

Annual compliance and enforcement report

2023–24

July 2024

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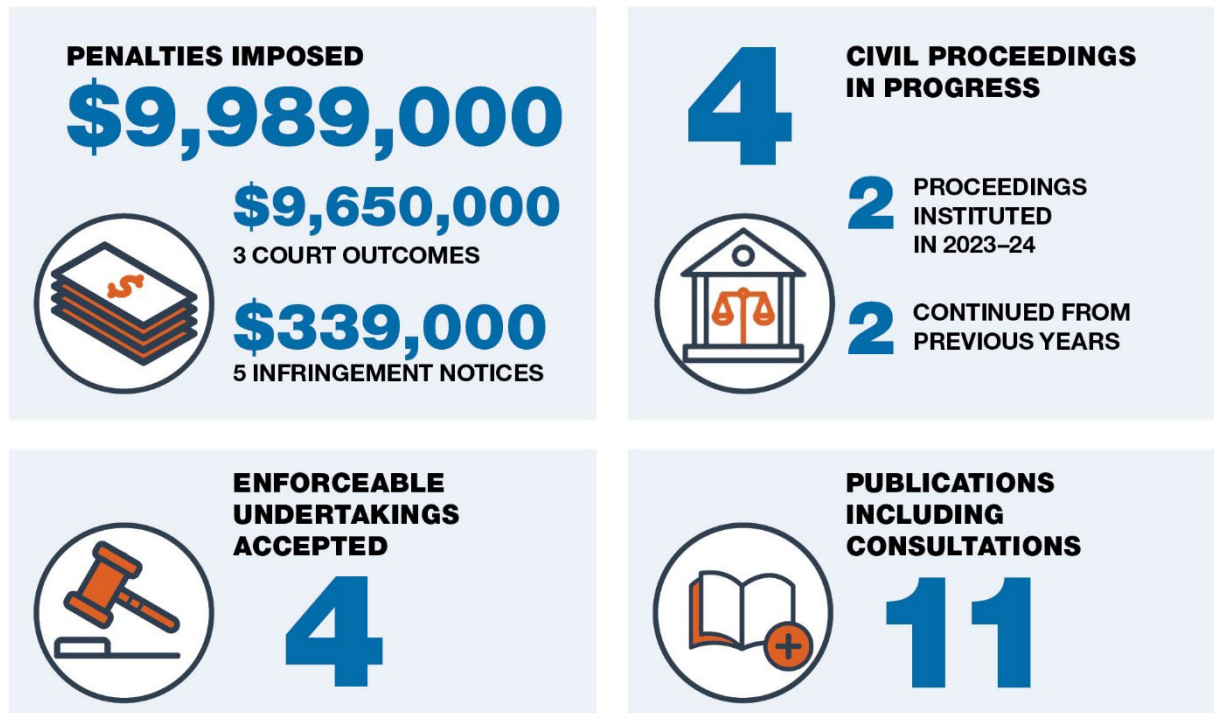
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Executive summary



Against the backdrop of increasing concerns about energy affordability and ongoing changes to the energy market as we transition to a decarbonised future, the Australian Energy Regulator (AER) continues to deliver outcomes and actions across our strategic objectives and compliance and enforcement priorities. This report provides an overview of the AER's compliance and enforcement activities during the 2023–24 financial year.

In the context of continued pressure on cost of living and energy affordability, the AER remains focused on **protecting consumers**, including consumers experiencing vulnerability, while enabling all consumers to participate in energy markets.

In 2023–24, the AER:

- accepted a court enforceable undertaking from 5 Origin Energy subsidiaries (together, Origin) in which Origin admitted to 1,973 breaches of the requirement to provide information packs to life support customers – Origin has undertaken to make a \$1 million community-based contribution to organisations that assist sections of the community who use life support equipment
- received payment of \$135,600 for 2 infringement notices issued to Ergon Energy Queensland Pty Ltd for alleged failures relating to life support registration and deregistration obligations in the National Energy Retail Rules
- acted to ensure retailers are complying with new family violence protections in the Retail Rules that commenced in May 2023, including proactive reviews of retailers' family violence policies
- continued proceedings against subsidiaries of AGL Energy for a failure to comply with overcharging obligations related to Centrepay payments, with the trial held in early June

- accepted a court enforceable undertaking from embedded network operator, Trinity Place Investments Pty Ltd, after it admitted to overcharging approximately 110 electricity consumers – this undertaking required repayment of \$34,000 to affected consumers
- instituted proceedings in the Federal Court against embedded network operator, CAM Engineering and Construction Pty Ltd for allegedly failing to become a member of the Energy and Water Ombudsman NSW (EWON) scheme, in breach of section 112(2) of the National Energy Retail Law
- finalised a round of spot checks of retailers' compliance with the hardship obligations
- undertook a review of retailer compliance with the Better Bills Guideline and published guidance material for retailers to ensure that a message about whether a better offer is available to the consumer is included on the front page of bills
- wrote to retailers to remind them of their obligations to notify customers ahead of changes to electricity prices and charges.

As the energy sector continues to undergo a major transition, the AER remains focused on monitoring compliance to ensure a **secure and reliable energy supply** and that electricity and gas **markets operate efficiently and competitively**.

In 2023–24, the AER:

- secured Federal Court ordered penalties totalling \$6 million in our proceedings against subsidiaries of AGL Energy for breaches of obligations relating to the provisions of contingency frequency control ancillary services
- secured Federal Court ordered penalties of \$900,000 in our proceedings against generator Pelican Point Power Limited for failure to disclose its short-term availability and update the Australian Energy Market Operator (AEMO) of changes to its medium-term availability
- instituted proceedings against Santos for alleged breaches of important record keeping obligations in the National Gas Rules relating to the Day Ahead Auction for gas pipeline capacity, and secured Federal Court ordered penalties totalling \$2.75 million
- instituted proceedings against 4 Jemena subsidiaries for alleged large-scale failures to submit accurate auction quantity limits to AEMO for 4 pipelines and failure to ensure auction services were correctly scheduled for 3 pipelines
- received payment from Jemena Northern Gas Pipelines totalling \$135,600 for 2 infringement notices and accepted a court enforceable undertaking for alleged breaches related to Gas Bulletin Board obligations
- instituted proceedings in the Federal Court against Callide Power Trading for alleged failures to comply with its performance standards for the Callide C power station
- received payment from CS Energy totalling \$67,800 for an infringement notice issued for an alleged breach of the National Electricity Law for operating a generating system without the required regulatory approval
- accepted a court enforceable undertaking from Evoenergy to address concerns that Evoenergy breached its ring-fencing obligations.

The AER has released its compliance and enforcement priorities for 2024–25, which extend and refine our current priorities to ensure the AER remains focused on issues with the greatest potential harm to consumers and the energy market. The priorities for 2024–25 are:

- Improve outcomes for customers experiencing vulnerability, including by improving retailer hardship policies and access to hardship and payment plan protections.
- Make it easier for consumers to understand their plan and engage in the market by focusing on compliance with billing and pricing information obligations, including the Better Bills Guideline and tariff change notifications requirements.
- Support power system security and an efficient wholesale electricity market by focusing on generators' compliance with offers, dispatch instructions, bidding behaviour obligations and providing accurate and timely information to AEMO.
- Improve market participants' compliance with performance standards and standards for critical infrastructure.
- Monitor and enforce compliance with reporting requirements under the new Gas Market Transparency Measures.

