



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC TO CONSULT MARKET ON PROPOSED UNDERTAKING FROM AGL

The Australian Competition and Consumer Commission today commenced market consultation on a proposed undertaking offered by AGL Energy Limited (AGL) in relation to its proposed acquisition of the business and assets of Macquarie Generation.

On 6 February 2014, the ACCC published a Statement of Issues outlining its preliminary view that the proposed acquisition is likely to result in a substantial lessening of competition in the market for the retail supply of electricity in NSW as a result of reduced access to competitively priced and customised hedge contracts. The ACCC also expressed a preliminary view that the proposed acquisition may result in a substantial lessening of competition in one or more markets for the wholesale supply of electricity in NSW, Victoria and South Australia.

On 17 February 2014, AGL offered the ACCC a proposed undertaking, which seeks to address the ACCC's competition concerns in relation to the retail supply of electricity in NSW. However, the undertaking does not seek to address the ACCC's preliminary concerns in relation to the wholesale supply of electricity.

The ACCC has previously indicated that it anticipates making a final decision in relation to the proposed acquisition on 4 March 2014, in part, to facilitate finalisation of the review within the commercial timing constraints of AGL and the New South Wales Government.

"Given the extremely short timeframe for consideration of the proposed acquisition, the ACCC has taken the unusual step of releasing AGL's proposed undertaking for market consultation prior to internal ACCC review and consideration." ACCC Chairman Rod Sims said.

"While the ACCC has decided to commence market consultation in relation to the undertaking, I want to make it clear that the ACCC has yet to consider the detail of the proposed undertaking and has not formed any view on whether it is capable of resolving, or necessary to resolve, competition concerns arising from the proposed acquisition", Mr Sims said.

The ACCC now seeks views from market participants to assist its consideration of the proposed undertaking and in determining whether the proposed undertaking would be likely to alleviate the ACCC's potential competition concerns.

Following market consultation the ACCC will make a final decision on the competition effects of the proposed acquisition and whether to accept or reject the proposed undertaking.

Parties wishing to make submissions should do so by 25 February 2014. The ACCC intends to make its final decision on 4 March 2014.

Public register: [AGL Energy Limited – proposed acquisition of Macquarie Generation assets in NSW](#)

Media inquiries

ACCC Media 1300 138 917

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