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Dear Interested Party

www.accc.gov.au

Brookfield and MidOcean application for merger authorisation for proposed acquisition of Origin Energy – interested party consultation

The Australian Competition and Consumer Commission (**ACCC**) has 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* (**Corporations Act**) (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 will acquire the Origin Energy Markets business and MidOcean will retain the Origin Integrated Gas Business (the **On-sale Acquisition**).

Pursuant to section 90(6)(a) of the *Competition and Consumer Act 2010* (the **Act**), the ACCC invites you to comment on the Application. **Attachment A** contains a list of specific issues and questions on which we are invite submissions.

The Proposed Acquisition involves several entities with complex corporate structures. **Attachment B** provides a summary of the Proposed Acquisition, including the parties and public benefits claimed by Brookfield LP and MidOcean (the **Applicants**). In summary:

- A Brookfield LP related entity currently has a controlling stake in AusNet Pty Ltd (**AusNet**). AusNet owns and operates electricity transmission assets, electricity distribution assets, gas distribution assets and behind the meter services in the National Electricity Market.
- A separate Brookfield LP related entity currently has a 50% stake in Intellihub, a company which provides smart meters and associated services in Australia.
- A co-underwriter in Brookfield LP currently has an indirect interest in Jemena. Jemena owns and operates gas transmission and processing facilities, gas distribution assets and electricity distribution assets in eastern Australia.

The Proposed Acquisition would result in:

- Brookfield (**Brookfield**, which includes its varied separate funds and related entities, including Brookfield LP) obtaining interests in the electricity supply chain across generation, transmission, distribution, retailing, smart meters and behind the meter services as a result of the combination of Brookfields broader business interests and Origin's electricity generation and electricity retailing businesses;

- Brookfield (through its varied separate funds and related entities) obtaining interests in the gas supply chain across transmission, distribution and retailing resulting from the combination of Brookfield and its co-underwriter's broader business interests and Origin's gas retailing businesses; and
- MidOcean taking ownership of Origin's Australia Pacific LNG (**APLNG**) and upstream gas interests in the Surat and Bowen basins in Queensland.

Proposed Undertaking

The Application includes a proposed court enforceable undertaking to the ACCC from Brookfield LP and Brookfield Asset Management ULC and its Australian subsidiary Brookfield Investment Management Australia (**Brookfield Manager**) (the **Proposed Undertaking**). A full copy of the Proposed Undertaking can be found on the [Merger authorisations register](#). A list of the key obligations in the Proposed Undertaking is set out at **Attachment C**.

Potential additional undertaking

MidOcean Energy LLC (**MidOcean Energy**) is managed by EIG Management Company, LLC (**EIG**). One or more EIG controlled funds are intending to invest in MidOcean Energy LLC (**MidOcean Energy**, the parent entity for MidOcean). Additional co-investors may invest in MidOcean Energy. One potential co-investor is Senex Energy Limited (**Senex**), an Australian company that is privately owned by K-A Energy 1 Pty Ltd, a subsidiary of POSCO INTERNATIONAL Corporation (**POSCO**) (50.1%) and Hancock Energy Corporation Pty Ltd (**Hancock Energy**) (49.9%). Senex is a supplier of gas in the east coast gas market.

The Application also provides that, should Senex (or its shareholders Hancock Energy / POSCO) who are in discussions to take a minority interest in MidOcean Energy take such an interest, MidOcean Energy would be prepared to provide an enforceable undertaking that it will procure that no person from Senex, Hancock Energy or POSCO will be appointed to the board of APLNG.

A full copy of the application for merger authorisation is available on the ACCC's [Merger authorisations register](#) and contains further detail regarding the relevant entities with interests in each level of the relevant supply chains.

The ACCC is seeking your views on:

- whether the Proposed Acquisition is likely to cause a substantial lessening of competition in the supply of electricity in the National Electricity Market;
- whether the Proposed Acquisition is likely to cause a substantial lessening of competition in the supply of gas in the east coast gas market (including the Northern Territory);
- whether the Proposed Acquisition is likely to cause a substantial lessening of competition in the supply of smart meters and associated behind the meter services;
- whether existing electricity and gas market regulations would constrain a vertically integrated company from engaging in conduct that may substantially lessen competition in electricity or gas markets;
- the extent and likelihood of the public benefits claimed and any other public benefits or detriments arising from the Proposed Acquisition; and
- the extent that the Proposed Undertaking would address competition concerns or affect any public benefits or detriments that may arise as a result of the Proposed Acquisition; and

- the extent to which the Applicants' proposal, should Senex take a minority interest in MidOcean Energy, would address competition concerns or affect any public benefits or detriments that may arise as a result of the Proposed Acquisition.