1 About us

The AER is Australia’s national energy regulator. Our jurisdiction covers several sectors of the national energy market, including:

- the relationships energy retailers and distributors have with their customers in competitive retail markets, and those of alternative energy providers operating under retail and network exemptions
- participation in competitive wholesale markets for electricity and gas, including obligations on AEMO in handling the day-to-day operations of those markets
- provision of monopoly transmission and distribution network services to customers and other market participants, and network planning requirements on service providers and AEMO.

Our functions relate mostly to energy markets in eastern and southern Australia – our jurisdiction covers Queensland, New South Wales (NSW), the Australian Capital Territory, Victoria, South Australia and Tasmania.¹

For our compliance and enforcement program, our purpose is to act as the fair, independent and accountable regulator of the energy market, promoting good behaviour by market participants and reducing consumer and market harms. We make energy consumers better off by using innovative regulatory approaches and deploying the right regulatory tools to solve problems.

We monitor, investigate and enforce compliance with obligations under the national energy laws in all sectors of the energy market, including the National Electricity Law (Electricity Law) and Rules (Electricity Rules), National Gas Law (Gas Law) and Rules (Gas Rules) and National Energy Retail Law (Retail Law) and Retail Rules, and their associated Regulations and Guidelines. This report summarises our compliance and enforcement activities for the 2023–24 financial year.²

In support of the objectives set out in our Strategic Plan 2020–2025, our compliance and enforcement work focuses on non-compliance that poses significant harm to:

- consumers, in particular those who are vulnerable or disadvantaged, such as those requiring life support equipment and those experiencing family violence
- consumers’ active participation in energy markets
- the operation and transparency of competitive energy markets
- the efficient operation of monopoly gas and electricity networks and inhibits access to those networks.

¹ An exception to this is the energy retail market in Victoria, which is regulated under state legislation by the Essential Services Commission of Victoria. We also regulate monopoly networks only in the Northern Territory, with other responsibilities managed by the Utilities Commission of the Northern Territory.

² The Retail Law requires us to publish an annual report on compliance with the Retail Law and Retail Rules. This report also includes our compliance and enforcement activities under the Electricity Law and Gas Law.

We may also take action where the operation of important laws or rules is unclear or contested. We draw on our experience in monitoring and enforcing compliance with national energy laws to inform debate about Australia’s energy future and support the energy transition.

Our *Compliance and enforcement policy* sets out how we approach our roles and functions in monitoring, investigating and enforcing compliance with national energy laws. The policy works in conjunction with our compliance and enforcement priorities, which help guide our enforcement work and proactive compliance efforts and signal areas where we consider behavioural change in the market is required. We discuss outcomes under this year’s priorities in section 2 of this report. You can read about our new priorities for 2024–25 in section 5.

2 Compliance and enforcement priorities for 2023–24 and related outcomes

In 2023–24, the AER set 5 compliance and enforcement priorities relating to consumers (priorities 1 and 2), wholesale electricity and networks (priorities 3 and 4) and gas (priority 5) (see Figure 1). These priorities align with the objectives in the [AER’s Strategic Plan 2020–2025](#).

Figure 1 AER compliance and enforcement priorities 2023–24



This section outlines the compliance and enforcement outcomes for each of these priority areas.

2.1 Improve outcomes for customers experiencing vulnerability

Hardship

The AER has achieved a range of outcomes to ensure customers experiencing vulnerability are provided with the full suite of hardship protections they are entitled to under the Retail Rules and Retail Law. These outcomes have strong links with our [Towards energy equity strategy](#).

We have reviewed and approved 6 retailer hardship policies this financial year and have another 6 currently under review. Hardship policies are vital in setting out how retailers identify and support customers experiencing payment difficulties due to hardship.

We consider that many current retailer hardship policies could be improved and are actively engaging with retailers to review and update their policies. This includes the approach to the repayment of outstanding debts by customers who leave a retailer’s hardship program because they are transferring to another retailer (or no longer require energy supply from the retailer). These customers must have access to an arrangement for the repayment of that debt that is consistent with protections set out in the hardship policy. In updating their hardship policies, we continue to expect retailers to be guided by recently approved policies and legislative requirements.

The AER has finalised a round of spot checks of selected retailers’ compliance with the hardship obligations using compulsory notices. We shared our findings in an industry guidance letter in January 2024, which set out our compliance expectations. This includes that retailers must:

- have adequate identification practices in place
- holistically consider a customer’s capacity to pay and provide achievable payment plans.

We have recently undertaken an in-depth analysis of key hardship metrics within the AER’s retail performance data and other intel sources to identify compliance concerns with retailer obligations for managing vulnerable customers. In early 2024–25 we will commence another round of compliance spot checks.

The AER has also [written](#) to retailers about the use of ‘HelpPay’ to facilitate the payment of energy bills. HelpPay is marketed as a service that can be used to share bills (for example, splitting a bill between housemates) or where a customer wishes to seek help from friends, family or strangers to pay it. Our letter set out that, while there is no prohibition on the use of HelpPay at a customer’s own instigation, a retailer should not promote HelpPay as a means to seek contributions towards an energy bill where a customer is experiencing payment difficulties instead of offering a customer a payment plan.

The AER is also currently investigating a number of retailers for potential breaches of hardship obligations in the Retail Law and Retail Rules. This includes potential failures to implement hardship policies, offer and apply payment plans and consider a customer’s capacity to pay when establishing a payment plan.

Overcharging

AGL Centrepay litigation

In December 2022 the AER [instituted proceedings](#) in the Federal Court against AGL Retail Energy Limited and 3 other subsidiaries of AGL Energy Limited (together, AGL) for allegedly continuing to obtain deductions from Centrepay payments from customers when it was not entitled to. Most, if not all, of these customers are likely to have been vulnerable and experiencing financial disadvantage.

The AER alleges that AGL failed to notify the affected customers that they had been overcharged as a result of AGL continuing to obtain deductions from Centrepay payments

and failed to use best endeavours to refund the overcharges within the required time periods. The trial was held in early June 2024.

Trinity – embedded network exempt seller obligations

On 28 August 2023, the AER accepted a court [enforceable undertaking](#) from embedded network operator, Trinity Place Investments Pty Ltd (Trinity) after it admitted to overcharging around 110 consumers for electricity by approximately \$34,000 between December 2019 and January 2023 at its Maroochy Cabins Complex on the Sunshine Coast. By charging electricity tariffs higher than the standing offer price that would be charged by the relevant local area retailer, Trinity failed to comply with an exemption condition set out in the [Retail Exempt Selling Guideline](#) in breach of section 112(2) of the Retail Law.

The undertaking requires Trinity to, among other things, refund affected consumers, commit no further overcharging, and improve its compliance systems and processes regarding energy pricing.

On 12 October 2023, the AER sent a [letter](#) to industry further publicising the enforcement outcome and reminding relevant exempt sellers of their obligations under condition 7 of the AER's Retail Exempt Selling Guideline.

2.2 Make it easier for consumers to understand their bills and energy plans

Bills are a key source of information and communication between consumers and energy retailers. The information on bills helps customers to make confident decisions, such as making sure they are on the best deal to suit their circumstances. In March 2022 the AER introduced the mandatory Better Bills Guideline, which sets out how retailers must prepare and issue bills to small customers. A second version of the Better Bills Guideline was published in January 2023 and full compliance with the Better Bills Guideline was required by 30 September 2023.

