



Our ref: AA1000581
Contact officer: Michael Pappa
Contact phone: (03) 9658 6531

27/10/2021

By email

Dear Sir/Madam

Australian Energy Market Operator - Application for authorisation AA1000586 - interim authorisation decision and interested party consultation

On 15 October 2021 the Australian Competition and Consumer Commission (the ACCC) received an application for authorisation from the Australian Energy Market Operator (**AEMO**) on behalf of itself and electricity industry participants.

In response to an urgent request, the ACCC has granted interim authorisation for AEMO's proposed conduct.

This letter invites your views on two main issues:

1. First, any views you have on the conduct under the interim authorisation, including your experience of the impact of that conduct over the coming weeks.
2. Second, do you have any comments on the likely public benefits and detriments of the proposed conduct, including reference to your experience of similar conduct under the previous authorisation, and whether the conditions in the interim authorisation are appropriate or if any further conditions should be placed on any authorisation granted.

We are interested in hearing from you at any time during the ACCC's assessment process in relation to point 1. We request submissions in relation to point 2 by **Friday, 12 November 2021**.

Application for authorisation

The conduct for which AEMO is seeking authorisation is substantially the same as was permitted by authorisation AA1000484 granted in September 2020, although just in relation to electricity this time, not also to gas. AEMO, AEMO Industry Participants and Future AEMO Industry Participants seek authorisation to engage in coordinated repairs and maintenance and to share essential personnel, inputs and information for the purpose of ensuring the safe, secure and reliable operation of Australia's energy markets, and minimising the risk of electricity outages, during the COVID-19 pandemic (**Proposed Conduct**).

A full copy of the application for authorisation is available on the ACCC's [Authorisations public register](#).

The authorisation process

Authorisation provides protection from legal action for conduct that may otherwise breach the competition provisions of the *Competition and Consumer Act 2010* (Cth).

Broadly, the ACCC may grant authorisation if it is satisfied that the benefit to the public from the conduct outweighs any public detriment, including from a lessening of competition. The ACCC conducts a public consultation process to assist it to determine whether a proposed arrangement results in a net public benefit

Interim authorisation decision

On 27 October 2021 the ACCC granted interim authorisation to enable AEMO and current and future electricity industry participants to engage in the Proposed Conduct.

Interim authorisation commences immediately and is subject to conditions which impose a regular reporting obligation on AEMO, and require that agreements do not extend beyond any authorisation period.

A copy of the ACCC's interim authorisation decision is enclosed.

The ACCC did not conduct a public consultation process in respect of the request for interim authorisation in light of the urgent need for AEMO to take steps to ensure the safe, secure and reliable operation of Australia's electricity networks during the COVID-19 pandemic.

Request for submissions

The ACCC invites you to make a submission on the application for authorisation. In making your submission, please provide information and evidence about the likely public benefits, effects on competition and any public detriment that you consider will result from the proposed conduct.

If you intend to provide a submission in relation to the substantive application for authorisation, please do so by **12 November 2021**. Submissions should be emailed to exemptions@acc.gov.au with the subject 'AA1000586 Australian Energy Market Operator – Submission'. Submissions after the due date (or after any extension granted) may not be taken into account.

Alternatively, if you would like to provide comments orally, please contact Michael Pappa on (03) 9658 6531 to organise a suitable time.

Your submission will be placed on the ACCC's public register unless you request and provide reasons for us to exclude part or all of the submission from the public register (see the [Guidelines for excluding information from the public register](#)).

You can forward this letter to any other party who may wish to make a submission to the ACCC regarding the application.

Timetable

An indicative timetable for the ACCC's assessment is set out below.

Indicative date	Stage in assessment process
15 October 2021	Lodgement of application
27 October 2021	ACCC grants interim authorisation
27 October 2021	Consultation on the application commences
12 November 2021	Closing date for submissions on authorisation
26 November 2021	Applicant's response to submissions due

December 2021	ACCC draft determination
December/January 2022	Public consultation on the draft determination
February/March 2022	ACCC final determination

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Michael Pappa on (03) 9658 6531 or via email exemptions@acc.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D Hatfield', is placed over a light yellow rectangular background.

David Hatfield
Director
Competition Exemptions Branch