

**NATIONAL ELECTRICITY LAW**  
**SECTION 74**  
**INFRINGEMENT NOTICES ISSUED TO**  
**STANWELL CORPORATION LIMITED**

**TO: Stanwell Corporation Limited (ACN 078 848 674)**  
**Level 2, 180 Ann St**  
**Brisbane QLD 4000**

**Infringement Notice Nos.: AER04-2023, AER05-2023, AER06-2023**

1. The Australian Energy Regulator (**AER**):
  - a. believes on reasonable grounds that Stanwell Corporation Limited (ACN 078 848 674) (**Stanwell**), the Registered Participant within the meaning of the National Electricity Rules (**NER**) in respect of Stanwell Power Station has breached:
    - i. clause 4.4.3 of the NER in respect of the Stanwell Unit 1 generating unit in the manner set out in Schedule 2;
    - ii. clause 4.4.3 of the NER in respect of the Stanwell Unit 3 generating unit in the manner set out in Schedule 3; and
    - iii. clause 4.4.3 of the NER in respect of the Stanwell Unit 4 generating unit in the manner set out in Schedule 4;(the **alleged breaches**); and
  - b. has decided to serve these three Infringement Notices on Stanwell under section 74 of the National Electricity (South Australia) Law (**NEL**).<sup>1</sup>
2. Clause 4.4.3 of the NER, as described in Schedule 1, is a civil penalty provision within the meaning of the NEL.
3. The infringement penalty is \$20,000 for each of the alleged breaches.

**Note:** If Stanwell chooses to pay each of the three (3) \$20,000 infringement penalties, the combined infringement penalty amount is \$60,000.

**WHAT CAN STANWELL DO IN RESPONSE TO THE**  
**INFRINGEMENT NOTICES?**

4. In respect of each one of these three (3) Infringement Notices:

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<sup>1</sup> 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*.

- a. Stanwell can choose whether or not to comply with the Infringement Notice.
- b. If Stanwell chooses not to comply with the Infringement Notice, the AER may commence proceedings against it in relation to the alleged breach. Stanwell is entitled to disregard the Infringement Notice and to defend any proceedings in respect of the alleged breach.
- c. If Stanwell chooses to comply with the Infringement Notice, it must pay the infringement penalty to the AER, on behalf of the Commonwealth, by **30 May 2023 (the compliance period)**.
- d. To ensure payment is made in accordance with the Infringement Notice, payment must be received on or before **30 May 2023**.
- e. If Stanwell 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 withdrawn before the end of the compliance period in accordance with section 79 of the National Electricity Law.

#### **HOW DOES STANWELL PAY AN INFRINGEMENT PENALTY?**

5. Stanwell may pay each of the three (3) infringement penalties totalling \$60,000 in three ways:
    - a. by cheque made out to the “ACCC Official Administered Account”,\* enclosing a copy of the 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
- Please ensure that you include the Infringement Notice No. AER04-2023, AER05-2023 and/or AER06-2023 for each infringement penalty being paid in the description field of your electronic funds transfer to identify payment.
- 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](http://www.accc.gov.au/payments).\*

Please ensure that you include the Infringement Notice No. AER04-2023, AER05-2023 and/or AER06-2023 for each infringement penalty being paid in the description field of your electronic funds transfer 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.
- 6. Please allow sufficient time for your payment to be received within the compliance period.
- 7. Stanwell will be issued with a Tax Invoice following payment of each infringement penalty.

DATE OF ISSUE: 28/04/2023



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Clare Savage  
Chair  
Australian Energy Regulator

## **SCHEDULE 1**

### **RELEVANT RULES**

The relevant version of the NER at the date of the alleged breaches, being on or around 27 June 2017, is version 92.