Since July 2023, the AER has considered 5 applications to include additional information in Tier 1 (or the first page) of their small customer bills, beyond what is allowed under the Better Bill Guideline. The AER continues to believe that Tier 1 is intended to contain key, essential information only and as such, carefully considers requests to include additional information in Tier 1 and has provided approvals in limited circumstances.

We also undertook a review of retailer compliance with the Better Bills Guideline. Among other aspects of the Better Bills Guideline (including the tiering requirements), our review focused on the new requirement to have a 'better offer' message on the front page of a small customer's bill. This message must tell the customer if the retailer can offer them a better deal and include details of how to switch plans. This could result in significant savings for customers, benefiting customers facing rising cost-of-living pressures. We have reviewed retailers' new bills and are currently drafting guidance for industry to assist compliance with these new billing requirements.

With the ongoing cost-of-living pressures, customers are increasingly using the AER's Energy Made Easy website to compare energy plans. It is critical for retailers to accurately disclose information relating to their plans to be displayed on Energy Made Easy. The AER [wrote to retailers in June 2024](#) outlining concerns about retailers providing plan information

that is not consistent with the AER’s Retail Pricing Information Guideline and which may be in contravention of the Retail Law. The letter provided guidance on how to convey any metering requirements for plans, so that customers have accurate information about whether a plan is available to them with their meter type.

The AER has also written to retailers to remind them of their obligations when notifying customers of variations to electricity tariffs and charges, including the proposed notification requirements under the smart meter rollout. We consider that it is beneficial for customers to be given as much notice as possible of any variations to tariffs and charges.

2.3 Support power system security and an efficient wholesale electricity market

The AER is focused on generators’ obligations relating to offers, bidding and compliance with the AEMO dispatch instructions because these are critical to power system security and efficient outcomes in the wholesale electricity market. This is particularly the case where conduct contributes to market events. Ensuring compliance with latest offers and AEMO dispatch instructions is an ongoing and active responsibility for all National Electricity Market (NEM) participants.

With the energy transition, it is critical that these obligations are fully understood and widely complied with. It is also critical that generators provide accurate and timely information about their capability and availability to AEMO. This includes for providing system services such as frequency control ancillary services (FCAS), which maintain the frequency of the electricity system, and for AEMO’s projected assessments of system adequacy (PASA), which assess the adequacy of electricity supply to meet demand. Since July 2023 the AER has taken the following actions to support this priority:

- reviewed data around self-forecasting and its potential impact on wholesale market bidding behaviour
- commenced review of various compliance guidance to identify updates needed in light of recent market reforms
- sent compliance messaging to industry to support AEMO’s management of risks identified in its *Summer operations 2023–24 work program* – the messaging emphasised the continued relevance of the [AER’s NEM Readiness Guide and checklist](#) and [Semi-Scheduled Generator Compliance Bulletin](#)
- obtained 2 important court judgments (outlined below)
- in July 2023 the AER reported that it was continuing to investigate one generator for possible breaches of the Electricity Rules in relation to PASA – the AER has now closed this investigation.

Pelican Point judgment

On 20 September 2023, the Federal Court found that Pelican Point Power Limited (Pelican Point) breached the Electricity Rules by failing to disclose to AEMO the full capacity of its Pelican Point Power Station that was available during heatwave conditions in February 2017. Specifically, it found that Pelican Point failed to comply with its legal obligation to disclose short-term availability information to AEMO.

The proceedings commenced following the non-payment of an infringement notice issued by the AER and concerned events on 8 February 2017, when South Australia experienced a Lack of Reserve Level 3 scenario as a result of high demand and diminishing supply due to heatwave conditions. This resulted in AEMO needing to interrupt 100 MW of customer load to maintain power system security.

On 26 August 2019, the AER instituted proceedings in the Federal Court, alleging that Pelican Point contravened the Electricity Rules by failing to notify AEMO that it had physical plant capability that could be made available on 24 hours' notice. The AER argued that, as a result, until late in the afternoon of 8 February 2017, AEMO was unaware it had the ability to issue a direction to Pelican Point to make the full capacity of the power station available and that this impaired AEMO's ability to manage power system security.

A hearing was held on this matter in April and September 2021. A partial judgment on liability was handed down in September 2023, with the Court finding that from 3 February 2017 Pelican Point did not correctly notify AEMO of short-term availability information on 8 February 2017 with 24 hours' notice.

A hearing on penalty was held on 18 and 19 December 2023 and judgment was delivered on 27 March 2024. Pelican Point was ordered to pay a pecuniary penalty of \$900,000 for not disclosing its short-term availability and not updating AEMO of changes to its medium-term availability. The AER and Pelican Point agreed that Pelican Point pay \$950,000 in costs.

The AER also sent a letter to industry reiterating the importance of complying with PASA obligations. The letter calls on relevant scheduled generators and market participants to assess and plan for the medium- and short-term operation of the energy system and submit details of physical plant capability available in those timeframes accordingly.

AGL FCAS judgment

In addition to the above actions, on 30 October 2023 the Federal Court ordered that operators of AGL's Bayswater and Loy Yang power stations pay penalties totalling \$6 million for breaches of the Electricity Rules. The Court found that, in periods between September 2018 and August 2020, certain units at the AGL power stations did not comply with dispatch instructions given to them by AEMO in relation to FCAS they had offered, and were paid, to provide.

Her Honour Justice Button noted the penalties reflected "the importance of power generators being in a position to supply contingency in accordance with their offers, which is of vital importance to the maintenance of a secure and stable power network".

This matter reinforces the need for participants to:

- ensure clear and effective lines of communication between operation teams and trading teams about the status of any plant settings affecting plant ability to deliver FCAS
- proactively monitor plant performance in response to frequency deviations to detect potential under delivery
- have comprehensive processes and procedures in place to support compliance, including ensuring processes are embedded and appropriately followed.

Under the Electricity Rules, electricity generators can offer to be on standby to provide FCAS to stabilise network frequency when there is a power system disturbance. These services are essential to keep the lights on following a power disturbance in the grid and are critical during the rapid transition to renewable energy generation.

2.4 Improve market participants’ compliance with performance standards and standards for critical infrastructure

The requirement for generators and facilities that consume electricity to comply with their performance standards is critical to power system security, particularly when this conduct can cause or exacerbate market events. It is also critical for network service providers (NSPs) to comply with their obligations in the Electricity Rules and/or connection agreements, including in providing supervisory control and data acquisition (SCADA) infrastructure. SCADA is essentially a system of software and hardware elements that gives operators, owners and other stakeholders an inside look at what’s happening inside a plant, facility or process. In the NEM, SCADA communications allow real-time data flows about the status of transmission, load and generator equipment to AEMO and transmission network service providers’ control rooms as well as the delivery of dispatch instructions.

Ensuring compliance with performance standards and the provision of SCADA infrastructure is an ongoing and active responsibility for all market participants. With the increase in number and complexity of new connections arising as part of the energy sector’s transition, it is critical that all participants fully understand and comply with their responsibilities. The following sections outline the various actions the AER has taken since July 2023 to support this priority.

