

Energy Charter Disclosure Report 2023



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Acknowledgement of country

CS Energy acknowledges the Traditional Owners of the lands on which we operate. We live, work, and learn on Turrbal, Jagera (Brisbane), Barunggam (Kogan Creek) and Gangulu (Biloela) land. We pay our respects to their elders past and present, and recognise their continuing connection to the land, waters and community.

A message from our CEO



As a foundation signatory to the Energy Charter, CS Energy is committed to transparently reporting how we are achieving better outcomes for customers and communities.

Over the past five years, the Energy Charter's annual accountability process has provided us with valuable feedback about what we are doing well and where we can do better. This has enabled us to build our capability, commit to improvements and collaborate with other signatories on Better Together initiatives.

The establishment of our Stakeholder Advisory Council in 2023 was the next logical step in growing our stakeholder engagement maturity and building a more customer-centre culture. The Council provides a forum that allows CS Energy and our customers and

stakeholders to connect regularly, talk about issues important to them, and consider their perspectives in our decision-making process.

The council provided valuable feedback on a draft of our FY2023 Energy Charter Disclosure Report, which is summarised below, along with how we have responded. CS Energy has invited council members to attend our joint accountability session with Powerlink Queensland and Energy Queensland in October.

This year we have been heavily engaged in the State Government's Queensland Energy and Jobs Plan, in particular the development of a Queensland Energy Workers' Charter for supporting workers through the energy transformation. We are committed to providing opportunities and pathways for our people as the energy industry evolves.

The QEJP sets a clear path for the industry and Queenslanders on the journey to achieve 70 per cent renewables by 2032 and 80 per cent by 2035. Our thermal generation assets will play an important role in underpinning Queensland's energy system as it transitions to renewable energy. The safe return to service of the Callide C Power Station generating units in 2024 is central to this and will also assist in putting downward pressure on wholesale electricity prices.

At the same time, we are investing in renewable energy, battery storage and

firming assets to support the decarbonisation of Queensland's energy system, customer requirements and to provide opportunities for our workforce to reskill. In FY2024 we will bring the Chinchilla Battery online and construction will commence on the Greenbank Battery. We are also investigating up to 700 MW of wind projects in Central Queensland.

In the community, next year we will begin implementing actions from our first Reflect Reconciliation Action Plan. We will also continue to invest in community sponsorships to support projects, events or initiatives that benefit the local community, as well as philanthropic donations.

In closing, I would like to thank CS Energy's employees for their continued commitment to our purpose of *Delivering energy today, powering your tomorrow*. I would also like to thank former CEO Andrew Bills who led CS Energy's early involvement in the Energy Charter and our efforts to become a more customer-focussed business.

Darren Busine
Chief Executive Officer

Stakeholder consultation

We met with our Stakeholder Advisory Council in early September 2023 to obtain their feedback on this report.

What we heard – key feedback themes:

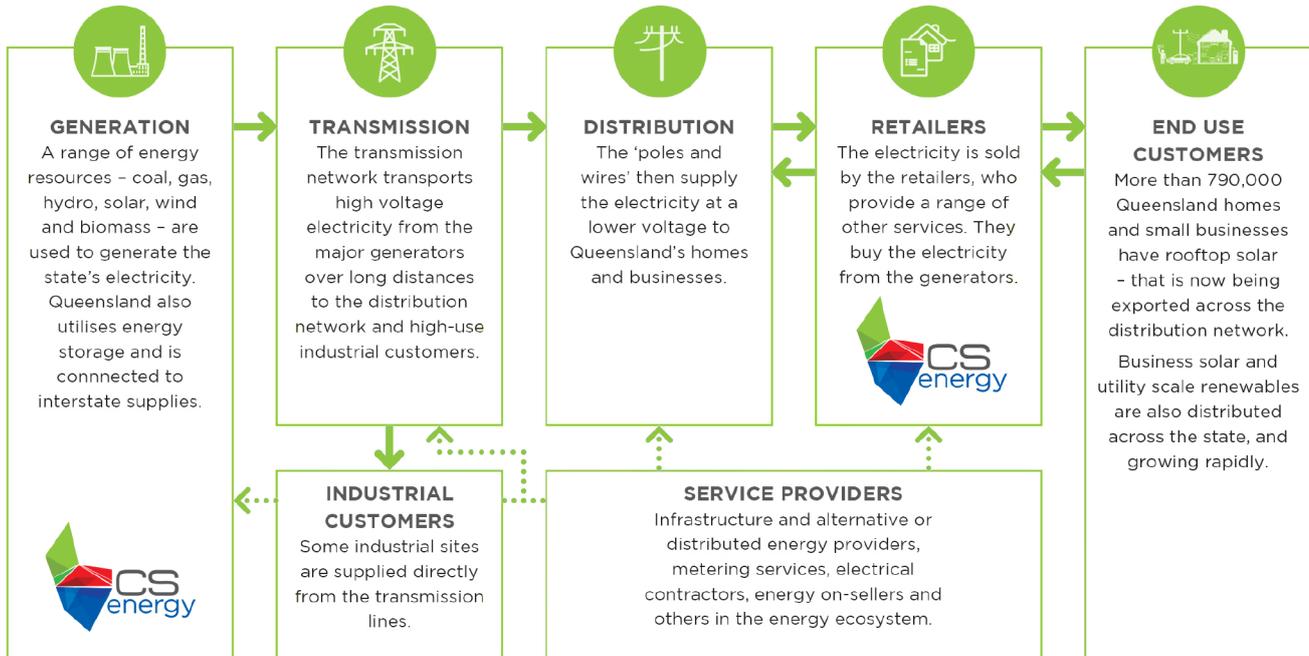
- Our self-assessed maturity levels for FY2023 are accurate and FY2024 maturity targets are appropriate.
- A customer representative shared the positive feedback they had received about CS Energy's retail team from customer sites. They also said there had been a noticeable improvement in the Retail Customer Portal and billing accuracy. CS Energy is appreciative of this feedback; however, we acknowledge that we have more to do to improve the usability of our customer portal and this is one of the focus areas of our Retail Transformation Program in FY2024.
- CS Energy was encouraged to share more about the work our retail team does to enable customers to improve their energy efficiency and reduce energy costs. CS Energy is building its capacity in this area to provide this service to our customers and will provide greater detail in our FY2024 disclosure report.
- Council members noted there was an opportunity for CS Energy to provide more detail about how the feedback from our stakeholder trust research will be integrated into CS Energy's business as usual activities. Building trust should also be included as a focus area in Principle 5. A change was made to the report to reflect this.
- Feedback was given noting that CS Energy has a new set of values, and these are vital for building employee engagement and cultural change so that all teams within CS Energy are putting the customer at the centre of the business.
- There was a high level of interest in the work our joint venture partner Alinta Energy is doing to assist households and small business customers in financial hardship in South East Queensland.
- Feedback was given that Council members would like to talk with CS Energy about how we engage with local communities to develop local supply chains that could help with the social licence for the energy transition. CS Energy will include this for discussion in a future Stakeholder Advisory Council meeting.
- With regards to CS Energy's support of the Uniting Energy Support Program, it was noted that connecting with existing community service organisations is a good strategy. There was a suggestion to consider what actions CS Energy could take beyond financial support – to provide a longer-term solution. For example, funding education and literacy around energy bills. CS Energy will consider this in our action planning for FY2024.
- A community representative provided feedback that CS Energy could do more beyond the Uniting Energy Support Program to assist electricity customers in vulnerable circumstances. We have added this as a focus area for Principle 5 in FY2024.

We will seek further feedback from the council at our joint accountability session with Powerlink Queensland and Energy Queensland in October 2023.

Our customers and communities

Our role in the electricity supply chain

CS Energy is an electricity generator and retailer. We sell electricity in the National Electricity Market (NEM), we are a retailer to large commercial and industrial (C&I) 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 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 firmed 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 parties 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 the specific needs of these customers.
- **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 value and impact of our operations on 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. As we work to diversify our portfolio, we are focussing our future energy investments in the regions where we operate to provide opportunities for these communities in the energy transformation.
- **Community groups** – Community groups are the heartbeat for many regional communities. In FY2023 we provided approximately \$200,000 to 27 community groups in the Banana Shire and Western Downs regional council areas. We also provided more than \$6,000 in charitable donations in our local communities to organisations like Foodbank and the RSPCA.
- **Local industries** – Our power stations deliver significant financial benefits to our local economies. We procure goods and service from local businesses wherever possible. In FY2023 more than 70 per cent of CS Energy’s procurement expenditure was with Queensland companies.

Top three customer outcomes in FY2023

1. We developed our first 100 per cent renewable energy product that is assisting our customer AMP Capital in achieving their net zero targets.

AMP Capital's Queensland assets will be 100 per cent powered by clean energy after securing renewable Power Purchase Agreements (PPAs) with CS Energy. Our retail agreement with AMP Capital, our first 100 per cent renewable energy agreement, covers their shopping centre and commercial assets in Queensland. We look forward to offering renewable energy to other large energy users.

