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20 July 2023

By email

Dear Interested Party

Brookfield and MidOcean application for merger authorisation for proposed acquisition of Origin Energy Limited – consultation on transparency letter

The Australian Competition and Consumer Commission (the **ACCC**) has issued to the Applicants a transparency letter in respect of Brookfield and MidOcean's application for merger authorisation for the proposed acquisition of Origin Energy Limited. The intention of the transparency letter is to give the Applicants an opportunity to give the ACCC additional information that they have not already provided that may assist the ACCC in applying the tests in s 90(7) of the *Competition and Consumer Act 2010* (the **Act**).

A copy of the ACCC's transparency letter is **attached** and also available on the ACCC's [merger authorisations public register](#).

Pursuant to s 90(6)(c) of the Act, the ACCC invites interested persons to give the ACCC information relating to the transparency letter (particularly the matters raised in the questions to the Applicants) that the interested person considers to be relevant to the ACCC making its determination in respect of the application.

Given the short timeframe within which the ACCC is required to conduct its assessment of the Application, the ACCC requests that interested parties provide any response by **27 July 2023**, to enable the ACCC to consider the information provided. Section 90(6A) of the Act provides that the ACCC may, but need not, take into account any information received after this time.

You can contact us in two ways:

- if you would like to comment in writing, please do so by email to Brookfield-Origin-Merger@acc.gov.au with the subject '[your company name]: Brookfield/Origin – submission'
- if you would like to provide comments orally, please contact Hugh Cosolo on 03 9910 9520 or email Brookfield-Origin-Merger@acc.gov.au to organise a suitable time.

The public register and requesting confidentiality

Pursuant to section 89(5) of the Act, you may request that your response to this request, in whole or in part, be excluded from the ACCC's public register for confidentiality reasons. If you wish to do so, you must do so at the time of providing the response. To enable the

ACCC to decide whether or not to accept the request to exclude the information, all claims of confidentiality should be supported by reasons. Further information about how to make an exclusion request is provided in the [ACCC's guidelines](#).

Subject to any request for exclusion of a document or part of a document from the public register, your response will be placed on the ACCC's public register as required by section 89(4) of the Act.

The ACCC is committed to treating confidential information responsibly and in accordance with the law.

The ACCC accepts confidential information on the following basis:

- there is no restriction on the internal use, including future use, that the ACCC may make of confidential information consistent with the ACCC's statutory functions
- confidential information may be disclosed to the ACCC's external advisors and consultants on the condition that each such advisor or consultant will be informed of the obligation to treat the information as confidential
- 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 89(7) or section 155AAA of the Act.

In some circumstances, the ACCC may be legally required to disclose confidential information, for example under the *Freedom of Information Act 1982* or as part of Court or Tribunal processes.

In addition, the ACCC may disclose information that is excluded from the public register to such persons and on such terms as it considers reasonable and appropriate for the purposes of making its determination on the application as per section 89(7) of the Act. Before making any such decision to disclose information the ACCC will provide the owner of the information with the opportunity to be heard as to why information should not be disclosed.

The Australian Energy Regulator is assisting the ACCC in its review of the Proposed Acquisition and we propose to provide them with any response to this letter. We request that you confirm your consent to this in your response.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this letter, please do not hesitate to contact Hugh Cosolo on 03 9910 9520 or Albert Lee on 07 3811 9266.

Yours sincerely



Daniel McCracken-Hewson
General Manager
Merger Investigations Branch



Our ref: MA1000024
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19 July 2023

Fiona Crosbie
Chair
Allens

Dear Ms. Crosbie

Re: Brookfield and MidOcean application for merger authorisation for proposed acquisition of Origin Energy – transparency letter

Purpose

The Australian Competition and Consumer Commission (**ACCC**) received an application for authorisation under section 88(1) of the *Competition and Consumer Act 2010 (Act)* from Eos Aggregator (Bermuda) LP (**Brookfield LP**) and MidOcean Reef Bidco Pty Ltd (**MidOcean**), (**Application**) for the proposed acquisition of Origin Energy Limited (**Origin**) (the **Proposed Acquisition**).