Information from organisations like yours is one of the ACCC's most valuable tools in assessing mergers and will help the ACCC understand the impact of the Proposed Acquisition, including how your business may be affected.

Merger authorisation

Merger parties may apply for legal protection from section 50 of the Act to acquire the relevant shares or assets.

The ACCC may grant merger authorisation but must not unless it is satisfied that in all the circumstances the conduct (i.e., the Proposed Acquisition) either:

- Would not be likely to substantially lessen competition, or
- Would likely result in public benefits that would outweigh any detriment likely to result.

The ACCC has 90 days from the date that the application was lodged to make its decision. This timeframe can be extended with the agreement of the applicants. The Applicants have not agreed to an extension of the timeframe at this stage. Further information on the merger authorisation process is available in the ACCC's [Merger Authorisation Guidelines](#).

Making a submission

We invite you to make submissions in respect of the Application, in accordance with section 90(6)(a) of the Act. As noted above, **Attachment A** contains a list of issues and questions on which we are seeking submissions. Please feel free to comment on these issues, or on any other issues that you consider are relevant to the ACCC's consideration of the Proposed Acquisition.

Please provide your submission by no later than **5pm on 22 June 2023**. The ACCC may, but need not, take into account submissions received after this date pursuant to section 90(6A) of the Act. **If you wish to make a submission but cannot provide it by the specified date you should contact us as soon as possible to seek an extension.**

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 Albert Lee (Brookfield-Origin-Merger@acc.gov.au) to organise a suitable time.

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 in relation to the application by other interested parties. The ACCC's public register can be found at the following link: [Merger authorisations register](#).

All written and oral submissions (including yours) **will be published** subject to confidentiality claims. You may request that your submission, or parts of it, be excluded from the public register for confidentiality reasons. For example, if your submission contains commercially sensitive information or if revealing that you have made a submission could cause you commercial harm. You must make your claim for confidentiality at the time of providing the submission to the ACCC and all claims must be supported by reasons to enable the ACCC to decide whether to accept the claim or not.

Refer to the ACCC's [Guidelines for excluding information from the public register](#) for any requests for material to be excluded from the public register.

Updates regarding the ACCC's investigation will be available on the ACCC's [Merger authorisations register](#).

This matter is public, and you can forward this letter to anybody who may be interested.

Yours sincerely

A handwritten signature in black ink, appearing to read 'DMC' followed by a stylized surname.

Daniel McCracken-Hewson
General Manager
Merger Investigations

Attachment A

This attachment provides a list of questions on which the ACCC invites submissions pursuant to section 90(6)(a) of the Act.

The more information we have, the better we can assess the impact of the Proposed Acquisition, but if you are unsure of any questions, or do not have specific knowledge about some of the questions, you can leave them blank. You can also include any other information you think is relevant.

For ease the topics have been split into subtopics relevant to the ACCC's assessment.

Where possible, provide specific examples to support your views. You can choose to illustrate your point with either hypothetical examples or those derived from actual situations.

General

1. Provide a brief description of your business or organisation.
2. Outline the reasons for your interest in the Proposed Acquisition, and any commercial relationship(s) with Brookfield, MidOcean, Origin or any of their subsidiaries (further detailed in **Attachment B**) or any of their investors. Identify the specific product(s) and/or service(s) that you supply to, acquire from or compete against Brookfield, MidOcean and/or Origin.

Market Definition

3. Are the markets identified by the Applicants (detailed at Market Definition in **Attachment B**) the relevant markets in which to assess the Proposed Acquisition?
If not, specify the relevant markets to be considered.

Vertical Relationship – Electricity Transmission and Generation Co-ownership

4. Is it possible for an electricity transmission network operator in Victoria to discriminate against an electricity generator in Victoria through:
 - a. pricing;
 - b. delaying or refusing connections;
 - c. network augmentation;
 - d. strategic de-rating of lines competing generators use;
 - e. investment and maintenance decisions;
 - f. sharing information to benefit a related generator;
 - g. cross-subsidisation between regulated and contestable businesses; or
 - h. other means.

Provide specific examples to support your position where possible.

5. Indicate whether the following regulatory measures are sufficient to remove the ability for an electricity transmission network operator in Victoria to discriminate against (in a manner set out in response to 4 above) an **existing or new electricity generator** in Victoria:
 - a. National Electricity Law;
 - b. National Electricity Rules; and
 - c. Australian Energy Regulator's Transmission Ring Fencing Guidelines

Provide specific examples to support your position where possible.

6. Are the penalties for breaching the regulations listed in item 5 sufficient to deter AusNet from discriminating against Origin's existing or potential generation rivals? To what extent does your

response depend on the extent of Origin's generation capacity in Victoria (currently a 600GW gas-fired plant in Mortlake)?