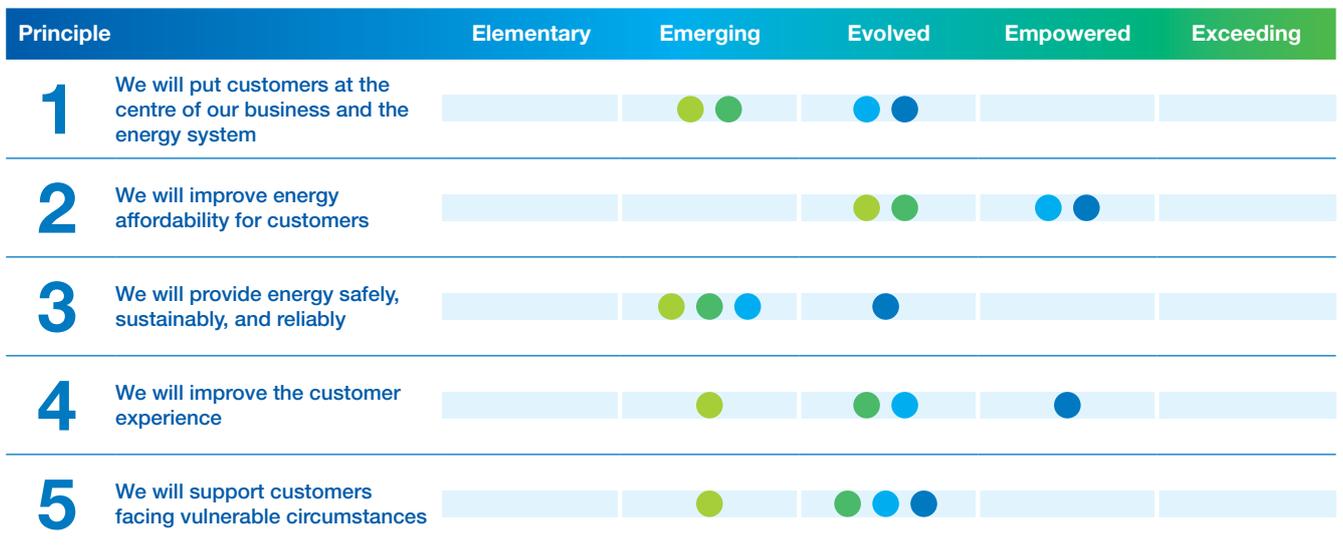
2. Our new Stakeholder Advisory Council has provided our customers and stakeholders with a voice.

We established a Stakeholder Advisory Council this year, which includes members from the Energy Users Association of Australia, the Queensland Government, our retail customers, the Queensland Manufacturing Institute, Powerlink, St Vincent de Paul, local business associations and the Clean Energy Council. The purpose of the Council is to provide a forum that allows CS Energy and our customers and stakeholders to connect regularly, talk about issues important to them, and consider their perspectives in our decision-making process.

3. We initiated a multi-year Retail Transformation Program to deliver further improvements in the retail customer experience.

We believe that customer requirements must drive the retail products offered and the energy mix sourced. CS Energy's Retail Transformation Program will deliver a broader range of products and services to support customer decarbonisation commitments and increased demand for renewable energy. In addition, the program will improve the customer experience in line with broader societal trends around data, digital and technology while managing the costs associated with providing this enhanced service.

Our maturity journey



● FY21 ● FY22 ● FY23 ● FY24 Target

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 550 people who live and work in the Queensland communities where we operate.

Our purpose

CS Energy is adapting our business to thrive in the rapidly changing energy world. 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.

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

Our vision

Leading Queensland's energy transformation to create a better future.

Our people and values

CS Energy employs more than 550 people in professional, technical and trade roles at our power stations and Brisbane corporate office.

As we work to transform CS Energy into a diversified energy business, we are empowering our people to explore new ways of thinking and working.

We strive to be an inclusive workplace that values the diversity of our people's experience, skills and ideas.

In FY2023, we refreshed our company values, taking on board the feedback of our employees. Our four new values define what is important to us and show our customers, communities and stakeholders what kind of workplace we want to be.



Our portfolio

Coal-fired generation

- 1 Callide B Power Station – 700 MW
- 2 Callide C Power Station – 848 MW
- 3 Kogan Creek Power Station – 750 MW
- 4 Gladstone Power Station – 1,680 MW, trading rights

Renewables, energy storage and hybrid technologies

- 5 Chinchilla Battery – 100 MW/200MWh
- 6 Greenbank Battery – 200MW/400MWh
- 7 Kogan Renewable Hydrogen Demonstration Plant
- 8 Brigalow Peaking Power Plant – 200–400 MW
- 9 Columboola Solar Farm – 162 MW, Power Purchase Agreement
- 10 Moura Solar Farm – 56 MW, Power Purchase Agreement
- 11 Kennedy Energy Park – 60 MW, Offtake Agreement
- 12 Hughenden Solar Farm – 20 MW, Power Purchase Agreement
- 13 Capricornia Energy Hub – 1.4 GW, multi-party project
- 14 Banana Range Wind Farm – 230 MW, multi-party project
- 15 Boulder Creek Wind Farm – 230 MW, multi-party project
- 16 HyNQ – multi-party project

Retail

- 17 Large commercial and industrial – Queensland
- 18 Alinta Energy 50/50 joint venture – South East Queensland

Coal assets

- 19 Kogan Mine ML 50074 – 130 Mt, MDL 335 – 400 Mt



* Subject to final investment decision and approval by CS Energy's Board and shareholding Ministers.

Our generation portfolio includes coal-fired power stations, renewable energy, firming and battery storage assets. We own and operate the Kogan Creek Power Station near Chinchilla and own the neighbouring Kogan Creek Mine, which supplies black coal to the power station.

We are creating clean energy hubs at our power stations to deliver the energy mix needed to reliably transition the grid to renewable energy while also providing opportunities for our workforce to reskill. Our first clean energy hub is at Kogan Creek where the Chinchilla Battery and the Kogan Renewable Hydrogen Demonstration Plant are both under construction.

