



energy supply association of australia

annual review 2007–2008

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esaa Purpose

The Energy Supply Association of Australia (esaa) seeks to positively influence government policy decisions to ensure that Australia enjoys the benefits of a safe, secure, reliable, sustainable and competitively priced electricity and natural gas supply.

esaa Strategic Policy Objectives

To ensure Australia enjoys the full benefits of energy market reform, esaa policy and advocacy will focus on achieving:

- 1 Open, competitive energy markets, nationally consistent and free from distortions as the corner-stone of Australia's stationary energy supply system.
- 2 Economically efficient, incentive based regulation of the monopoly parts of the system to facilitate competitive market outcomes, timely investments and reliable energy supply.
- 3 A reliable and sustainable energy supply system, where greenhouse gas emissions reductions are achieved at least-cost through rational policy settings and measures that are national, long term and complementary to competitive market arrangements.
- 4 Nationally consistent and transparent market and regulatory settings that promote the efficient growth and development of the energy supply industry.

Profile

The Energy Supply Association of Australia (esaa) is the peak industry body representing the policy views of the downstream natural gas and electricity sectors in Australia.

esaa is governed by a Board of Directors elected from the Chief Executives of the member businesses. The policies and views of the Association are determined by the Chief Executives of member businesses at twice-yearly meetings, known as CEO Forums.

Through its staff and Chairman of the Board, the Association engages with Federal, State and Territory Governments on the member-determined strategic policy issues that directly impact on the ability of the industry to deliver competitively-priced electricity and natural gas in a safe, secure, reliable and sustainable manner.

esaa has a team of 13 staff experienced in energy market and environment policy analysis, government advocacy and communication. The team is involved in a wide range of issues including greenhouse gas abatement policy, competitive energy market design and operation, efficient economic regulatory frameworks and taxation policy initiatives that are specific to the energy industry.

esaa also maintains a comprehensive range of data on the stationary energy industry in Australia from which it develops policy positions for the industry.

esaa produces a range of regular member-oriented communications including newsletters, member bulletins and an annual statistical publication. The Association promotes its policies and activities through professional communication and advocacy activities.

Chairman's review

The past year has been characterised by change.

The November 2007 Federal election resulted in a change of government for Australia and important new policy directions for the stationary energy industry. The new Australian government was elected with a mandate to implement in 2010 an emissions trading scheme, together with an expanded national renewable energy target equivalent to 20 per cent of electricity load at 2020. This policy direction was largely consistent with the position that esaa had been advocating and in a most welcome development, the new government also indicated that it would work with the States to remove duplicative measures in this area with the national arrangements replacing many State-by-State schemes.

The election of the new Australian Government also meant that esaa had to establish – in some cases, re-confirm – relationships with new Ministers and their staff as well as some senior officials in the Federal bureaucracy. This has been achieved and open and productive working relationships with the new Government are in place. This was demonstrated at a very early stage with the Minister for Resources and Energy, the Hon Martin Ferguson speaking frankly at the February 2008 CEO Forum during the first week of sitting of the new Government. The Minister for Climate Change and Water, Senator the Hon Penny Wong also met with the Board of Directors in her Adelaide office in April 2008, establishing an open line of communication on the critical issue of the development of the emissions trading scheme.

Equally important are the relationships with the Federal Opposition. Again, esaa is well placed here with a strong relationship with the Hon Greg Hunt, Opposition spokesperson on Climate Change, Environment and Water while the Hon Malcolm Turnbull has also had significant interface with the Association on climate change policy matters.

Relationships at a State and Territory Government level are crucial in the stationary energy sector. Again esaa is well recognised around all of the jurisdictions and continues to enjoy a high degree of involvement with the relevant bureaucracies and Ministers, including the Ministerial Council on Energy. Perhaps most pleasingly, esaa through the efforts of the Secretariat, has a renewed recognition in WA where with the implementation of competitive market arrangements there is a much greater opportunity for esaa to contribute to the market and regulatory policy arrangements and issues in that State.

Relationships however are only valuable if they lead to positive results for the industry. In 2007-08 esaa delivered for its members in several high priority areas.

The decision by the Council of Australian Governments to establish an Australian Energy Market Operator to integrate the activities of NEMMCO, GMS and REMCO provided esaa with the opportunity to achieve a position held since February 2005: that the industry should ideally own the market operator(s) and at least there should be a skill-based, independently appointed Board of Directors. Both were largely

achieved through determined esaa effort. Governments agreed to an independent, skill-based Board for AEMO where the directors were selected by a Panel appointed by the participating governments and the energy supply industry. In addition, Governments agreed to ownership of the AEMO being split; 60 per cent government and 40 per cent the energy supply industry. These new arrangements will come into effect from 1 July 2009.

