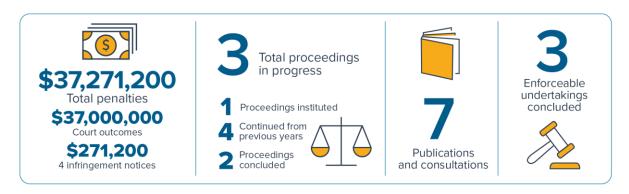


Compliance and enforcement update

July to December 2024



The Australian Energy Regulator (AER) continues to deliver outcomes and actions in line with the <u>AER compliance and enforcement priorities</u> and <u>strategic objectives</u>. This report highlights the AER's key compliance and enforcement activities from 1 July to 31 December 2024.

Compliance and enforcement outcomes remain one of the key tools in the AER's regulatory toolkit, which are deployed to ensure energy consumers are better off, now and in the future. As our energy market transitions, the AER remains vigilant and is taking timely and proportionate enforcement action.



Protecting energy consumers

The AER remains focused on protecting consumers, including consumers experiencing vulnerability, in the context of continued pressure on cost of living and energy affordability. In July to December 2024, the AER:

- instituted proceedings and received judgment in the Federal Court against Origin Energy subsidiaries (together, Origin) following admissions that Origin failed to comply with its life support obligations under the National Energy Retail Law (Retail Law) and the National Energy Retail Rules (the Retail Rules) – the <u>Federal Court ordered Origin pay</u> penalties totalling \$12 million
- received judgment in proceedings against subsidiaries of AGL Energy (together, AGL) for a failure to comply with overcharging obligations related to Centrepay payments the <u>Federal Court found</u> that AGL overcharged 483 Centrepay customers between January 2017 and October 2021 and <u>ordered that AGL pay penalties totalling \$25 million</u>
- received payment of \$135,600 for <u>2 infringement notices</u> issued to Origin Energy Electricity Ltd for alleged breaches of failing to notify 2 of its customers within 10 business days that it had overcharged them.

- received payment of \$135,600 for <u>2 infringement notices</u> issued to Locality Planning
 Energy Pty Ltd for alleged breaches of owning embedded networks without being
 registered with the Australian Energy Market Operator or exempted by the AER from the
 requirement to be registered the AER <u>wrote to industry</u> about the outcome.
- continued proceedings in the <u>Federal Court</u> against embedded network operator CAM Engineering and Construction Pty Ltd for allegedly failing to become a member of the Energy and Water Ombudsman NSW scheme.
- undertook a review of retailer compliance with the Better Bills Guideline (Guideline) and wrote to retailers to set out expectations for compliance with the Guideline and to request retailers review their small customer bill templates.
- released the final decision on <u>Retail Law Compliance procedures and guidelines</u>, which set out the manner and form in which retailers and distributors are required to submit information and data on their compliance to the AER and the process for managing compliance audits under the Retail Law.
- approved the expiry of a <u>court enforceable undertaking</u> provided by exempt seller Trinity
 Place after completing its obligations in the undertaking, including contacting and
 refunding embedded network customers it had overcharged.
- <u>wrote to retailers</u> to outline expectations for compliance with Queensland requirements relating to tariffs.



Ensuring wholesale and network compliance

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

- continued <u>proceedings in the Federal Court</u> against 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.
- continued <u>proceedings</u> in the Federal Court against Callide Power Trading for alleged failures to comply with its performance standards for the Callide C power station – a hearing was held on 4 September 2024 and the judgment is reserved.
- published <u>4 guidance notes</u> to help participants understand their obligations under the Retailer Reliability Obligation (RRO).
- finalised the <u>review of the Retailer Reliability Obligation (RRO) Auditors Panel</u>, including publishing a revised version of the Auditors Panel Handbook, launching the Auditors Panel Conflict of Interest Register and updating the current Auditors Panel membership and contact details.
- following consultation with stakeholders, finalised and published the <u>AER's Compliance</u>
 <u>procedures and guidelines for gas pipeline service providers</u>, which provide guidance on
 the National Gas Laws, Rules and Regulations and the AER's processes when using
 information gathering and audit powers.

- commenced an <u>investigation</u> into the October 2024 power system events, including the collapse of 7 transmission towers and power outages that affected transmission infrastructure supplying Broken Hill and surrounding areas.
- released the final decision on <u>Day Ahead Auction Recording Keeping Guideline</u>, which
 sets out how facility operators and transportation facility users must record and maintain
 nomination and renomination data relevant to the AER's monitoring functions.
- approved the expiry of a <u>court enforceable undertaking</u> provided by a subsidiary of Jemena, in which an independent review was undertaken of its control, systems, processes and training related to its capacity reporting obligations for the Gas Bulletin Board.
- approved the expiry of a <u>court enforceable undertaking by 5 AGL entities</u> for the alleged non-compliance with the requirement to meet or exceed its applicable performance standard and to plan and design its facilities to ensure they are operated to comply with the applicable performance standards for the Broken Hill Solar Plant.

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