The Proposed Acquisition is comprised of two interdependent acquisitions:

- (a) MidOcean acquires 100% of the ordinary shares in Origin pursuant to a scheme of arrangement under the *Corporations Act 2001* (the **Scheme Acquisition**); and
- (b) conditional upon, and as soon as possible following the Scheme Acquisition, MidOcean will procure that Origin and its interests are divided into two separate businesses, being the Origin Energy Markets business and the Origin Integrated Gas Business. Brookfield LP will acquire the Origin Energy Markets business and MidOcean will retain the Origin Integrated Gas Business (the **On-sale Acquisition**).

The ACCC is considering the information already provided and is conducting inquiries with third parties. The intention of this letter is to give the Applicants an opportunity to give the ACCC additional information that they have not already provided that may assist the ACCC in applying the tests in s 90(7) of the Act.

The **Attachment** to this letter

- identifies the lines of inquiry the ACCC is undertaking to determine whether it is satisfied of the requirements of s 90(7) of the Act, and
- pursuant to s 90(6)(b) of the Act, requests the Applicants give the ACCC such additional information as the Applicants consider would be relevant to the ACCC making its determination, with particular regard to the identified lines of inquiry.

By raising specific questions, the ACCC does not purport to limit the Applicants' ability to provide additional information. Rather, as the ACCC must not grant an authorisation if not satisfied of the statutory preconditions in s 90(7), the ACCC by this letter seeks to make the Applicants aware of the matters on which the ACCC's satisfaction may turn.

As the ACCC has only 90 days from the date the Application was lodged to make its decision, the ACCC requests that the Applicants provide any additional information in response to this letter (including both public and confidential versions of that response, as applicable) as soon as possible but no later than **Thursday, 27 July 2023**. Section 90(6A) of the Act provides that the ACCC may, but need not, take into account any information received after this time.

We request that the Applicants confine their response to this request to no more than 50 pages in total.

The public register and requesting confidentiality

Authorisation is a public process. The ACCC must keep a public register of documents relating to the application for merger authorisation, including submissions made by interested parties. The ACCC's public register can be found at the following link: [Merger authorisations register](#).

Pursuant to section 89(5) of the Act, the Applicants may request that the additional information provided in response to this letter, in whole or in part, be excluded from the ACCC's public register for confidentiality reasons. If the Applicants wish to do so, they must do so at the time of providing the additional information to the ACCC. To enable the ACCC to decide whether to accept the request to exclude the information, all claims of confidentiality should be supported by reasons.

Subject to any request for exclusion of a document or part of a document from the public register, the Applicants' response to this letter will be placed on the ACCC's public register as required by section 89(4) of the Act.

The ACCC notes that, even if information is excluded from the public register, it may disclose that information to such persons and on such terms as it considers reasonable and appropriate for the purposes of making its determination on the application as per section 89(7) of the Act.

We propose placing this letter on the public register. The letter and attachment do not contain confidential information of third parties and the ACCC has sought to exclude confidential information of the Applicants. Please advise by 4pm 20 July 2023 if the Applicants consider that it does contain information that should not be published.

If you wish to discuss any aspect of this letter, please contact Michael Drake on (03) 9658 6517 or Tess Macrae on (03) 9290 1835.

Yours sincerely



Daniel McCracken-Hewson
General Manager
Merger Investigations Branch

Attachment

Competition and Consumer Act 2010, section 90(6)(b)

Section 90(7)(a): Substantial Lessening of Competition

1. In determining whether it is satisfied in all the circumstances that the Proposed Acquisition would not have the effect, or likely effect, of substantially lessening competition, the ACCC is currently considering:
 - Competition issues associated with vertical integration of electricity generation (including embedded generation), transmission, distribution, retail, and smart meter services
 - Competition issues associated with vertical integration of gas distribution and retail
 - Competition issues associated with horizontal overlap in the wholesale gas market.
2. In addition, in respect of vertical integration, the ACCC is testing:
 - The extent to which the corporate structures of relevant entities mitigates the risk of competition issues arising
 - The extent to which applicable regulatory regimes mitigate the risk of competition issues arising
 - The extent to which a behavioural or structural undertaking may mitigate the risk of competition issues arising.
3. More detail on these considerations is set out below.