Also during 2007-08, esaa further refined its principles for an emissions trading scheme. This was combined with the commissioning and release of economic modelling that reported on the likely effects on the electricity and downstream natural gas sectors from the implementation of the 20 per cent renewable energy target and two possible emission reduction scenarios at 2020. The modelling and principles were very well received by governments and other stakeholders and became the benchmark for discussions on the likely impacts on the energy sector of an emissions trading scheme. This work was used in extensive submissions to the Garnaut Review and while that review took exception to one of esaa's policy principles – that significantly adversely financially affected assets should receive transitional assistance – the principles for an emissions trading scheme were largely reflected in Professor Garnaut's findings and recommendations. Though it was released in July 2008, just after the end of the 2007-08 year, the Government's Carbon Pollution Reduction Scheme Green Paper proposed an emissions trading scheme that is consistent with esaa's emissions trading design principles, a solid endorsement of the work of the Association and its success in communicating on this important issue.

Testament to the breadth of the services that esaa provides to its members, the Association's taxation policy program continued its effective work on a range of issues specific to the electricity and gas industries. These were augmented with a new project on the taxation implications of introducing an emissions trading scheme. esaa was one of the first Associations to recognise this important area of work and in conjunction with its consultants is at the forefront of thinking in this area, making it perfectly placed to seamlessly deal with the development of the CPRS and the associated taxation policy requirements.

There remain many other areas of work where satisfactory resolution has yet to be reached. The removal of retail price controls in otherwise competitive market environments is key among them. We are encouraged by the results in Victoria of the AEMC review of retail competition and the indications from the Victorian Government that they will remove retail price controls in 2009. esaa will continue to urge other States to follow Victoria's lead on retail price control reform.

The next few years will continue to present challenging policy issues for esaa to address and resolve with governments. I am confident that with the strong support of the Chief Executives of the member businesses and the professional staff of the Secretariat, esaa will continue to build on its track record of credibility and success.

Grant King
esaa Chair

The energy industry: facts in brief

- As at 30 June 2008 esaa represented 44 Full Members, two New Zealand-based Affiliate Members, and 107 Associate Members.
- esaa Full Member businesses had some \$121 billion in assets and infrastructure investment in 2004–05, according to the Australian Bureau of Statistics.
- In 2006–07, the electricity and downstream natural gas supply industry contributed 1.5 per cent of Australia's Gross Domestic Product of \$953 billion.
- Australia's energy supply industry employed more than 49,000 people during 2006–07.

Electricity

- Australia's electricity supply industry contribution to GDP in 2006–07 was \$13.1 billion or 1.4 per cent.
- The sector's total assets amounted to almost \$109 billion in 2004–05.
- Installed capacity comprised 47,400 MW in grid-connected capacity and a further 4,200 MW in embedded and non-grid capacity.
- Total greenhouse gas emissions were 194 mtCO_{2-e} in the 2005 inventory year.
- Electricity transmission and distribution comprises 884,000 circuit kilometres.
- There are more than 9.68 million electricity connections throughout the country.
- Average electricity supply reliability in 2006–07:
 - The average time each customer was without supply in the year was 281.66 minutes.
 - The number of interruptions per customer was 2.28.
 - The average number of minutes per interruption was 123.37.
- Total principal electricity generation in 2006–07 was 226,600 GWh, comprising 56.7 per cent from black coal, 24.5 per cent from brown coal, 12.2 per cent from natural gas, 6.1 per cent from hydro, and 0.6 per cent from oil and other fuels.
- Consumption by sector:
 - Residential – 27.8 per cent
 - Commercial – 22.4 per cent
 - Metals – 18.0 per cent
 - Aluminium smelting – 11.6 per cent
 - Manufacturing – 9.2 per cent
 - Mining – 9.1 per cent
 - Transport and storage – 1.0 per cent
 - Agriculture – 0.8 per cent.

Natural gas

- Australia's natural gas supply industry contribution to GDP in 2006–07 was \$1.4 billion or 0.1 per cent.
- The sector's total assets amounted to more than \$12 billion in 2004–05.
- Australia has a total of 143,000 PJ of proved and contingent natural gas reserves as at December 2005.
- Total natural gas production in Australia in 2006–07 was 2,089 PJ.
- Total natural gas transmission and distribution pipeline length is approximately 107,000 kilometres.
- There were more than 3.9 million natural gas connections throughout the country.
- There was an average of 0.09 unplanned outages per 1,000 customers.
- Primary natural gas consumption was 1,115 PJ comprising:
 - Electricity generation – 35.0 per cent
 - Manufacturing – 32.9 per cent
 - Mining – 14.1 per cent
 - Residential – 11.3 per cent
 - Commercial – 3.6 per cent
 - Transport and storage – 3.1 per cent
 - Agriculture – < 0.05 per cent.

esaa activities: 2007-08

CEO Forums

The Chief Executives of esaa's member businesses meet twice each year to consider the strategic policy positions of the Association and to agree on the work program. CEO Forums were held in October 2007 and February 2008.

