

19 May 2020

Michael Drake
Director, Adjudication
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Lodged via email: adjudication@accc.gov.au

Dear Mr Drake

Re: AEMO application for authorisation AA1000484 – interim authorisation decision

Thank you for the opportunity to comment on the Australian Energy Market Operator's application for authorisation made under s88(1) of the *Competition and Consumer Act 2010* (the Application).

A safe and reliable energy sector is in the public interest during the COVID-19 pandemic and beyond. In response to any significant event, ATCO would be a willing participant to support any remediation efforts.

ATCO considers that the proposed conduct set out in the Application allows relevant bodies to discuss, agree or engage in conduct that aligns with this principle.

In response to the pandemic, ATCO have taken various practical steps to protect the ongoing operations of our gas distribution network in WA, our power stations in Karratha (WA) and Osborne (SA), and Source Energy Co. customers in WA. This has included action to:

- Encourage and support our teams to work from home, where possible, and take precautions to protect their own health and that of the community
- Review and monitor supply chain management to ensure commitments to our customers and the community can be met
- Adjust capital and maintenance programs in our gas network for 2020 to accommodate social distancing measures by deferring non-essential customer facing works and bring forward some maintenance/replacement work to take advantage of reduced activity in high traffic/pedestrian areas such as the central business district and tourist zones
- Reach out to other generators to ensure sufficient staff coverage in remote locations
- Support our essential workers to ensure continuity of safe gas delivery.

These actions have been taken in consultation with various government bodies and other energy and utility service providers. ATCO welcomes the co-operation with other industry participants the proposed authorisation would permit, to ensure the safety, security and reliability of Australia's energy systems and support continued energy supplies to the economy and community throughout the pandemic.

ATCO considers that the authorisation should apply for the duration of the pandemic or until the Government relaxes social distancing measures, and that the conditions in the interim authorisation are appropriate.

ATCO will continue to monitor the situation and adapt our business practices to support the economic recovery as restrictions on the community are relaxed.

About ATCO

ATCO has been proudly operating in Australia and providing employment opportunities for almost 60 years. ATCO is a customer-focussed global company that develops, builds, owns and operates a range of energy infrastructure assets, supporting residential, business and commercial consumers. ATCO is committed to investing in its people, innovation and technology to drive leading-edge application-based research.

In Australia, ATCO:

- owns and maintains the largest (Mid-West and South-West) gas distribution network in Western Australia, together with two non-regulated gas distribution networks in Albany (LPG) and Kalgoorlie (natural gas), servicing over 760,000 connections through more than 14,000 km of natural gas pipelines and associated infrastructure;
- owns an exempt retailer (Source Energy Co.) in the Wholesale Electricity Market that provides electricity to around 500 embedded network customers in strata developments through a combination of solar photovoltaic systems, grid purchases and battery storage;
- owns and operates two power generation facilities (a joint-owned facility in Adelaide and a wholly-owned facility in Karratha) with a combined capacity of 266 MW;
- is drawing on its established expertise in natural gas to explore the future role of hydrogen through a number of projects, including the s Clean Energy Innovation Hub (an embedded hybrid microgrid system that incorporates renewable solar generation, battery storage, natural gas backup generation), are working in collaboration with Fortescue Metals Group to establish a hydrogen refuelling facility at the Hub, and are currently conducting a feasibility study into the development of a commercial scale renewably hydrogen production facility (Clean Energy Innovation Park); and
- manufactures and delivers modular building solutions to a diverse group of customers.

ATCO's Australian businesses are part of the worldwide ATCO Group with approximately 6,000 employees and assets of \$24 billion. ATCO is a diversified holding corporation with investments in Structures & Logistics (workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management), Energy infrastructure (electricity generation, transmission and distribution; natural gas transmission, distribution and infrastructure development; energy storage and industrial water solutions; and electricity and natural gas retail sales), Transportation (ports and transportation logistics) and Commercial Real Estate.

If you have any questions or would like to discuss any of these issues, please contact me or Hugh Smith, General Manager, Regulation and Energy Policy.

Yours sincerely



J.D. Patrick Creaghan
Managing Director & Chief Operating Officer