Corporate structure of relevant entities

Brookfield asset management business and its business units

4. Brookfield Asset Management ULC (**BAM ULC**) is the holding company of the Brookfield asset management business. BAM ULC is owned by Brookfield Asset Management Ltd (25%) and Brookfield Corporation (75%). The Brookfield asset management (**BAM**) business comprises several business units including Renewable Power and Transition, and Infrastructure.
5. Following completion of the Proposed Acquisition, Brookfield Corporation will control Brookfield LP via a number of Brookfield managed co-investors including Brookfield Global Transition Fund I (**BGTF**) and Brookfield Renewable Partners L.P (**BEP**). The Brookfield controlled portion of Brookfield LP is expected to be between 40-50% and 67.6%. Brookfield LP and the Brookfield managed co-investors of Brookfield LP exist within the Renewable Power and Transition business unit of BAM. The non-Brookfield investors in Brookfield LP include Temasek and GIC Private Limited (**GIC**).
6. The Infrastructure business unit of BAM holds a 45.4% interest in AusNet through two Brookfield funds: Brookfield Super-Core Infrastructure Partners and Brookfield Infrastructure Partners.

7. The ACCC notes that AusNet owns:
 - Victoria's principal electricity transmission network
 - one of five electricity distribution networks in Victoria
 - one of three gas distribution networks in Victoria.
8. The Infrastructure business unit of BAM also holds a 50% interest in Intellihub through Brookfield managed fund BIF IV. Intellihub is a smart meter provider which delivers metering and data solutions to electricity retailers. Intellihub is one of a number of suppliers of smart meters in Australia. The remaining interest in Intellihub is held by Pacific Equity Partners (**PEP**). An affiliate of GIC holds an economic interest in PEP's Smart Metering Fund, which is managed by PEP.
9. The Applicants submit that Brookfield Corporation's proposed interests in both, Origin and AusNet, and, Origin and Intellihub, do not raise vertical integration competition concerns as Brookfield Corporation's interest in these entities exists across separate business units within BAM and are held by separate Brookfield managed funds. That is, Intellihub and AusNet exist within the Infrastructure business unit of BAM and Brookfield Corporation's interest in those entities are held by BIF IV and Brookfield Super-Core Infrastructure Partners (**BSIP**) funds. Under the Proposed Acquisition, Origin would exist within the Renewable Power and Transition business unit of BAM and Brookfield's interest in Origin would be held by different Brookfield funds including BGTF and BEP. The Applicants submit that each business unit operates independently with its own leadership and personnel.
10. The ACCC is aware that the Renewable Power and Transition business unit and the Infrastructure business unit of BAM are separate and that Brookfield Corporation's interests in AusNet and Intellihub are held by funds separate from the Brookfield -managed funds that would, post-transaction, hold interests in Origin.
11. Nonetheless, the ACCC is testing the extent to which these ownership structures mitigate any potential competition issues associated with vertical integration that could arise as a result of the Proposed Acquisition.

The ACCC requests the Applicants give the ACCC such additional information that the Applicants consider is relevant to the ACCC's determination, regarding:

- the extent to which there is common control, direction or influence across BAM's Renewable Power and Transition and Infrastructure business units and across BGTF/BEP and BIF IV and BSIP
- the impact of BAM management of both the Renewable Power and Transition business unit and the Infrastructure business unit. We note that BAM ULC is directly financially incentivised to maximise the returns of each of its business units through its earning of carried interest
- the extent to which competitively sensitive information may move between Brookfield funds and business units. We note that there appears to be at least some movement of personnel between BAM business units, including secondments of staff between AusNet and Brookfield. Additionally, we would expect that BAM would interact with the board members of all portfolio entities on an ongoing basis as part of monitoring their investments.

