



Energy Charter Disclosure Report 2021



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About CS Energy

CS Energy is a proudly Queensland-owned and based energy company that provides power to some of our state's biggest industries and employers. We employ more than 500 people who live and work in the Queensland communities where we operate.

Our purpose

**Delivering energy today,
powering your tomorrow.**

The Australian energy mix is changing rapidly in response to renewable generation, technology innovation, and a rise in the active, involved energy customer.

CS Energy is adapting our business to thrive in this environment. Our purpose captures the dual nature of what we aim to do – run a successful thermal generation business and evolve into a diversified energy business exploring new markets, products and partnerships.

Our values

Be safe

Act with integrity

Take accountability

Make a difference

A message from our CEO



2021 was a year of contrasts for CS Energy.

We moved closer to our vision of becoming a leading provider of diversified energy solutions to our customers, growing both our market share and product solutions. At the same time, we managed multiple challenges, including reduced plant availability, the Unit C4 incident at Callide Power Station and our response to the Queensland Energy Class Action.

Our Retail team may be small compared to some of our competitors, but we believe this offers us a competitive advantage of providing customers with personalised support and fit-for-purpose energy solutions. Customers tell us that they want product solutions that address their costs of doing business and support their decarbonisation goals. In the last 12 months we have provided 84 product solutions to customers to meet this need.

We understand that many customers find the energy market complex and want to be confident that their retailer and brokers are acting in their best interests. The Energy Charter #BetterTogether National Customer Code for Energy Brokers, Consultants and Retailers was a huge step forward for customers and CS Energy is proud to have been a part of it.

This year we have continued to offer support to our customers, supply chain partners and communities in a COVID affected economy. We are not a mass market retailer, so we have focused on investing in the local communities surrounding our power stations.

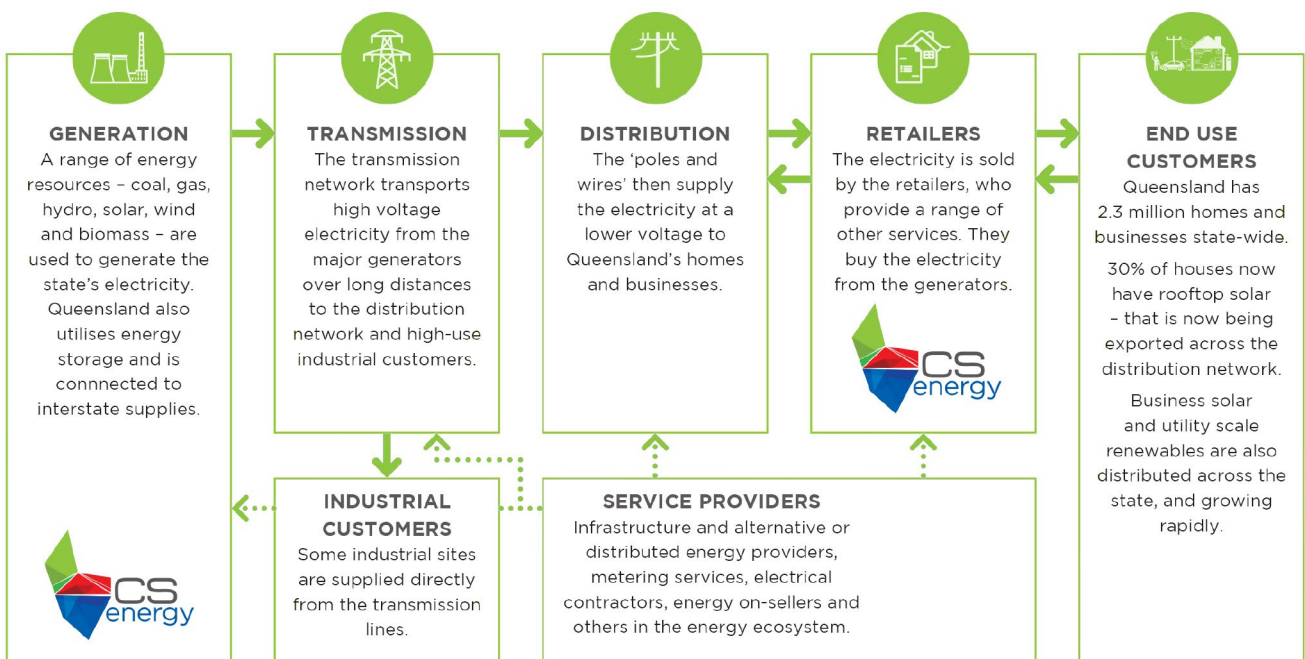
Our maturity self-assessments have remained steady, reflecting that we are on the right track but there is more work to do to move to the next level of maturity. Key priorities in the year ahead will be rolling out an improved Retail Customer Portal and accelerating our Future Energy initiatives.

