

**IN THE AUSTRALIAN COMPETITION TRIBUNAL  
AGL ENERGY LIMITED**

**of 2014**

**RE: PROPOSED ACQUISITION OF MACQUARIE GENERATION (A CORPORATION  
ESTABLISHED UNDER THE ENERGY SERVICES CORPORATIONS ACT 1995  
(NSW))**

**ANNEXURE CERTIFICATE**

This is the annexure marked "**AF-8**" annexed to the statement of **ANTHONY GARTH FOWLER**  
dated 23 March 2014

**Annexure AF-8**

---

Filed on behalf of (name & role of party)	AGL Energy Limited		
Prepared by (name of person/lawyer)	Liza Carver		
Law firm (if applicable)	Ashurst Australia		
Tel	+61 2 9258 5897	Fax	+61 2 9258 6999
Email	Liza.Carver@ashurst.com		
<b>Address for service</b> (include state and postcode)	Level 35, 225 George Street, Sydney, NSW, 2000 DX 388 Sydney		

---

[Form approved 01/08/2011]

## Annexure AF-8

### SUMMARY OF COMPETING ELECTRICITY GENERATORS<sup>27</sup>

- (a) **Origin Energy** is the largest energy retailer in Australia.<sup>28</sup> It is listed on the ASX and has a market capitalisation of \$15.84 billion.<sup>29</sup> Origin Energy acquired the retail business of Integral Energy and Country Energy when those businesses were privatised by the New South Wales government, and now has approximately 4.3 million customers mainly in South Australia, Victoria, New South Wales and Queensland.<sup>30</sup>

As part of the current New South Wales Privatisation process, in August 2013, Origin Energy completed its acquisition of Eraring Power Station and Shoalhaven Scheme under a Sale and Purchase Agreement with the New South Wales Government for a net payment of \$50 million.<sup>31</sup>

Origin Energy also operates Australia's largest generation portfolios with 6,010MW of capacity.<sup>32</sup> It also owns, or has interests in, an extensive portfolio of upstream assets including electricity generation, gas production (natural gas and liquefied petroleum gas) and gas transmission.<sup>33</sup>

Origin Energy's generation assets in the NEM include the following gas-fired plants<sup>34</sup>:

- (i) in New South Wales, Uranquinty and Eraring<sup>35</sup>;
- (ii) in Victoria, Mortlake<sup>36</sup>;
- (iii) in South Australia, Quarantine and Ladbroke Grove<sup>37</sup>; and
- (iv) in Queensland, Mount Stuart, Roma and Darling Downs<sup>38</sup>.

Origin Energy has a 50% equity interest in the following cogeneration plants: the Osborne power station in South Australia<sup>39</sup>, the Bulwer Island power station in Queensland<sup>40</sup> and the Worsley power station in Western Australia<sup>41</sup>.<sup>42</sup> Origin Energy also owns the Cullerin Range wind farm in New South Wales, and is currently progressing development opportunities for a large-scale wind project at Stockyard Hill in Victoria.<sup>43</sup>

---

<sup>27</sup> Copies of the documents referred to in this Annexure are contained in Annexure AF-23.

<sup>28</sup> Origin Energy website: <http://www.originenergy.com.au/223/Retail>

<sup>29</sup> As at 13 March 2014.

<sup>30</sup> Origin Energy website: <http://www.originenergy.com.au/1758/Who-we-are>, <http://www.originenergy.com.au/233/History> and <http://www.originenergy.com.au/223/Retail>

<sup>31</sup> Origin Energy, Annual Report 2013, page 4.