The October 2007 CEO Forum agreed the policy principles and positions that the Association should use to test and support national emissions trading design proposals generally and a number of key transitional issues that will be critical to the effective implementation of a national emissions trading scheme. The CEO Forum considered further development of the Association's positions on greenhouse gas emissions policy and efficient energy markets.

The February 2008 CEO Forum – the first since the new Government was elected in November 2007 – was addressed by key Federal politicians including the Federal Minister for Resources, Energy and Tourism the Hon Martin Ferguson AM MP, the then Shadow Minister for Resources, Energy and Tourism, Senator the Hon David Johnston, and the Shadow Minister for Climate Change, Environment and Urban Water, the Hon Greg Hunt MP.

The Forum was held over two days and considered further development of the Association's positions on greenhouse gas emission policy, efficient energy market policy, and ongoing work on esaa taxation projects and esaa environmental codes.

Members agreed on the new statement of Purpose and Strategic Policy Objectives for the Association (see page 3).

Policy development

Project committees of member Chief Executives oversee esaa policy development activities. The Secretariat work program was led in 2007-08 by two committees dealing with Greenhouse Gas Emissions Policy and Efficient Energy Markets. esaa continued a strong, well informed policy advocacy program underpinned by the collective input from member businesses and the analytical, reform and policy expertise of the Secretariat team.

Throughout the year, esaa participated in a number of government inquiries and made submissions to a broad range of energy market reform and climate change mitigation program activities based on the principles and positions agreed by the member businesses. Submissions were supported by the Secretariat's well developed relations and interactions with governments and government agencies.

Greenhouse Policy

Modelling the impact of an emissions trading scheme

With the new Federal Government focussing strongly on climate change issues and progressing a national emissions trading scheme, esaa assured an informed

advocacy program by commissioning ACIL Tasman to undertake economic modelling that examined the potential impacts of an emissions trading scheme on the stationary energy supply system in Australia.

The modelling measured real price changes in electricity and gas, along with the level of new investment that would be required, in response to greenhouse gas emissions reduction targets of 10 and 20 per cent below 2000 level emissions by 2020.

The study found that an ETS is an effective greenhouse gas abatement policy tool that can deliver least-cost abatement, but that real energy costs for consumers may rise significantly to achieve this. Relative to business as usual projections, the 10 and 20 per cent emissions reduction targets increased:

- real electricity tariffs by approximately 24 per cent and 28 per cent respectively.
- real wholesale electricity prices by between 25 and 55 per cent under the 10 per cent target in the various regions of the National Electricity Market, and by between 25 and 68 per cent under the 20 per cent target. In the South West Interconnected System, wholesale electricity prices increased by 90 and 106 per cent under the 10 and 20 per cent emissions reduction targets respectively.

Natural gas prices increased under all scenarios due to stronger links to the global market, and higher gas-fired generation and production costs.

In considering the Federal Government's proposed expanded Renewable Energy Target, the modelling suggested that an expanded target could add approximately five per cent in real terms to retail tariffs by 2020.

The study found that in response to these increased prices, the overall increase in demand to 2020 was 12 and 14 per cent lower under the 10 and 20 per cent emissions reductions targets than the projected business as usual growth.

An exponential and unprecedented increase in the level of investment required to transition to a lower-carbon energy system was highlighted by the ACIL Tasman analysis. Based on the results of the modelling, an ETS could strand several existing large scale capital investments and reduce the value of many others. To replace this investment, meet the projected load growth and achieve the emissions reductions targets, a threefold increase in electricity generation investment could be required; from approximately \$13 billion in the business as usual case to \$33 billion and \$36 billion to achieve the 10 and 20 per cent emissions cuts respectively. The results of the modelling also highlighted the need for a planned and nationally coordinated approach to investment in transmission and distribution networks.

The Secretariat carried out comprehensive briefing of Federal Ministers, government representatives and esaa members prior to the public launch of the report. The modelling received considerable media coverage following its launch in July 2008 – especially as the analysis was the first to provide a detailed understanding of the impacts on the sector.