1. Clause 4.4.3 of the NER, which is in Chapter 4, provides as follows:

#### ***Generator protection requirements***

*Generators must, in accordance with schedule 5.2 and Chapter 5, provide any necessary automatically initiated protective device or systems to protect their plant and associated facilities against abnormal voltage and extreme frequency excursions of the power system.*

2. Clause S5.2.2 of Schedule 5.2 of the NER provides, relevantly, as follows:

#### ***Application of Settings***

*A Generator must only apply settings to a control system or a protection system that are necessary to comply with performance requirements of this schedule 5.2 if the settings have been approved in writing by the relevant Network Service Provider and, if the requirement is one that would involve AEMO under clause 5.3.4A(c) of the Rules, also by AEMO. A Generator must not allow its generating unit to supply electricity to the power system without such prior approval.*

3. Clause 4.4.3 of the NER, which is the subject of these Infringement Notices, is prescribed under the National Electricity (South Australia) Regulations (clause 6(1), Schedule 1) as being a civil penalty provision within the meaning of the National Electricity (South Australia) Regulations.

## SCHEDULE 2

### INFRINGEMENT NOTICE No.: AER04-2023

#### **MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: CLAUSE 4.4.3 OF THE NATIONAL ELECTRICITY RULES**

1. Stanwell is, and was at all relevant times, a Generator by virtue of being registered by the Australian Energy Market Operator (**AEMO**) as a generator under clause 2.2 of the National Electricity Rules (**NER**) in respect of Stanwell Generating Unit 1 at Stanwell Power Station.
2. Clause 4.4.3 of the NER requires, among other things, that Stanwell must, in applying any necessary automatically initiated protective device or systems to protect its plant against abnormal voltage excursions of the power system, do so in accordance with schedule 5.2 of the NER. Clause S5.2.2 of the NER relevantly provides that such settings must only be applied if they have been approved in writing by the relevant Network Service Provider and AEMO.
3. On or about 26 June 2017, Stanwell applied an undervoltage trip to house load (**TTHL**) setting to the Stanwell Unit 1 X generator protection system for factory acceptance testing purposes during an upgrade of all the units. The setting would cause Stanwell Unit 1 to trip to house load if the nominal voltage dropped to 85% for 0.1 seconds. The setting was intended to be removed after the completion of the factory acceptance testing, however, the setting was not removed and was active when Stanwell Unit 1 returned to service from the upgrade.
4. The undervoltage TTHL setting was a setting which formed part of the Stanwell Unit 1 X generator protection system and governed Stanwell Unit 1's response to abnormal voltage conditions. It provided for Stanwell Unit 1 to trip to house load, thereby isolating the unit in certain instances of low voltage. The undervoltage TTHL setting was inconsistent with Stanwell Unit 1's compliance with schedule 5.2 of the NER as it provided for Stanwell Unit 1 to trip to house load in circumstances it was required under clause S5.2.5.4 of schedule 5.2 (and the generator performance standards negotiated thereunder) to maintain continuous uninterrupted operation within the range of 80-90% of nominal voltage for a period of at least 10 seconds.
5. The undervoltage TTHL setting was required to be, but had not been, approved by AEMO.
6. It is alleged that on or about 27 June 2017, Stanwell breached clause 4.4.3 of the NER in respect of Stanwell Unit 1 as it applied the undervoltage TTHL setting to Stanwell Unit 1's X generator protection system to protect its plant and associated facilities against abnormal voltage excursions of the power system, even though the undervoltage TTHL setting had not been approved by AEMO as required by clause S5.2.2 of Schedule 2 of the NER.

