

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.: AER01-2023, AER02-2023, AER03-2023

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. Rule 4.15(a)(1) in respect of Stanwell Unit 1 in the manner set out in Schedule 2;
 - ii. Rule 4.15(a)(1) in respect of Stanwell Unit 3 in the manner set out in Schedule 3; and
 - iii. Rule 4.15(a)(1) in respect of Stanwell Unit 4 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**).¹
2. Rule 4.15(a) of the NER, as described in Schedule 1, is a civil penalty provision within the meaning of the NEL.
3. The infringement penalty is \$67,800 for each of the alleged breaches.

Note: If Stanwell chooses to pay each of the three (3) \$67,800 infringement penalties, the combined infringement penalty amount is \$203,400.

WHAT CAN STANWELL DO IN RESPONSE TO THE
INFRINGEMENT NOTICES?

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

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*.

- 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 NEL.

HOW DOES STANWELL PAY AN INFRINGEMENT PENALTY?

5. Stanwell may pay each of the three (3) infringement penalties totalling \$203,400 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. AER01-2023, AER02-2023 and/or AER03-2023 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.*

Please ensure that you include the Infringement Notice No. AER01-2023, AER02-2023 and/or AER03-2023 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 AND GENERATOR PERFORMANCE STANDARDS

The relevant version of the NER at the date of the alleged breaches, being at least the period 29 January 2021 up to and including 25 May 2021, is version 164.

1. Rule 4.15(a) of the NER, which is in Chapter 4, provides, relevantly, as follows:

Compliance with Performance Standards

(a) *A Registered Participant must:*

(1) *ensure that its plant meets or exceeds the performance standard applicable to its plant; and*

(2) – (3) ...

2. Applicable Generator Performance Standard (**GPS**) for each of Stanwell Units 1, 3 and 4:²

GPS clause S5.2.5.8 provides, relevantly, as follows:

Protection of generating units from power system disturbances

(a) *Subject to paragraphs (b) and (c) each generating unit may be automatically disconnected from the power system in response to abnormal conditions arising from the power system. The relevant protection system or control system does not disconnect the generating system for:*

(i) *conditions under which it must remain in continuous uninterrupted operation; or*

(ii) *conditions it must withstand under the Rules.*

(b) – (c)...

(d) *Each generating unit may be automatically disconnected from the power system in accordance with an ancillary services agreement with AEMO.*

GPS clause S5.2.5.4 provides, relevantly, as follows:

Generating system response to voltage disturbances

This generating unit is capable of continuous uninterrupted operation within the following range of voltages for the given duration at its connection point:

- *110% to 118% of nominal voltage for a period of at least 0.9 seconds;*
- *90% to 110% of nominal voltage continuously; and*
- *80% to 90% of nominal voltage for a period of at least 10 seconds.*

² Each Stanwell Unit has a separate GPS as follows: Stanwell Unit 1 (dated 5 August 2019), Stanwell Unit 3 (dated 1 September 2017) and Stanwell Unit 4 (dated 22 August 2018). The relevant clauses of each GPS are the same for the purposes of this Infringement Notice.

3. Rule 4.15(a) of the NER, which is the subject of these three 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.: AER01-2023

MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: RULE 4.15(a)(1) OF THE NATIONAL ELECTRICITY RULES

1. Stanwell is, and was at all relevant times, a Registered Participant 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. Rule 4.15(a)(1) of the NER requires Stanwell to ensure its plant meets or exceeds the generator performance standards (**GPS**) applicable to its plant. Stanwell Unit 1 is 'plant' for the purposes of rule 4.15(a)(1) of the NER.
3. The GPS applicable to Stanwell Unit 1 as at 25 May 2021 are the GPS dated 5 August 2019 (Stanwell Unit 1 GPS included in the register of performance standards established and maintained by AEMO under rule 4.14(n) of the NER).
4. Clauses S5.2.5.8 and S5.2.5.4 of the Stanwell Unit 1 GPS required Stanwell Unit 1 to maintain continuous uninterrupted operation for the nominal voltage range of 80-90% for a period of at least 10 seconds.
5. On or about 26 June 2017, Stanwell applied an undervoltage trip to house load (**TTHL**) setting to Stanwell Unit 1 which would cause Stanwell Unit 1 to trip to house load if the nominal voltage dropped to 85% for 0.1 seconds. The undervoltage TTHL setting remained as a setting in Stanwell Unit 1's X generator protection system until it was removed on 9 September 2021.
6. During the period that the undervoltage TTHL setting was applied to the X generator protection system on Stanwell Unit 1, Stanwell Unit 1 was not capable of maintaining continuous uninterrupted operation within the entire range of 80-90% of nominal voltage for a period of at least 10 seconds as required by the GPS.
7. It is alleged that Stanwell breached rule 4.15(a)(1) of the NER by failing to ensure, including during the period 29 January 2021 up to and including 25 May 2021, that Stanwell Unit 1 met the requirements of the Stanwell Unit 1 GPS clause S5.2.5.8 to maintain continuous uninterrupted operation in accordance with GPS clause S5.2.5.4.