In recent years there has been an increase in interruptions from severe weather, bringing into question the resilience of transmission and distribution assets. The most recent was the storm on 13 February 2024 in Victoria that saw the collapse of transmission towers in Moorabool and damage to Victorian distribution networks, which impacted approximately 500,000 customers. Given the increased likelihood of weather uncertainty and the AER’s role as the economic regulator in network determinations, the AER will be examining NSPs’ compliance with the obligations to maintain and support network resilience, including whether the NSPs are using good industry practice.

Supervisory control and data acquisition

The Electricity Rules require NSPs to provide and maintain the necessary primary and, where nominated by the AEMO, back-up communications facilities. This obligation (set out in clause 4.11.2(a) of the Electricity Rules) is a Tier 3 civil penalty provision.

SCADA facilities form the communications backbone of the NEM, allowing real time data flows about the status of transmission and generator equipment to AEMO and NSP control rooms, as well as the delivery of dispatch instructions. SCADA is critical for AEMO’s line of sight on power system conditions. Non-compliance with SCADA obligations has at times impacted AEMO’s ability to manage the power system.

Trends in the number and impact of SCADA-related incidents in recent years, including the total loss of SCADA that occurred in Victoria between 22 and 23 April 2023, suggest a significant risk to power system operations, which needs to be addressed.

On 15 March 2024 AEMO published a detailed incident report covering 18 SCADA incidents that occurred throughout the NEM between 24 January 2021 and 18 November 2023. The review process drew from engagement with NSPs from both the NEM and the Western Australian Wholesale Electricity Market, and with international system operators, to evaluate overall SCADA performance and compliance with relevant obligations and investigate the potential for systemic issues of significance to the NEM. AEMO’s findings suggest significant areas for improvement not only in proactive and preventative measures to support compliance, but in incident response, investigation and follow-up when issues arise.

AEMO has now made 8 key recommendations, which focus on addressing the most significant risks identified during the review. These are now to be actioned through a combination of targeted individual feedback and a new SCADA working group tasked with improving SCADA system resilience and reliability across the NEM. The timely implementation of these recommendations will require focused effort from AEMO, NSPs and participants over the next 12 months.

The AER strongly supports the recommendations made in the report and has written to the Energy Networks Association to encourage ongoing commitment from NSPs to work with AEMO to action the recommendations, with the aim of significantly enhancing overall SCADA system resilience and reliability. The AER will continue to assess potential individual breaches with a particular focus on identifying systemic issues and will undertake compliance action where appropriate.

Review of generator compliance programs

Each year, the AER undertakes generator compliance program (GCP) reviews focused on registered generators’ obligations under rule 4.15(a) of the Electricity Rules to ensure that their plant meets or exceeds the applicable performance standards.

Rule 4.15(b) of the Electricity Rules requires registered participants to institute and maintain a compliance program in accordance with the AEMC Reliability Panel’s *Template for Generator compliance Programs*. In particular, the GCP must:

- include procedures to monitor the performance of the plant in a manner that is consistent with good electricity industry practice
- provide reasonable assurance of ongoing compliance with applicable performance standards.

Rules 4.15(a) and 4.15(b) are Tier 1 civil penalty provisions.

A generator’s ability to identify and report potential non-compliance with its registered Generator Performance Standard (GPS) is crucial for AEMO to ensure the security and reliability of the power system. Rule 4.15(f) of the Electricity Rules requires generators to report GPS non-compliances to AEMO and for AEMO to forward these reports to the AER.

In the AER’s GCP reviews, we check for ‘reasonableness’ to satisfy ourselves there is no evidence of non-compliance with the relevant Electricity Rules, based on information

provided in written responses and interviews with the generators. The review also considers the 10 compliance principles outlined in the template.

The purpose of our GCP reviews is to confirm that generators have appropriate systems and processes in place to ensure they are capable of maintaining compliance with their GPS. We assess generators' GCPs for capability of ongoing testing and monitoring of compliance with GPS.

In 2023–24, the 2 generators we reviewed were EnergyAustralia's Mt Piper Power Station and Banpu Energy's Beryl Solar Farm (both in NSW).

EnergyAustralia demonstrated its capability to manage the GCP and GPS compliance monitoring framework for Mt Piper. We consider that the Mt Piper GCP framework allows for compliance and technical matters to be adequately dealt with in a timely manner. EnergyAustralia engaged positively with the AER throughout the review process, which has now concluded.

We continue to engage with Beryl Solar Farm on the implementation of improvements to its approach to monitoring GPS compliance and effectiveness of its GCP.

We remind generators in the NEM of the following key messages:

- Having established a GCP, generators must institute and maintain it. This includes ensuring they continue to apply the procedures and processes outlined in the GCP in practice. A GCP outlines an ongoing program of testing and monitoring that must be maintained over time. It should be reviewed regularly to ensure its currency and effectiveness.
- Generators must ensure, at all times, that reliance on third parties for technical and/or operational matters does not unduly expose generators to compliance risks through these third parties' lack of knowledge of applicable regulatory obligations. Primary responsibility for compliance remains with the generator. We expect generators to understand all their obligations in order to outsource certain functions to third party(s) and manage their delivery.
- While in some circumstances satisfactory plant performance during a power system event or disturbance can provide comfort as to compliance, generators should not rely solely on reactive or ex post assessments as an alternative to proactive testing and other preventative measures.
- Testing against all applicable performance standards requires significant time and resource allocation. Generators should take this into account when planning their testing schedule, to ensure testing is completed within appropriate timeframes and in accordance with their GCP.

May 2021 power system event

The AER conducted an investigation into the 25 May 2021 power system event, involving the trip of multiple generators and high voltage transmission lines in Queensland following an initial plant issue at the Callide C Power Station.

In February 2024, the AER [instituted proceedings](#) in the Federal Court against Callide Power Trading Pty Ltd (Callide Power Trading) for failing to comply with its performance standards

for the Callide C power station. The proceedings concern allegations that, Callide Power Trading, the registered participant for Callide C, breached rule 4.15(a)(1) and clause 5.2.5(a)(1) of the Electricity Rules.

On 25 May 2021, the failure of Callide C4's protection systems to disconnect the generating unit from the power system resulted in the trip of multiple generators and high voltage transmission lines in Queensland following an initial event at the Callide C power station. This resulted in the loss of approximately 3,045 MW of generation and 2,300 MW of customer load being disconnected from the power system. This caused widespread blackouts to households and businesses across Queensland. Callide C4 has been offline since the incident. [Callide C Power Station joint venture advised on 21 June 2024](#) that it is scheduled to make a staged return to service beginning in July 2024.

The AER is seeking pecuniary penalties, declarations, orders for remedying the breach or preventing the recurrence of the breach, and costs.

Letter setting out compliance approach for system strength service providers

System strength relates to voltage stability and is one of the core electrical qualities that must be maintained for a stable power system. In May 2023, AEMO identified that applying the 'system strength quantity' (SSQ) formula in the Electricity Rules, without adjustment, could significantly overstate the quantity of system strength required to support each connection. This could affect both planning for the overall amount of system strength service procured and the resulting system strength charge (SSC) for connecting parties, which is potentially passed through to consumers. AEMO proposed a methodology for calculating the SSQ for a relevant NEM connection that, in AEMO's view, best aligns with the intended outcomes expressed in the Australian Energy Market Commission's (AEMC's) [rule change for the efficient provision of system strength](#).³

The AER undertook extensive stakeholder engagement about the implementation of the system strength framework, including AEMO's calculation of SSQ when calculating SSC for new connections to the network. Following this engagement, the AER published a [letter of comfort to system strength service providers](#) containing the AER's views on the compliance concerns expressed by networks and noting that, should a system strength service provider adopt AEMO's revised methodology when calculating SSC, the AER did not intend to take action in relation to resultant potential non-compliance. This letter does not affect previous guidance the AER provided to transmission network service providers in November 2022 about the importance of compliance with other essential service obligations.