In addition to the modelling work by ACIL Tasman, esaa engaged KPMG to assist with the identification of taxation issues associated with the introduction of an ETS and the development of preferred positions.

Renewable Energy Target

The new Federal Government committed to expanding the Mandatory Renewable Energy Target to 45,000 gigawatt hours per year by 2020 and then phasing it out between 2020 and 2030 as emissions trading is fully implemented. esaa advocated strongly to the relevant State Governments that they cease development of new state-based targets. The Federal Government has committed to reduce the regulatory burden by bringing existing state-based targets into a single, national scheme – the design of which is still under consideration by the Government.

Energy Efficiency Measures

The Council of Australian Governments has committed to a single national coherent and streamlined set of climate change measures to complement a national emissions trading scheme. As such, esaa advocated to the South Australian Government that state-based schemes with energy efficiency measures, such as the Residential Energy Efficiency Scheme, should be avoided and rather than pursuing unilateral measures, the Association encourages State Governments to focus on achieving an efficient, national framework of measures to complement an ETS through the COAG process.

Demand Side Participation

The Australian Energy Market Commission is conducting a three stage review of Demand Side Participation in the National Electricity Market. esaa raised its concern with the AEMC about the ability of the demand-side to participate more effectively in the NEM as a result of the impact of Government climate change policies including the introduction of a national emissions trading scheme and expanded Mandatory Renewable Energy Target, along with a range of state-based renewable energy and energy efficiency targets which will inevitably lead to significant upward pressure on electricity prices. esaa continues to advocate that unless consumers on regulated tariffs are exposed to such price signals, any demand-side response is likely to be muted.

Retail Price Regulation

esaa supports the development of open, competitive national energy markets free from distortions as the corner-stone of Australia's stationary energy supply system. The Council of Australian Governments agreed in June 2006 that States would consider phasing out the exercise of retail price regulation for electricity and natural gas where effective retail competition could be demonstrated. The Australian Energy Market Commission was tasked with the assessment process from 1 January 2007 starting with jurisdictions most likely to have effective competition.

esaa commended the AEMC's proposal to phase out retail price regulation in Victoria, given the proven competitive nature of the energy market and the significant benefits that have accrued to Victorian consumers as a result.

Following the release of the AEMC's draft report on the South Australian market, esaa advocated that given the demonstrable effectiveness of retail competition in South Australia and the significant challenges facing the energy supply sector over the coming decades, the AEMC should adopt the draft report's findings in full and provide advice to the Ministerial Council on Energy recommending the efficient phasing out of retail price regulation.

The Association continues its drive for open and competitive energy markets supported by an esaa-commissioned study by consultants CRA International that found price regulation in contestable retail energy markets confers little or no public benefit but imposes considerable direct and indirect costs.

The Productivity Commission completed an inquiry on behalf of the Government into Australia's consumer policy framework which recommended the removal of retail price caps. esaa fully supported recommendations directly related to energy services:

- A single consumer protection regime for energy services applying to all jurisdictions in the National Electricity Market.
- Removal of retail price caps following implementation of a single consumer protection regime for energy services. Welfare of hardship customers should be addressed through transparent community service obligations, supplier-provided hardship programs, or other targeted mechanisms that are monitored regularly for effectiveness.
- Establishing a national energy and water ombudsman that incorporates relevant existing State and Territory Alternative Dispute Resolution bodies.

New Market Operator

In April 2007, the Council of Australian Governments agreed to establish a national energy market operator for both electricity and gas, encompassing a new national transmission planning function.

esaa was successful in leading the call for an independent process to appoint the Board of the Australian Energy Market Operator. The Association was also instrumental in ensuring a level of industry membership of the AEMO which resulted in a 60:40 Government/industry ownership. esaa argued that to maximise good governance and increase the benefits of a national energy market operator, the AEMO must be accountable for its actions to the industry as well as governments.

The Association successfully advocated for the National Transmission Planning function to be located within the proposed AEMO and to be governed by the AEMO Board. esaa also successfully argued that the scope and coverage of the functions of the proposed NTP function should be designed broadly enough to give the planner adequate discretion to comply with the COAG directive for optimised investment between transmission and generation across the power system.

Competition Regulation

In June 2008, the Ministerial Council on Energy released its policy response paper on a framework for the transfer of the remaining, largely non-economic, functions of distribution and retail regulation to the national framework. esaa argued the need for a firm timeframe for the transfer of functions with appropriate incentives for jurisdictions to actually transfer functions to the new framework. esaa also questioned the policy rationale for the proposed enhanced regulatory powers for the Australian Energy Regulator. The Association argued that the changes introduced under the National Energy Customer Framework apply across the National Electricity and Gas Law and Rules, so there was a concern that any expansion of regulatory powers could have impacts on other market participants to which the NECF was not intended to apply.

