

**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 "**BAR 32**" annexed to the statement of **BRETT ALAN REDMAN** dated 23 March 2014

**Annexure BAR32**

Filed on behalf of (name & role of party)	<u>AGL Energy Limited</u>		
Prepared by (name of person/lawyer)	<u>Liza Carver</u>		
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[Form approved 01/08/2011]



**Australian  
Competition &  
Consumer  
Commission**

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7 February 2014

Ms Liza Carver  
Partner  
Ashurst

By email: [liza.carver@ashurst.com](mailto:liza.carver@ashurst.com)

Dear Liza,

#### **AGL Energy Limited – proposed acquisition of Macquarie Generation**

I refer to correspondence from Ashurst on 5 February 2014 attaching the results of additional modelling tasks performed by Frontier Economics (**Frontier**) and the note prepared by Frontier that was provided to the ACCC on 24 January 2014.

The purpose of this letter is to request further data and information from Frontier to assist the ACCC in understanding the results which have been provided to date and to better understand the Frontier model. The data and information requested is at **Attachment A**.

In order to enable the ACCC to assess this information in a timely manner, we request that Frontier provide:

- the data and information requested in Question 1 and 2 of Attachment A as soon as possible, but no later than Wednesday 12 February 2014.
- the results of the additional modelling exercise requested in Question 3 of Attachment A as soon as possible, but no later than Monday 17 February 2014;

If AGL claims confidentiality over some or all of the information provided to the ACCC, the ACCC will accept that information on a confidential basis provided:

- There is no restriction on the internal use, including future use, that the ACCC may make of the information consistent with its statutory functions;
- the confidential information may be disclosed to the ACCC's external advisors and consultants on condition that each such advisor or consultant will be informed of the obligation to treat the information as confidential; and
- the ACCC may disclose the confidential information to third parties (in addition to its external advisors or consultants) if compelled by law or in accordance with section 155AAA of the *Competition and Consumer Act 2010* (Cth).

**Information request**

1. Please provide the underlying data for the results of the additional modelling tasks provided on 5 February 2014, in the same manner as has been provided in relation to previously modelled scenarios.
2. Please provide the following information in relation to the Frontier model:
  - a. In relation to each generator that is modelled, that generator's:
    - i. assumed marginal cost
    - ii. maximum capacity,
    - iii. derated capacity, and
    - iv. any other variables, data, and assumptions related to the generator's operating characteristics.
  - b. In relation to each firm that is modelled, a full description of all variables, data, and assumptions utilised to calculate the payoff associated with each strategy combination and compare the payoffs in search of Nash equilibria.
  - c. Full data relating to the "static operating profile" of wind generation referred to in Frontier's note of 24 January.
  - d. Full data relating to the "operating envelope" of hydro generation referred to in Frontier's note of 24 January.
3. With respect to the methodology used in the revised modelling for which results were provided on 5 February 2014 (and which was conducted for 2016 only), we request that Frontier provide the results and full underlying data (in the same manner as has been provided in relation to previously modelled scenarios) for the years 2015 and 2017.