<sup>32</sup> Origin Energy website: <http://www.originenergy.com.au/224/Generation>

<sup>33</sup> Origin Energy website: <http://www.originenergy.com.au/222/Exploration-and-production>, and <http://www.originenergy.com.au/224/Generation>

<sup>34</sup> Origin Energy website: <http://www.originenergy.com.au/289/Power-Stations-Capacity>

<sup>35</sup> Origin Energy website: <http://www.originenergy.com.au/2724/Uranquinty-Power-Station>

<sup>36</sup> Origin Energy website: <http://www.originenergy.com.au/1376/Mortlake-Power-Station>

<sup>37</sup> Origin Energy website: <http://www.originenergy.com.au/2074/Quarantine-Power-Station> and <http://www.originenergy.com.au/3408/Ladbroke-Grove-Power-Station>

<sup>38</sup> Origin Energy website: <http://www.originenergy.com.au/3404/Mt-Stuart-Power-Station>, <http://www.originenergy.com.au/3415/Roma-Power-Station> and <http://www.originenergy.com.au/2081/Darling-Downs-Power-Station>

<sup>39</sup> ATCO Power website: <http://www.atcopower.com/Our-Facilities/Our-Power-Technologies/Cogeneration/Osborne>

<sup>40</sup> ATCO Power website: [http://www.atcopower.com/Our-Facilities/Our-Power-Technologies/Cogeneration/Bulwer\\_Island](http://www.atcopower.com/Our-Facilities/Our-Power-Technologies/Cogeneration/Bulwer_Island)

<sup>41</sup> Origin Energy website: [http://www.originenergy.com.au/1218/files/Europe02\\_10\\_18finalB.pdf](http://www.originenergy.com.au/1218/files/Europe02_10_18finalB.pdf)

<sup>42</sup> Origin Energy website: <http://www.originenergy.com.au/289/Power-Stations-Capacity>

<sup>43</sup> Origin Energy Annual Report 2013, page 16.

- (b) **EnergyAustralia** is wholly-owned by the CLP Group<sup>44</sup>, a Hong Kong company listed on the Hong Kong Stock Exchange.<sup>45</sup> CLP has a market capitalisation of HKD\$154 billion<sup>46</sup>. CLP is an integrated electricity generation, transmission, distribution and retail business in Hong Kong, and invests in electricity businesses in Australia, India, China, Taiwan and Southeast Asia.<sup>47</sup>

EnergyAustralia supplies electricity and gas to over 2.8 million customers across south-east Australia.<sup>48</sup> It states that it has a 21% share in electricity and gas retailing across Eastern Australia,<sup>49</sup> including shares of over 25% in New South Wales and Victoria, approximately 12% in South Australia and less than 5% in Queensland.<sup>50</sup> In 2011, TRUenergy (which was wholly-owned by the CLP Group) acquired EnergyAustralia's retail business when it was privatised by the New South Wales Government. In 2012, TRUenergy and EnergyAustralia began operating under a single brand, "EnergyAustralia".<sup>51</sup>

EnergyAustralia's product and service offering includes installing solar power systems and offering green energy (from government accredited renewable resources)<sup>52</sup>. EnergyAustralia also offers a service called "eWise", which is an online website for residential customers that allows them to track their energy consumption, and compare it to neighbouring households<sup>53</sup>.

EnergyAustralia has stated that its performance in 2013 was affected by the decrease in wholesale electricity prices, continuing high levels of competition in energy retailing and extra costs associated with the implementation of its new Customer First billing and customer care system.<sup>54</sup> Aggressive competition and price discounting occurred throughout 2013 resulting in a decline of 4% in EnergyAustralia's customer accounts compared to 2012.<sup>55</sup>

EnergyAustralia also has substantial electricity generation assets in the NEM, including the following facilities:<sup>56</sup>

- (iv) the Yallourn coal-fired power station in the Latrobe valley, Victoria;
- (v) the Tallawarra gas-fired power station in Yallah, New South Wales and the Hallett gas-fired power station in north-east South Australia;
- (vi) the Waterloo wind farm and a share in the Cathedral Rocks wind farm, both in South Australia;
- (vii) Mt Piper coal-fired power station in New South Wales; and
- (viii) Wallerawang Power Station in New South Wales.

