



26th August 2019

Ms Kaitlin Hanrahan
Australian Competition and Consumer Commission
23 Marcus Clarke Street Canberra ACT 2601
By Email: adjudication@accc.gov.au

Dear Ms Hanrahan

I am writing to you in support of the Large Format Retail Association (LFRA) application to the Australian Consumer and Competition Commission for permission to establish a joint electricity purchasing group and the joint negotiation of energy supply agreements.

SIMEC Zen Energy Retail Pty Ltd (SIMEC Energy Australia) is a relatively new electricity retailer in the National Electricity Market (NEM) committed to delivering globally competitive, sustainable energy solutions to our customers.

SIMEC Energy Australia is a member of the Gupta Family Group Alliance (GFG Alliance), which is a global grouping of energy, mining, metals and engineering businesses, underpinned by industry-friendly financial services and a substantial property portfolio. Supplying GFG Alliance's own energy needs, as well as customers external to GFG, allows us to contract, develop and operate large-scale – low emissions – energy generation across Australia. We then share the benefits of these assets to deliver globally competitive energy pricing to businesses, industries and governments that partner with us.

SIMEC Energy Australia was awarded a long-term electricity supply contract for the South Australian Chamber of Mines and Energy Joint Purchasing Group (SACOME) in May 2018. The SACOME initiative provided an aggregated and definite load enabling SIMEC Energy Australia to back this demand with new renewable power generation, that is firmed through our sophisticated trading operations and optimised through the use of demand side response activities, hence making it possible to offer lower electricity pricing. With electricity representing a large proportion of input costs for members of the group, we believe the redistribution of these savings will flow through to new investment opportunities for these businesses, ultimately benefiting the South Australian economy.

In having participated in the SACOME purchasing group initiative, it was our experience that a well-structured collective – competitive – process can foster competition in the electricity market. This includes enabling smaller retailers or new entrants like SIMEC Energy Australia, to have access to a large pool of electricity loads under a consolidated and robust approach (i.e. tender process, pricing models, contract terms etc.) and incentivise the development of new renewable generation.

In conclusion, from SIMEC's perspective the proposed LFRA application would promote and underpin a more efficient market operation and allow participants, such as ourselves, to offer competitive energy solutions to customers. Please do not hesitate to contact Simon Camroux, Head of Regulation, SIMEC, on [REDACTED] or [REDACTED] if you wish to discuss the contents of this correspondence further.

Sincerely,

Marc Barrington
Chief Executive Officer
SIMEC Zen Energy Retail Pty Ltd

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