The AER's position recognised that the revised SSQ methodology is expected to benefit consumers by reducing potential costs associated with the unadjusted formula in the Electricity Rules and would allow the AEMC to progress AEMO's rule change request to implement the revised methodology as a priority. The AEMC published its final rule in relation to these changes on 29 February 2024, with the new SSQ calculation applying from 1 July 2024.

³ AEMO, *Calculating system strength quantities in the NEM*, Australian Energy Market Operator, May 2023.

Beyond this, the AER has continued to work closely with the Market Bodies System Strength Implementation Working Group to identify and prioritise other changes to the system strength framework that may be needed.

Consumer energy resources technical standards

Consumer energy resources (CER) are small-scale energy resources owned by customers, such as solar photovoltaic systems and batteries, which can produce, store or vary how they use energy. Ensuring that CER devices meet applicable technical standards helps maintain system security and delivers benefits to consumers by allowing more CER to be installed on the network.

Following its review into [CER technical standards](#), the AEMC made several recommendations, including that distribution network service providers (DNSPs) introduce commissioning processes to verify correct device installation before connecting new CER devices to the grid. The AER supports this action and has engaged with stakeholders, including DNSPs, to understand their experience in implementing commissioning processes and to share relevant learnings.

While there is no requirement in the Electricity Rules for DNSPs to implement commissioning processes, we encourage DNSPs to consider the following messages to inform best practise in this space (which the AER has also included in its November 2023 [Draft Interim export limit guidance note](#)⁴):

- Installers need clear information about installation and commissioning procedures to ensure CER devices are installed correctly. To facilitate this, DNSPs should engage with installers, original equipment manufacturers and solar retailers to ensure mutual understanding of these processes and procedures.
- DNSPs should promptly communicate changes to inverter standards to industry stakeholders, particularly installers and original equipment manufacturers.

We also encourage DNSPs to share learnings on implementing commissioning processes with each other and to review and refine these processes periodically.

2.5 Clarify obligations and monitor compliance with reporting requirements under the new Gas Market Transparency Measures

New gas market transparency reforms were legislated in late 2022, following the passage into law of the National Gas Amendment (Market Transparency) Rule 2022. These reforms promote transparency in east coast gas markets, with a view to informing efficient gas industry investment and delivering the benefits of efficient resource allocation to energy users. This is achieved through enhanced and expanded reporting of traded gas volumes and prices and the provision of information on overall gas supply adequacy to the Gas Bulletin Board and to AEMO's Gas Statement of Opportunities.

⁴ AER, *Interim export limit guidance note*, Australian Energy Regulator, November 2023, section 4.3.3.

New participant reporting to the Gas Bulletin Board commenced on 15 March 2023. The AER has monitored participant compliance with reporting requirements, focusing on the reporting of short-term supply transactions by gas sellers and the reporting of reserves and resources information by gas field operators. As part of this monitoring, we have been engaging with gas market participants on how to report under the Gas Rules and communicating the AER's compliance expectations.

Short-term contract reporting

Gas Bulletin Board reporting requirements have been extended to the reporting of bilateral short-term gas supply and swap transactions providing information to buyers on the short-term costs of gas commodity. During 2023 we worked with AEMO to clarify for participants how short-term gas transactions should be reported, with guidance provided in [AEMO's Gas Transparency Measures – FAQ fact sheet](#).

We have observed anomalies in short-term transaction reporting and during late 2023 met separately with participants to discuss the AER's compliance expectations. Feedback from these discussions informed the [AER's Special report: Wholesale gas short term transactions reporting](#), published on 6 December 2023.

We continue to identify reporting errors and, in each case, have followed up with participants or AEMO to ensure that incorrectly reported transactions are cancelled and the correct transaction information submitted.

We are also working to identify unreported transactions – from April to May 2024 we separately contacted 31 gas sellers as part of a review of short-term transaction reporting. The review has identified further reporting errors and some unreported transactions. It has identified a need for further AER guidance on compliance expectations, including on the reporting of transactions of 12-month duration. The AER is currently considering options to issue more guidance on compliance with short-term transaction reporting requirements.

Reserves and resource reporting

Gas Bulletin Board reporting requirements have also been extended to the reporting of reserves and resources information by owners of gas fields, providing buyers with information on gas field volume and development data and prices associated with contracting with field owners/suppliers. This reporting includes the requirement for gas field owners:

- to report their gas field interests and reserves and resources estimates to AEMO
- to report the gas price assumptions used in preparing reserves and resources estimates to the AER.

The AER has observed missing information and inconsistencies in the way data is reported by field owners. We have subsequently worked constructively with field owners and AEMO to ensure reporting requirements are met and the AER's compliance expectations understood.

In August 2023, we updated our [Guidance Note on Reserves and Resources Reporting by Gas Field Owners](#). This publication provides guidance on what information is to be provided to both AEMO and the AER to be regarded as compliant with the Gas Rules. We will continue to update this publication when needed and will do so in quarter 3 2024, informed by our recent observations of gas field operator reporting.

The AER is also required by the Gas Rules to publish at least annually on the price assumptions used by gas field owners to prepare gas reserve volume estimates. In April 2024, we published our first [Wholesale Gas Reserve Price Assumptions Report](#). The report contains analysis of the contracted and uncontracted reserve price assumptions submitted to the AER and is intended to help build transparency around the field operator segment of the gas supply chain. This first report adds commentary on the AER's compliance observations and expectations, noting that during the period March 2023 to March 2024 gas field owners commenced reporting to AEMO and the AER for the first time.

The AER has been working to ensure that gas field owners are complying with all reporting requirements and submitting timely and accurate data. This data underpins the information published by both AEMO and the AER and we will continue to work to ensure that the information provided to market participants and observers has integrity and delivers on the intent of transparency reform.

Further Gas Market Transparency Measures

Subsequent reform through the National Gas (South Australia) (East Coast Gas System) Amendment Bill 2023 has enhanced AEMO's ability to manage system supply adequacy, providing it with added functions and powers to monitor and manage any threat of east coast gas markets supply shortfalls. It includes further participant reporting obligations under Part 27 and Part 18 of the Gas Rules, extending demand forecast reporting to retailers and large users. The reporting requirements came into effect ahead of winter 2023 and the AER has been monitoring compliance with registration and reporting obligations since that time.

Regarding participant reporting under both the Gas Market Transparency Measures and the East Coast Gas System reforms, we have observed some late registrations and reporting errors and have engaged with participants to encourage self-reporting of potential non-compliance and amendments to any incorrectly submitted data. All known entities, eligible for reporting as gas field owners, are now registered with AEMO.

3 Enduring compliance and enforcement priorities

In addition to our work in priority areas, the AER continues to act where there are serious issues impacting consumers experiencing vulnerability, including customers requiring life support equipment and consumers affected by family violence.