I look forward to discussing our progress with the Independent Accountability Panel and encourage our customers and stakeholders to provide us with feedback via email at energyinfo@csenergy.com.au.

Andrew Bills
Chief Executive Officer

Our role in the energy supply chain

CS Energy operates in the generation and retail sections of the electricity supply chain. We sell electricity to large commercial and industrial customers throughout Queensland, and we have a retail joint venture with Alinta Energy to supply electricity to residential and small commercial customers in South East Queensland.



Our portfolio

CS Energy generates and sells electricity in the National Electricity Market (NEM) where we have a trading portfolio of more than 3,500 megawatts (MW).

We operate the Kogan Creek and Callide power stations, and trade energy generated by Gladstone Power Station, in excess of the requirements of the Boyne Island aluminium smelter. We provide operations and maintenance services to the Callide C Power Station joint venture.

CS Energy provides retail services to large commercial and industrial customers throughout Queensland. We offer renewable energy to our customers through our partnerships with wind and solar facilities, and underpin them with energy from our thermal generation assets. We also provide our customers value add solutions such as demand management and electric vehicle charging.

Our 50/50 retail joint venture with Alinta Energy supplies electricity to residential and small commercial customers in South East Queensland.

CS Energy is investigating the potential of hydrogen produced by renewable energy through the Kogan Hydrogen Demonstration Project, and as a project partner in QUT's hydrogen research and development project at Redlands.

Our coal asset is the Kogan Creek Mine, which supplies coal to the Kogan Creek Power Station.



Power generation

- 1 **Callide Power Station** (Thermal – 1,525 MW)
1,525 MW = 700 MW Callide B Power Station + 825 MW Callide C Power Station.
CS Energy owns the Callide C Power Station in a 50/50 joint venture with IG Power (Callide) Limited.

- 2 **Kogan Creek Power Station** (Thermal – 750 MW)

Operations and maintenance

- 3 **Callide C Power Station**

Trading rights

- 4 **Gladstone Power Station** (Thermal – 1,680 MW)

Renewable offtakes/Power Purchase Agreements

- 5 **Kennedy Energy Park** (Wind, solar, battery storage – 60 MW)
- 6 **Moura Solar Farm** (Solar – 56 MW)
- 7 **Columboola Solar Farm** (Solar – 162 MW)

Retail

- 8 **Alinta Energy 50/50 joint venture** – South East Queensland
- 9 **Large commercial and industrial** – Queensland

Coal assets

- 10 **Kogan Creek Mine** (ML 50074 – 130 Mt, MDL 335 – 400 Mt)

Our customers and communities

Our customers

- **Large commercial and industrial businesses** to whom we retail electricity. This includes mines, ports and, through our whole-of government contract, Queensland Government agencies and departments. Our dedicated Retail Business Team has significant energy market expertise and works directly with our customers to provide bespoke energy solutions, including through firming renewable supply.
- **Large businesses that use financial derivatives to manage their exposure to price volatility** in the wholesale spot market. This includes energy retailers, financial and education institutions and manufacturing businesses. Using derivatives enables these counterparts to lock in a firm price for electricity at a given time in the future. The products CS Energy offers range from short to long term coverage and can be tailored to meet a counterpart's specific needs.
- **Households and small business** which are supplied through our 50/50 retail joint venture (JV) with Alinta Energy in South East Queensland (SEQ). Since entering the market in 2017, the JV has been widely acknowledged as injecting significant retail competition and better price outcomes for consumers in SEQ. Through the JV, CS Energy generates and supplies wholesale electricity, and Alinta Energy manages the retail business.

Our communities

- **Near neighbours** – We recognise the impact of our operations on those people living near our power stations in Biloela and Chinchilla. We work with and listen to our neighbours to try to minimise the impact of our operations on their properties.
- **Wider community** – We recognise that our ability to generate electricity is dependent on the support of the communities that host our operations.
- **Community groups** – Community groups are the heartbeat for many rural communities. We annually provide more than \$200,000 in sponsorship to not-for-profit organisations to deliver projects, initiatives or events that benefit our local communities.
- **Local industries** – Our power stations deliver significant financial benefits to our local economies. Where commercially viable, we always seek to procure goods and service from local businesses which delivers direct and indirect economic benefits to the local economy. This year we conducted a regional economic impact assessment to better understand the economic contributions of our power stations. At a state level, the total economic impact of our operations in FY2020 amounted to \$1.2 billion in output/turnover (a measure of direct and supply chain purchases from businesses).