7. Would the cross ownership of AusNet and Origin deter investment in new generation in Victoria?

Vertical Relationship – Electricity Distribution, Retail and Smart Metering co-ownership

8. Is it possible for an electricity distribution network operator in Victoria to discriminate against an electricity retailer in Victoria through:
 - a. pricing;
 - b. connections or access;
 - c. network augmentation;
 - d. renewal, maintenance and outages;
 - e. load shedding;
 - f. investment decisions;
 - g. sharing confidential information;
 - h. cross-subsidisation between regulated and contestable businesses; or
 - i. other means.

Provide specific examples to support your position where possible.

9. Indicate whether the following regulatory measures are sufficient to remove the ability for an electricity distribution network operator in Victoria to discriminate against (in a manner set out in response to 8 above) an **existing or new electricity retailer** in Victoria:
 - a. National Electricity Law;
 - b. National Electricity Rules;
 - c. Electricity Distribution Code;
 - d. Australian Energy Regulator's Connection Charge Guidelines;
 - e. Electricity Safety Act; and
 - f. Australian Energy Regulator's Distribution Ring Fencing Guidelines.

Provide specific examples to support your position where possible.

10. Are the penalties for breaching the regulations listed in item 9 above sufficient to deter AusNet from discriminating against Origin's existing or potential retail rivals?
11. Does the fact AusNet operates a network in a defined geographic region remove its ability or incentive to discriminate in favour of Origin or against Origin's competitors?
12. Is it possible for Intellihub to discriminate against an electricity retailer through:
 - a. pricing;
 - b. installation;
 - c. sharing confidential information;
 - d. maintenance; or
 - e. other means.

Provide specific examples to support your position where possible.

13. To what extent does your response to item 12 depend on Intellihub's market position (currently there are several smart meter providers in Australia including Vector, Spotless, Yurika, PlusES and Metropolis)?

14. If Intellihub were to only supply Intellihub's smart meters to Origin, what effect (if any) would this have on competition for the supply of smart meters in Australia more broadly?
15. If Origin were to only acquire Intellihub's smart meters, what effect (if any) would this have on competition for the supply of smart meters in Australia more broadly?
16. Does the vertical integration of electricity distribution, electricity retailing, and smart meter installation raise any specific concerns for Commercial and Industrial customers?
17. Does the vertical integration of electricity distribution, electricity retailing, and smart meter installation raise any specific concerns for embedded network customers?

Vertical Relationship – Gas Distribution and Retail co-ownership

18. Is it possible for a gas distribution network operator in Eastern Australia to discriminate against a gas retailer through:
 - a. pricing;
 - b. connections or access;
 - c. network augmentation;
 - d. investment;
 - e. renewal, maintenance and outages;
 - f. sharing confidential information;
 - g. cross-subsidisation between regulated and contestable businesses; or
 - h. other means.

Provide specific examples to support your position where possible

19. Indicate whether the following regulatory measures are sufficient to remove the ability for a gas distribution network operator in Eastern Australia to discriminate against (in a manner set out in response to 18 above) an **existing or new gas retailer** in Victoria:
 - a. National Gas Law;
 - b. National Gas Rules;
 - c. Gas Distribution Code of Practice;
 - d. Australian Energy Regulator's Gas Ring Fencing Requirements;
 - e. Auditing by Energy Safe Victoria;

Provide specific examples to support your position where possible

20. Are the penalties for breaching the regulations listed in item 19 above sufficient to deter AusNet and/or Jemena from discriminating against Origin's existing or potential retail rivals?
21. What, if any, additional ring-fencing requirements could address concerns with vertical integration between gas distribution and retail?
22. Does the fact AusNet and Jemena operate networks in separate, defined geographic regions remove their ability or incentive to discriminate against in favour of Origin or against Origin's competitors?

Vertical Relationship – Electricity Generation and Embedded Networks

23. Does the Proposed Acquisition create any ability or incentive for AusNet to discriminate against Origin's embedded generation competitors?

Horizontal Relationship – Acquisition of LNG interests

24. Does the Proposed Acquisition as it relates to MidOcean's acquisition of Origin's Integrated Gas Business raise any competitive concerns regarding LNG and Eastern Australian Gas supply?

