



30 March 2026

The Project Leader  
Project ERC0421  
Australian Energy Market Commission

Submitted online at: [Lodge a submission | AEMC](#)

Dear Project Leader

## **SUBMISSION: DRAFT DETERMINATION EARLY APPLICATION OF A REVISED TRANSMISSION SERVICE TARGET PERFORMANCE INCENTIVE SCHEME**

CS Energy welcomes the opportunity to provide a submission in response to the Draft Determination on the early application of a revised transmission Service Target Performance Incentive Scheme (**Draft Determination**).

### **About CS Energy**

CS Energy is a Queensland-owned and based energy company that provides power to some of the State's biggest industries and employers. We generate and sell electricity in the wholesale and retail markets, and we employ almost 700 people who live and work in the regions where we operate


CS Energy owns thermal power generation assets, and we are building a more diverse portfolio. We also have a renewable energy offtakes portfolio of almost 300 megawatts, which we supply to our large commercial and industrial customers in Queensland. CS Energy is developing a 400 MW gas-fired peaking generator at Brigalow near Kogan Creek in Queensland.


### **Key recommendations**


The Draft Determination frames a sensible approach to giving network monopolies effective incentives for efficient service delivery when they face material operational volatility and change.

Sections 3.2.1 and 3.2.2 of the Draft Determination discuss the development of arrangements for the early application of revised elements of the Service Target Performance Incentive Scheme (**STPIS**). The discussion covers whether the National Electricity Rules (**NER**) should set out principles the Australian Energy Regulator (**AER**) is to consider when determining early application arrangements and the degree of flexibility the AER should have in designing those arrangements.

CS Energy considers that the National Electricity Objective, the revenue and pricing principles at section 7A(2)-(7) of the *National Electricity Law* and the STPIS principles at clause 6A.7.4(b) of the NER provide a sufficient framework to guide the development of the STPIS, without the need for additional prescriptive principles to be embedded in the Rules.

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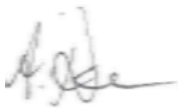
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The key to effective and efficient early STPIS implementation is to enable the AER, in consultation with each Transmission Network Service Provider (**TNSP**), to tailor early application arrangements to the circumstances of each TNSP, having regard to the costs and benefits of different timing options for individual STPIS components. For example, there might be value in the Rules specifying the AER is to assess the practicality of proposed arrangements and must minimise the administrative burden on a TNSP (as referred to in section 3.2.2 of the Draft Determination).

For the AER to perform that assessment, the relevant TNSP should provide the AER with evidence of the practicality and trade-offs involved in timing application of the STPIS. For example, a TNSP may be able to demonstrate to the AER that, at a particular point in time, it will deliver greater value to consumers to prioritise resources toward activities other than STPIS implementation. The AER then might set another date for early implementation of the STPIS.

If you would like to discuss this submission, please contact Don Woodrow, Market Policy Manager, on either 0407 296 047 or [dwoodrow@csenergy.com.au](mailto:dwoodrow@csenergy.com.au).

Yours sincerely



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