In Central Queensland we own the Callide B Power Station and have a 50 per cent interest in the Callide C Power Station where we provide operations and maintenance services to the Callide C joint venture. We also trade energy generated by Gladstone Power Station, in excess of the requirements of the Boyne Island aluminium smelter.

We have a growing portfolio of contracted renewables in Queensland that we supply to our large commercial and industrial retail customers. We are also exploring opportunities for CS Energy to own and operate renewable energy assets such as the Boulder Creek and Banana Range wind farms and parts of the Capricornia Energy Hub.

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

Our maturity journey



Tracking our progress on our FY2023 commitments:

Commitment	Status
Commission our second independent research program into the needs and expectations of our external stakeholders. ¹	Achieved
Appoint a Head of Customer and Retail to provide additional resources and expertise for developing a more mature customer culture.	Achieved
Pursue diversification opportunities that expand our customer base, leverage technology and renewables, and respond to opportunities in the market.	Ongoing

Strengthening relationships with our stakeholders

Understanding our customers and stakeholders and taking into account their needs in our decision making is important for CS Energy. To help achieve this, we established a Stakeholder Advisory Council, which includes members from the Energy Users Association of Australia, the Queensland Government, our retail customers, the Queensland Manufacturing Institute, Powerlink, St Vincent de Paul, local business associations and the Clean Energy Council.

Since its establishment in February 2023, the council has discussed supply chain issues, energy pricing, and aspects of the energy transition, including social licence to operate, and development and project issues. CS Energy held one of the council's meetings at our Kogan Creek site to provide members with the opportunity to tour the power station and mine, as well as our neighbouring clean energy hub projects.

A biennial stakeholder trust research program has provided valuable insights that will guide our future engagement approach. The results from this independent research program show that there are four key areas that impact stakeholder trust in our business:

- Safety – of our operations and for the environment
- Quality of communication
- Generating services that provide value for money
- Quality of our employees.

The research indicated that the quality of our employees was the main positive driver of trust in our business.

While a range of internal and external factors has seen overall trust reduce in CS Energy since 2021, this was consistent with results across the energy industry. General societal trends such as the cost of living, energy prices, greater prioritisation of health following COVID-19 and cyber safety were linked to this result.

1. Moved from Principle 5 in FY2022 Disclosure Report as it is of more relevance to the Principles in Action for Principle 1..

Our stakeholders told us that they want to hear more about CS Energy's future, our response to the Queensland Energy and Jobs Plan, and future Environmental, Social and Governance (ESG) goals. The importance of providing local procurement and supplier opportunities in addition to skills, training and jobs was also highlighted.

CS Energy will integrate the results of this research into our business as usual activities so we can improve trust with our stakeholders. Actions to take will include:

- Reviewing our stakeholder engagement and internal communication frameworks and integrating findings into updated frameworks.
- Ensuring findings are integrated into community and employee engagement plans in relation to future energy projects.
- Communicating transparently and openly to our stakeholders, customer and communities about restoring our Callide Power Station to full capacity and our response to results of the independent review of this incident.

In addition, we are seeking to establish a baseline understanding of the social value generated by CS Energy for various stakeholder groups in our communities. The work includes assessing our sponsorship, scholarship, and procurement activities to understand how we have created positive change or provided benefits for our communities. This work will help us to set goals to be achieved under a future ESG framework.

Together with the Stakeholder Trust research we expect this piece of work to provide deep insight into stakeholder and customer experiences and expectations of CS Energy. This will be critical in helping us evolve and improve our stakeholder engagement approach.

Providing our customers with products tailored to their needs

CS Energy continues to provide our customers with choices around tailored renewable energy products. Customers can choose to have either a direct link to specific renewable energy projects, or to purchase Large Generation Certificates that are additional to the legislated requirements, out of market. This approach is based on customers' preference and gives them a direct connection to (in most cases) renewable energy projects that are under development.

This year we developed our first 100 per cent renewable energy product to enable our customer AMP Capital to source all of their energy needs in Queensland from renewable energy. The seven-year deal is CS Energy's first 100 per cent renewable energy contract and marked the acceleration of our diversification in response to customer demands.

The retail agreement with AMP Capital covers Indooroopilly Shopping Centre, Gasworks and Brickworks, along with other real estate assets managed by AMP Capital in Queensland. The deal also applies to Pacific Fair Shopping Centre, which is now managed by The GPT Group. Our partnership with AMP Capital is linked to renewable energy from the Columboola Solar Farm on the Western Downs.

We also experienced a significant increase in customer requests regarding renewable energy infrastructure, growing the number of electric vehicle (EV) chargers we have installed in Queensland to more than 800 and responding to a number of opportunities to install solar and batteries at customer sites.

During the same period the Board approved investment in a suite of new retail systems that will enhance the C&I Retail Business capabilities to develop new products and services to meet customers' changing needs through the energy transition.