3.1 Life support

The Retail Rules contain obligations retailers and distributors must meet when they are informed of the life support needs of someone living in a premises. Failure to comply with these obligations risks serious impacts on the health and safety of these vulnerable customers. The AER continues to prioritise compliance with the life support rules in the Retail Rules, including prompt review of self-reports relating to life support (which must be submitted within 2 business days of a business identifying a potential compliance concern) and taking further compliance and/or enforcement action where appropriate (outlined below). The AER also continued to monitor Endeavour Energy's [court enforceable undertaking](#), which it gave the AER in June 2022. This undertaking concluded in December 2023.

Origin – court enforceable undertaking – life support obligations

On 20 June 2024 the AER accepted a [court enforceable undertaking](#) from Origin relating to 1,973 admitted breaches of rule 124(1)(b) of the Retail Rules, requiring it to provide information packs to people who had informed Origin of their life support requirements. Origin undertook an independent review of its life support compliance systems and made a \$1 million community-based contribution to organisations that assist sections of the community who may require the protections afforded by the life support requirements in the Retail Rules.

This undertaking was accepted as part of a resolution that also included proceedings filed on an agreed basis on 1 July 2024. These proceedings against Origin Energy Electricity Limited, Origin Energy Retail Limited and Origin Energy LPG Limited follow admissions that Origin failed to comply with its life support obligations under the National Energy Retail Law and the Retail Rules. The AER alleges and Origin admits that Origin breached the Retail Rules on more than 5,000 occasions, including by failing to immediately register customers upon receiving information that those customers required life support equipment and failing to give customers information packs informing them of relevant protections and assistance.

Ergon Energy – payment of infringement notices – life support obligations

On 30 April 2024, Ergon Energy Queensland Pty Ltd (Ergon Energy) paid 2 [infringement notices](#) totalling \$135,600 for alleged contraventions of the Retail Rules relating to life support equipment.

The infringement notices were issued as the AER had reasonable grounds to believe that Ergon Energy:

- failed to register a customer who advised that they required the use of life support equipment (as required by rule 124(1)(a) of the Retail Rules)
- deregistered a customer's premises without providing the customer with the required deregistration notices in breach of the requirements of rule 125 of the Retail Rules.

These alleged failures by Ergon Energy had the potential to harm customers because customers may not have received the life support protections they were entitled to.

3.2 Family violence

Family violence protections commenced under the Retail Rules on 1 May 2023 to improve energy retailers' response to, and support of, customers experiencing family violence across National Energy Customer Framework jurisdictions. Among other things, retailers are required to develop and publish a family violence policy. The AER has been undertaking a proactive review of a selection of retailer family violence policies. Our findings will be used to inform our view of good practice as we seek to finalise the [AER's interim guidance note](#) next financial year.

The AER is currently updating retailer reporting requirements to include family violence obligations in the Compliance Procedures and Guidelines (Retail) and Retail Performance Reporting Procedures and Guidelines. Data we receive through these reports will support our compliance monitoring functions, as well as help assess the effectiveness of these new protections.

4 Other compliance and enforcement activities in 2023–24

4.1 Wholesale electricity and gas

In addition to the work undertaken in each of the compliance and enforcement priority areas, the AER has continued to progress important ongoing work in areas previously identified as priority areas and where there are serious issues impacting the market.

Santos Direct – institution of proceedings – Day Ahead Auction obligations

On 19 October 2023 the AER instituted proceedings against Santos Direct Pty Ltd (Santos) for alleged breaches of important record keeping obligations in the Gas Rules relating to the Day Ahead Auction for gas pipeline capacity.

The Day Ahead Auction commenced in 2019 and was designed to improve competition in the gas market by providing access to contracted but unused capacity on gas pipelines. The AER alleges that on 4,701 occasions between March 2019 and June 2021, Santos failed to keep the required records of its material renominations for the Day Ahead Auction across 6 different auction facilities, contravening rule 666(1) of the Gas Rules.

On 4 June 2024, the Federal Court ordered, by consent, that [Santos pay a pecuniary penalty of \\$2.75 million](#). The Court also ordered the appointment of an independent reviewer to review Santos' processes to ensure compliance with rule 666(1) of the Gas Rules, and that Santos pay \$100,000 towards the AER's costs.

This matter relates to 2022–23 Compliance & Enforcement Priority 5 – Ensure timely and accurate gas auction reporting and demand forecasting in downstream wholesale gas markets by registered participants.

Jemena matters – Gas Bulletin Board and Day Ahead Auction obligations

These matters relate to 2022–23 Compliance & Enforcement Priority 5 – Ensure timely and accurate gas auction reporting and demand forecasting in downstream wholesale gas markets by registered participants.

Payment of infringement notices and enforceable undertaking

In December 2023, Jemena Northern Gas Pipelines Pty Ltd paid 2 [infringement notices](#) totalling \$135,600 and the AER accepted a court enforceable undertaking for alleged breaches of the Gas Law and Gas Rules related to the Gas Bulletin Board.

The Gas Bulletin Board provides transparency in the wholesale gas market. Having up-to-date gas flow information facilitates trade in gas commodity and pipeline capacity. Greater transparency across wholesale gas markets informs price discovery and commercial decision-making and can ultimately lead to lower prices for consumers.

It's alleged that, on multiple occasions between October 2020 and December 2022, Jemena Northern Gas Pipelines Pty Ltd failed to provide AEMO with short and medium-term capacity outlooks for the Gas Bulletin Board that accounted for the impact of scheduled maintenance on the daily capacity of its pipeline. As a result, gas market participants did not have access to accurate information on available pipeline capacity on the relevant days, which may have impacted commercial decisions.

Ongoing litigation

In addition, the AER has ongoing proceedings against 4 Jemena subsidiaries. In June 2023 the AER [instituted proceedings](#) in the Federal Court relating to alleged large-scale failures to submit accurate auction quantity limits (AQLs) to AEMO for 4 pipelines and failure to ensure auction services were correctly scheduled for 3 pipelines over a nearly 3-year period. The AER alleges that, by failing to submit accurate AQLs, the Jemena subsidiaries understated their available capacity on numerous occasions. In several instances, incorrect AQLs resulted in 'lower tier' services, such as interruptible services, being scheduled ahead of services that could have been won through the auction. The AER is seeking pecuniary penalties, declarations, an order requiring the implementation of a compliance program, and costs.

CS Energy – payment of infringement notice – owning, operating or controlling registration requirement

On 16 October 2023, CS Energy Limited (CS Energy) paid a \$67,800 [infringement notice](#) issued for an alleged breach of the Electricity Law for operating a generating system without the required regulatory approval.

Any entity that owns, controls or operates an electricity generator must apply to AEMO to be a registered participant for the activity or for an exemption from registration. Failure to do so could cause operational issues for AEMO, including its ability to contact appropriate staff to raise important matters when necessary to manage power system issues.

It's alleged that CS Energy breached section 11(1) of the Electricity Law by operating the Callide C Power Station without being a registered participant or having an exemption from registration. CS Energy has been operating Callide C Power Station for a number of years but only submitted an application for exemption following the AER's investigation into events that led to the 25 May 2021 power system event.

CS Energy subsequently obtained this exemption in September 2023.

