|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **National Electricity Law - Final Classification of Tiers** | | | | | |
| **Civil Penalty Provision** | **Conduct** | **Proposed tier** | **Matrix category** | **Subclassification** | **Post consultation change** |
| Section 14R(2) |  |  | | |  |
| Reliability obligation CPP - Liable entity must comply with the obligation that the liable entity's net contract position for the trading interval is not less than the liable entity's share of the one-in-penalty two year peak demand forecast for the trading interval determined in accordance with the Rules. | COAG Energy Council's SCO Explanatory Note to the Bill provides, '...intent to align the penalty for an initial breach with the Tier 2 rate ($1.435M) and the  for a subsequent breach (by a corporation) with the Tier 1 Rate ($10M).'  Clause 6 of the Bill, which inserts new s 2AB(1)(d), includes a specific change to the penalty rates that were applied in relation to the Retailer Reliability Obligation (RRO) provisions made in the *National Electricity (South Australia) (Retailer Reliability Obligation) Amendment Act 2019* . | | |  |
| Sections 11(1), (2), (3) and (4) | Electricity market activities in SA -  Prohibition on person engaging in certain activities unless a  Registered participant in relation that activity | Tier 1 | Unacceptable Market Participant Behaviour | Deliberate or reckless conduct by the contravenor |  |
| Section 14A | Regulated transmission system operator must comply with transmission determination | Tier 1 | Unacceptable Market Participant Behaviour | Financial gain to contravenor |  |
| Section 14B | Regulated distribution system operator must comply with distribution determination | Tier 1 | Unacceptable Market Participant Behaviour | Financial gain to contravenor |  |
| Section 14P(1) and (3) | Obligation to report net contract position in relation to Retailer Reliability Obligation | Tier 2 | Inappropriate Market Participant Behaviour | Failure to comply with general reporting obligations to a regulator |  |
| Section 18ZC(1) and | Obligation of regulated entities to keep records in  relation to Retailer Reliability Obligation | Tier 2 | Market Administration | Inadequate record keeping or administrative processes |  |
| Section 18ZD | Obligation of regulated entities to provide information and data about compliance with Retailer Reliability Obligation | Tier 2 | Inappropriate Market Participant Behaviour | Failure to comply with general reporting obligations to a regulator |  |
| Section 18ZF(1) and | Compliance with audits by regulated entities | Tier 1 | Unacceptable market participant behaviour | Failure to comply with specific notices or requests from a regulator |  |
| Section 28N | Compliance with regulatory information notice that is served | Tier 1 | Unacceptable market participant behaviour | Failure to comply with specific notices or requests from a regulator |  |
| Section 28O | Compliance with general regulatory information order | Tier 1 | Unacceptable market participant behaviour | Failure to comply with specific notices or requests from a regulator |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Section 50D(1) | Requirement for declared transmission system  operator to have a network agreement with AEMO | Tier 1 | Supply Security and Reliability | AEMO ability to plan and operate the power system efficiently |  |
| Section 50F(1), (4) and (5) | A declared transmission system operator must not  augment the declared share network or any part of it unless certain  conditions are satisfied | Tier 1 | Supply Security and Reliability | AEMO ability to plan and operate the power system efficiently |  |
| Section 53C(3) and (4) | Compliance with market information instrument | Tier 1 | Unacceptable market participant behaviour | Failure to comply with specific notices or requests from a regulator | **FROM**  Tier 2 - Inappropriate market behaviour - Failure to comply with general reporting obligations to a regulator  **TO**  Tier 1 - Unacceptable market participant behaviour - Failure to comply with specific notices or requests from a regulator |
| Section 136 | Compliance with access determination | Tier 1 | Adverse Market Impact | Financial harm to other market participants |  |
| Section 157(1) | Preventing or hindering access | Tier 1 | Adverse Market Impact | Financial harm to other market participants |  |