Public Benefits

25. What do you consider are the key challenges to transitioning the National Electricity Market to renewable energy sources?
26. How significant, in the scheme of Australia's net zero targets, is Brookfield LP's proposed investment in 14 GW of renewable generation and storage assets by 2033? To what extent would the Proposed Acquisition quicken Australia's transition to net zero?
27. If the Proposed Acquisition proceeded, how would that impact the development of renewable energy projects by parties other than Brookfield LP?
28. If the Proposed Acquisition did not proceed, how much renewable energy generation do you expect the market to build per year? Provide evidence for your response.
29. To what extent do publicly listed energy companies face greater challenges than private companies in transitioning their business to renewable energy sources, and how difficult are those greater challenges to overcome?
30. Is Brookfield LP better positioned to undertake the development of renewable generation than other investors in renewable generation and storage?
31. What are the benefits of vertical integration between generation and retail, versus investing in renewable generation and supplying to retailers via offtake agreements?
32. Do current and announced state and federal government policies and/or incentives mean Australia is likely to reach its net zero targets regardless of whether the Proposed Acquisition proceeds?
33. What challenges could Brookfield LP face in implementing its green build out strategy following the Proposed Acquisition and how difficult will they be to overcome?
34. Would the benefits claimed outweigh the potential public detriment to the public that would result, or would be likely to result, from the Proposed Acquisition?
35. Are there any other public benefits that are likely to result from the Proposed Acquisition. If so, what is the magnitude of any such benefits?

Public detriments

36. In addition to any competitive detriment that you may have identified in your responses to questions 4 to 24, please outline whether there are any other effects of the Proposed Acquisition that you consider may give rise to a public detriment.

Proposed Undertaking and Potential Additional Undertaking

37. Do you consider that the Proposed Undertaking would address any competition concerns or affect any public benefits or detriments that may arise as a result of the Proposed Acquisition? Why or why not?
38. Do you consider there are any circumvention risks associated with the Proposed Undertaking? Why or why not?
39. Are the proposed obligations to protect Competitively Sensitive Information likely to be effective? Why or why not? Is the proposed definition of Competitively Sensitive Information adequate?
40. Do you consider that the term of the Proposed Undertaking is adequate? Why or why not?
41. Do you consider that the proposed separation and ring-fencing measures are effective? Why or why not?

42. Do you consider that if Senex took a minority interest in MidOcean Energy that this would impact any competitive dynamics, public benefits, or public detriments that may arise as a result of the Proposed Acquisition?
43. Would the potential additional undertaking from MidOcean Energy address any competition concerns associated with Senex's potential minority interest in MidOcean Energy or affect any public benefits or detriments that may arise as a result of the Proposed Acquisition? Why or why not?

Other information or issues

44. Please provide any additional information or comments, or identify other competition or public benefit or detriment issues, that you consider relevant to the ACCC's consideration of the Proposed Acquisition.

Attachment B

The Proposed Acquisition

Brookfield LP and MidOcean propose to acquire 100% of the shares in Origin. Immediately following the acquisition, the Origin business will be separated as follows:

1. **Origin's Energy Markets business:** comprising Origin's energy retailing business, electricity generating assets, energy wholesale and trading business, development assets relating to energy production and storage, its investment in Octopus Energy and its LPG business and domestic gas trading business. Origin's Energy Markets businesses will be acquired by Brookfield LP; and
2. **Origin's Integrated Gas business:** comprising Origin's upstream gas interests and shareholding in Australia Pacific LNG will be retained by MidOcean.

The Proposed Acquisition is conditional on:

1. Foreign Investment Review Board approval;
2. approval by the ACCC or the Australian Competition Tribunal, or a declaration by the Federal Court of Australia that the Proposed Acquisition would not result in a contravention of section 50 of the Act;
3. Shareholder approval;
4. An independent expert report that the scheme is in the best interest of Origin shareholders;
5. Court Approval in accordance with paragraph 411(4)(c) of the *Corporations Act*;
6. There being no material legal restraint or prohibition that would prevent or prohibit the implementation of the Proposed Acquisition;
7. There is no Origin Prescribed Occurrence, material adverse change or regulated event; and
8. Foreign Investment Clearance has been obtained.

The Parties

The Proposed Acquisition involves several corporations with complex corporate structures. A simplified summary has been provided below for ease to indicate relevant areas where affiliate or subsidiary companies hold interests, however for a more fulsome explanation please see part 4 of the Application.

Brookfield

Brookfield LP

Brookfield LP has been established for the purposes of the Proposed Acquisition and it has no activities or operations in Australia. Brookfield LP will be controlled by Brookfield through:

- Brookfield Renewable Partners L.P; and
- the Brookfield Global Transition Fund.