Delivering our Retail Transformation Program

As the industry embarks on a period of unprecedented change and investment, CS Energy is committed to putting customers at the centre of what we do. Through feedback from our customers, community and stakeholders we have developed our Customer Value Proposition (CVP). Our CVP is centred around being a trusted partner to our customers on their energy transition journey, whilst continuing to provide tailored products and a personalised customer experience, which CS Energy is already known for.

A key part of delivering our CVP is our Retail Transformation Program. This program will be a priority for the business in FY2024 and is designed to enhance our capability, skills, tools, processes, and technology so that we can better partner with, and serve customers as we move through the energy transition together.

Focus areas for FY2024

A key part of our Retail Transformation Program is the creation of new products and services aligned to customer requirements and enabled through technology and data. Our key areas of focus in FY2024 will be:

- Delivering the technologies, processes, capabilities and governance to enable CS Energy to develop and deploy new products and services in a low carbon future.
- Bringing together our existing products and services from across the business into a single integrated offering.
- Expanding retail products and services to include solar, batteries and other clean energy technologies.

Principle 2 – We will improve energy affordability for customers

Our maturity journey



Tracking our progress on our FY2023 commitments:

Commitment	Status
Continue to develop products that help increase affordability and accessibility of decarbonisation products for our large C&I customers.	Ongoing

Reduced wholesale price volatility in FY2023

Wholesale energy costs are influenced by a range of factors, such as weather and fuel costs, along with overall supply and demand on the network.

Wholesale energy costs are also only one cost component of retail electricity prices. Other cost components include network and retail charges.

Retail electricity prices have strong regulatory oversight, with the Queensland Competition Authority determining prices for regional Queensland, and the Australian Energy Regulator setting the maximum price for customers in South East Queensland, known as the Default Market Offer.

Queensland's average pool price in FY2023 was \$144.97/MWh, which was 10.5 per cent lower than FY2022 (\$162.06/MWh). There was significant volatility in pool prices early in the year, driven by high demand in New South Wales (NSW) and Queensland, historically low thermal unit availability across the NEM, coal supply constraints in NSW, and historically high international and domestic coal and gas prices.

The NEM's linkage to international commodity markets remains a key driver of pool price outcomes. Prices became more subdued as coal supply constraints eased and the Federal Government imposed temporary price caps on domestic coal and gas markets.

Our highest priority is always the safety of our people. We strive to minimise plant downtime and our people work hard to bring units back online.

Spare capacity at Gladstone Power Station is maintained to cover both planned and forced outages across CS Energy's owned portfolio. In FY2023, additional coal was procured to support Gladstone Power Station in increasing its expected output to support security of electricity supply.

Working with Alinta Energy to provide competitive retail electricity in South East Queensland

CS Energy has a retail joint venture partnership (JV) with Alinta Energy to supply electricity to household and small business customers in South East Queensland (SEQ). Under the agreement CS Energy generates and supplies wholesale electricity, and Alinta Energy manages the retail business.

In FY2023, Alinta Energy experienced substantial growth in customer numbers by providing a credible and stable alternative to Tier 1 retailers as many smaller retailers exited the market following the volatility in wholesale markets in late 2022. At the end of June 2023, the JV had more than 241,000 electricity and gas customers in SEQ, equivalent to a 13.1 per cent share of the SEQ mass market.

Helping our large C&I customers manage their energy costs

Customers tell us that they want product solutions that address their costs of doing business and support their decarbonisation goals. 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 work with our customers to tailor a product solution to exactly what they want in terms of firmed renewable supply at affordable prices. This includes value-add solutions such as demand management and electric vehicle charging to help them meet their decarbonisation and energy management needs.

Queensland Energy Class Action

CS Energy continued our defence of a class action relating to electricity prices. CS Energy has filed its defence in this matter and has undertaken significant discovery, while the parties continue to work through several procedural matters in relation to the litigation. A trial on liability has been listed for hearing in June 2024.

We continue to 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.

Focus areas for FY2024

- Continue to develop CS Energy's products and services that support affordability and accessibility of decarbonisation for our large commercial and industrial customers.

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

Our maturity journey



Tracking our progress on our FY2023 commitments:

Commitment	Status
Respond to the recommendations from the external independent review of the Callide Unit C4 incident.	Brady review in final stages.
Develop clean energy hubs at our power generation sites to support our portfolio diversification and the Queensland Energy and Jobs Plan.	Two projects under construction at Kogan Clean Energy Hub and a third in the development phase. Planning for Callide Clean Energy Hub is under way.

Ensuring our assets are safe to run

We have introduced a range of improvements to make our power stations safer since the process safety incident on Callide Unit C4 in May 2021. Our internal analysis of the incident, as well as a report by the Australian Energy Market Operator, identified that Unit C4’s generator protection systems did not operate on the day of the C4 event, most likely because of a loss of DC power supplies to the unit.

We have made modifications to Callide C’s generator protection system and DC power supplies, reviewed the protection systems on the other units in our portfolio and made improvements to our process safety and operational risk assessment processes.

Dr Sean Brady’s external, independent investigation into the Unit C4 incident is entering its final stages. CS Energy will make further improvements and will share any additional learnings with industry.

