

NATIONAL ELECTRICITY LAW
SECTION 74
INFRINGEMENT NOTICE ISSUED TO
CS ENERGY LIMITED (ACN: 078848745)

TO: CS Energy Limited (ACN: 078 848 745)
Level 12, 31 Duncan Street
FORTITUDE VALLEY QLD 4006

Infringement Notice No.: AER01-2324

1. The Australian Energy Regulator (**AER**):
 - (a) believes on reasonable grounds that CS Energy Limited (**ACN: 078 848 745**) (**CSE**) has breached section 11(1) of the National Electricity (South Australia) Law (**NEL**)¹ in respect of the Callide C generating system in the manner set out in Schedule 1 (**the alleged breach**).
 - (b) has decided to serve this Infringement Notice on CSE under section 74 of the NEL.
2. Section 11(1) of the NEL, as described in Schedule 1, is a civil penalty provision within the meaning of the NEL.
3. The infringement penalty is \$67,800.

**WHAT CAN CSE DO IN RESPONSE TO THIS
INFRINGEMENT NOTICE?**

4. CSE can choose whether or not to comply with this Infringement Notice. If CSE chooses not to comply with this Infringement Notice, the AER may commence proceedings against it in relation to the alleged breach. CSE is entitled to disregard this Infringement Notice and to defend any proceedings in respect of the alleged breach.
5. If CSE chooses to comply with this Infringement Notice, it must pay the infringement penalty to the AER, on behalf of the Commonwealth, by **18 October 2023**, being not less than 28 days from the date of service of this Infringement Notice, beginning on the day after the day on which this Infringement Notice is served (**the compliance period**).
6. To ensure payment is made in accordance with this Infringement Notice, payment must be received on or before **18 October 2023**.
7. If CSE pays the infringement penalty within the compliance period, the AER will not institute proceedings in respect of the alleged breach unless the Infringement Notice is

¹ The NEL is contained in the Schedule of the National Electricity (South Australia) Act 1996 and applies relevantly in Queensland pursuant to s 6 of the Electricity – National Scheme (Queensland) Act 1997.

withdrawn before the end of the compliance period in accordance with section 79 of the NEL.

HOW TO PAY AN INFRINGEMENT NOTICE

8. CSE may pay the \$67,800 infringement penalty in three ways:

- a. by cheque made out to the “ACCC Official Administered Account”,* enclosing a copy of this Infringement Notice to:

Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

you should allow at least five business days for payment to be received

or

- b. by electronic funds transfer to the following account:*

Account name: ACCC Official Administered Account
BSB: 032-730
Account: 146550
Description: AER01-2324

you should allow at least two business days for payment to be received

or

- c. by credit card via the ACCC online payment system at www.accc.gov.au/payments.*

Please ensure that you include “AER01-2324” in the Payment Description field of your online payment to identify payment.

You should allow at least two business days for payment to be received.

- * The Australian Competition and Consumer Commission handles the receipt of infringement penalty payments for the AER on behalf of the Commonwealth of Australia. All payments received are paid into the Consolidated Revenue Fund.

9. Please allow sufficient time for your payment to be received within the compliance period.

10. CSE will be issued with a Tax Invoice following payment of the infringement penalty.

DATE OF ISSUE: 18 September 2023



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Clare Savage
Chair
Australian Energy Regulator

SCHEDULE 1

INFRINGEMENT NOTICE No.: AER01-2324

MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: SECTION 11(1) OF THE NATIONAL ELECTRICITY LAW

1. Section 11(1) of the NEL provides, relevantly, as follows:

Electricity market activities in this jurisdiction

(1) A person must not engage in the activity of owning, controlling or operating, in this jurisdiction, a generating system connected to the interconnected national electricity system or directly or indirectly connected to a regulated stand-alone power system unless—

- a. the person is a Registered participant in relation to that activity; or*
- b. the person is the subject of a derogation that exempts the person, or is otherwise exempted by AEMO, from the requirement to be a Registered participant in relation to that activity under this Law and the Rules.*

Note—

Subsection (1) is a civil penalty provision: See the definition of "civil penalty provision" in section 2AA(1).

2. At all relevant times, CSE is a 'person', and the Callide C3 and C4 generating units at the Callide C power station (**Callide C**) is a 'generating system connected to the interconnected national electricity system', for the purposes of section 11(1).
3. On 24 May 2021, CSE engaged in the activity of operating the Callide C generating system.
4. At all relevant times, CSE was not the Registered Participant, or the subject of a derogation that exempts it from the requirement to be a Registered Participant, in respect of Callide C.
5. As a result, CSE breached section 11(1) of the NEL on 24 May 2021 by engaging in the activity of operating a generating system connected to the interconnected national electricity system without being the Registered Participant or obtaining an exemption from registration.