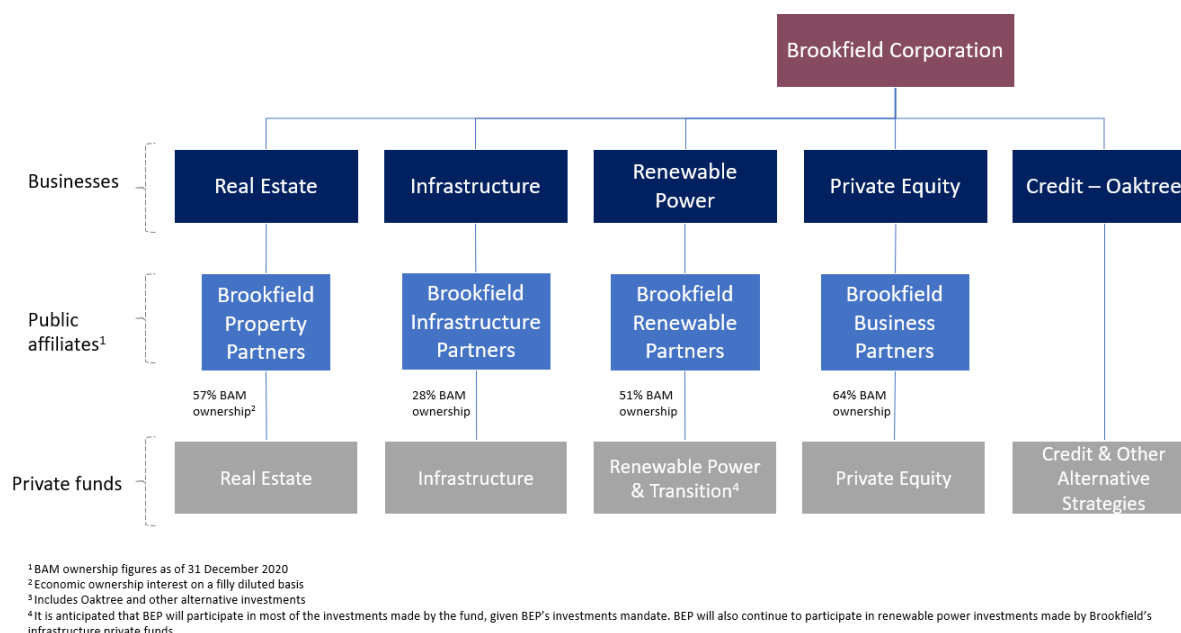
Brookfield LP will also be underwritten by:

- Buckland Investment Pte Ltd;
- Temasek (9.9%); and
- potentially, Reliance Industries Limited.

Brookfield Corporation

Brookfield comprises the ultimate parent Brookfield Corporation, Brookfield Asset Management ULC (**BAM**) and their affiliates (see a simplified structure at Figure 1 below). BAM is the holding company for the Brookfield asset management business. BAM and its subsidiaries provide asset management services including to affiliates of Brookfield Corporation.

Figure 1: Brookfield Corporation



Brookfield Renewable Partners L.P

Brookfield Renewable Partners L.P is one of the world's largest publicly traded renewable power platforms with generating facilities in North America, South America, Europe and Asia and a public affiliate of Brookfield Corporation.

Brookfield Global Transition Fund

Brookfield Global Transition Fund is the world's largest private institutional investment fund dedicated specifically to investing in the global transition to renewable energy. Brookfield's Renewable Power and Transition unit is responsible for sourcing and managing renewable power and transition investments, including those which BGTF ultimately invests in.

Interests of Brookfield Entities

Brookfield, through separate investment vehicles and affiliates, has interests in the following businesses:

- AusNet Services Ltd, an Australian energy delivery services company that owns and operates \$11 billion in electricity and gas network assets including Victoria's principal electricity transmission network, a Victorian electricity distribution network and a Victorian gas distribution network. AusNet also has interests in Mondo Power Pty Ltd and AusNet Transmission Group Pty Ltd;
- Intellihub, an Australian and New Zealand-based smart utility services infrastructure provider that delivers smart metering and data solutions across electricity, gas and water networks;

- X-Elio, a Spanish global renewable energy developer and operator that specialises in the development, construction, financing, operations and maintenance of renewable and sustainable utility scale energy projects. X-Elio has also five solar farm projects in early stages of development: i) Willaville Solar Farm (NSW), (ii) Glen Royal Solar Farm (NSW), (iii) Sixteen Miles Solar Farm (Qld), (iv) Forest Glen (NSW) and (v) Boulka Park Solar Farm (Victoria).

Brookfield also has interests in several renewable and storage projects at various stages of development in Australia.

Buckland Investment Pte Ltd.

Buckland Investment Pte. Ltd. (**Buckland Investment**) is an investment holding company incorporated under the laws of Singapore as a private limited company. Buckland Investment's related entities have interests in in the following businesses:

- Intercontinental Energy, a global dedicated green fuels company and part of the consortium behind the proposed 50 GW Western Green Energy Hub planned for Western Australia's southern coast and the 26 GW Australian Renewable Energy Hub being developed near Port Hedland in north-west Western Australia;
- ACEN Corporation, a renewable developer and operator. It has one solar farm and one advanced project in New South Wales; and
- Intellihub (discussed above).

