

Manager
Energy Markets Unit
Infrastructure Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: ESCSecretariat@treasury.gov.au

Wednesday, 12 June 2013

Dear Sir / Madam

Australian Securities and Investments Commission Amendment Regulations 2013 (No. 1)

GDF SUEZ Australian Energy (GDFSAE), formerly International Power-GDF SUEZ Australia, appreciates the opportunity to provide this submission to The Treasury on the Commonwealth Government's proposed amendment to the Australian Securities and Investments Commission Regulations 2001 allowing the disclosure of information to the Energy Security Council (ESC). GDFSAE is wholly owned by GDF SUEZ S.A. and is a business line of GDF SUEZ Energy International.

In Australia, GDFSAE owns and operates 3,500MW (gross) of renewable, gas-fired and brown coal-fired plants in Victoria, South Australia and Western Australia. GDFSAE also includes the second tier retailer Simply Energy which has more than 300,000 electricity and gas accounts in Victoria, South Australia and New South Wales.

GDFSAE does not support the proposed amendment regulation for the reasons set out below.

ASIC has access to a range of commercially sensitive information which companies would not be prepared to share with other entities. ASIC is governed by specific regulations which restrict how ASIC uses commercially sensitive information. This provides assurance to companies that their commercially sensitive information is treated appropriately by ASIC. If this information is then provided to the ESC who is not bound by similar regulations as ASIC, companies will no longer have assurances that their commercially sensitive information is being appropriately managed.

GDFSAE does not believe that either ASIC or the ESC could come to any meaningful conclusion about an electricity participant's overall financial health based on the information available to ASIC. In response to the ASIC consultation paper CP 205 – Derivatives Transaction Reporting¹, GDFSAE's submission noted the range of risk management techniques used by electricity industry participants, and explained that it would be very difficult for an outside entity to make any meaningful assessment of a participant's financial status without a full understanding of a range of company specific details.

GDFSAE also question the need for ASIC to provide ESC with financial information. As understood by GDFSAE, in carrying out their assessment of a generator's eligibility for a loan, the ESC would receive

¹ GDFSAE submission to CP 205 Derivative transaction reporting available at <http://www.asic.gov.au/asic/asic.nsf/byheadline/CP205-Derivative-transaction-reporting--submissions?openDocument>

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relevant information directly from the applicant, and there would be no need for the ESC to rely on information sourced from ASIC. Furthermore, it is not clear to GDFSAE why the ESC would require commercially sensitive information from ASIC in order to perform its energy security role.

Please do not hesitate to contact me on 03 9617 8331 or by email at chris.deague@gdfsuezau.com if you have any questions or would like further information in relation to these matters.

Yours sincerely,



Chris Deague
Senior Market Specialist