Northern Territory Regulatory Arrangements

In April 2007, the Council of Australian Governments requested the Northern Territory Government to consider the merits of adopting the institutional framework established through the Australian Energy Market Agreement for the Territory's electricity industry. esaa supported the Northern Territory adopting the institutional and regulatory arrangements set out in the AEMA to foster greater competition and efficiency in the electricity market and broadly endorsed the draft findings outlined in the Policy Paper.

Taxation

Taxation issues relating to the energy supply sector are monitored by the Secretariat with input and guidance by the Association's Taxation Managers' Network. The Network met in Brisbane in October 2007 and Melbourne in March 2008. The meetings also provide a forum for Tax Managers to draw on the collective expertise of the industry and further develop relationships with industry peers.

esaa began working with KMPG in 2007 to assist with the identification of taxation issues associated with the introduction of an ETS and the development of preferred positions. The project built on esaa's high level policy position that the taxation treatment should be neutral and not introduce distortions.

In the lead up to the release of the Government's Green Paper on the proposed Carbon Pollution Reduction Scheme, esaa participated in consultation sessions with Federal Treasury focussing principally on:

- the tax treatment of free permits and/or cash compensation provided to generators under the proposed Electricity Sector Adjustment Scheme
- tax timing issues under the proposed income tax treatment and accounting methods for permit acquisition, sale, banking and acquittal
- the tax treatment of penalties and the price cap mechanism
- GST treatment of permit transactions.

On other tax matters, esaa continued engagement with the Australian Taxation Office in discussions about the appropriate income tax treatment of direct internal labour costs incurred on self constructed depreciating assets. This has been a long-standing, industry-wide issue the Association has been seeking to clarify with the ATO. A meeting was held at esaa's offices in November 2007 with senior ATO officials and members of the Tax Managers' Network to review a case study paper prepared by esaa members. The ATO agreed to provide a formal response to the paper and the views expressed in the meeting.

In September 2007, esaa wrote to the Australian Transaction Reports and Analysis Centre (AUSTRAC) in support of a submission by the Australian Financial Markets Association seeking an exemption for National Electricity Market participants from Anti-Money Laundering/Counter Terrorism Financing Act compliance and reporting obligations. AFMA and esaa were successful and in January 2008, AUSTRAC granted an exemption for market participants that are registered with the National Electricity Market Management Company and hold an Australian Financial Services Licence under the Corporations Act 2001.

AFMA made a secondary submission indicating that any exemption should also apply to market participants in Western Australia's Electricity Market. The WEM is a physically and functionally separate market to the NEM which covers the Eastern Australian States only. The WEM is not governed by NEMMCO but by its own entity, the Independent Market Operator. esaa provided support for the subsequent AFMA submission on the basis that it will provide for a level playing field for all energy market participants across Australia.

Environment and Sustainability

At the February 2008 CEO Forum it was agreed that the Secretariat should pursue the redevelopment of the Code of Sustainable Practice and that the Code of Environmental Practice should be phased out. This project is being undertaken in consultation with esaa members.

The Association's annual Sustainability Report Award was awarded to Hydro Tasmania at the February CEO Forum. The Award is designed to encourage energy supply companies to prepare high quality reports outlining companies' commitment to improving sustainability.

Gas Market Development

Calls for a more competitive and transparent gas market resulted in the establishment of a Bulletin Board to provide an independent source of market-related information. The gas market Bulletin Board developed by the Gas Market Leaders Group commenced operation on 1 July 2008 with commencement of the National Gas Law.

Communication

esaa's strength in government liaison activities is well-respected for its proactive strategy that ensures governments and their representatives are fully briefed on the Association's positions and underlying principles before public communication occurs.

Regular communication keeps members informed about the Association's program activities. esaa provides a suite of publications to its members, including electronic newsletters and briefs, policy updates and an annual statistical journal. The Association hosts briefings twice yearly to inform members about policy developments.

Publications

esaa published its latest annual statistical report, *Electricity Gas Australia*, in June 2008 comprising comprehensive capacity and performance data for the electricity and downstream natural gas industries in 2006-07. The report outlines Australia's power stations and gas transmission pipelines in detail, and also provides information about proposed new facilities, industry mergers and acquisitions, electricity and natural gas demand by state and territory, data on Australia's electricity markets, renewable generation capacity, as well as electricity supply reliability. All members received a complimentary copy of *Electricity Gas Australia 2008*.