Temasek

Temasek is an investment company headquartered in Singapore. Temasek's related entities have interests in in the following businesses:

- Jemena, an owner and operator of electricity and gas assets across eastern and northern Australia. Jemena's assets are:
 - a 100% interest in Jemena Electricity Network – an electricity distribution network in Victoria, Jemena Gas Network – a gas distribution network in New South Wales, and the following gas transmission pipelines and hubs:
 - Eastern Gas Pipeline (Vic-NSW), VicHub (Vic)
 - Queensland Gas Pipeline (Qld)
 - Colongra Gas Transmission and Storage Facility (Qld)
 - Atlas Gas Pipeline and Processing Facilities (Qld)
 - Darling Downs Pipeline (Qld)
 - Roma North Gas Processing Facility (Qld)
 - Northern Gas Pipeline (NT-Qld)
 - a 50% interest in Evoenergy – electricity and gas distribution networks in the Australian Capital Territory; and
 - a 34% interest in United Energy – an electricity distribution network in Victoria;
- Zinfra, a firm which delivers engineering, design, construction, field-based maintenance and operating services across energy infrastructure assets in Australia. Zinfra provides services

to transmission and distribution customers within SGSPAA (Jemena, United Energy and Evoenergy) and third party clients (AusNet, TasNetwork and Transgrid). Zinfra does not provide services to retailers; and

- Ovida, a firm which offers distributed energy resources products and services to individual customers and multiple connected customers via the integration of traditional generation or commodity markets. Ovida's distributed energy resources products and services include rooftop solar PV units, battery storage, thermal energy storage, hybrid energy solutions and site energy management technologies.

Reliance

Reliance is the largest publicly traded company in India by market capitalisation and India's largest exporter with diverse investments in energy, materials, retail, entertainment, and digital services. Reliance has publicly committed to enabling up to 100 GW of solar energy in India by 2030. Reliance, through its related entities, has interests in in the following businesses:

- Addverb, an Australian subsidiary of Addverb Technologies USA Inc., a global robotics company providing automation services for supply chain operations;
- Faradion Limited, a firm which specialises in sodium-ion cell battery storage technology including cell materials, cell infrastructure, and safety and transportation. Faradion Ltd has established a joint venture in Australia with ICM Investments called Nation Energie, which supplies batteries for industry and home use;
- Sterling and Wilson Renewable Energy Limited, one of the largest energy, procurement and construction, and operation and maintenance providers globally, providing turnkey solutions for large scale solar projects.

MidOcean Energy

MidOcean Energy is an LNG company formed and managed by EIG to build a diversified, resilient, cost and carbon competitive LNG portfolio. MidOcean Energy does not currently own any assets in Australia, however it is proposing to acquire the following interests from Tokyo Gas Group:

- 5% of Pluto LNG;
- 1.575% of Ichtys LNG;
- 1% of Gorgon LNG;
- 2.5% of Train 2 in Queensland Curtis LNG.

Origin

Origin is an ASX listed energy company. Origin has two core businesses:

- its energy markets business; and
- its integrated gas business.

Energy markets business

Origin's energy markets business is responsible for electricity generation and electricity and gas retailing across Australia including:

- a total existing generating capacity of 7,835 MW, comprising 6,080 MW of own generation and 1,515 MW of contracted renewables and 240 MW from other contracts;
- current development projects include several large-scale solar developments, battery energy storage systems co-located with existing power stations, and expansion of the Shoalhaven pumped storage hydro power plant. Origin is also pursuing opportunities in low-carbon technologies including two projects aimed at developing green hydrogen;
- retail electricity and gas business to residential, business and wholesale customers in Eastern Australia. Origin is one of the three largest retailers in Eastern Australia. Origin also offers high-speed broadband to its retail customers, through a white label agreement with Aussie Broadband.

Integrated gas business

Origin's integrated gas business includes:

- a 27.5% interest in APLNG and its upstream gas fields in the Surat and Bowen basins in Queensland; and
- a number of non-producing, gas exploration interests.

Other interests

Origin also operates, or has interests in, a range of other businesses in future energy, non-energy or energy adjacent sectors, including:

- Octopus Energy, a UK based energy retailer and technology company;
- Gasbot Pty Limited, an Australian-based provider of scalable remote monitoring solutions (hardware and software) for the management and optimisation of gas logistics across LPG distributors' fleet of LPG tanks and cylinders; and
- Gaschem Sydney, Gaschem Brisbane and Gaschem Melbourne. Gaschem is a German-based provider of worldwide shipping services and commercial management for different sizes and types of liquefied gas cargoes.

