

media release

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Snowy Hydro settles with the Australian Energy Regulator.

On 2 July 2014, the Australian Energy Regulator (AER) instituted proceedings against Snowy Hydro Limited (Snowy Hydro) alleging that on a number of occasions in 2012 and 2013, Snowy Hydro contravened the National Electricity Rules.

The AER and Snowy Hydro have reached settlement and sought consent orders from the Federal Court, which were granted by Justice Beach today.

Snowy Hydro has reviewed the case brought against it by the AER and undertook its own extensive internal investigations. Snowy Hydro acknowledges that on some occasions it did not meet the requirements of the Rules that require exact compliance with dispatch instructions in every dispatch interval. Corrective action has already been taken to prevent recurrence of noncompliance.

As the AER has itself acknowledged, exact compliance with every dispatch instruction in every dispatch interval is a physical impossibility.

However, it is important to recognise the essential role played by generators such as Snowy Hydro in responding to, and helping to manage, tight supply and demand market events. This is a role that is critical to the efficiency of the market and accordingly is one which ultimately benefits electricity users.

Consequently, Snowy Hydro believes there is a need for a broader review of the dispatch compliance rules to determine whether they are adequate for ensuring the safe, effective and efficient operation of the National Electricity Market.

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