMENT PENALTY

5. BPP may pay the infringement penalty under this Infringement Notice by cheque or electronic funds transfer in accordance with the details set out in the invoice annexed to this Infringement Notice.
6. Notwithstanding anything set out in the invoice annexed to this Infringement Notice, the infringement penalty must be paid within 28 days of the date this Infringement Notice is served on BPP ('the payment period') unless this Infringement Notice is withdrawn before the end of the payment period in accordance with section 79 of the NEL.

OTHER MATTERS

7. The AER will not commence proceedings in respect of the alleged breach if the infringement penalty is paid before the end of the payment period.
8. BPP is entitled to disregard this Infringement Notice and defend any proceedings in respect of the alleged breach.

DATE OF NOTICE:  September 2009


Steve Edwell
Chair
Australian Energy Regulator

SCHEDULE 1

TO INFRINGEMENT NOTICE UNDER SECTION 74 OF THE NATIONAL ELECTRICITY LAW TO BRAEMAR POWER PROJECT PTY LTD (ACN: 113 386 600)

MATTERS CONSTITUTING A BREACH OF A RELEVANT CIVIL PENALTY PROVISION

1. BPP is a Registered Participant and a Scheduled Generator within the meaning of those terms in the NER in respect of Braemar Power Station ('Braemar') and specifically in respect of Braemar Unit 1.
2. Clause 4.9.8(a) of the NER requires a Registered Participant to comply with dispatch instructions issued to it by the market operator namely National Electricity Market Management Company ('NEMMCO'), unless to do so would, in the Registered Participant's reasonable opinion, be a hazard to public safety or materially risk damaging equipment.
3. The dispatch instructions given by NEMMCO to BPP in respect of Braemar Unit 1 and the output of Braemar Unit 1 for the dispatch intervals ending at 12:50, 12:55, 13:00, 13:05 and 13:10 on 17 March 2009 are set out below in columns 1 and 2. Braemar Unit 1's output for these dispatch intervals, as set out in column 3, did not comply with the dispatch instructions given to it by NEMMCO.

Column 1	Column 2	Column 3
Dispatch Interval	Dispatch Target Issued	Output
12:50	0 MW	23 MW
12:55	0 MW	64 MW
13:00	0 MW	107 MW
13:05	77 MW	148 MW
13:10	148 MW	152 MW

4. BPP's responses to the AER in relation to its non-compliance with the relevant dispatch instructions did not indicate that complying with those dispatch instructions would give rise to a hazard to public safety or materially risk damaging equipment.
5. Accordingly for the dispatch intervals set out in column 3 above, on 17 March 2009 BPP breached clause 4.9.8(a) of the NER in respect of Braemar Unit 1 by failing to comply with dispatch instructions given to it by NEMMCO.