Highlights

Top three customer outcomes in FY2021

1.

Giving our customers confidence that we are acting in their best interests through our active role in the Energy Charter #BetterTogether National Customer Code for Energy Brokers, Consultants and Retailers. CS Energy co-designed the Customer Code with consumer and industry stakeholders and is a member of the Customer Code Council. One of the aims of the Customer Code is to address some of the concerns about third party intermediaries' selling practices raised in the final report of the Australian Competition and Consumer Commission's (ACCC) Retail Electricity Pricing Inquiry.

2.

Providing product solutions to our customers that address their costs of doing business and support their decarbonisation goals. Our product solutions include electric vehicle chargers, demand response products and renewable energy sleeved products.

3.

Continuing to offer support to our customers, supply chain partners and communities in a COVID affected economy. We have helped wherever possible to those doing it tough in our part of the electricity supply chain.

Reporting on our commitments from last year

Principle	Progress against FY2021 focus areas	Key metric	FY2020	FY2021	FY2021 Maturity assessment
1 We will put customers at the centre of our business and the energy system	Grow our commercial and industrial retail market share and diversify energy product solutions by: <ul style="list-style-type: none"> Continuing to diversify into future energy. Achieved and ongoing Selling adjacent products and product solutions to our retail customers, in addition to generation from our power stations. Product solutions include electric vehicle chargers, demand response products and renewable energy sleeved products. Achieved and ongoing 	Total product solutions	21	84	Emerging
	Continue to engage our employees to embed a customer-focussed culture. Ongoing	Constructive culture score	10 per cent improvement in employee culture score.	N/A. Next survey in FY2022.	
2 We will improve energy affordability for customers	Focus on extracting commercial and operational benefits from our alliance with Downer for overhauls and asset maintenance. Ongoing	Demonstrated value improvements (cost savings)	\$1.8M	\$4M	Evolved
	Continue to work with Alinta Energy to explore options to expand the customer base and maintain competition in the SEQ market. Ongoing	Canstar Blue award for most satisfied electricity customers in Queensland	2019 award	2020 award	
3 We will provide energy safely	Improve our personal safety performance to achieve our FY2023 All Injury Frequency Rate (AIFR) target of less than 24. Embed process safety into the business and report on our performance. Ongoing, with an increased focus on process safety following the Callide Unit C4 incident. An external, independent review into the incident is underway.	AIFR	24.2	25.5	Emerging
We provide energy sustainably	Maintain our environmental performance. Achieved	Significant environmental incidents	0	0	Emerging
		Portfolio carbon intensity (t CO ₂ e/GMWhso)	976.0	975.6	
We will provide energy reliably	Continue to diversify our portfolio through the addition of lower carbon energy. Ongoing	Renewable energy offtakes (MW)	218	310	Emerging
	Improve the commercial availability and flexibility of our power stations to ensure we are available and generating when needed by the market. Availability target not achieved. Flexibility improvements implemented on Callide B1.	Availability (%)	75.6	71.3	
4 We will improve the customer experience	Improve the functionality of our Retail Customer Portal. Underway	Customer satisfaction rating	8.23 out of 10	Next survey in FY2022	Emerging
	Partner with customers to deliver better overall outcomes and increase our offering of innovative products and services. Ongoing	Number of complaints	0	0	
5 We will support customers facing vulnerable circumstances	Implement actions from the voluntary Customer Code for Energy Brokers and Retailers – one of The Energy Charter's Better Together initiatives. Achieved and ongoing				Emerging
	Continue to work with customers, supply chain partners and communities in a COVID affected economy and help where possible. Ongoing	N/A. We do not have quantitative metrics for this principle as our customer base is large commercial and industrial organisations. In our qualitative response to this principle on page 9, we have focused on our activities that support customers and communities in our sections of the energy supply chain.			
	Work as part of the #BetterTogether initiative – Future Energy Skills Program – to identify existing and new pathways into the energy sector. As noted in the disclosure report submitted by the Energy Charter, CS Energy was part of this initiative to clearly identify and articulate the anticipated skills and capabilities required in the future across the energy supply chain. This initiative has been transferred to wider industry work regarding Future Energy Skills including through the Australian Power Institute.				

Principle 1 – We will put customers at the centre of our business and the energy system

FY2021 Maturity level	FY2023 target
Emerging	Emerging

Focus areas for FY2022

- Achieve 16 per cent share of Queensland C&I market.
- Provide additional product solutions for 25 per cent of our customers.