The AER also sent a letter to industry reiterating the importance of complying with section 11(1). The letter underlines our expectations that each business in the NEM actively assess their registration status for all generating systems they own, operate or control, and ensure they hold the appropriate registration or exemption from AEMO.

As a result of this letter, AEMO has received an influx of exemption applications across a range of technology types. We are pleased to see increased industry awareness of registration requirements.

Retailer Reliability Obligation

The Retailer Reliability Obligation (RRO) encourages investment in electricity generation capacity and demand response by introducing a contracting requirement on certain businesses that directly participate in the wholesale electricity market.

If AEMO (or a responsible minister) identifies a reliability gap in supply for a region in 3 years' time, liable entities are put on notice to enter into sufficient qualifying contracts to cover their share of the peak demand forecast for that region during the forecast gap period. If the forecast gap persists, then during the year before it is expected to commence, those liable entities must report their net contract positions (NCPs) to the AER. If, during a reliability gap period, actual peak demand exceeds the one-in-two-year peak demand forecast, a liable entity must be sufficiently contracted so that its NCP at least equals its share of forecast demand for the relevant trading interval.

In addition to the AER's role in administering the RRO, we monitor and enforce compliance by liable entities with the RRO provisions. In July 2023, liable entities for the forecast reliability gap period in South Australia for early 2024 were required to submit their NCPs for the gap period to the AER. The AER proactively engaged with potential liable entities in the lead up to promote awareness of, and compliance with, the obligation to report NCPs. This included the AER developing a template for liable entities to record their NCP reports in the form specified by our guidelines.

Ultimately, actual peak demand did not exceed the forecast during the SA reliability gap period. This means the obligation to have sufficient contracting was not enlivened. However, we have identified learnings for the AER and industry from the experience in South Australia. We are committed to sharing these learnings with industry and have taken the following steps towards this goal:

- On 3 April 2024, we published an [opt-in factsheet](#) for large energy users who have contracts that reduce their exposure to the electricity price, and who may wish to 'opt in' to manage RRO obligations on their own behalf. This factsheet has provided timely guidance to businesses considering whether to opt in for the upcoming forecast reliability gap periods in NSW and South Australia for 2025–26.
- On 11 April 2024, we began our review of the RRO Auditors Panel. We invited interested stakeholders to provide feedback on the Panel as well as the effectiveness of our Auditors Panel Handbook. We have also sought expressions of interest to join the Panel. In July this year, we expect to publish the outcomes of our review, including any revisions to the Handbook.
- We are currently considering how best to share learnings about other aspects of the RRO, including who is a liable entity, NCP reporting, adjustments to NCP reports and specific contracting issues.

Our overarching compliance message to industry is to act early. Once the AER or relevant minister triggers the RRO 3 years out, businesses should review their operations to understand whether they are a liable entity, and if so, to plan their contracting strategies to ensure they are sufficiently contracted one year out.

4.2 Market intervention compliance

The AER has continued to closely review and assess monthly reports submitted by coal suppliers and power stations under emergency directions imposed by the NSW Minister for Energy. This enables the government to impose price caps on coal used in the NSW power sector. The AER's role is to ensure NSW coal suppliers and power stations comply with directions and enable reporting on the impacts of the market interventions.

In December 2022, a coal market price emergency was declared in NSW, giving the NSW Minister for Energy the power, between 22 December 2022 and 30 June 2024, to make directions in response. Ministerial directions were made for specific coal mines and coal-fired power stations, which include the imposition of a \$125 per metric tonne cap on the price of thermal coal sold to power stations (unless a higher price cap has been approved by the minister).

The AER reviews monthly reports submitted by coal suppliers and power stations and liaises closely with the NSW Department of Climate Change, Energy, the Environment and Water and industry participants to obtain further information. The AER has found that compliance has generally been good but identified a number of issues that we continued to follow up in the lead up to the intervention ending on 30 June 2024.

4.3 Gas network compliance

Development of the compliance regime for new gas network regulations

Recent amendments to the Gas Law, Gas Regulations and Gas Rules (which came into effect 16 March 2023) were made to improve the reporting and support competition associated with gas pipeline service providers. The amendments require the AER to actively monitor the behaviour of gas service providers and compliance with their obligations. The amendments also mean that the existing [Annual Compliance Order](#) (ACO) is no longer in effect.

During 2024, the AER publicly consulted on issuing a [new ACO](#). The AER made a final decision to issue a new ACO on 31 May 2024, which came into effect on 1 July 2024 for the 2024–25 financial year.

To ensure we continued to monitor compliance with key regulatory obligations in the intervening period, in September 2023 the AER issued an Interim Information Request (IIR) for the 2022–23 financial year to existing pipeline service operators covered by the previous compliance regime and also to those who are subject to the new regime. The information sought in the IIR was similar to that contained in the previous ACO. The AER will issue a similar IIR for the 2023–24 financial year.

We will commence the development of an AER Compliance Procedures and Guidelines (Gas) to assist market participants to better understand their compliance obligations, and our approach new audit powers under the new framework, in the second half of 2024.

4.4 Retail electricity

CAM Engineering – institution of proceedings – embedded network exempt seller obligations

On 20 October 2023, the AER [instituted proceedings](#) in the Federal Court against CAM Engineering and Construction Pty Ltd (CAM Engineering) for allegedly failing to become a member of the EWON scheme, in breach of section 112(2) of the Retail Law.

As the developer of Cooranbong Gardens retirement village in NSW, CAM Engineering holds an exemption to sell and supply electricity to residents through the embedded network located at the village and must comply with the AER's Retail Exempt Selling Guideline.

The AER alleges that CAM Engineering obtained its retail exemption on 11 March 2021, but did not join EWON until 22 July 2022, despite reminders and warnings. During this 16-month period, energy customers of the village did not have access to the important dispute resolution service that EWON provides.

The AER had previously issued CAM Engineering with an infringement notice for the alleged breach. CAM Engineering did not pay the penalty specified in the infringement notice. The AER is seeking declarations, penalties, an order requiring corrective disclosure, and costs.

This matter relates to 2022–23 Compliance & Enforcement Priority 2 – Improve outcomes for consumers in embedded networks, including by enabling access to ombudsman schemes.

4.5 Ring-fencing

Ring-fencing obligations require legal and functional separation of the regulated activities of a network business from the activities of any related entity. This contributes to promoting competition, including by preventing regulated businesses from discriminating in favour of their related entities and preventing cross-subsidisation from regulated customers. Increased competition helps to facilitate innovation and provide more choices for consumers.

In accordance with the [Ring-fencing Guideline \(electricity distribution\)](#), DNSPs are required to submit annual compliance reports to the AER for the previous calendar year, as well as an assessment of compliance by a suitably qualified independent authority.

This reporting period was also the first time transmission network service providers (TNSPs) were required to submit compliance reports under the updated [Ring-fencing Guideline \(electricity transmission\)](#). The updated guideline brings the compliance monitoring and reporting requirements for TNSPs in line with that of DNSPs.

Thirteen DNSP and 6 TNSP annual compliance reports were submitted for this reporting period. Each of these reports were also accompanied by an assessment of compliance by a suitably qualified independent authority.