Temasek

12. Under the Proposed Acquisition, Temasek will own 9.9% of Brookfield LP, which will own 100% of the Origin Energy Markets business.

13. Temasek has a 100% interest in Singapore Power Limited (**SP Group**), which has interests in electricity and gas transmission and distribution businesses in Singapore and Australia. Through SP Group, Temasek holds a 40% interest in Jemena.
14. The ACCC notes that Jemena owns or otherwise has interests in:
 - two Victorian electricity distribution networks, one New South Wales gas distribution network and the ACT electricity and gas distribution networks
 - a number of gas transmission pipelines on the East Coast of Australia.
15. The ACCC is testing the extent to which, if the Proposed Acquisition went ahead, Temasek's interests in both Jemena and Origin Energy Markets could raise competition issues associated with vertical integration.

The ACCC requests the Applicants give the ACCC such additional information that the Applicants consider is relevant to the ACCC's determination regarding the extent to which Temasek would be able to facilitate the sharing of competitively sensitive information between Jemena and Origin Energy Markets.

Applicable regulatory regimes

16. The Applicants submit that existing regulations in the national electricity and gas markets, such as the National Electricity Law (**NEL**), National Electricity Rules (**NER**), Transmission Ring-fencing Guidelines (**TRFG**), National Gas Law (**NGL**) and National Gas Rules (**NGR**), are sufficient to address some of the potential vertical integration competition concerns that could arise as a result of the Proposed Acquisition.
17. The ACCC is considering whether these regulatory measures (in particular the AER's TRFG), and the penalties attached to them, are sufficient to remove the ability for, and deter, discriminatory behaviour by AusNet in the markets which would become vertically integrated as a result of the proposed transaction.

The ACCC requests the Applicants give the ACCC such additional information that the Applicants consider is relevant to the ACCC's determination, regarding:

- the extent to which non-compliance with the regulations (in particular, the non-discrimination regulations) is able to be detected despite the complexity of network operations and design, and the information asymmetries between the network service provider and the relevant regulatory body, and how such detection could be enhanced
- the extent to which existing dispute resolution mechanisms prevent or resolve issues relating to non-compliance, and in particular discrimination, from occurring. The NER and the modified Victorian rules provide alternative dispute resolution mechanisms, however the ACCC notes that neither mechanism is ideal and could result in a jurisdiction "stand off".

Competition issues associated with vertical integration of electricity generation and transmission

18. The ACCC is considering whether and to what extent the Proposed Acquisition would give AusNet the ability and incentive to favour Origin's generation business in Victoria over Origin's generation competitors. We note that it is anticipated that there will be a number of new generation projects seeking to connect to the network in the coming years.

19. The ACCC notes that in 2004 it considered issues of vertical integration between the Victorian transmission business and retail/generation assets. This consideration was in the context of the ACCC conducting an informal merger review of SP Energy Pty Ltd's acquisition of TXU Australia Group.¹ The ACCC received a confidential divestiture commitment from the acquirer to sell the TXU generation interests in Victoria and South Australia, and those assets were subsequently divested. The divestiture commitment is in a confidential annexure to the s87B undertaking accepted by the ACCC, but the ACCC has since obtained consent to this high-level summary disclosure of the divestiture commitment.

