



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2024-2025**

Ms Nicole Lawder MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),  
Miss Laura Nuttall MLA

**ANSWER TO QUESTION TAKEN ON NOTICE  
DURING PUBLIC HEARINGS**

Asked by: Ms Elizabeth Lee MLA

Addressed to: Minister for Climate Action

Reference: Uncorrected Hansard Transcript [Pages 79-80]

In relation to: Penalties for non-compliance with NEM rules

Hearing Date: 24 July 2024

QTON lodgement date: 24 July 2024

Answer Due Date: 30 July 2024

**THE CHAIR:** Supplementaries? According to the project agreement, the ACT Government will not own or operate the battery or have the right to direct the battery to supply power during an outage. The battery operator is contractually obligated to maximise its revenue. You may recall once upon a time there was an American entity called Enron which intentionally withheld electricity from the California power market during shortages to drive up the price and maximise profits.

Is that this battery's true purpose? To exploit the intermittency of renewable generation to make profits trading in power markets rather than protecting Canberrans during a blackout or brownout?

**Mr Barr:** No, no. The battery has to operate within the rules of the Australian Energy Market Operator and the National Energy Market.

**THE CHAIR:** So you are quite convinced that—

**Mr Barr:** Well, they are the national rules for any energy distributor to operate within. It is nationally regulated, Ms Lawder.

**MS LEE:** Maybe just as a follow-on from that then, what are the penalties or consequences if they do not?

**Mr Barr:** I will move to take that on notice, but they are obviously significant, but they are nationally managed. The Australian Energy Market Operator operates the market. The clue is in the title of the organisation.

**Mr Barr:** The answer to the Member's question is as follows:

Enforcement of the National Electricity Laws, National Electricity Rules and National Electricity Regulations is undertaken by the Australian Energy Regulator. A number of enforcement options are available to them, including requiring remediating action to prevent recurrence, and civil penalties (fines). Applicable fines would depend on the circumstances and specific rules breached, but the maximum penalty that can be applied is the greater of \$11 million, three times the benefit received through the breach of the rules, or 10% of the company's turnover.

Approved for circulation to the Select Committee on Estimates 2024-2025

Signature: 

Date: 29.7.24

By the Minister for Climate Action, Chief Minister