A maturing customer culture

- Our vision to be a *leading provider of diversified energy solutions* recognises that we must be customer focused, diversified, proactive and a leader in innovation.
- CS Energy's Board-approved five-year strategy focuses on customer outcomes and includes clear targets to provide solutions for our growing retail customer base by bundling the sale of energy and expanding our energy products.
- To better service our customers, CS Energy expanded our retail team with a new Retail Operations Officer and a new Retail Account Manager in FY2021.
- Following our first customer survey in FY2020, we have established a baseline against which we will measure our progress in the future using regular customer surveys. The Board has linked these measures to the remuneration and performance payments for senior executives to ensure the workforce is engaged and aligned to deliver positive customer outcomes. The next customer survey will be in FY2022.
- This year we also began applying 'social value' as part of our business decision-making processes and approach to issues management. Social value is a holistic approach to decision making where we recognise both financial and social benefits and impacts; and acknowledge that each depends on the other for the decision to maximise positive outcomes.

Diversifying our energy product solutions

- CS Energy's Retail team expanded our share of the Queensland large commercial and industrial market in FY2021 to 11.4 per cent (2020: 8 per cent). The driver of this growth has been our customer centric approach, where we develop tailored product solutions for each customer based on their specific energy needs such as decarbonisation, vehicle fleet electrification, long term contractual security or energy management services.
- Our customers benefit from structured electricity solutions that bring together renewable and future energy, market-based instruments and CS Energy's owned thermal generation. Our structured products give our customers the flexibility to choose the most attractive structure for them, helping create better energy solutions for the future of their business.
- We have aligned ourselves with innovative products and partnerships to assist with the development of these tailored solutions. Examples include:
 - *Demand management* – our customers are able to maximise their energy cost-saving potential by generating additional revenue through our demand-response services. Our program rewards businesses for reducing the amount of electricity they take from the grid during very high/volatile market events.

- *Electric vehicle charging* – our customers are offered a suite of electric vehicle charging services through our partnerships with industry leaders Jet Charge and EVSE. Our offering includes AC chargers as well as rapid DC chargers, each of which can be configured for client's needs, such as home, fleet, or public access charging.
- The Queensland Government is our key large commercial and industrial customer. We are supplying wholesale electricity to large Queensland Government sites under a 10-year contract. CS Energy was also awarded the contract for the associated retail services for an initial period of three years, which has since been extended for a further year.
- Queensland Government departments, agencies and sites can sign up to the benefits of a whole of government agreement with CS Energy that provides price stability, a renewable component, value add services and meets the needs of multi-agency sites. In response to strong interest from eligible customers who had not yet signed up to the agreement, during FY2021 we increased the portfolio cap by approximately 3,000 MWh and extended the cut off period for a further six months.

Our values define how we do business

- As part of our commitment to continuous improvement, in FY2020 CS Energy self-reported to the Australian Energy Regulator (AER) in instances where we had offered contingency FCAS to the market that were not fully delivered in accordance with the market operator's technical specifications. We worked cooperatively with the AER to improve our compliance with national electricity laws and rules relating to Frequency Control Ancillary Services (FCAS).
- Our FCAS non-compliances occurred due to a combination of systems and human error and did not impact system stability. We have used this as an opportunity to reinforce the importance of maintaining a compliance culture, to improve our systems, processes and training to prevent this issue from occurring again.
- CS Energy paid the infringement notices issued by the AER in FY2021 in relation to these events, and voluntarily repaid AEMO the relevant contingency FCAS revenues.
- Our self-reporting of these matters illustrates our commitment to our values and being a responsible and compliant market participant.

Principle 2 – We will improve energy affordability for customers

FY2021 Maturity level	FY2023 target
Evolved	Empowered

Focus areas for FY2022

- Continue to work with Alinta Energy to explore options to expand the customer base and maintain competition in the SEQ market.
- Increase affordability and accessibility of decarbonisation products for our large commercial and industrial customers.

Our joint venture with Alinta Energy

- Mass market customers in South East Queensland (SEQ) continue to benefit from our partnership with Alinta Energy through a joint venture arrangement (JV) to supply electricity. Under the agreement CS Energy generates and supplies wholesale electricity, and Alinta Energy manages the retail business.