New connections to AusNet's transmission network

20. The ACCC is considering whether AusNet would have the ability and incentive to discriminate against Origin's generation rivals, including by:
- covertly delaying other generation projects' connection and/or prioritising Origin generation project connections. The ACCC understands that it can take some time between applying for a new connection and being connected to a transmission network, and that there is limited transparency or certainty over this time period. This could make it difficult to detect the difference between a network operator making the process easy for a particular generator or frustrating the process deliberately for others.
 - inflating the costs to Origin's generation rivals to connect to the network. As pricing is negotiated between the generator, AEMO and AusNet, based on costs and other variable factors, it is not a transparent process and any inflation of the costs or other discriminatory behaviour could be difficult to detect or identify. If AusNet is able to raise the price for Origin's rival generators to connect, this may reduce the incentive for developers to seek access in Victoria and allow Origin to secure greater access for its own generation projects.
 - disclosing information to Origin to give it an advantage over rivals in applying to connect to the network (for example, requirements which if satisfied would give Origin comfort that its application would be successful, processed faster, or in more advantageous locations within the network).
21. If discrimination of this nature were to occur as a result of the Proposed Acquisition, this may heighten barriers to entry for rival generators. If potential entrants perceive the risk of increased costs and a delayed, frustrated process to be too great, then the Proposed Acquisition may also deter investment in Victoria without AusNet necessarily engaging in such conduct.
22. The ACCC is testing the existence of information asymmetries between AusNet and parties seeking to connect.
23. The ACCC is also considering whether the AER or AEMO would be able to determine that the costs or timeframes AusNet provides to generators seeking to connect to its transmission network reflect genuine costs or timing considerations, or whether they are strategic attempts to favour Origin over rival generators.

¹ <https://www.accc.gov.au/public-registers/undertakings-registers/section-87bundertakings-register/sp-energy-pty-ltd-s87b-undertaking>

Operation of AusNet's transmission network

24. The ACCC is considering whether AusNet would have the ability and incentive to operate its transmission network in a way that is favourable to Origin. Currently Origin only owns a small amount of generation capacity in Victoria. However, Brookfield submits that following the Proposed Acquisition they intend to roll out a significant number of generation projects, some of which could be located in Victoria. In this scenario, it may be beneficial to Brookfield overall to advantage Origin's generators through the operation of AusNet's transmission network.

The ACCC requests the Applicants give the ACCC such additional information that is relevant to the ACCC's determination, regarding:

- AusNet's ability to favour or make the process easier for connection of Origin's generators, or to delay or frustrate the process for Origin's rivals.
- AusNet's ability to operate the transmission network in a way that would advantage current or future Origin generators.
- Why Brookfield would not have, or would not act upon, the incentive to use AusNet's monopoly position in transmission in Victoria to advantage Origin.

Competition issues associated with vertical integration of electricity distribution and retail

25. The ACCC is considering whether and to what extent AusNet would have the ability and incentive to discriminate against Origin's retail competitors in Victoria as a result of the Proposed Acquisition, including by:
- sharing competitively sensitive information with Origin, to provide Origin with a competitive advantage over other retailers
 - charging Origin or its customers less than a non-Origin retailer or its customers
 - favouring Origin over its rivals when responding to requests for connections or access to the network
 - preferencing Origin over its rivals in expanding and improving the distribution networks in a manner that leads to a competitive disadvantage for other electricity retailers
 - selectively maintaining parts of its distribution network in a manner that would advantage Origin by providing a better quality of service to Origin's retail customers. Further, the possibility for AusNet to target an outage that would affect only non-Origin retail customers
 - targeting non-Origin customers in the event load shedding is required.
26. The ACCC is also considering the potential for margin squeeze if the Proposed Acquisition was to proceed. Retailers, especially smaller or emerging retailers, may be vulnerable to increased costs that they are not able to pass onto customers without significantly damaging their competitive position relative to other suppliers. A number of smaller retailers have exited the market in recent years due to wholesale cost shocks. Further, smaller retailers are more vulnerable to wholesale price volatility, making it increasingly difficult to compete with larger retailers.
27. The ACCC's assessment of the ownership structure issues identified under *Corporate structure of relevant entities* and the regulatory issues identified under *Applicable regulatory regimes* above will inform the extent to which these potential competition

concerns may be mitigated by regulations or behavioural measures, such as information barriers and/or protocols.