We did not meet our key safety metric of All-Injury Frequency Rate (AIFR) of 25 or less, finishing FY2023 with an AIFR of 31 (FY2022: 31.15). During the year, there was a 30 per cent increase in hours worked compared to the prior year.

We have continued to focus on increased Safety Interactions (SIs) and Critical Control Verifications (CCVs) by leaders at our work fronts to manage risks and hazards. All of our leaders were provided KPIs to drive visibility, interactions and learning across our sites. This is tracked monthly to ensure SIs and CCVs are being completed, entered into our reporting system and lessons learned and embedded.

Investing in renewables, lower emission technology and large-scale storage

CS Energy is investing in a range of generation and storage technologies to support our customers’ decarbonisation requirements, deliver Queensland’s future energy needs and provide opportunities for our people and communities in the energy transformation.

We continued our portfolio renewal activities in FY2023 by successfully applying for funding from the Queensland Renewable Energy and Hydrogen Jobs Fund (QREHJF) to develop 700 MW of wind projects in Central Queensland. We are considering several projects, including the Green Investment Group’s Boulder Creek Wind Farm and EDF Renewable’s Banana Range Wind Farm. These projects will complement our existing suite of renewable energy offtakes such as the Columboola Solar Farm on the Western Downs, the Kennedy Energy Park in North West Queensland and the Moura Solar Farm in Central Queensland.

To support the Queensland Energy and Jobs Plan (QEJP), CS Energy will create clean energy hubs at our Kogan Creek and Callide coal-fired power stations. These sites are located in strong parts of the network and have strategic advantages such as highly skilled workers, grid connection, water allocations, available land and established community relationships.

The Kogan Clean Energy Hub is our first, and most advanced energy hub. Centred around the Kogan Creek Power Station, it features the Chinchilla Battery and the Kogan Renewable Hydrogen Demonstration Plant. Construction of the Chinchilla Battery was completed this year and construction is underway on the Kogan Renewable Hydrogen Demonstration Project.

CS Energy will look to establish a clean energy hub at Callide and is currently working with our people to create a vision for Callide’s future that can be the starting point for further study, investigation, and consultation.

Longer duration, firming capacity like low and no emission gas and pumped hydro will play a critical role in underpinning Queensland’s energy security over the coming decades. The third project planned for the Kogan Clean Energy Hub will be a hydrogen-ready gas-fired power station – the Brigalow Peaking Power Plant. The Queensland Government announced funding for the plant during the year and it is currently in the project development phase. We are also considering options for participating in Copenhagen Infrastructure Partners’ Capricornia Energy Hub, an integrated pumped hydro energy storage and renewable energy project west of Mackay.

In South East Queensland, CS Energy has a partnership with Powerlink Queensland to install a 200MW / 400MWh battery in Greenbank, which will be part-funded by QREHJF. The project reached an important milestone in FY2023 with the Notice to Proceed issued to Tesla in April 2023 and key planning and design activities are underway.

Improving the reliability of our thermal generation fleet

CS Energy is acutely aware of the importance of reliable generation from coal-fired generators such as those in our portfolio, particularly at a time of high gas and coal prices and with reducing coal generation across the energy sector.

Our operating assets are the coal-fired Callide B and Kogan Creek power stations, which we own, as well as the Callide C Power Station for which we hold a 50 per cent interest. Our portfolio availability of 60.6 per cent in FY2023 (FY2022: 71.2 per cent) reflects a challenging year for our thermal assets. The decrease in availability is mainly due to Unit C4 being unavailable for the full year and the partial structural failure of the Unit C3 cooling tower in October 2022, which resulted in C3 not operating for the remainder of the reporting period. The Unit C4 cooling tower was also assessed at this time and the decision made to rebuild it, leading to an extension in Unit C4’s return to service.

The safe return to service of the two Callide C units in 2024 is the highest priority for our business. The bulk of the re-build of Unit C4 has been completed and work is underway on a project to rebuild to the two Callide C cooling towers.

Key initiatives we have undertaken to improve our plant performance include:

- Conducting an independent asset condition assessment and asset management review. We are uplifting the quality of our asset management plans, supported by independent experts, to improve our performance.
- Introducing changes to our organisational structure to optimise how asset management is delivered at CS Energy. We have bolstered our engineering resources to support the upcoming overhaul, projects and Callide C recommissioning works.

Monitoring and remediating PFAS at Callide

CS Energy has continued to work cooperatively with the Department of Environment and Science (DES) on an Environmental Evaluation notice regarding the historical use of per- and poly-fluoroalkyl substances (PFAS) at Callide Power Station. The health of the community and our employees is CS Energy's key priority and continues to guide our actions. We are speaking directly with affected landholders and proactively updating the broader Biloela community and our employees.

CS Energy submitted to DES our response to their Environmental Evaluation in September 2022, which included a summary of our sampling methodologies and results to date, along with recommendations for work such as soil remediation at the power station aquatic biota sampling and future water sampling.