- Since entering the SEQ retail market in 2017, the JV has been recognised for helping to stimulate competition, leading to better price outcomes for consumers regardless of their retailer. This has been noted in reports by the Queensland Competition Authority (*SEQ retail electricity marketing monitoring report 2019–20*) and the Australian Energy Market Commission (*Retail energy competition review 2019*).
- There are currently more than 25 residential electricity retailers in SEQ.
- Alinta Energy has grown to become the third largest retailer in SEQ (Source: AER, *State of the Energy Market 2021*) and has received Canstar Blue’s award for most satisfied electricity customers in Queensland for four years in a row (2017, 2018, 2019 and 2020). According to Canstar Blue, Alinta Energy achieved five-star reviews for “its ease of sign-up, bill and cost clarity, customer service, online tools and advice, value for money and overall satisfaction”¹.
- FY2021 was a difficult year for the JV as increasing competition and the ongoing impact of COVID-19 impacted retail market conditions and restricted face-to-face sales channels. This resulted in a decrease in customer numbers.
- Market conditions are expected to improve in FY2022 and the JV is forecasting a return to positive customer growth aided by a new customer retention strategy.

CS Energy’s retail and wholesale offerings

- CS Energy continued to offer bespoke structured products that support the needs of our growing customer base, with a focus on assistance in managing their energy costs.
- We believe that our customers continue to view CS Energy in a positive light with respect to our ability to offer competitive electricity pricing. After securing new customers, we conduct a review session with them to provide us with feedback on our pricing and why they chose CS Energy.
- Our customers are protected from price volatility in the wholesale market through our ability to utilise our physical generation assets and trading capabilities to offer tailored solutions. An example includes a retail customer that also has their own generation facilities, utilising products that CS Energy can place in the market on its behalf to manage its period of exposure on the spot market.
- Energy retail counterparts can be provided with structured hedges by CS Energy that enable them to manage their load in accordance with the profile of their customer usage. These hedges provide an effective risk management tool to enable retailers to compete in the market.

Queensland Energy Class Action

- This year CS Energy began our defence of a class action funded by litigation funders on behalf of a number of Queenslanders, which relates to claims about CS Energy’s bidding behaviour and electricity prices. There were several case management hearings in the Federal Court in 2021 for what is expected to be a long and complex legal process.
- We reject the claims being made and will strongly defend this class action. CS Energy is committed to complying with all market rules and regulations and we have dedicated substantial resources to ensuring we meet our obligations. Our bidding activity is regulated under the National Electricity Law and the National Electricity Rules by the Australian Energy Regulator.

Supporting reforms that aid energy affordability

- CS Energy is proactive in the reform process in the NEM. We maintain a voice in policy and regulatory developments by participating in relevant consultation processes and working groups run by the market bodies, and through our membership of various industry bodies including the Australian Energy Council and the Clean Energy Council.
- This year we provided submissions to market reforms being conducted by the Energy Security Board and the Australian Energy Market Commission that sought to ensure the continued security of the power system at least cost to consumers.

Principle 3 – We will provide energy safely, sustainably and reliably

FY2021 Maturity level	FY2023 target
Safe: Emerging	Safe: Empowered
Sustainable: Emerging	Sustainable: Evolved
Reliable: Emerging	Reliable: Evolved

Focus areas for FY2022
<ul style="list-style-type: none"> • Respond to recommendations from external independent review of Callide C4 incident. • AIFR of ≤26. • Commercial availability of 87.7 per cent. • Zero Significant Environmental Incidents. • Continue to diversify our portfolio through the addition of lower carbon energy.

Safe energy

- In FY2021 CS Energy recorded an All Injury Frequency Rate (AIFR) of 25.5 against a target of less than 28. AIFR is a rolling 12-month average of the number of injuries per million hours worked.
- Forty-three people were injured, a decrease of nine compared to the year before.
- We responded to a significant process safety event at Callide Power Station this year. At approximately 1.45pm on 25 May 2021 an incident occurred on the Callide C Joint Venture owned Unit C4, resulting in an explosion that caused substantial damage to the unit and forced it and other operating units offline. Shortly afterwards, multiple power stations and high voltage transmission lines in Central Queensland tripped, leading to a significant reduction of load and temporary separation between Queensland and the rest of the NEM.
- Our people responded quickly, calmly and professionally to evacuate the site and ensure that everyone was safe. In the days and weeks that followed, our focus was on helping our Callide team deal with this traumatic incident and safely bring the power station’s other units back online.
- We are committed to understanding the facts that led to the C4 event so we can learn from it and improve the safety of our people and plant. An external, independent investigation and review of the incident is underway and the report’s findings will be published.
- We are also engaging with other power station operators about our initial assessment of the Unit C4 incident to help improve safety in the industry while the more detailed external investigation is underway.