The ACCC requests the Applicants give the ACCC such additional information that is relevant to the ACCC's determination, regarding:

- specific regulatory measures that limit AusNet's ability and incentive to engage in price and non-price discrimination.

Competition issues associated with vertical integration of electricity retail and smart meter services

28. The ACCC is considering whether and to what extent the Proposed Acquisition will raise vertical integration competition issues as between Intellihub and Origin's electricity retail business.
29. The ACCC is testing the extent to which the Proposed Acquisition may result in:
 - Origin having access to competitively sensitive information held by Intellihub about competing retail energy businesses (and their customers) and how this could advantage Origin's retail business offering or providing behind the meter solutions. Further, Intellihub not sharing relevant information/data, or innovative metering solutions, with Origin's competitors.
 - The allocation of Origin's uncontracted volume of smart meters exclusively to Intellihub and the impact this may have on competing smart meter providers. It is uncertain whether the remaining uncontracted volumes of smart meters from other electricity retailers will be sufficient to enable other smart meter providers to achieve sufficient scale and market penetration. The ACCC understands a number of retailers have entered into exclusive, long term, contracts with providers to supply their smart meters.
 - Deployment of Intellihub's smart meters as part of a bundled offering with Origin's retail electricity plans, solar panel plans and/or other behind the meter services in a manner which would disadvantage smaller retailers.
30. The ACCC's assessment of the ownership structure issues identified under *Corporate structure of relevant entities* will inform the extent to which these potential competition concerns may be mitigated by separation of the relevant entities within Brookfield.

The ACCC requests the Applicants give the ACCC such additional information that they consider is relevant to the ACCC's determination, regarding:

- in relation to the customer data collected by smart meters:
 - the types of metering data collected by a metering data provider and whether there is any scope for Origin to access or obtain the data collected by Intellihub that does not belong to its retail customers
 - where the metering data is delivered to after it is collected from the customer and whether this data can be accessed by Intellihub's staff
 - what information is retained by the metering data provider once a customer switches retailers or smart meters, and for how long
- Origin's plans or incentives to exclusively contract with Intellihub for its remaining volume of smart meters, or alternatively, to conduct a competitive tender process for its remaining allocation of smart meters after completion of the Proposed Acquisition
- in the event Origin exclusively uses Intellihub for its smart meter rollout after completion of the Proposed Acquisition, whether the remaining uncontracted volume of smart meters from other retailers is sufficient to offset the loss of Origin's retail customer base and enable other smart meter providers to reach a sufficient scale to compete with Intellihub.

Competition issues associated with horizontal overlap in wholesale gas market

31. The Proposed Acquisition would result in MidOcean being a minority owner of both Australia Pacific LNG (**APLNG**) and Queensland Curtis LNG (**QCLNG**).
32. EIG, the parent of MidOcean, is negotiating with Senex and its owners for them to become investors in MidOcean. Senex currently supplies all its Roma North gas to Gladstone LNG (**GLNG**). Supply from its Atlas field (which is subject to an Australian market supply condition) is supplied to the domestic market.
33. MidOcean will therefore have interests in at least two of the east coast gas producers. If Senex becomes a party to MidOcean then MidOcean may also have access to competitively sensitive information about the price paid for gas by a third east coast LNG producer, GLNG. The ACCC is testing the extent to which MidOcean would be able to facilitate information sharing, including in particular domestic price information, flowing from one LNG project to the other and the potential impacts shared pricing information could have on the domestic market.
34. In the case of QCLNG, gas is aggregated from each participant (Shell, CNOOC and Tokyo Gas (noting MidOcean has purchased Tokyo Gas' interest)) and sold to Walloons Coal Seam Gas Company. Walloons is controlled by Shell and CNOOC. Walloons is responsible for marketing and sales of gas to end customers, including to the domestic market. Tokyo Gas has no interest in Walloons, so is not involved in marketing or sale of gas to end customers and it is understood that it has no visibility of pricing or volumes. It is unclear if these arrangements will continue when MidOcean acquires Tokyo Gas' 1.25% interest in QCLNG, or if MidOcean may be responsible for marketing or have visibility of pricing or volumes.

