



Our ref: AA1000562
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2/07/2021

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Dear Sir/Madam

Western Australian Local Government Association application for authorisation AA1000562 – interested party consultation

On 29 June 2021, the Australian Competition and Consumer Commission (the **ACCC**) received an application for authorisation from the Western Australian Local Government Association (**WALGA**) on behalf of itself and its current and future Members and Associate Members (the **Proposed Energy Group**).

This application relates to the formation of a Proposed Energy Group, where members will pool their aggregate forecast demand in order to jointly acquire electricity from the South West Interconnected System (**SWIS**) and various renewable energy certificates.

As a potentially interested party, you are invited to make a submission in relation to the application for authorisation, including the Applicants' request for interim authorisation (outlined further below). Further information about the authorisation process is provided in the ACCC's [Guidelines for authorisation of conduct \(non-merger\)](#).

If you do not wish to make a submission, no further action is required.

The proposed conduct

WALGA proposes to form the Proposed Energy Group, which will be initially comprised of 11 local governments. Other current and future WALGA Members and Associate Members will be able to join the group in the future, and the ACCC notes that at the time of lodgement, 24 additional local governments had signed MOU's with WALGA intending to join the Proposed Energy Group.

Members of the Proposed Energy Group will pool their aggregate forecast demand in order to jointly acquire electricity from the SWIS from licensed retailers, wholesalers or by underwriting new generation plant up to 200 000 MWh per annum, and renewable energy certificates (including Large-scale Generation Certificates (**LGCs**), Small-scale Technology Certificates (**STCs**), Australian Carbon Credit Units (**ACCUs**), and similar renewable energy certificates) (together, the **Relevant Products**).

In particular, the WALGA seeks authorisation under the *Competition and Consumer Act 2010* (Cth) to:

- pool the aggregate forecast demand of the Proposed Energy Group for the Relevant Products
- prepare and issue joint tenders in respect of the Relevant Products

- jointly negotiate terms for the supply of the Relevant Products
- jointly acquire the Relevant Products under contract, and
- jointly manage the contracts.

Authorisation is sought for 15 years. A full copy of the application for authorisation is available on the ACCC's [Authorisations public register](#).

Interim authorisation

WALGA requests that the ACCC grant interim authorisation in relation to this application to enable the joint procurement process to commence, while the ACCC considers the merits of the application for authorisation. The Applicants advise they would like to commence the procurement process in August 2021, and be able to undertake resulting contractual discussions for an agreement spanning an initial contract period of 1 April 2022 and 31 March 2025 (**proposed Interim Conduct**). WALGA does not seek interim authorisation to enter into or give effect to the contract.

WALGA submits that interim authorisation is justified because:

- some of the Members' current contracts are reaching term, and in the absence of an interim alternative they may recontract for a two or three year period which would negate the ability of the Proposed Energy Group to optimise its aggregate spend; and
- WALGA needs to proceed to market as any delay in the procurement timetable will not allow sufficient time for industry responses, evaluation of bids, and respective Council governance consideration for approval prior to agreement execution to the proposed commencement date of 1 April 2022.

The ACCC endeavours to deal with requests for interim authorisation quickly. In making an assessment as to whether it is appropriate to grant interim authorisation, the ACCC is not required to undertake a full assessment of the benefits and detriments likely to arise as a result of the proposed conduct.

The ACCC decides whether to grant interim authorisation on a case by case basis. When it receives a request for interim authorisation, the ACCC will usually consider a range of factors, including:

- harm to the applicant and other parties if interim is or is not granted
- the urgency of the matter and
- whether the market would be able to return to substantially its pre-interim state if the ACCC should later deny authorisation.

Making a submission

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

Please provide submissions on **either or both** the request for interim authorisation and the substantive application for authorisation by **16 July 2021**.

Please email your submission to exemptions@acc.gov.au, with the subject 'AA1000562 – Western Australian Local Government Association – submission'. Alternatively, if you would like to provide comments over the phone, please contact Nissa Burns via the details below.

If you wish to request an extension, please contact us as early as possible. Submissions after the due date (or after any extension) may not be taken into account.

Your submission will be placed on the ACCC's [Authorisations public register](#), unless you have made a request (with reasons) to exclude part or all of the submission from the public register (see [Guidelines for Excluding Information from the Public Register](#)).

Timetable

The ACCC will progress its assessment of the application in a timely manner. An indicative timetable is set out below.

Indicative date	Stage in assessment process
29 June 2021	Lodgement of application and supporting submission.
2 July 2021	Public consultation process begins.
16 July 2021	Closing date for submissions from interested parties.
July 2021	Applicant responds to issues raised in the public consultation process.
July 2021	Interim authorisation decision.
July/August 2021	Draft determination.
July/August 2021	Public consultation on draft determination including any conference if called.
August/September 2021	Final determination.

This letter has been placed on the ACCC's public register. If you have any questions or wish to discuss any aspect of this matter, please do not hesitate to contact Nissa Burns on 03 9910 9558 or exemptions@acc.gov.au.

Yours sincerely



for Danielle Staltari
Director
Competition Exemptions

**Western Australian Local Government Association – joint renewable energy
purchasing group**

Application for authorisation AA1000562

List of interested parties

Energy Consumers Australia
Energy Users Association of Australia
Clean Energy Council
Energy Policy WA
Department of Industry, Science, Energy and Resources
Department of Environment
The Treasury
Australian Renewable Energy Agency
Clean Energy Finance Corporation
Energy Efficiency Council
Australian Energy Market Operator
Australian Energy Market Commission
Australian Energy Council
Aust. Chamber of Commerce and Industry
Energy Networks Australia
Major Energy Users
Economic Regulation Authority WA
WA Independent Power Authority
100 Percent Renewables
Alinta Energy
Advanced Energy Resources Retail
Amanda Energy
APA Group
A-Star Electricity
ATCO
Averta
Azility
Blair Fox
Blue Star Energy
Bluewaters Power Station
Bright Energy
Carnegie Clean Energy
Change Energy
CleanTech Energy

Collgar Wind Farm
Community Electricity
Enel X
Horizon Power
Infinite Energy
Infrastructure Capital Group
Kleenheat
NewGen Power Kwinana
Perth Energy
Shell Energy
Synergy
Tersum Energy
Western Power