

Co-operation to support reliable energy sector authorised

3 April 2020

The ACCC has granted interim authorisation to the Australian Energy Market Operator Limited (AEMO) to allow gas and electricity industry participants to co-operate on measures to ensure secure and reliable energy supply and integrity of wholesale markets during the COVID-19 pandemic.

The energy sector participants are authorised to undertake measures, including those deemed necessary to minimise the risk of outages, and share resources if necessary to maintain and operate energy infrastructure and coordinate repairs and maintenance. The interim authorisation also allows AEMO to commence work on a set of pressing issues while the ACCC considers the application further.

The need for cooperation was raised at the recent COAG Energy Council. The newly formed Energy Coordination Mechanism, a group of government and industry leaders, including the AER, will be informed about key measures taken. Under the authorisation, the ACCC will also be informed of such measures.

“The continued energy supply is essential both for industry and the community, and we agree that co-operation is required during this difficult time, to prepare for any potential issues that could disrupt supply,” ACCC Chair Rod Sims said.

“However, the parties are not allowed to form any agreements about the wholesale or retail price of energy or share confidential information on pricing or profits.”

Agreements entered into under the authorisation cannot last longer than the COVID-19 pandemic necessitates.

“We need to make sure that coordination undertaken in response to the pandemic does not have adverse effects into the future.”

The conduct authorised on an interim basis will allow AEMO and industry participants to commence work immediately.

AEMO is also seeking interim authorisation for broader conduct. Given the complexity of the energy markets and the breadth of the proposed conduct, the ACCC will consider separately whether it is appropriate to grant interim authorisation for the full range of conduct sought by AEMO.

The ACCC will be particularly interested in understanding how the proposed conduct affects smaller participants in the market, and seeks input from these stakeholders now and over coming weeks and months.

“We have worked hard on implementing measures to ensure greater affordability of electricity and greater transparency in relation to gas prices, and we will continue to keep a close eye on how any measures might impact this in the future and will carefully consider the broader application,” Mr Sims said.

More information, including the ACCC's statement of reasons, is available at [Australian Energy Market Operator \(AEMO\)](#).

Background

ACCC authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010.

Section 91 of the Act allows the ACCC to grant interim authorisation when it considers it is appropriate. This allows the parties to engage in the proposed conduct while the ACCC is considering the merits of the substantive application.

Broadly, the ACCC may grant an authorisation when it is satisfied that the likely public benefit from the conduct outweighs any likely public detriment.

The ACCC may review a decision on interim authorisation at any time, including in response to feedback raised following interim authorisation.

AEMO manages electricity and gas markets and systems across Australia to ensure a reliable, secure, affordable and sustainable energy system. Its members include government and industry participants.

Electricity industry participants that might qualify for the interim authorisation include electricity generators, retailers, network service providers, metering service providers, and many other industry specific service providers. Gas industry participants that might qualify include producers, traders, retailers, storage providers and many other industry specific service providers.

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