SCHEDULE 3

INFRINGEMENT NOTICE No.: AER02-2023

MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: RULE 4.15(a)(1) OF THE NATIONAL ELECTRICITY RULES

1. Stanwell is, and was at all relevant times, a Registered Participant 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. Rule 4.15(a)(1) of the NER requires Stanwell to ensure its plant meets or exceeds the generator performance standards (**GPS**) applicable to its plant. Stanwell Unit 3 is 'plant' for the purposes of rule 4.15(a)(1).
3. The GPS applicable to Stanwell Unit 3 as at 25 May 2021 are the GPS dated 1 September 2017 (Stanwell Unit 3 GPS included in the register of performance standards established and maintained by AEMO under rule 4.14(n) of the NER).
4. Clauses S5.2.5.8 and S5.2.5.4 of the Stanwell Unit 3 GPS required Stanwell Unit 3 to maintain continuous uninterrupted operation for the nominal voltage range of 80-90% for a period of at least 10 seconds.
5. On or about 26 June 2017, Stanwell applied an undervoltage trip to house load (**TTHL**) setting to Stanwell Unit 3 which would cause Stanwell Unit 3 to trip to house load if the nominal voltage dropped to 85% for 0.1 seconds. The undervoltage TTHL setting remained as a setting in Stanwell Unit 3's X generator protection system until it was removed on 9 September 2021.
6. During the period that the undervoltage TTHL setting was applied to the X generator protection system on Stanwell Unit 3, Stanwell Unit 3 was not capable of maintaining continuous uninterrupted operation within the entire range of 80-90% of nominal voltage for a period of at least 10 seconds as required by the GPS.
7. It is alleged that Stanwell breached rule 4.15(a)(1) of the NER by failing to ensure, including during the period 29 January 2021 up to and including 25 May 2021, that Stanwell Unit 3 met the requirements of the Stanwell Unit 3 GPS clause S5.2.5.8 to maintain continuous uninterrupted operation in accordance with GPS clause S5.2.5.4.

SCHEDULE 4

INFRINGEMENT NOTICE No.: AER03-2023

MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: RULE 4.15(a)(1) OF THE NATIONAL ELECTRICITY RULES

1. Stanwell is, and was at all relevant times, a Registered Participant 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. Rule 4.15(a)(1) of the NER requires Stanwell to ensure its plant meets or exceeds the generator performance standards (**GPS**) applicable to its plant. Stanwell Unit 4 is 'plant' for the purposes of rule 4.15(a)(1).
3. The GPS applicable to Stanwell Unit 4 as at 25 May 2021 are the GPS dated 22 August 2018 (Stanwell Unit 4 GPS included in the register of performance standards established and maintained by AEMO under rule 4.14(n) of the NER).
4. Clauses S5.2.5.8 and S5.2.5.4 of the Stanwell Unit 4 GPS required Stanwell Unit 4 to maintain continuous uninterrupted operation for the nominal voltage range of 80-90% for a period of at least 10 seconds.
5. On or about 26 June 2017, Stanwell applied an undervoltage trip to house load (**TTHL**) setting to Stanwell Unit 4 which would cause Stanwell Unit 4 to trip to house load if the nominal voltage dropped to 85% for 0.1 seconds. The undervoltage TTHL setting remained as a setting in Stanwell Unit 4's X generator protection system until it was removed on 9 September 2021.
6. During the period that the undervoltage TTHL setting was applied to the X generator protection system on Stanwell Unit 4, Stanwell Unit 4 was not capable of maintaining continuous uninterrupted operation within the entire range of 80-90% of nominal voltage for a period of at least 10 seconds as required by the GPS.
7. It is alleged that Stanwell breached rule 4.15(a)(1) of the NER by failing to ensure, including during the period 29 January 2021 up to and including 25 May 2021, that Stanwell Unit 4 met the requirements of the Stanwell Unit 4 GPS clause S5.2.5.8 to maintain continuous uninterrupted operation in accordance with GPS clause S5.2.5.4.