The ACCC requests the Applicants give the ACCC such additional information that they consider is relevant to the ACCC's determination, regarding:

- MidOcean's ability to facilitate information sharing across gas producers that supply gas into the domestic market, particularly in relation to APLNG and QCLNG

- the information from APLNG that Senex would have access to as a minority owner of MidOcean, in particular in regard to pricing in the domestic market
- in relation to QCLNG, whether MidOcean will:
 - continue to sell all its gas to Walloons
 - have visibility over prices or volumes of gas sold to the domestic market
 - receive any information from Walloons in relation to domestic marketing or supply arrangements.

Other competition concerns

35. The ACCC is considering other potential competition concerns, including:
- Vertical integration between AusNet's gas distribution network in Victoria and Origin's gas retail business.
 - Vertical integration between AusNet's electricity distribution network in Victoria and potential embedded generation projects by Origin.
 - Vertical integration between Jemena's electricity and gas transmission and distribution networks, and Origin's retail electricity and gas businesses and Origin's gas-powered electricity generation business.
36. The ACCC does not have specific questions regarding these potential concerns at this time.

Section 90(7)(b): Net Public Benefit

37. In the context of applying the test in s 90(7)(b), the ACCC is considering the below public benefits. In particular, the ACCC is testing:
- The **commercial likelihood** that Brookfield will in fact invest \$20-30 billion and build out 14GW of renewable generation and storage capacity by 2033.
 - Whether or not Brookfield's build out plans would result in a significant amount of **additional** renewable generation and storage capacity being completed by 2033. This will involve testing whether an equivalent amount of capacity would be developed by Origin or third parties in the counterfactual, and whether Brookfield would be any better-positioned to overcome challenges associated with the completion of renewable energy projects.
38. In determining whether it can be satisfied in all the circumstances that the Proposed Acquisition would result, or be likely to result, in a benefit to the public that would outweigh the detriment to the public that would result, or be likely to result, from the Proposed Acquisition, the ACCC is currently considering the following:
- whether and to what extent the public benefits claimed by the Applicants are likely to result from the Proposed Acquisition; and
 - whether and to what extent public detriments are likely to result from the Proposed Acquisition.

Public Benefits

Renewable generation build-out of Origin

39. The ACCC is considering whether and to what extent an accelerated renewable generation build-out of Origin, which Brookfield claims will result in an additional 10GW of renewable generation and storage capacity in the NEM by 2033, is a public benefit likely to result from the Proposed Acquisition.
40. As part of its consideration, the ACCC is testing the likelihood that this public benefit will result from the Proposed Acquisition, including:
- Whether and the extent to which challenges in building renewable generation projects would impact the ability of Brookfield to accelerate Origin Energy Markets' renewable build-out, for example delays in transmission network connections, approval processes and social licence issues (e.g. community opposition).
 - The extent to which access to a retail customer base (ie, Origin Energy Markets) is likely to impact the ability of and/or commercial likelihood that Brookfield will develop significant renewable energy generation and storage capacity in Australia, and the speed at which this would occur.
 - Whether changes in market conditions may impact the economic viability of the proposed build-out of Origin Energy Markets such that it is delayed or not as significant as claimed in the Application.
 - The extent to which a Brookfield LP-owned Origin Energy Markets will be commercially incentivised to undertake the accelerated renewables generation build-out as claimed in the Application.
41. The ACCC is also testing what is likely to occur in the future without the Proposed Acquisition (although noting there is inherent uncertainty), including:
- The extent and pace Origin will engage in a renewable generation build-out itself or through arrangements with others, including through off-take agreements.
 - The extent and pace Brookfield will engage in a renewable generation build-out in Australia itself or through arrangements with others.
 - The extent and pace other market participants will engage in a renewable generation build-out.
 - The challenges Origin, Brookfield and other market participants may face in engaging in such a build-out, such as access to capital and skills, and how that may impact timing of any build-out.
 - The impact of government incentives and mandates on renewable generation projects.