The AER has reviewed each of the annual compliance reports and reports provided by the independent authorities for the 2023 calendar year and noted the following concerns (which we will continue to closely monitor in 2024–25):

- **Breaches related to protection of ring-fenced information:** A significant number of DNSPs reported breaches related to protection of ring-fenced information over the reporting period. While we generally do not consider the provision of this information to have had any material impact on competition in contestable markets, we are concerned with the number of related breaches reported in this period.
- **Breaches related to branding and cross-promotion:** A number of DNSPs reported breaches related to branding and cross-promotion over the reporting period. Conduct of this kind can create a perception that a related electricity service provider is leveraging its relationship with a DNSP for commercial advantage.
- **Instances of repeated non-compliance:** A number of distributors reported multiple breaches of their ring-fencing obligations. Most of the breaches related to isolated circumstances and did not indicate systemic issues.
- **Breaches related to conduct of service providers:** A number of TNSPs reported breaches related to conduct of service providers over the reporting period.

Ring-fencing waivers

Network service providers can apply for waivers of some ring-fencing obligations. In the 2023 calendar year, we granted 7 waivers for different purposes including:

- the first interim waiver for Ergon Energy to lease its Microgrid and Isolated Systems Test to the recipients of the Queensland Government’s microgrid pilot fund and the Australian Government’s Regional and Remote Communities fund
- a waiver to Essential Energy to continue to own and operate Essential Water
- a waiver to Evoenergy to continue to own and operate 2 natural gas distribution pipelines in NSW and the Australian Capital Territory
- 3 streamlined waivers for DNSPs to lease excess capacity from batteries to third parties
- a class waiver for DNSPs to supply excess capacity to third parties from batteries installed with funding from the Australian Government’s Community Batteries for Household Solar Program.

5 Compliance and enforcement priorities 2024–25

The [compliance and enforcement priorities for 2024–25](#) were published on 27 June 2024 (Figure 2). The priorities align with the objectives in the AER’s Strategic Plan 2020–2025, specifically objectives 1 to 3.



Figure 2 AER compliance and enforcement priorities 2024–25



Appendix A – Summary of compliance and enforcement activities in 2023–24

Table 1 Civil proceedings

Obligation	Regulated entity	Date proceedings commenced	Status/outcome
National Electricity Rules: clauses 3.7.3(e)(2) and 3.13.2(h)	Pelican Point Power Limited (Pelican Point)	27 August 2019	\$900,000 (penalty)
National Energy Retail Rules: rules 31(1), 31(2) and 31(3) and National Energy Retail Law: section 273	AGL Retail Energy Limited 3 other subsidiaries of AGL Energy Limited	16 December 2022	Ongoing litigation
National Gas Rules: rules 649(1), 650(3), 653(1) and 653(2)	Jemena Eastern Gas Pipeline (1) Pty Ltd, Jemena Queensland Gas Pipeline (1) Pty Ltd, Jemena VicHub Pipeline Pty Ltd, and Jemena Darling Downs Pipeline (3) Pty Ltd	1 June 2023	Ongoing litigation
National Gas Rules: rule 666(1)	Santos Direct Pty Ltd	19 October 2023	\$2.75 million (penalty)
National Energy Retail Law: section 112(2)	CAM Engineering and Construction Pty Ltd (CAM Engineering)	20 October 2023	Proceedings instituted
National Electricity Rules: clauses 4.9.8(a) and 4.9.8(d)	AGL Energy Ltd subsidiaries, AGL Macquarie Pty Ltd (AGLM) and AGL Loy Yang Marketing Pty Ltd (AGLL), operators of AGL's Bayswater and Loy Yang power stations	31 October 2023	\$6 million (penalty)
National Electricity Rules: rule 4.15(a)(1) and clause 5.2.5(a)(1)	Callide Power Trading Pty Ltd (Callide Power Trading)	9 February 2024	Proceedings instituted

Table 2 Infringement notices paid

Obligation	Regulated entity	Date of payment	Penalty paid
National Electricity Law: section 11(1)	CS Energy Limited (CS Energy)	18 October 2023	\$67,800 (1 notice)
National Gas Rules: rules 165(1), 166(2) and 181 and National Gas Law: section 223	Jemena Northern Gas Pipeline Pty Ltd	19 December 2023	\$135,600 (2 notices)
National Energy Retail Rules: rules 124(1)(a) and 125	Ergon Energy Queensland Pty Ltd (Ergon Energy)	3 May 2024	\$135,600 (2 notices)

Table 3 Court enforceable undertakings accepted

Obligation	Regulated entity	Date of undertaking	Status/outcome
National Energy Retail Law: section 112(2) Retail Exempt Selling Guideline: condition 7	Trinity Place Investments Pty Ltd (Trinity)	30 August 2023	\$34,000 (Refund)
National Gas Rules: rules 165(1), 166(2) and 181 and National Gas Law: section 223	Jemena Northern Gas Pipeline Pty Ltd	19 December 2023	Ongoing
National Electricity Rules: clause 6.17 Electricity Distribution Ring-Fencing Guideline: clause 3.1(b)	Icon Distribution Investments Limited and Jemena Networks (ACT) Pty Ltd (together trading as Evoenergy)	14 June 2024	Ongoing
National Energy Retail Rules: rule 124(1)(b)	Origin Energy Electricity Limited Origin Energy Retail Ltd Origin Energy LPG Ltd Origin Energy Services Limited Origin Energy Holdings Pty Limited	20 June 2024	Ongoing

Table 4 Administrative decisions

Obligation	Regulated entity	Status/outcome
Better Bills Guideline: section 33, 34 and 35	Microgrid Power and Next Business Energy	AER decision
Better Bills Guideline: section 33, 34 and 35	Origin Energy	AER decision
Better Bills Guideline: section 33, 34 and 35	Simply Energy	AER decision
Better Bills Guideline: section 33, 34 and 35	Simply Energy (now known as ENGIE)	AER decision

Table 5 Publications and consultations

Subject	Date
Letter of comfort to System Strength Service Providers	September 2023
AER letter to industry to remind relevant exempt sellers of their obligations under condition 7 of the AER's Retail Exempt Selling Guideline	October 2023
Review of the AER exemptions framework for embedded networks	November 2023
AER letter to retailers to outline expectations on hardship obligations	January 2024
Draft Compliance procedures and guidelines released for consultation	March 2024
AER outlines expectations to retailers on notifying customers of variations to electricity tariffs and charges	April 2024
Retailer Reliability Obligation - Opt-in factsheet	April 2024
AER letter to retailers to outline expectations regarding HelpPay	May 2024
Final decision - Annual Compliance Order for gas pipeline service providers 2024	June 2024
AER letter to retailers to outline expectations on pricing notifications following DMO6 amendment	June 2024
AER letter to retailers to outline expectations on providing energy plan information Energy Made Easy	June 2024

Glossary

Term	Definition
ACO	Annual Compliance Order
ACCC	Australian Competition and Consumer Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AQL	Auction quantity limits
CER	Consumer energy resource
DNSP	Distribution network service provider
EWON	Energy and Water Ombudsman NSW
FCAS	Frequency control ancillary services
GCP	Generator compliance program
GPS	Generator Performance Standards
IIR	Interim Information Request
NCP	Net contract position
NEM	National Electricity Market
NSP	Network service provider
NSW	New South Wales
PASA	Projected assessment of system adequacy
RRO	Retailer Reliability Obligation
SCADA	Supervisory control and data acquisition
SSC	System strength charge
SSQ	System strength quantity
TNSP	Transmission network service providers