1. Source: <https://www.canstarblue.com.au/electricity/qld-providers/>

Reliable energy

- Despite a 23 per cent increase in generation at Kogan Creek Power Station, it was a challenging year for CS Energy's portfolio. Availability for our operating assets was 71.3 per cent (2020: 75.6 per cent), largely as a result of the Callide Unit C4 incident, a significant planned overhaul program at Callide in 2020 and unplanned outages at Kogan Creek in October 2020 and May 2021.
- At year-end capacity was building at Callide Power Station as crews worked to safely return the site's three remaining units to service following the Unit C4 incident in May. Units B1 and B2 went back online in June and Unit C3 in July, bringing the site back to almost 75 per cent capacity.

Flexible energy

- As more renewable energy comes online (in particular, rooftop solar), there is less need for coal-fired generation in the middle of the day. Our thermal units must be available when energy consumers need them most – in the morning and evening peaks when weather dependent renewables are not available.
- We are adapting our assets to operate more flexibly in response to these changing demand patterns. In FY2021 we completed our first major plant modifications to achieve this goal – a \$4.5 million project to install new air atomised igniters on Unit B1 at Callide Power Station. The igniters reduce the potential for unit trips during load changes and increase the life of coal mills in between overhauls.

Sustainable energy

- Our coal-fired power stations play a critical role in power security in the NEM and we operate them carefully to ensure we remain within our emissions limits. Our particulate and greenhouse emissions both decreased in FY2021 consistent with the reduction in electricity production.
- We continued to invest in renewable generation to support the Queensland Government's target of 50 per cent renewables by 2030 and the increased demand for renewable energy products from our customers.
- We announced two new renewable power purchase agreements, bringing our total renewable offtakes portfolio to 310 MW at 30 June 2021. We plan to further increase the proportion of renewables in our portfolio through the Queensland Government's \$2 billion Queensland Renewable Energy and Hydrogen Jobs Fund.
- We conducted a joint feasibility study with IHI Japan into a renewable hydrogen demonstration plant that could be situated next to CS Energy's Kogan Creek Power Station.

Principle 4 – We will improve the customer experience

FY2021 Maturity level	FY2023 target
Emerging	Evolved

Focus areas for FY2022
<ul style="list-style-type: none"> • Roll out new Retail Customer Portal. • Implement improved invoice design in response to customer feedback from first customer survey. • Conduct second customer survey.

Delivering better outcomes for customers

- Our customers benefit from having a dedicated account manager that looks after their energy needs from the outset and is their central point of inquiry.
- When the Callide C4 incident occurred on 25 May 2021, we contacted our customers to allay any concerns they may have had about their electricity supply. We are immensely grateful for the support our customers provided us, in particular those who were able to provide demand-response services in the period immediately following the event. We kept our customers informed about the recovery effort at Callide Power Station and reassured them that Unit C4's prolonged outage would not impact their day-to-day power supplies.
- Our customers can look forward to an improved experience on our Retail Customer Portal from January 2022. Feedback to our 2020 customer survey told us that our customers are looking for improved functionality from our Retail Customer Portal.
- In 2021 we went out to the market to procure a new Retail Billing System, which will include an improved Retail Customer Portal. We have selected a vendor and are currently working with them on the build phase to achieve an improved platform that addresses the functionality issues raised by customers.
- We have a complaints and dispute resolution process in place, which is outlined in our Standard Retail Contract Terms and Conditions on our website. This document includes information on our obligations in handling complaints and the relevant ombudsman that customers can refer their complaints to if they are not satisfied with our response.
- No customers complained to our Retail team or the Energy and Water Ombudsman Queensland in FY2021.

Putting energy guidelines into action

- CS Energy was an active participant in the development of a National Customer Code for Energy Brokers, Consultants and Retailers, which was a #BetterTogether initiative. The Customer Code aims to build trust between energy brokers and energy retailers to achieve better customer outcomes.
- CS Energy's Retail Business Lead Darrin Crompton is a member of the Customer Code Council that meets with the aim to further develop and promote the benefits of the Customer Code.

Principle 5 – We will support customers facing vulnerable circumstances

FY2021 Maturity level	FY2023 target
Emerging	Emerging
Focus areas for FY2022	
<ul style="list-style-type: none"> Ongoing monitoring program of PFAS groundwater and surface water near Callide Power Station. Implement key actions from our Indigenous Engagement Strategy. Continue to work as part of the Callide Futures Group to provide opportunities for our people as the energy sector transforms. Develop and implement actions that respond to the findings of our stakeholder trust research. 	

- The Energy Charter's *Framework for Support for Vulnerable Customers across the Supply Chain* has guided our actions for this principle. As participants in the retail and generation sectors, we have focussed on activities that support our **retail customers and the local communities near our power stations**.

