



Stanwell to vigorously defend class action



About Stanwell

- Stanwell Corporation is a Queensland Government-owned energy company.
- We own and operate Stanwell Power Station west of Rockhampton, the Tarong power stations and Meandu Mine near Kingaroy, and Mica Creek Power Station near Mount Isa.
- All of Stanwell's profits are paid to the Queensland Government as an annual dividend to help fund services such as schools and hospitals.
- Stanwell employs 700 direct employees, 400 indirect employees (Meandu Mine), and a number of contractors who provide support for site services and unit outages.

About the class action

- Piper Alderman intends to launch a class action against Stanwell and another Queensland Government-owned energy company, CS Energy.
- The proposed class action is opportunistic and entrepreneurial, funded by an international litigation funder that treats class actions as a means of generating profits.
- Stanwell strongly rejects Piper Alderman's allegations and will vigorously defend the allegations in the courts.
- At no stage has the Australian Energy Regulator found Stanwell misused its market power or breached market rules.
- Many of the allegations being made by Piper Alderman quote a 2016 report by the Grattan Institute. The Australian Energy Market Commission - which makes the rules for the National Electricity Market - has reviewed the Grattan Institute's 2016 report and dismissed many of the claims contained in it, including key allegations which Piper Alderman is levelling against Stanwell.
- Queensland taxpayers would bear the costs of defending this class action because it will reduce the dividends which Stanwell can deliver to help fund vital health, education and police services.

About the National Electricity Market

- The National Electricity Market is closely monitored and regulated.
- It is a competitive market, which means that prices are expected to be high when the demand supply balance is tight, and low when there is an oversupply of generation.
- The National Electricity Market rules are rigorously monitored and enforced by the independent Australian Energy Regulator.
- The Australian Energy Regulator oversees trading in the National Electricity Market. It investigates every incident where prices in the wholesale spot market increase to more than \$5000. It also reports on every incident where prices reach more than \$250 and every incident where prices rise to more than three times the average price for that week.

About Piper Alderman's allegations that the Queensland Government 'intervened' to change Stanwell's bidding practices

- In June 2017, the Government instructed Stanwell to continue selling electricity at the prices it was already offering at the time.
- Piper Alderman's class action relates to a period of high prices in the wholesale electricity market. These high prices occurred because of the closure of power stations in the southern states, extreme heatwave conditions, very high gas prices and an increase in demand for electricity as a result of the establishment of the liquefied natural gas industry in Queensland.
- After the summer of 2016/17 wholesale electricity prices decreased in Queensland as the weather cooled and there was less demand for electricity. From 2017 prices continued to decrease as a record number of renewables entered the market, increasing the amount of electricity being generated.