

Our ref: JEDL\1000 003 348  
Your ref: 62697  
Partner: Jeff Lynn  
Direct line: +61 3 9679 3267  
Email: jeff.lynn@ashurst.com

Ashurst Australia  
Level 26  
181 William Street  
Melbourne VIC 3000  
Australia

27 September 2017

GPO Box 9938  
Melbourne VIC 3001  
Australia

**BY EMAIL**

Tel +61 3 9679 3000  
Fax +61 3 9679 3111  
DX 388 Melbourne  
www.ashurst.com

Gavin Jones  
Director  
Australian Competition & Consumer Commission

[adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

The logo for Ashurst, featuring the word "ashurst" in a lowercase, bold, sans-serif font.

Dear Mr Jones

**Eastern Energy Buyers Group - Authorisation Applications A91594 - A91595  
Brief further submission**

Thank you for giving the Eastern Energy Buyers Group (**EEBG**) an opportunity to comment on the confidential submission about the above authorisation applications, as summarised in your letter dated 18 September 2017.

The EEBG does not propose to respond to all of the matters raised in the submission summary. However, we have been instructed to make the following brief comments.

1. As the Commission would be aware from its work on the Gas Inquiry and Retail Electricity Supply & Prices Inquiry, energy buyers face significant difficulties in securing competitive long-term electricity and gas supply. The EEBG will not solve any underlying issues with the energy market, but will facilitate increased competition for the EEBG participants' energy requirements.
2. One of the ways it will do this is by expanding the available options for electricity, gas and gas transport supply for the participants. Contrary to the summary submission, the EEBG is not seeking a single supplier who is able to supply electricity, gas and gas transport as a combined offering. It is willing to engage with any supplier that is able to offer a competitive deal on electricity, gas or gas transport, including generators, wholesale electricity suppliers, upstream gas producers, wholesale gas suppliers, and retailers, including small retailers.
3. By combining the demand of the participants, the EEBG is able to access wholesale electricity and gas contracts that would not otherwise be offered to individual participants. The volume procured is essential to accessing those contracts. For example, a large electricity load may help underwrite the acquisition or expansion of generation assets, and a combined gas load may be more attractive to a supplier than the prospect of competing for a number of smaller gas loads.
4. The EEBG does not agree that combining loads will place smaller retailers at an inherent disadvantage compared to large, or vertically-integrated, suppliers. A small retailer will necessarily deal with a variety of customers, with different load profiles, and potentially significant load variability. The combined load of the EEBG participants, who are all industrial, energy-intensive users with necessarily similar load profiles will not increase risk compared to contracting with them individually.
5. The EEBG considers that the public benefits from transaction cost savings and increased competition for the supply of energy to EEBG participants that would result from the authorisation are material and significant. The submission does not identify any public

detriments (including any lessening of competition) that would arise from the authorisation.

We hope this information is of assistance. This letter may be included on the public register.

If you have any questions, please call Justin Jones, counsel, on 03 9679 3640.

Yours faithfully

  
**Ashurst Australia**