

**From:** SHANKEY David [David.Shankey@dnrme.qld.gov.au]

**Sent:** Friday, 9 June 2017 10:22 AM

**To:** Corro EWS Minister and DG

**CC:** CUSSEN Catherine

**Subject:** FW: Correspondence from Stanwell - Direction under Section 257 of the Electricity Act 1994: Electricity Bidding - 9 June 2017

**Attachments:** Stanwell correspondence Electricity Bidding 9 June 2017.pdf

**Follow Up Flag:** Follow up

**Flag Status:** Flagged

**Categories:** Garrett

For information (and response if appropriate)

**From:** [redacted] sch4p4( 6) Personal information [redacted]@stanwell.com]

**Sent:** Friday, 9 June 2017 9:37 AM

**To:** 'jim.murphy@treasury.qld.gov.au'; SIMSHAUSER Paul

**Cc:** VELLA Kim; BARR Benn; 'rimu.nelson@treasury.qld.gov.au'; CUSSEN Catherine; [jennifer.kindt@treasury.qld.gov.au](mailto:jennifer.kindt@treasury.qld.gov.au); [gregory.tonks@treasury.qld.gov.au](mailto:gregory.tonks@treasury.qld.gov.au)

**Subject:** Correspondence from Stanwell - Direction under Section 257 of the Electricity Act 1994: Electricity Bidding - 9 June 2017

Dear Jim and Paul

Please find **attached** a letter from Richard Van Breda for your attention, the original has been sent via post today.

Kind regards

[redacted] sch4p4( 6) Personal information  
Executive Assistant to Chief Executive Officer  
Chairman and Directors



direct [redacted] 4( 6) Personal information mobile [redacted] 4p4( 6) Personal informa

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9 June 2017

Mr Jim Murphy  
Under Treasurer  
Queensland Government  
GPO Box 611  
Brisbane QLD 4001

Mr Paul Simshauser  
Director General  
Department of Energy and Water Supply  
PO Box 1545  
City East QLD 4002

Dear Jim and Paul

### **Direction under Section 257 of the Electricity Act 1994: Electricity Bidding**

I acknowledge receipt of the Shareholder Direction dated 6 June 2017 in relation to offers of electricity generation to the Australian Energy Market Operator during peak periods from 1 July 2017 to 31 December 2017 by Stanwell Corporation Limited.

Stanwell fully understands the importance of the Direction and its spirit and intent. In this regard, Stanwell has already made changes to the level of generation and prices offered to the Australian Energy Market Operator with effect from mid-May which broadly reflects the intent of the Direction.

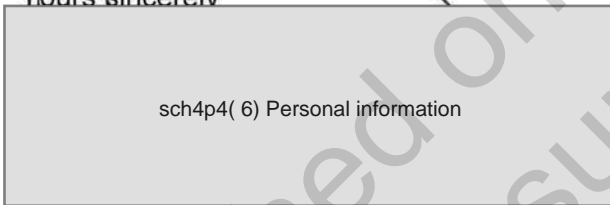
Stanwell proposes to operationalise the Direction as follows:

1. During peak periods between 1 July 2017 and 31 December 2017, offer to the Australian Energy Market Operator a minimum of  MWh sent out generation (unless planned and unplanned outages reduce Available Capacity below this volume) at bid bands of  MWh and under.
2. Normal market operations and conventions can be accommodated within the Direction and where market contingent events (plant ramping limitations, unit responses due to equipment failures or market events) impact the volume of offers, Stanwell will at all times manage offers according to the spirit and intent of the Direction and within National Electricity Market rules.

3. The Direction provides for planned and unplanned outages. We note that Unit 3 at Stanwell Power Station will be undergoing a significant outage including a control system refit from the start of the Direction period and will require an extended commissioning phase upon its return. The testing and commissioning load profiles will be reflected in offers to the Australian Energy Market Operator.
4. The Direction will result in the Tarong and Stanwell Power Stations generating at levels higher than forecast which will impact coal and water inventory levels. We will manage these resources within our normal risk management framework and will escalate any issues to you should unforeseen events such as wet weather or the disruption of mining operations have the potential to materially impact fuel supplies during quarter 1 2018.

I trust that the application of the Direction is in accordance with your expectations but in the event that this is not the case, please advise me as soon as possible.

Yours sincerely



Richard Van Breda  
Chief Executive Officer