

NATIONAL ELECTRICITY LAW

Section 74

Infringement Notice – Point Henry Potline 1

To: The State Electricity Commission of Victoria (ABN 58 155 836 293)
“SECV” trading as Vicpower Trading
Level 8
459 Collins Street
Melbourne, Vic, 3000

1. The AER has reason to believe that SECV, a relevant participant within the meaning of the *National Electricity Law* (“NEL”), has breached clause 4.9.8(d) of the *National Electricity Rules* (“NER”) in respect of the ancillary service load at Point Henry, PTH01 for the reasons set out in Schedule 1 to this notice (“**the alleged breach**”).
2. The alleged breach comprises a breach of a civil penalty provision within the meaning of the NEL.
3. The infringement penalty for the alleged breach is \$20,000.
4. Pursuant to section 74 of the NEL, the AER has resolved to serve this infringement notice on SECV.

PAYMENT OF THE INFRINGEMENT PENALTY

5. SECV may pay the infringement penalty under this notice by cheque or electronic funds transfer in accordance with the details set out in the invoice annexed to this notice.
6. Notwithstanding anything set out in the invoice annexed to this notice, the infringement penalty must be paid by SECV within 28 days of the date this notice is served on SECV (“**the payment period**”).

OTHER MATTERS

7. 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of the payment period, proceedings will not be issued by the AER in respect of the alleged breach unless this notice is withdrawn before the end of the payment period in accordance with section 79 of the NEL.
8. SECV is entitled to disregard this notice and defend any proceedings in respect of the alleged breach.

DATE OF NOTICE: 29 October 2007

Steve Edwell
Chairman, AER

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

1. SECV is a Market Participant within the meaning of the NER.
2. The National Electricity Market Management Company Limited (NEMMCO) classified potline number 1 at the Point Henry aluminium smelter as an ancillary service load. NEMMCO registered the load as dispatch unit PTH01 (“the PTH01 classified ancillary services load”).
3. At 1.23pm on 7 October 2005, SECV offered to provide the following ancillary services from the PTH01 classified ancillary service load (“the standing offer”):

 Raise 6 second 90MW
 Raise 60 second 90MW
 Raise 5 minute 90MW
4. This standing offer remained in place at all times up to and including 16 January 2007.
5. On 16 January 2007, the PTH01 classified ancillary service load was interrupted at 3.01pm and was unavailable to provide ancillary services until 4.28pm when SECV restored dispatch unit PTH01.
6. During the period 3.10pm and 3.45pm, the other two ancillary services loads at Point Henry (potline number 2 registered as PTH02 and potline number 3 registered as PTH03) were unavailable to provide ancillary services.
7. SECV failed to ensure that the PTH01 classified ancillary service load was able at all times to comply with the market ancillary service offer during the trading intervals ending 3:30pm and 4:00pm respectively. In failing to do so, SECV breached clause 4.9.8(d) of the NER.

NATIONAL ELECTRICITY LAW

Section 74

Infringement Notice – Point Henry Potline 2

To: The State Electricity Commission of Victoria (ABN 58 155 836 293)
“SECV” trading as Vicpower Trading
Level 8
459 Collins Street
Melbourne, Vic, 3000

1. The AER has reason to believe that SECV, a relevant participant within the meaning of the *National Electricity Law* (“NEL”), has breached clause 4.9.8(d) of the *National Electricity Rules* (“NER”) in respect of the ancillary service load at Point Henry, PTH02 for the reasons set out in Schedule 1 to this notice (“**the alleged breach**”).
2. The alleged breach comprises a breach of a civil penalty provision within the meaning of the NEL.
3. The infringement penalty for the alleged breach is \$20,000.
4. Pursuant to section 74 of the NEL, the AER has resolved to serve this infringement notice on SECV.

PAYMENT OF THE INFRINGEMENT PENALTY

5. SECV may pay the infringement penalty under this notice by cheque or electronic funds transfer in accordance with the details set out in the invoice annexed to this notice.
6. Notwithstanding anything set out in the invoice annexed to this notice, the infringement penalty must be paid by SECV within 28 days of the date this notice is served on SECV (“**the payment period**”).

OTHER MATTERS

7. 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 unless this notice is withdrawn before the end of the payment period in accordance with section 79 of the NEL.
8. SECV is entitled to disregard this notice and defend any proceedings in respect of the alleged breach.

