



SHAREHOLDING MINISTERS FOR

CS ENERGY LIMITED

Our Ref: QT00157-2024

Mr Adam Aspinall
Chair
CS Energy Limited
GPO Box 2227
FORTITUDE VALLEY BC QLD 4006

Queensland Legislative Assembly	
Number: SB24T 201	
 28 NOV 2024	Tabled <input checked="" type="checkbox"/>
MP: <i>Konjemetzki</i>	By Leave <input type="checkbox"/>
Clerk's Signature: _____	

Dear Mr Aspinall

CS Energy – Strategic performance expectations

The Queensland Government is committed to delivering affordable, reliable, and sustainable energy to Queenslanders. Our electricity generation government-owned corporations (GOCs) will play a significant role in achieving this outcome.

As shareholding ministers (SHMs), we confirm our expectations of CS Energy Limited (CS Energy) that business objectives, focus, and expenditure are efficiently aligned with the safe delivery of affordable, reliable, and sustainable energy to Queenslanders.

We reiterate the CS Energy Board is responsible and accountable for the financial and non-financial performance of the organisation, including compliance with all applicable legislative and regulatory obligations.

Shareholder expectations for CS Energy




- 1. Focus on financial and operational performance of existing generation assets.**
This includes the prioritisation of funding to ensure assets are maintained to operate reliably over time and deliver on the Electricity Maintenance Guarantee.
- 2. Maximise value from existing generation assets.** This includes ensuring Queenslanders benefit from assets operating to deliver affordable, reliable, and sustainable energy, and putting downward pressure on wholesale electricity prices.
- 3. Apply clear investment parameters to renewable energy and storage projects.**
This includes ensuring investments are economically viable and represent value for money.
- 4. Deliver renewable energy and storage projects on time and on budget.**
This includes ensuring timely advice on project cost and schedule status.

Please work closely with Queensland Treasury and ensure we are kept readily informed of key matters across CS Energy operations, investments, and financial and non-financial performance.

Electricity Maintenance Guarantee

Shareholder expectations reflect our intent for CS Energy to prioritise the financial and non-financial performance of its existing portfolio of generation assets to provide safe, secure, and reliable electricity supply.

As such, we advise implementation of the Electricity Maintenance Guarantee as a new investment, performance, and accountability framework for asset maintenance on existing publicly-owned power plants.

	Investment	Upfront investment approval by SHMs of all 5-year maintenance investment requested by generator GOCs
	Performance	New assurance and reporting for generator GOCs on asset maintenance, with key performance indicators for maintenance investment, personal safety, process safety, and plant performance
	Accountability	Generator GOCs are fully accountable for asset maintenance investment and performance, with a 'no performance payments' policy for senior executives if KPIs are not achieved

As per the guarantee, we are pleased to provide upfront SHM approval of all investment required by CS Energy to implement its 5-year asset management plan, as amended from time to time, including all overhaul and sustaining capital expenditure to ensure safety, statutory compliance, asset integrity, and asset performance.

In providing this approval, we establish the following responsibilities:

- In Q1 2025, and annually thereafter, CS Energy is to notify its asset management plan to SHMs, including outcomes of an independent assurance process in respect of the plan. At a minimum, the plan is to:
 - identify the maintenance investment requirement in compliance with all statutory obligations and consistent with good industry practice
 - demonstrate the effectiveness of the plan to deliver safe and reliable asset performance
 - set out key performance indicators (KPIs) in respect of maintenance investment, personal safety, process safety, and plant performance.
- For each calendar quarter commencing Q1 2025, CS Energy is to report on KPIs for maintenance investment, personal safety, process safety, and plant performance in quarterly reporting to SHMs.
- The CS Energy Board is to implement a 'no performance payments' policy for chief and senior executives if these KPIs are not achieved.

We expect CS Energy to prioritise internal cash flows to meet maintenance expenditure requirements, and engage with Queensland Treasury on future funding capacity.

Next steps

Our expectations and the Electricity Maintenance Guarantee are to be addressed in a revised 2024–25 Statement of Corporate Intent (SCI) and 2024–25 to 2028–29 Corporate Plan, due **31 January 2025**.

We emphasise the importance of these documents for transparency and accountability to government.



Yours sincerely

A handwritten signature in black ink, appearing to read 'D Janetzki'.

HON. DAVID JANETZKI MP

Treasurer
Minister for Energy
Minister for Home Ownership
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A handwritten signature in blue ink, appearing to read 'Ros Bates'.

HON. ROS BATES MP

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