

NATIONAL ELECTRICITY LAW

Section 74

Infringement Notice – Braemar Power Station generating Unit 3

To: Braemar Power Project Pty Ltd (ACN 116 665 608)
The Chifley Tower
Level 23
2 Chifley Square
Sydney NSW 2000

1. The Australian Energy Regulator ('AER') has reason to believe that Braemar Power Project ('BPP'), a Registered Participant within the meaning of the *National Electricity Rules* ('NER'), in respect of the Braemar Power Station ('Braemar'), has breached clause 4.9.8(b) of the NER in respect of Unit 3 on 4 November 2007 for the reasons set out in Schedule 1 to this Infringement Notice ('the alleged breach').
2. The alleged breach comprises a breach of a civil penalty provision within the meaning of the *National Electricity Law* ('NEL').
3. The infringement penalty for the alleged breach is \$20,000.
4. Pursuant to s.74 of the NEL, the AER resolved to serve this Infringement Notice on BPP.

PAYMENT OF THE INFRINGEMENT PENALTY

5. BPP may pay the infringement penalty under this Infringement Notice by cheque or electronic funds transfer in accordance with the details set out in the invoice annexed to this Infringement Notice.
6. Notwithstanding anything set out in the invoice annexed to this Infringement Notice, the infringement penalty must be paid within 28 days of the date this Infringement Notice is served on BPP ('the payment period') unless this Infringement Notice is withdrawn before the end of the payment period in accordance with s.79 of the NEL.

OTHER MATTERS

7. The AER will not commence proceedings in respect of the alleged breach if the infringement penalty is paid before the end of the payment period, proceedings will not be issued by the AER in respect of the alleged breach.
8. BPP is entitled to disregard this Infringement Notice and defend any proceedings in respect of the alleged breach.

DATE OF NOTICE: 5TH November 2008


Steve Edwell Chairman AER

INFRINGEMENT NOTICE – BRAEMAR POWER PROJECT PTY LTD

SCHEDULE 1 MATTERS CONSTITUTING A BREACH OF A RELEVANT CIVIL PENALTY PROVISION

1. BPP is a Registered Participant and a Scheduled Generator within the meaning of those terms in the NER in respect of Braemar and specifically in respect of Unit 3 at Braemar.
2. Clause 4.9.8(b) of the NER requires a Scheduled Generator to ensure that each of its generating units is at all times able to comply with the latest generation dispatch offer under Chapter 3 in respect of that generating unit.
3. The dispatch instructions given by NEMMCO and the output for the dispatch intervals ending 8.10am to 8.35am on 4 November 2007 in respect of Unit 3 are set out below in columns 2 and 3 respectively.

Column 1	Column 2	Column 3	Column 4
Dispatch interval	Dispatch instruction	Output of Unit 3	Ramp rate of the Unit (down)
8.10am	66.09	92.6	6
8.15am	69.97	92.6	6
8.20am	72.67	92.6	6
8.25am	69.57	92.6	6
8.30am	67.81	92.6	6
8.35am	68.6	92.6	6

4. In each relevant dispatch interval the output of Unit 3 was in excess of the dispatch instruction.
5. In response to the notice issued by the AER under s.28 of the NEL, BPP stated the reason for its non-compliance with each of the dispatch instructions in these dispatch intervals was that the dispatch instructions were below the minimum load of the Unit, and to comply would cause a risk of tripping the Unit, which would present a hazard to public safety and/or materially risk damaging equipment.
6. The ramp rate (down) of 6MW/min specified as part of the latest dispatch offer (set out in column 4 of the table above) is the rate of change of active power that Unit 3 was capable of being dispatched in each 5 minute dispatch interval from its last instruction.
7. For the dispatch intervals set out in column 1 of the table above, BPP did not ensure that it was at all times able to comply with the latest generation dispatch offer in that it did not rebid its ramp rate, in the downward direction, to indicate to NEMMCO that Braemar was constrained in adjusting the output of the Unit to a level lower than 92MW as a result of concerns over material risks to its plant, nor did BPP rebid the Unit as inflexible as a result of abnormal plant or operating requirements.

8. Accordingly, for the dispatch intervals ending 8.10am to 8.35am on 4 November 2007 BPP breached clause 4.9.8(b) of the NER in respect to Unit 3 by failing to ensure that it was at all time able to comply with the latest generation dispatch offer.