DES extended the timeframe of the Environmental Evaluation by 12 months to 13 October 2023 to enable this additional work to occur. In August 2023, DES provided a further extension of the Environmental Evaluation until 5 March 2024 so that CS Energy can complete the PFAS investigations to address remaining data gaps.

The site works for soil remediation at the power station were completed during the year. Post-treatment results from leachability and compaction testing of soil meet or are better than the defined performance criteria. Meanwhile, investigations into the effectiveness of the treatment applied to a concrete slab at the fire training ground are ongoing.

CS Energy has continued to work with an independent environmental testing firm to undertake PFAS sampling and investigations at and downstream of the Callide Power Station. To date, the results are consistent with earlier sampling, with no significant changes in PFAS concentration across the aquifer.

Focus areas for FY2024

- Respond to the recommendations from the external independent review of the Callide Unit C4 incident.
- Continuing our portfolio renewal activities to build a portfolio of more flexible, diversified assets.
- Developing a vision that will help us design a masterplan for the future of the Callide site and surrounds.
- Start the Human Health and Ecological Risk Assessment, which will assess specific risks to human health and the environment by looking at PFAS exposure pathways – such as drinking water, food, and bathing.

Principle 4 – We will improve the customer experience

Our maturity journey



Tracking our progress on our FY2023 commitments:

Commitment	Status
Develop actions in response to the key feedback themes in our second survey of retail customers.	Actions have been included as part of Retail Transformation Program.

Becoming a trusted partner for our customers

Last year we completed our second customer survey which highlighted our strengths and areas for improvement. Our customers like their personalised interactions with CS Energy, ease of doing business and our team's ability to listen, understand and tailor products to their needs. CS Energy is proud of what customers value most in our partnerships and have more than doubled the staff members in our Retail business over the last year to ensure we maintain the personalised customer experience we are known for, whilst maintaining our competitive prices.

Informing customers of industry changes

CS Energy presented on the topic of Global Settlements to all CS Energy customers in the lead up to the commencement of the Global Settlements rule change in the National Electricity Market. The change involves charging all retail customers for 'unaccounted for energy' (which is a new charge for most customers).

CS Energy visited customers and brokers to explain the new charge and the impact it could have on their invoices. CS Energy continues to engage and advocate at an industry level on behalf of customers to achieve industry standardisation of how retailers apply unaccounted for energy calculations and ensure equitable outcomes for all customers.

Listening to our customers to improve their experience with CS Energy

CS Energy is investing in transforming our business to put customers at the centre of what we do. Part of our transformation includes delivering a customer journey focused on partnership and co-design. We have engaged customers and community stakeholders to design our target state customer journey. As part of the Retail Transformation Program, we are working to deliver this journey for customers along with a range of new and re-invigorated products and services.

Focus areas for FY2023

- Uplifting CS Energy's customer portal to complement our already established customer service capabilities.
- Rolling out the target state customer journey, which will be enhanced through data and digital products.
- Integrating results of Stakeholder Trust and customer surveys into our actions so we can continue to provide a personalised service and be a trusted partner to our customers.

Principle 5 – We will support customers facing vulnerable circumstances

Our maturity journey



Tracking our progress on our FY2023 commitments:

Commitment	Status
Develop our first Reconciliation Action Plan to turn the positive intent from our Indigenous Perspectives Consultation Report into meaningful action.	CS Energy's Board endorsed the Reflect RAP in April 2023 and it is in the final stage of approval by Reconciliation Australia.

Supporting vulnerable customers

We are committed to understanding more about the customers of our retail joint venture (JV) with Alinta Energy that are in, or could be in, hardship. This is on the agenda for each JV Management Committee meeting (attended by senior executives of both CS Energy and Alinta Energy) and includes a review of the different tiers of hardship, and how those might change over time.

Alinta Energy has a Financial Hardship Program to ensure that their customers have access to the best possible support when faced with energy-related debt and adheres to the principles established in the Australian Energy Regulator's Sustainable Payment Plans framework.

CS Energy and Alinta Energy regularly discuss programs and support available to hardship customers, given the pressures of increases in the cost of energy, and cost of living in general, on our customers. Alinta Energy is committed to implementing various initiatives to assist customers best navigate these challenges. Initiatives include financial support programs with investment to date approaching \$775,000, partnering with community organisations, and the review and redesign of customer journeys to mitigate early risk factors.

We have continued our collaboration across the supply chain to provide funding for the Uniting Energy Support Program. The program delivers tailored, one-on-one advice and assistance to electricity customers in Queensland, New South Wales and Victoria who are struggling with issues of energy affordability.

More than \$200,000 was injected into the program by CS Energy and APA Group, EnergyAustralia, Energy Queensland, Endeavour Energy, Essential Energy, Jemena, Powerlink Queensland and Powershop/Meridian Energy.

To date, Uniting has provided advice to 26 households in CS Energy's local communities.

Developing our first Reconciliation Action Plan

As one of Queensland's largest energy providers, we have an important role to play in supporting reconciliation in Australia and contributing to improved outcomes and mutually beneficial relationships for Aboriginal and Torres Strait Islander peoples.