The ACCC requests the Applicants give the ACCC such additional information that they consider is relevant to the ACCC's determination, regarding:

- The commercial incentives for Brookfield LP to undertake the accelerated renewable generation build-out as claimed in the Application, and the corporate governance mechanisms that constrain Brookfield from departing from its claimed investment strategy.
- Additional evidence that Brookfield is better placed than Origin to achieve the additional 10GW of renewable generation by 2033, including the expertise and procurement capabilities of Brookfield that would give it a relative advantage to Origin

to deliver an accelerated renewable generation build-out.

Reduced emissions

42. The ACCC is considering whether and to what extent an accelerated renewables generation build-out of Origin, which may help Australia meet its net zero targets and comply with international treaty obligations, is a public benefit likely to result from the Proposed Acquisition.

Energy prices and grid stability

43. The ACCC is considering the extent to which reduced retail energy price volatility and insulation of Australian energy prices from overseas price shocks are public benefits that are likely to result from the Proposed Acquisition.
44. In particular, the ACCC is testing:
- the extent to which Australian energy prices may be insulated from overseas price shocks if the Proposed Acquisition goes ahead in circumstances where the cost of renewables infrastructure is heavily affected by overseas commodity shocks, inflation and production shocks in the overseas countries producing components
 - the extent to which the Proposed Acquisition could accelerate, or make more certain, additional firming capacity in Australia. The ACCC is also considering the extent to which third party developers would invest in firming capacity in Australia in the future without the Proposed Acquisition.

The ACCC requests the Applicants give the ACCC such additional information that they consider is relevant to the ACCC's determination, regarding:

- Brookfield's proposed investment in firming projects through Origin that it would undertake using proven technology at a meaningful scale that Origin (absent the Proposed Acquisition) or a third party developer could not or would not undertake.

Other public benefits

45. The ACCC is testing the further public benefits claimed by the Applicants in the Application including:
- Benefits that may arise from the Proposed Acquisition in terms of the development of new technologies (such as hydrogen technologies), delivered to Australia earlier and on a more cost-efficient basis
 - The impact the Proposed Acquisition may have on employment and third-party business generation in Australia
 - How the Proposed Acquisition may accelerate behind the meter solutions.

The ACCC requests the Applicants give the ACCC such additional information that they consider is relevant to the ACCC's determination, regarding:

- why hydrogen technologies are particularly critical to Origin's transition to greater use of renewables
- to the extent that the development of hydrogen technologies succeeds and is important to Origin's transition, why Origin could not access such technologies itself
- which sectors would experience employment and third party business creation if the

Proposed Acquisition goes ahead, and quantifying the magnitude of any such benefit

- why the Proposed Acquisition would generate employment and third-party business creation above and beyond any increase in employment or third party business that would occur through Australian green transition, absent the Proposed Acquisition.

Public detriments

46. The ACCC is considering whether and to what extent competition issues arising from the Proposed Acquisition are public detriments likely to result from the Proposed Acquisition.

Brookfield ringfencing undertaking and other potential remedies

47. The ACCC is considering whether certain concerns that may arise from the Proposed Acquisition could be addressed by a structural or behavioural undertaking. This includes consideration of the proposed undertaking offered by Brookfield LP and BAM ULC and its Australian subsidiary Brookfield Investment Management Australia² as well as other undertakings, such as an undertaking to divest some or all of a person's existing interests in certain shares or assets.
48. In particular, the ACCC is considering whether to specify, as a condition of authorisation, that a person give and comply with a section 87B undertaking.

² A copy of the proposed undertaking is accessible on the ACCC Merger authorisations register.