## **SCHEDULE 3**

### **INFRINGEMENT NOTICE No.: AER05-2023**

#### **MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: CLAUSE 4.4.3 OF THE NATIONAL ELECTRICITY RULES**

1. Stanwell is, and was at all relevant times, a Generator by virtue of being registered by the Australian Energy Market Operator (**AEMO**) as a generator under clause 2.2 of the National Electricity Rules (**NER**) in respect of Stanwell Generating Unit 3 at Stanwell Power Station.
2. Clause 4.4.3 of the NER requires, among other things, that Stanwell must, in applying any necessary automatically initiated protective device or systems to protect its plant against abnormal voltage excursions of the power system, do so in accordance with schedule 5.2 of the NER. Clause S5.2.2 of the NER relevantly provides that such settings must only be applied if they have been approved in writing by the relevant Network Service Provider and AEMO.
3. On or about 26 June 2017, Stanwell applied an undervoltage trip to house load (**TTHL**) setting to the Stanwell Unit 3 X generator protection system for factory acceptance testing purposes during an upgrade of all the units. The setting would cause Stanwell Unit 3 to trip to house load if the nominal voltage dropped to 85% for 0.1 seconds. The setting was intended to be removed after the completion of the factory acceptance testing, however, the setting was not removed and was active when Stanwell Unit 3 returned to service from the upgrade.
4. The undervoltage TTHL setting was a setting which formed part of the Stanwell Unit 3 X generator protection system and governed Stanwell Unit 3's response to abnormal voltage conditions. It provided for Stanwell Unit 3 to trip to house load, thereby isolating the unit in certain instances of low voltage. The undervoltage TTHL setting was inconsistent with Stanwell Unit 3's compliance with schedule 5.2 of the NER as it provided for Stanwell Unit 3 to trip to house load in circumstances it was required under clause S5.2.5.4 of schedule 5.2 (and the generator performance standards negotiated thereunder) to maintain continuous uninterrupted operation within the range of 80-90% of nominal voltage for a period of at least 10 seconds.
5. The undervoltage TTHL setting was required to be, but had not been, approved by AEMO.
6. It is alleged that on or about 27 June 2017, Stanwell breached clause 4.4.3 of the NER in respect of Stanwell Unit 3 as it applied the undervoltage TTHL setting to Stanwell Unit 3's X generator protection system to protect its plant and associated facilities against abnormal voltage excursions of the power system, even though the undervoltage TTHL setting had not been approved by AEMO as required by clause S5.2.2 of Schedule 2 of the NER.

## **SCHEDULE 4**

### **INFRINGEMENT NOTICE No.: AER06-2023**

#### **MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: CLAUSE 4.4.3 OF THE NATIONAL ELECTRICITY RULES**

1. Stanwell is, and was at all relevant times, a Generator by virtue of being registered by the Australian Energy Market Operator (**AEMO**) as a generator under clause 2.2 of the National Electricity Rules (**NER**) in respect of Stanwell Generating Unit 4 at Stanwell Power Station.
2. Clause 4.4.3 of the NER requires, among other things, that Stanwell must, in applying any necessary automatically initiated protective device or systems to protect its plant against abnormal voltage excursions of the power system, do so in accordance with schedule 5.2 of the NER. Clause S5.2.2 of the NER relevantly provides that such settings must only be applied if they have been approved in writing by the relevant Network Service Provider and AEMO.
3. On or about 26 June 2017, Stanwell applied an undervoltage trip to house load (**TTHL**) setting to the Stanwell Unit 4 X generator protection system for factory acceptance testing purposes during an upgrade of all the units. The setting would cause Stanwell Unit 4 to trip to house load if the nominal voltage dropped to 85% for 0.1 seconds. The setting was intended to be removed after the completion of the factory acceptance testing, however, the setting was not removed and was active when Stanwell Unit 4 returned to service from the upgrade.
4. The undervoltage TTHL setting was a setting which formed part of the Stanwell Unit 4 X generator protection system and governed Stanwell Unit 4's response to abnormal voltage conditions. It provided for Stanwell Unit 4 to trip to house load, thereby isolating the unit in certain instances of low voltage. The undervoltage TTHL setting was inconsistent with Stanwell Unit 4's compliance with schedule 5.2 of the NER as it provided for Stanwell Unit 4 to trip to house load in circumstances it was required under clause S5.2.5.4 of schedule 5.2 (and the generator performance standards negotiated thereunder) to maintain continuous uninterrupted operation within the range of 80-90% of nominal voltage for a period of at least 10 seconds.
5. The undervoltage TTHL setting was required to be, but had not been, approved by AEMO.
6. It is alleged that on or about 27 June 2017, Stanwell breached clause 4.4.3 of the NER in respect of Stanwell Unit 4 as it applied the undervoltage TTHL setting to Stanwell Unit 4's X generator protection system to protect its plant and associated facilities against abnormal voltage excursions of the power system, even though the undervoltage TTHL setting had not been approved by AEMO as required by clause S5.2.2 of Schedule 2 of the NER.