This year we involved employees in a co-design process to develop CS Energy's inaugural Reflect Reconciliation Action Plan (RAP). Our first dedicated Indigenous Engagement Advisor led this work, drawing on the recommendations of an Indigenous Perspectives Consultation Report prepared in FY2022 by a Rockhampton-based Indigenous leader.

Our Reflect RAP demonstrates CS Energy's commitment to be an inclusive organisation and building a deeper connection with Aboriginal and Torres Strait Islander peoples. It is also an important step in building capability within the business and in developing relationships with Traditional Owners which will provide the foundation for future RAPs.

CS Energy's Board endorsed the Reflect RAP in April 2023 and it has been submitted to Reconciliation Australia for approval. In FY2024, we will implement the actions we have committed to in the RAP.

Supporting power station workers through the energy transformation

The release of the QEJP included a \$150 million Job Security Guarantee to ensure that workers at energy Government Owned Corporations have a job pathway option available to them and that they are encouraged to choose a pathway that best meets their personal circumstances.

CS Energy, along with other Government Owned energy companies, unions and the Queensland Government signed a *Queensland Energy Workers' Charter* that creates an enduring framework and sets out principles and actions to support workers.

An Energy Industry Council has been created to provide advice to the government on the energy transformation, including funding, timing, and skills and training. CS Energy is committed to working with our people to identify opportunities within our business or within the industry. Through the Callide Futures Group (CFG), we have been working with our employees and the relevant unions to plan for the energy transformation. The group is comprised of approximately 20 members representing unions, workers, and management and is assessing how to best support the workforce at Callide B as the power station is progressively converted into a clean energy hub in line with the QEJP.

During the reporting period the CFG met on five occasions discussing a range of transition approaches and concepts implemented by the power industry across Australia. Various industry guests have attended the CFG meetings to share information relating to other transitions and the types of support that has been available to workers. This has provided a basis to build a transition roadmap of activities, including future workforce planning for Callide.

Investing in our communities

Our community sponsorships program provides financial support to projects, events, and initiatives that deliver long-lasting benefits to our local communities and meet at least one of our six investment focus areas of safety and environment; social and community development; education; culture and art; active and healthy communities; and Indigenous.

We award sponsorships in two rounds each financial year, with individual sponsorships typically ranging from \$1,000 to \$20,000. In FY2023 we provided approximately \$200,000 to 27 community groups in the Banana Shire and Western Downs regional council areas.

We also contribute to our local communities by making charitable donations and through our Workplace Giving Program. In FY2023 we provided more than \$6,000 in donations to organisations like Foodbank and the RSPCA.

We are also collaborating with the Banana Shire Council and other major regional industries and employers to undertake a study to inform the region's clean economic future.

Focus areas for FY2023

- Implement actions from our Reflect RAP.
- Create a baseline understanding of CS Energy's social impact, focusing on the social benefits the business is creating for people and local communities, beyond its inherent value as an energy business.
- Explore what additional measures CS Energy could support to assist electricity customers in vulnerable circumstances.

Appendix 1: Summary of key metrics

Principle	Metric	FY2022	FY2023	
1 We will put customers at the centre of our business and the energy system	Total products offered ¹	4	8	
	Total number of customers ²	14	14	
2 We will improve energy affordability for customers	Alinta Energy JV Home Deal Plan price compared to Default Market Offer ³	2 – 18% less	2 – 6% less	
3 Will provide energy safely, sustainably and reliably	All injury frequency rate ⁴	31.15	31	
	We provide energy sustainably	Significant environmental incidents ⁵	2	0
	Renewable energy offtakes (MW) ⁶	319	284	
	Portfolio carbon intensity ⁷ (t CO ₂ -e/GMWhso)	982	984	
We will provide energy reliably	Commercial availability ⁸ (%)	71.2	60.6	
4 We will improve the customer experience	Large C&I customer rating ⁹	7.6	7.6	
	Number of customer complaints	0	0	
5 We will support customers facing vulnerable circumstances	We do not have quantitative metrics for this principle as our main customer base is large commercial and industrial organisations. Qualitative detail is included in Principle 5 of this report.			

1. Products offered is the number of products we offer to customers across energy sales, EV charging and demand side management. Customer may choose to bundle these products into one or many tailored solutions.
2. Total number of customers represents the number of commercial contracts in place with customers. Some contracts may have multiple customers (e.g. multiple customers within the Queensland Government contract).
3. The Default Market Offer is set by the Australian Energy Regulator and is the maximum price that retailers can charge electricity customers on default contracts known as standing offer contracts.
4. AIFR is a rolling 12-month target measuring all injuries across the workforce per one million hours worked.
5. SEI is an incident that has a significant impact on the environment or resulted in enforcement action by a regulator.
6. Decrease due to expiry of a solar Power Purchase Agreement.
7. Preliminary data for FY2023. CS Energy will submit its finalised NGER data to the Clean Energy Regulator in late 2023.
8. CS Energy has switched from Commercial Availability to the more commonly used industry metric of Equivalent Availability Factor.
9. FY2022 result as customer survey conducted biannually.



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