As part of the current New South Wales Privatisation process, in September 2013, EnergyAustralia acquired the Mt Piper and Wallerawang C Power Stations (and associated infrastructure) under a Sale and Purchase agreement with the State of New South Wales and Delta Electricity.<sup>57</sup> EnergyAustralia is also working on a number of energy generation projects,

---

<sup>44</sup> CLP Holdings website: <https://www.clpgroup.com/ourcompany/careers/studentsandgraduates/australia/Pages/australia.aspx>

<sup>45</sup> CLP Holdings website: <https://www.clpgroup.com/ourcompany/investors/information/pages/investorsinformation.aspx>

<sup>46</sup> CLP Holdings website: <https://www.clpgroup.com/ourcompany/investors/financialhighlights/Pages/financialhighlights.aspx>

<sup>47</sup> CLP Holdings 2013 Annual Report, page 2, and CLP website: <https://www.clpgroup.com/ourcompany/aboutus/regionalpresence/Pages/regionalpresence.aspx>

<sup>48</sup> EnergyAustralia website: <http://www.energyaustralia.com.au/about-us/what-we-do/retail>

<sup>49</sup> CLP Holdings 2012 Annual Report, page 2.

<sup>50</sup> CLP Holdings 2012 Annual Report, page 46.

<sup>51</sup> EnergyAustralia website: <http://www.energyaustralia.com.au/about-us/help-centre/contact-us/faqs/the-new-energyaustralia>

<sup>52</sup> EnergyAustralia website: <http://www.energyaustralia.com.au/small-business/products-services/solar-power> and <http://www.energyaustralia.com.au/small-business/products-services/green-energy>

<sup>53</sup> EnergyAustralia website: <http://www.energyaustralia.com.au/ewise>

<sup>54</sup> CLP Holdings 2013 Annual Report, page 15.

<sup>55</sup> CLP Holdings 2013 Annual Report, page 61.

<sup>56</sup> EnergyAustralia website: <http://www.energyaustralia.com.au/about-us/what-we-do/generation-assets>

<sup>57</sup> EnergyAustralia, "EnergyAustralia acquires Mt Piper and Wallerawang power stations" (media announcement, 25 July 2013).

including for example Mallee solar park, Marulan power station, Stony Gap wind farm, and Waterloo wind farm stage 2.<sup>58</sup>

- (c) **CS Energy** describes itself as a major provider of electricity in the Australian national electricity market. It is a corporation owned by the Queensland Government and was established in 1997.<sup>59</sup> CS Energy's portfolio comprises the following:<sup>60</sup>
- (i) Power generation - Callide Power Station, Kogan Creek Power Station and Wivenhoe Power Station;
  - (ii) Trading rights - Gladstone Power Station; and
  - (iii) Coal assets - Kogan Creek Mine (400 Mt) and Glen Wilga and Haystack Road undeveloped coal resources near Chinchilla.
- (d) **Stanwell** is a diverse energy company that owns coal, gas and water assets to generate electricity for the NEM. Stanwell sells electricity directly to major customers and trades gas and coal. Stanwell has a generating capacity of more than 4200 megawatts and considers itself the largest electricity generator in Queensland.<sup>61</sup>
- (e) **Delta Electricity** describes itself as one of the largest capacity electricity generators in the NEM, with an installed capacity of around 2,000 MW. Delta's generation takes place at two power stations located at Vales Point and Colongra on the NSW Central Coast.<sup>62</sup> Delta Electricity owns three power stations, all located in NSW:<sup>63</sup>
- (i) the Colongra power station – an OCGT power station with four 181MW units (total registered generation capacity of 724MW);
  - (ii) the Vales Point "B" power station – a black coal fired power station with two 660MW units (total registered generation capacity of 1,320MW); and
  - (iii) the Munmorah power station – a black coal fired power station with two 300MW units registered with AEMO for dispatch (total registered generation capacity of 600MW), however on 3 July 2012 Delta Electricity announced the decommissioning of the Munmorah power station;<sup>64</sup>
- (f) **Intergen** is a global power generation firm with 11 power plants located in the UK, the Netherlands, Mexico and Australia. The Millmerran Power station is operated by InterGen.<sup>65</sup>
- (g) **GDF Suez (formerly International Power)/ Simply Energy:** GDF Suez has interests in the Hazelwood and Loy Yang B coal-fired power stations in Victoria, and in wind, gas fired and peaking generators in South Australia, and also owns the Simply Energy retail business, which retails electricity and gas to more than 300,000 customer accounts in Victoria and South Australia,<sup>66</sup> and retails electricity to commercial and residential customers in Queensland.<sup>67</sup>