DATE OF NOTICE: 29 October 2007

Steve Edwell
Chairman, AER

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

1. SECV is a Market Participant within the meaning of the NER.
2. The National Electricity Market Management Company Limited (NEMMCO) classified potline number 2 at the Point Henry aluminium smelter as an ancillary service load. NEMMCO registered the load as dispatch unit PTH02 (“the PTH02 classified ancillary services load”).
3. At 8.30am on 4 November 2005, SECV offered to provide the following ancillary services from the PTH02 classified ancillary service load (“the standing offer”):

 Raise 6 second 30MW
 Raise 60 second 30MW
 Raise 5 minute 30MW
4. This standing offer remained in place at all times up to and including 16 January 2007.
5. On 16 January 2007, the PTH02 classified ancillary service load was switched off pursuant to contractual arrangements between SECV and a third party at 3.10pm and was unavailable to provide ancillary services until 4.40pm when SECV switched dispatch unit PTH02 on again.
6. During the period 3.10pm and 3.45pm, the other two potlines at Point Henry (potline number 1 registered as PTH01 and potline number 3 registered as PTH03) were unavailable to provide ancillary services.
7. SECV failed to ensure that the PTH02 classified ancillary service load was able at all times to comply with the market ancillary service offer during the trading intervals ending 3:30pm and 4:00pm respectively. In failing to do so, SECV breached clause 4.9.8(d) of the NER.

NATIONAL ELECTRICITY LAW

Section 74

Infringement Notice – Point Henry Potline 3

To: The State Electricity Commission of Victoria (ABN 58 155 836 293)
“SECV” trading as Vicpower Trading
Level 8
459 Collins Street
Melbourne, Vic, 3000

1. The AER has reason to believe that SECV, a relevant participant within the meaning of the *National Electricity Law* (“NEL”), has breached clause 4.9.8(d) of the *National Electricity Rules* (“NER”) in respect of the ancillary service load at Point Henry, PTH03 for the reasons set out in Schedule 1 to this notice (“**the alleged breach**”).
2. The alleged breach comprises a breach of a civil penalty provision within the meaning of the NEL.
3. The infringement penalty for the alleged breach is \$20,000.
4. Pursuant to section 74 of the NEL, the AER has resolved to serve this infringement notice on SECV.

PAYMENT OF THE INFRINGEMENT PENALTY

5. SECV may pay the infringement penalty under this notice by cheque or electronic funds transfer in accordance with the details set out in the invoice annexed to this notice.
6. Notwithstanding anything set out in the invoice annexed to this notice, the infringement penalty must be paid by SECV within 28 days of the date this notice is served on SECV (“**the payment period**”).

OTHER MATTERS

7. 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 unless this notice is withdrawn before the end of the payment period in accordance with section 79 of the NEL.
8. SECV is entitled to disregard this notice and defend any proceedings in respect of the alleged breach.

DATE OF NOTICE: 29 October 2007

Steve Edwell
Chairman, AER

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

1. SECV is a Market Participant within the meaning of the NER.
2. The National Electricity Market Management Company Limited (NEMMCO) classified potline number 3 at the Point Henry aluminium smelter as an ancillary service load. NEMMCO registered the load as dispatch unit PTH03 (“the PTH03 classified ancillary services load”).
3. At 1.23pm on 7 October 2005, SECV offered to provide the following ancillary services from the classified ancillary service load (“the standing offer”):

 Raise 6 second 30MW
 Raise 60 second 30MW
 Raise 5 minute 30MW
4. This standing offer remained in place at all times up to and including 16 January 2007.
5. On 16 January 2007, the PTH03 classified ancillary service load was switched off pursuant to contractual arrangements between SECV and a third party at 2.46pm and was unavailable to provide ancillary services until 3.46pm when SECV switched dispatch unit PTH03 on again.
6. During the period 3.10pm and 3.45pm, the other two potlines at Point Henry (potline number 1 registered as PTH01 and potline number 2 registered as PTH02) were unavailable to provide ancillary services.
7. SECV failed to ensure that the PTH03 classified ancillary service load was able at all times to comply with the market ancillary service offer during the trading intervals ending 3:30pm and 4:00pm respectively. In failing to do so, SECV breached clause 4.9.8(d) of the NER.