Maintaining our COVID-19 support measures

- Our Retail Team keeps in regular contact with our large commercial and industrial customers to ensure they are aware of government financial assistance available should they experience financial difficulties due to COVID-19.
- We also maintained the targeted support measures that were introduced in the prior year and are outlined in our FY2020 Disclosure Report.

Working with Alinta Energy

- CS Energy, together with our joint venture partner Alinta Energy, continues to focus on providing energy products in SEQ that pass on cost savings to customers. CS Energy regularly receives information through monthly reporting about categories of customers that may be in hardship, and the level of that difficulty.
- All joint venture meetings attended by representatives of CS Energy and Alinta include a standing item on customers in hardship and vulnerable customers. Through this standing item (which CS Energy requested in FY2020) we have a better understanding of how Alinta Energy works with customers in hardship. Alinta Energy's Continuous Energy Program (Hardship Policy) provides a range of options to support customers struggling to pay their energy bills.
- Alinta Energy has backed the industry-wide COVID-19 customer support measures, and exceeded them by applying them to all customers and not just those impacted by the pandemic. From April 2020 they suspended all disconnection activities, referral of closed accounts to third party debt collection, debt sale and default listing².
- In May 2021 we took part in the AER's workshops on consumer vulnerability, along with 70 other participants from the energy industry, consumer groups and government agencies. The workshop was valuable for improving our understanding of Alinta Energy customers who might be in hardship and the impact of the energy value chain on end users.

2. Source: Alinta Energy Sustainability Report 2019/20, page 84.

Directly engaging with landholders for the Callide PFAS program

- This year we continued a voluntary investigation into the potential impacts of the historical use of PFAS (per-and poly-fluoroalkyl substances) at Callide Power Station, commencing a testing program on landholder properties downstream of the power station in collaboration with Queensland Health and Department of Environment and Science. PFAS is a group of manufactured chemicals present in firefighting foams that were historically used at various Australian sites including civil airports, defence bases, ports and large industrial sites.
- CS Energy has been open and transparent about the PFAS investigation and test results, proactively providing information and engaging with stakeholders. We have used face-to-face or telephone communication with landholders wherever possible, supported by email and written correspondence.
- The health of the community and our employees is CS Energy's key priority and has guided our actions throughout the monitoring program. Our main priority this year was to quantify current PFAS levels in bores used for drinking water and, where appropriate, provide affected landholders with an alternative safe water supply.

Investing in our local communities

- Each year we provide community sponsorships and donations to help build more vibrant, liveable communities in the communities that host our operations. In FY2021 we provided more than \$208,000 in community sponsorships across 30 groups in the Banana Shire, Western Downs and Brisbane including schools, community groups, clubs and associations.
- We recognise that the last 18 months have been a difficult period for many community groups, with COVID-19 causing some local initiatives and events to be rescheduled or cancelled. We prioritised our sponsorship for initiatives that will help stimulate local economic activity and support organisations that are front and centre in managing the community impacts of COVID-19.
- Several of our sponsorship recipients work with vulnerable members of the community. These include the Banana Shire Emergency Accommodation and Support Centre, Chinchilla Family Support Centre, Helping Hands Outreach Centre, Goondir Aboriginal and Torres Strait Islander Association, and the Qld Police Citizens Youth Welfare Association.
- We also contribute to our local communities by making charitable donations. In FY2021 we donated a further \$10,000 to charitable causes.

Strengthening our relationship with Traditional Owners

- Guided by a Central Queensland based Indigenous leader, we commissioned an Indigenous Perspectives Consultation report to identify how we can improve outcomes for local Aboriginal and Torres Strait Islander people.
- In FY2022 we will begin implementing the strategy, which will form the basis of our inaugural CS Energy Reconciliation Action Plan. Priorities include attracting and retaining more Aboriginal and Torres Strait Islander employees, delivering internal cultural awareness programs and participating in programs or initiatives that benefit Indigenous Australians.

Exploring opportunities for our communities in the energy transformation

- CS Energy has nominated the technical end of life for Callide B Power Station as 2028, in accordance with reporting requirements for large generators under the National Electricity Rules.
- We are working with our people and unions through the Callide Futures Group to assess how to best position the Callide B workforce to take up new opportunities as the energy sector transforms over the coming decades.
- More broadly, we are a member of various government and industry forums that are exploring approaches for supporting workforces and communities through the energy sector's transformation. This includes the #BetterTogether Transitioning Communities initiative, which is a collaboration between CS Energy, CleanCo, APA, EnergyAustralia and Powerlink Queensland.