The Association publishes *esaa news*, a weekly electronic newsletter that provides members with timely updates of energy policy news, political events affecting the energy supply sector and industry developments. *esaa news* also provides a concise summary of the latest global energy supply sector news and includes current market statistics and industry events. This electronic newsletter is supported by sponsorship from Alstom.

In addition, esaa publishes a series of electronic briefs with the support of sponsorship from KPMG. The e-brief series includes the weekly *Greenhouse Brief*, providing a synopsis of greenhouse and related policy matters in Australia and overseas, and a monthly *Economic Snapshot*, providing a summary of the key economic indicators. Through *Budget Snapshot*, the Secretariat provides members with summaries of key budget measures affecting the sector at the release of the annual Federal Government budget.

During the lead up to the Federal Government election in November 2007, esaa also distributed energy policy briefing papers outlining key party announcements.

All esaa electronic newsletters and e-briefs are provided free to members, while *esaa news* is also available on subscription to non-members.

esaa Board members



Grant King
esaa Chair
Managing Director
Origin Energy
Director of esaa since November 2004

Grant King was appointed Managing Director, Origin Energy Limited in January 2000 following the demerger of the energy and building/construction businesses of Boral Limited, where he had been Managing Director of the Energy Group since 1994. Grant has extensive experience in the Australian oil and gas industry. He was formerly General Manager, AGL Gas Companies where he held a number of management positions over a 17 year period.

Grant has a degree in Civil Engineering from the University of New South Wales and a Masters of Management from the University of Wollongong.

He is Chairman of Contact Energy (since October 2004), a councillor of the Australian Petroleum Production and Exploration Association Limited (APPEA) and a former Director of Envestra Limited.



Tony Concannon
esaa Deputy Chair
Regional Managing Director, Australia
International Power
Director of esaa since November 2005

Tony Concannon is a chartered engineer, with a Bachelor of Science (Hons) degree, and is a member of the both the Institute of Mechanical Engineers and Institute of Electrical Engineers. He joined the industry in 1982 and has worked for National Power plc and International Power (since the de-merger in 2000) in a number of its business areas including operations, asset management, trading and international business development (based in Asia).

Tony headed up the International Power UK business from 2000 until 2003. He took on his role as Regional Managing Director of International Power (Australia) in August 2003 and was appointed as an Executive Director on the International Power Board on 1 January 2004.



Shane Breheny
Chief Executive Officer
CitiPower Pty & Powercor Australia Ltd
Director of esaa since November 2004

Shane Breheny has a Bachelor of Business (Accounting) degree from RMIT and is a Fellow of the ASCPA and AIM. He is a Director of the Energy Networks Association, an Executive Board member of the Committee for Geelong, and Chairman of AquaTower Pty Ltd.

Shane Breheny joined the electricity industry in 1987 after 18 years with Telecom Australia. He has held the positions of CEO ESV (SEC) 1992 to 1994, Managing Director of CitiPower 1994 to 1996, CFO and Executive Director Finance for Powercor 1996 to 2003. He was appointed Chief Executive Officer and Managing Director of both CitiPower and Powercor in November 2002. In his spare time Shane assists his wife Loretta, who runs the Brown Magpie Winery near Torquay on Victoria's Surf Coast.



Grant Every-Burns
Chief Executive and Managing Director
Macquarie Generation
Director of esaa since November 2004

Grant Every-Burns is the Chief Executive and Managing Director of Macquarie Generation – Australia's largest electricity producer. He has held this position since 1 March 1996.

Grant holds a Bachelor of Engineering (Honours) in Electrical Engineering from the University of New South Wales and is a fellow of the Australian Institute of Company Directors. His career in the power industry spans more than 30 years.

Grant was Chairman of the National Electricity Market Management Company Participant Advisory Committee established by the jurisdictions of the National Electricity Market from its commencement in May 2001 until July 2004. The Committee was formed to provide advice to NEMMCO.



Shirley In't Veld
Managing Director
Verve Energy
Director of esaa since November 2007

Shirley In't Veld is Managing Director of Verve Energy, the biggest electricity generating company in Western Australia. Shirley joined Verve Energy in April 2007, after 10 years with Alcoa where she held senior positions, most recently as Vice President Primary Business Development and Managing Director Alcoa Australia Rolled Products.

A Law (Hons) and Commerce graduate of Melbourne University, Shirley has held a range of positions with WMC Resources, BankWest, Bond Corporation and Mallesons.