Market Definition

Electricity markets

In respect of electricity supply, the parties have submitted the Proposed Acquisition involves consideration of:

- a market for wholesale generation and supply of electricity within the NEM but with particular focus on the Victorian region of the NEM;
- markets for the transmission and distribution of electricity defined by the geographic extent of existing networks, together with a separate national market for the supply of contestable transmission and distribution augmentation and connection services (including new transmission lines to serve REZs); and
- state-based markets for retail electricity supply.

Gas markets

In respect of gas supply, the parties have submitted the Proposed Acquisition involves consideration of:

- a market for the wholesale production and supply of natural gas in eastern Australia;
- separate markets for the distribution of gas defined by the geographic scope of existing networks; and
- separate markets for the retail supply of gas within each state.

Smart meters

In respect of smart meters, the parties have submitted there is a separate product market for the supply of smart meters that includes the installation and maintenance of meters and data collection services. That market is at least NEM-wide.

Rationale for the Proposed Acquisition

Brookfield LP

Brookfield Global Transition Fund focusses on creating value for investors through investments that accelerate the global transition to a net zero carbon economy. Brookfield LP submits that a key aspect of accelerating global transition is transforming carbon-intensive businesses, which includes reducing greenhouse gas emissions, increasing low-carbon energy capacity and developing renewable solutions.

Brookfield LP submits Origin's energy markets business is an ideal investment opportunity for Brookfield Global Transition Fund as:

- Origin is currently a carbon intensive business;
- Origin is Australia's largest integrated power generator and retailer (by customer accounts) with low turnover and industry leading cost to serve;
- To enable the closing of Origin's Eraring coal-fired power station, Brookfield LP will accelerate the build out of significant renewables and storage, reducing reliance on a carbon intensive grid and reducing emissions produced by Origin by 70% by 2030; and
- Origin is structurally short on electricity (generating less than it sells) which provides an opportunity for investment in additional generation to meeting Origin's demand.

MidOcean Energy

MidOcean Energy is seeking to build a diversified, resilient, cost competitive and carbon competitive LNG portfolio. MidOcean Energy submits the acquisition of Origin's integrated gas business, in particular its shareholding in APLNG, will create a strong foundation for MidOcean Energy.

Immediately following completion of the Proposed Acquisition, MidOcean Energy intends to sell 2.49% of Origin's 27.5% interest in APLNG to ConocoPhillips.

Origin

Origin submits the Proposed Acquisition is in the best interests of its shareholders with a significant premium to Origin's share price prior to the announcement of the Proposed Acquisition. It will result in:

- Origin being brought into private ownership, which would remove the limitations associated with public shareholder capital and enable acceleration of its capital investment in new renewable energy and storage assets;
- the announcement of at least \$20bn in funding from Brookfield LP for Origin energy markets to build required renewable and storage, which will enable Origin to increase and accelerate its direct investments into renewable and storage assets; and
- the Proposed Acquisition will also provide Origin with access to Brookfield's significant international renewable development expertise and global supply chain relationships allowing renewable and storage projects to be developed more economically and more quickly, increasing the likelihood that more of these developments will proceed in a timely manner.

Impact on competition

The Proposed Acquisition introduces two new entrants: Brookfield LP which currently owns no material electricity generation or energy retail assets in Australia; and MidOcean Energy which currently owns no assets in Australia, although it will acquire Tokyo Gas' very small interests in a number of LNG facilities.

The parties assert the transaction will not result in a substantial lessening of competition in any relevant market. While Brookfield Infrastructure has interests in AusNet and Intellihub which supply Origin and other generators and retailers, the parties submit these incidental vertical relationships will not adversely impact competition.

The parties submit that there will be no ability or incentive on the parties to lessen competition in the following vertical relationships:

- electricity generation and transmission: due to regulation imposed on transmission networks (including ring-fencing guidelines), high levels of transparency and that AusNet and Origin will remain separate companies with separate co-investors and management;
- electricity and gas retailing and distribution: due to regulation imposed on distribution networks (including ring-fencing guidelines), geographic dispersal of Origin's retail customers, high levels of transparency and that AusNet and Origin will remain separate companies with separate co-investors and management;
- smart meters and electricity retailing: due to Intellihub's lack of market power in the supply of smart meters and contractual terms that protect retailers from Intellihub providing poor service or misusing their confidential information.