Better understanding the expectations of our stakeholders

- This year we partnered with an independent market research firm to engage with our community and business stakeholders to measure the health of our relationships, identify what is material to them, and how we are performing against their expectations.
- CS Energy performed strongly on trust amongst our stakeholders (score of 7.5 out of 10). However, opportunities exist to provide greater transparency about our future operations in the community.

Expanding access to our Summer Undergraduate Program

- We understand our responsibility to contribute to the future talent pool of the energy industry. This year we hosted five undergraduate engineers who worked with us over the summer period, with two sourced from CareerSeekers, a not-for-profit organisation that works with companies to provide work for refugees and asylum seekers.
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Appendix 1 – Response to IAP recommendations

In its 2020 Report, the Independent Accountability Panel (IAP) made 13 key recommendations. We have followed the approach of The Energy Charter by grouping our response to the IAP's recommendations into four key themes.

Theme 1 Collaborating for the potential post-pandemic debt tsunami

R1. Immediately and collectively, find ways to utilise payment and usage data to proactively identify and assist customers in vulnerable circumstances, so that the industry and policy-makers are taking all steps within their power to support customers in financial difficulty and to reduce payment difficulties in 2021. The process should include engagement with experts and consumer groups.

R2. Audit all customers on payment or hardship plans, and immediately and retrospectively switch them to the cheapest plan available and adjust the debt accordingly. We strongly recommend this becomes BAU for all energy retailers.

R3. Work with governments to establish a practically failsafe system to ensure each and every customer who is entitled to a concession receives it.

R6. Expand their management of the growing risk that more customers cannot pay their energy bills to include becoming more active on policy questions that feed into energy affordability (e.g. low-income households' access to energy efficiency and income adequacy).

R7. Ensure the highest standards of customer care are implemented in responding to the growing debt tsunami, using the Victorian Payment Difficulty Framework as the benchmark.

R10. Continue to simplify energy bills so that energy usage and costs are easy to comprehend and provide specially trained customer contact staff who can help customers to understand energy usage in the home or small business. This could extend to developing a specialist energy advisor role within the customer service centre.

R12. Pursue active personal engagement with all customers faced with potential disconnections and aspire to no disconnections, working with consumer groups to deliver on that outcome.

CS Energy's response – Provided ongoing COVID-19 support to our large commercial and industrial customers (page 8), prepared to implement an improved Retail Customer Portal in response to customer feedback (page 7) and improved our understanding of how our JV partner Alinta Energy works with customers in hardship (page 8).

Theme 2 Net zero emissions

R4. Adopt and each publicly articulate a clear, collective approach that builds on recent energy industry acknowledgements of the inevitability of change, effectively communicates how the "north star" of net zero emissions feeds into better consumer outcomes and drives a whole of sector focus on making energy transition work for consumers.

R5. Under the Better Together initiative, consider establishing a 'Whole of Industry Energy Transition Working Group' to coordinate a long-term response for the industry and a 'just transition' for customers. This working group should include customer representatives and be approached as something of a 'blank canvas'. This has the potential to elevate the industry above the politics of the day and provide a more stable platform for future investments and joint industry-customer advocacy.

CS Energy's response: We are exploring opportunities for our local communities throughout the energy transformation (page 9) and have continued to diversify into lower emissions energy (page 7).

Theme 3 Better support for consumer advocates

R9. If not already in place, signatories should establish a customer reference group or customer council. Signatories should then commit to go beyond simply informing this group of what they are doing, but seek to involve them in key decisions and empower them to play an active role in shaping key aspects of business practices and investment decisions where appropriate.

R11. Work more closely with consumer groups to expand and develop community collaborations with customer groups that are less likely to actively engage through mainstream channels.

R13. Work with policy makers and market bodies to implement a way for consumer advocacy to be better resourced.

CS Energy's response: CS Energy participated in the workshop with AER (page 8) and have surveyed our customers and other stakeholders to understand their needs (page 7 and 9). CS Energy works in the community and has sponsorship programs (page 8) that can make a difference (other than around energy spend).

Theme 4 Genuine Board involvement

R8. Elevate the Energy Charter to the highest possible extent within the organisation, including involving their Board in development of Energy Charter Disclosures and linking performance review standards and leadership remuneration to customer outcomes.

CS Energy's response: We have established a baseline for measuring customer feedback and linked these measures to the remuneration and performance payments for senior executives (page 5).



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Feedback

We welcome feedback on our Energy Charter disclosure report. Please contact us at email: energyinfo@csenergy.com.au or phone us on 07 3854 7777.