

National Electricity Laws - 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).'	
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 (2)	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 (3)	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	