---

<sup>58</sup> Energy Australia website: <http://www.energyaustralia.com.au/about-us/what-we-do/projects>

<sup>59</sup> CS Energy website: <http://www.csenergy.com.au/>

<sup>60</sup> CS Energy Website: [http://www.csenergy.com.au/content-\(167\)-Company%20profile.htm](http://www.csenergy.com.au/content-(167)-Company%20profile.htm)

<sup>61</sup> Stanwell website: <http://www.stanwell.com/about-us.aspx>

<sup>62</sup> Delta Electricity website: <http://www.de.com.au/About-Us/Corporate-profile/default.aspx>

<sup>63</sup> AEMO, Registration and Exemption List (3 March 2014).

<sup>64</sup> Delta Electricity, media statement, "Munmorah Power Station to close after 45 years of operation" (3 July 2012).

<sup>65</sup> InterGen website: <http://www.intergen.com/corporate-profile/overview/operations/>

<sup>66</sup> Simply Energy website: <http://simplyenergy.com.au/about-us/>

<sup>67</sup> Simply Energy website: <http://simplyenergy.com.au/about-us/>; GDF Suez website: <http://www.gdfsuezau.com/the-company/assets/>

- (h) **Snowy Hydro Limited/ Red Energy:** Snowy Hydro Limited owns and operates the Snowy Mountains Scheme and two gas-fired peaking power stations in Victoria;<sup>68</sup> it also owns the Red Energy electricity and gas retail business, which operates in Victoria, South Australia and NSW. Red Energy owns retail licences for the Australia Capital Territory and Queensland, but is not currently active in those states.<sup>69</sup>
- (i) **Hydro Tasmania/ Momentum Energy:** Hydro Tasmania (which is owned by the Tasmanian government) owns extensive hydro-powered generation assets in Tasmania (which have a total generating capacity of approximately 2,615MW), and also owns the Momentum Energy retail business which sells electricity in Victoria, NSW and South Australia (the Tasmanian government also owns the Aurora Energy retail business, which operates in Tasmania and South Australia). Momentum Energy specialises in serving industrial and business customers,<sup>70</sup> but also serves residential customers.
- (j) **Alinta Energy** owns 9 operating power stations in Western Australia, Queensland, Victoria, South Australia and New Zealand, representing approximately 2,500MW of base load, intermediate and peaking power generation;<sup>71</sup> it also retails gas and electricity to 700,000 residential, commercial and industrial customers in Victoria, South Australia and Western Australia.<sup>72</sup>
- (k) **Infratil Energy Australia/Lumo Energy:** Infratil Energy Australia owns three peaking power stations totalling 100MW capacity (one in NSW and two in South Australia); it is constructing a further 65MW power station at Port Stanvac in South Australia. Its "sister company", Lumo Energy, retails electricity in Victoria, NSW, Queensland and South Australia. Lumo Energy sources most of its wholesale energy from parties other than Infratil, but obtains approximately 70 MW of electricity peaking cover and wholesale trading services from Infratil. The parent company of both Lumo Energy and Infratil Energy Australia is Infratil Limited, a NZ energy and public transport operator listed on both the New Zealand Stock Exchange and the ASX. Recent restructuring of Infratil's Australian energy businesses has seen IEA become an asset holding company, with all previous functions and employees transferred across to sister company Lumo Energy.<sup>73</sup>

---

<sup>68</sup> Snowy Hydro Limited website: <http://www.snowyhydro.com.au/energy/>

<sup>69</sup> Snowy Hydro Limited Statement of Corporate Intention 2012, page 6.

<sup>70</sup> Hydro Tasmania Annual Report 2012, page 11.

<sup>71</sup> Alinta Energy website: <http://alintaenergy.com.au/Everything-Alinta-Energy/Power-Generation>

<sup>72</sup> Alinta Energy website: <http://alintaenergy.com.au/Everything-Alinta-Energy/About-Alinta-Energy>

<sup>73</sup> Infratil Limited, Annual Report 2013, page 74; Energy Australia website: <http://www.infratil.com/our-businesses/energy/infratil-energy-australia/>