Claimed public benefits

The parties submit the Proposed Acquisition will allow for a 'green build-out' strategy, involving Brookfield LP developing – via Origin – up to 14 GW of new renewable generation and storage assets by 2033. The parties submit the Proposed Acquisition will also provide the following public benefits:

- Faster and more certain transition – more extensive decarbonisation in Australia through the development and expansion of sophisticated behind the meter solutions for consumers

- Downward pressure on consumer and business prices – reduced and more stable retail energy prices from increased renewable generation that will place downward pressure on wholesale prices over time
- The development of new renewable technologies at a commercially viable scale – e.g., biofuels, carbon capture, hydrogen
- Job creation – support for a local manufacturing industry that will contribute to manufacturing components and parts for renewables development in Australia, particularly wind and batteries, and building local expertise
- Development and funding of 'behind the meter' solutions to meet growing consumer demand and facilitate decarbonisation in Australia, such as Origin Zero and Origin Loop, energy as a service and similar products
- Growth in Australia's renewable power industry, through partnerships with various third parties at different stages of the supply chain.

Attachment C

Key obligations in the Proposed Undertaking

- Clause 3.2 – This Undertaking will terminate upon the date on which the earliest of the following events occurs:
 - a) directors appointed by Brookfield Super-Core Infrastructure Partners (**Brookfield Infrastructure**) cease to control simple majority decisions of the board of Australian Energy Holdings No 1 Pty Ltd (**AEH**, the ultimate parent entity of AusNet Pty Ltd) and its Subsidiaries, including AusNet; or
 - b) directors appointed by Brookfield Global Transition Fund (**BGTF**) and Brookfield Renewable Partners LP (**BEP**) cease to control simple majority decisions of the board of Brookfield LP and its Subsidiaries, including companies within Origin Energy Markets.
- Clause 4.1 – Brookfield Manager undertakes to procure that it will not appoint as a director or secretary of AEH or any of its Subsidiaries, including AusNet, any person who is a director or secretary or employee of Origin Energy Markets.
- Clause 4.2 – Brookfield LP undertakes to procure that from the Control Date no person will be appointed or hold an appointment as a director or secretary of any company forming part of Origin Energy Markets who is a director or secretary or employee of AEH or any of its Subsidiaries, including AusNet.
- Clause 5.1 – Brookfield Manager undertakes to procure that from the Control Date:
 - a) no person will be employed by AusNet or any of its Subsidiaries who is also employed by Origin Energy Markets;
 - b) AusNet and its Subsidiaries will have a separate information technology system from Origin Energy Markets; and
 - c) no employee of Origin Energy Markets will be able to access the information technology system of AusNet and its Subsidiaries or information stored on that system.
- Clause 5.2 – Brookfield LP undertakes to procure that from the Control Date:
 - a) no person will be employed by Origin Energy Markets who is also employed by AusNet or any of its Subsidiaries;
 - b) Origin Energy Markets will have a separate information technology system from AusNet and its Subsidiaries; and
 - c) no employee of AusNet and its Subsidiaries will be able to access the information technology system of Origin Energy Markets or information stored on that system.
- Clause 6.1 – Subject to clause 6.2, the Undertaking Signatories undertake to procure that from the Control Date:
 - a) no person involved in the management of Brookfield's interest in AusNet on a day-to-day basis (**Brookfield AusNet Supervisory Employees**) is also involved in the management of Brookfield LP's interest in Origin Energy Markets; and

- b) no person involved in the management of Brookfield's interest in Origin Energy Markets on a day-to-day basis (**Brookfield Origin Supervisory Employees**) is also involved in the management of AEH's interest in AusNet.
- Clause 6.2 - The following personnel will not be Brookfield AusNet Supervisory Employees or Brookfield Origin Supervisory Employees:
 - a) any person in a senior management position with oversight of persons involved in the day-to-day operations identified in clause 6.1(a) and 6.1(b), including persons with responsibility for the management of Brookfield's interests on a global or regional geographic basis; and
 - b) any person primarily involved in administrative, accounting, legal, treasury, IT, Human Resources or other service functions that are ancillary to the management of Brookfield's interests in the Origin Energy Markets and AusNet.
- Clause 6.3 – The Undertaking Signatories undertake to procure that from the Control Date:
 - a) Brookfield Origin Supervisory Employees will not be able to access Competitively Sensitive Information of AusNet that is held by AEH or AusNet.
 - b) Brookfield AusNet Supervisory Employees will not be able to access Competitively Sensitive Information of Origin Energy Markets that is held by Brookfield LP or Origin Energy Markets.
 - c) an effective information technology system and security measures will be established and maintained to safeguard Competitively Sensitive Information from unauthorised access, use, copy or disclosure in breach of clause 6.3(a) and 6.3(b) above.
- Amongst other obligations, the Proposed Undertaking also places an obligation on the Undertaking Signatories to appoint an ACCC-approved independent auditor to monitor and report to the ACCC on compliance with the Proposed Undertaking.