Ian Little
Chief Executive
Envestra
Director of esaa since November 2006

Ian Little is Envestra's Managing Director. He started work with Arthur Young & Co as a chartered accountant in the late 70s, but moved to the oil industry, initially in Indonesia, and eventually with Shell, where he worked for over a decade in Australia, London and in the Pacific Region.

He became involved with the utility sector when in 1993 he joined a Victorian Government sponsored Steering Group charged with gas industry reform. He was formerly the CFO for GPU GasNet, the Victorian gas transmission entity, before joining Envestra as Chief Financial Officer in 2000. He was appointed Managing Director in early 2003. He is a director of the Australian Gas Industry Trust. He is also Chairman of the Board of the Botanic Gardens and State Herbarium of South Australia.

Ian's experience in the oil and gas industry covered upstream, marketing, distribution and refining activities throughout Australia, South East Asia and the Pacific Islands. He was actively involved in both gas and electricity industry reforms in the mid-90s, and has subsequently been focused on both gas transmission and distribution activities. Envestra is Australia's largest distributor of natural gas.



Dr Paul Simshauser
Former Chief Executive Officer
Babcock and Brown Power
Director of esaa since November 2007

Paul Simshauser was the Chief Executive of Babcock and Brown Power, Australia's largest ASX-listed generator with operations spanning the east and west coast of Australia. Paul commenced his career with the Queensland Electricity Commission in 1990 and has worked in power generation ever since. Prior to this, he was Chief Economist & General Manager – Marketing & Trading at Stanwell Corporation.

An Economist by training, Paul holds Bachelor Degrees in Economics and in Commerce, a Masters Degree in Accounting and Finance, and a PhD in Economics from the University of Queensland. He is also a CPA and an AFMA Accredited Dealer.

esaa executive profiles

Brad Page **Chief Executive Officer**

Brad Page has been the Chief Executive Officer of the Energy Supply Association of Australia since February 2004.

Previously, Brad had a long career as a government official, spending some 23 years in various Federal Government agencies and two years in the Australian Capital Territory administration.

Brad has been closely involved in electricity and gas market policy development since the mid 1990s. As a senior public servant, he headed the Federal Government's electricity reform unit for three years, during which time the National Electricity Market was introduced, before moving to lead the Australian Capital Territory Government's implementation of retail contestability of its electricity and gas markets. From 2001 to 2003 Brad headed the secretariat supporting the Council of Australian Governments' Energy Market Review. The report of the Review provided governments with recommendations for far-reaching changes to Australia's energy market arrangements.

Since November 2004, Brad has been Chair of the CSIRO Energy and Transport Sector Advisory Council.

Brad holds a Bachelor of Arts in administration, majoring in economics.

Peter Naughton
Acting Executive General Manager

Peter Naughton acted as Executive General Manager for the term of Clare Savage's maternity leave. Peter is the Director National Energy Markets in the energy policy area of the Victorian Public Service, and has worked in energy market policy for the Federal and Victorian governments for 15 years.

Terry Ryan
General Manager Government Relations

Terry Ryan was the Canberra-based General Manager Government Relations of esaa. Prior to undertaking this role Terry was senior adviser to Federal Government Minister Mark Vaile in the portfolios of trade and agriculture. Previously Terry had been senior adviser to Deputy Prime Minister Tim Fischer. Terry's previous career highlights include roles as policy director for the New South Wales Farmers' Association and with the then Industries Assistance Commission. Terry has also acted as a consultant to the New Zealand Treasury.

Terry has an economics degree and has published articles on the economics of industry assistance and the economic effects of taxation arrangements.

Andrew Trotto
Finance Manager

Andrew Trotto is Finance Manager for esaa, having joined in May 2008. Andrew has over 20 years experience in a variety of accounting roles. Andrew has a Bachelor of Business (Accounting) degree and is a member of the Institute of Chartered Accountants.

Terry Fowler
Company Secretary and Finance Manager

Terry Fowler joined the Energy Supply Association of Australia in May 2007 and left in May 2008. Terry was responsible for all financial management functions undertaken by esaa and was also Company Secretary for the Association. Terry holds a Bachelor of Business (Accounting).

