



Statement pursuant to s60FD of the *Competition & Consumer Act 2010*, inserted by the *Clean Energy Legislation (Carbon Tax Repeal) Act 2014*

Application of “electricity retailer” provisions

Santos NSW (Narrabri Power) Pty Ltd is the operator of a gas-fired electricity generation station known as the Wilga Park Power Station (WPPS). During the 2013-14 financial year, the WPPS produced electricity for a limited period and has not been in operation since that time.

The electricity produced was sold by Santos NSW (Narrabri Power) Pty Ltd to an electricity retailer. Consequently, Santos NSW (Narrabri Power) Pty Ltd is deemed to be an “electricity retailer” for the purposes of section 60FD of the *Competition and Consumer Act 2010*, which was introduced by the *Clean Energy Legislation (Carbon Tax Repeal) Act 2014*.

Carbon Tax Removal Substantiation Statement

Santos NSW (Narrabri Power) Pty Ltd is not currently producing electricity at the WPPS. Total greenhouse gas emissions from the WPPS during the 2013-14 financial year were less than the facility threshold of 25,000 tonnes CO₂-e under the *Clean Energy Act 2011* and therefore there was no carbon tax liability associated with the WPPS. If the greenhouse gas emissions from the WPPS exceed the facility threshold of 25,000 tonnes CO₂-e during the 2014-15 financial year, Santos NSW (Narrabri Power) Pty Ltd would have incurred a carbon tax liability had the carbon tax remained in effect.

Electricity produced at the WPPS in 2014-15 is expected to be sold on the NSW spot market. The price for electricity on the spot market is set by AEMO and consequently the prices charged by Santos NSW (Narrabri Power) Pty Ltd will reflect the spot price. The difference between the AEMO average annual spot price for the 2013-14 financial year and for the 2014-15 financial year to date* has been used to determine the theoretical cost savings that will be passed on to the market during the financial year that began on 1 July 2014. The price differential is attributable to a number of supply and demand factors including the carbon tax repeal, and will be in the order of 25% on an average annual percentage price basis.

* <http://www.aemo.com.au/Electricity/Data/Price-and-Demand/Average-Price-Tables>