esaa members as at 30 June 2008

Full Members	Websites
ActewAGL	www.actewagl.com.au
Alinta LGA Limited *	www.jemena.com.au
ATCO Power Australia Pty Ltd	www.atco.com
Aurora Energy Pty Ltd	www.auroraenergy.com.au
Babcock and Brown Power Ltd	www.bbpower.com
Basslink Pty Ltd	www.nationalgrid.com.au
CitiPower Pty	www.citipower.com.au
CS Energy Limited	www.csenergy.com.au
Delta Electricity	www.de.com.au
Ecogen Energy	No website
ElectraNet	www.electranet.com.au
ENERGEX Limited	www.energex.com.au
EnergyAustralia	www.energy.com.au
Envestra Limited	www.envestra.com.au
Eraring Energy	www.eraring-energy.com.au
Ergon Energy Corporation Limited	www.ergon.com.au
ERM Power Pty Ltd	www.ermpower.com.au
Flinders Power	www.flinderspower.com.au
Geodynamics Limited	www.geodynamics.com.au
Horizon Power	www.horizonpower.com.au
Hydro Tasmania	www.hydro.com.au
Integral Energy	www.integral.com.au
InterGen (Australia) Pty Ltd	www.intergen.com
International Power (Australia) Pty Ltd	www.ipplc.com
International Power Hazelwood	www.ipplc.com.au
IPM Australia Limited	www.ipplc.com.au
Loy Yang Power	www.loyyangpower.com.au
Macquarie Generation	www.macgen.com.au
Multinet Group Holdings Pty Ltd	www.multinetgas.com.au
NewGen Power	www.newgenpower.com.au
Origin Energy Limited	www.originenergy.com.au
Power and Water Corporation	www.powerwater.com.au
Powercor Australia Ltd	www.powercor.com.au
Snowy Hydro Limited	www.snowyhydro.com.au
SP AusNet	www.sp-ausnet.com.au
Stanwell Corporation Limited	www.stanwell.com
Synergy	www.synergy.net.au
Tarong Energy Corporation Limited	www.tarongenergy.com.au
Transend Networks Pty Ltd	www.transend.com.au
TransGrid	www.transgrid.com.au
United Energy Distribution	www.ue.com.au
Verve Energy	www.verveenergy.com.au
Western Power	www.westernpower.com.au
Affiliate members	Websites
Contact Energy	www.contactenergy.co.nz
Transpower New Zealand Ltd	www.transpower.co.nz

Associate Members	Websites
3M Australia Pty Ltd	www.3m.com/electrical
Acciona Energy Oceania Pty Ltd	www.acciona.com
ACIL Tasman Pty Ltd	www.aciltasman.com.au
Aeropower Pty Ltd	www.aeropower.com.au
Alcoa World Alumina Australia	www.alcoa.com
ALSTOM Limited	www.alstom.com.au
AREVA T&D Australia Limited	www.aveva-td.com
Arup Pty Limited	www.arup.com/australasia/
Auspower EDM Pty Ltd	www.auspower.net.au
Axiom Forensics Pty Ltd	www.axiomforensics.com.au
Baker and McKenzie	www.bakernet.com
BHP Billiton Petroleum Pty Ltd	www.bhpbilliton.com
Bilfinger Berger Services Industrial Infrastructure Pty Ltd	www.clough.com.au
Blake Dawson	www.blakedawson.com
BP Singapore Pte Limited	www.bp.com
Cadden Crowe	www.caddencrowe.com.au
Carnegie Corporation Ltd	www.carnegiecorp.com.au
Century Yuasa Batteries Pty Ltd	www.cyb.com.au
Citigroup Global Markets Australia Pty Limited	www.citigroup.com.au
Clayton Utz	www.claytonutz.com
Clyde Babcock-Hitachi (Australia) Pty Ltd	www.cbh.net.au
Connell Wagner	www.conwag.com
CRA International Pty Ltd	www.crai.com
CSE-Uniserve Pty Limited	www.cse-uniserve.com.au
CSIRO Energy Transformed Flagship	www.energytransformed.csiro.au
Cummins South Pacific	www.cummins.com
Deloitte Touche Tohmatsu Limited	www.deloitte.com.au
DELTA Utility Services Ltd	www.4delta.co.nz
Department of Mines and Energy (Qld)	www.dme.qld.gov.au
Department of Resources, Energy and Tourism	www.industry.gov.au
Department of the Environment, Water, Heritage and the Arts	www.environment.gov.au
DUET Group	www.duet.net.au
Electrix Pty Ltd	www.electrix.com.au
Energy Developments Limited	www.energydevelopments.com
Energy Matters	http://energymatters.com.au
EnergyAdvice Pty Ltd	www.energyadvice.com.au
Ernst and Young Services Pty Ltd	www.ey.com/au
Fiji Electricity Authority	no website
Genesis Energy	www.genesisenergy.co.nz
GHD Pty Ltd	www.ghd.com.au
Hill Michael	www.hmac.com.au
Hitachi Australia Pty Ltd	www.hitachi.com.au
HRL Morrison and Co (Australia) Pty Ltd	www.hrlmorrison.com
IBM Australia	www.ibm.com/au/
Intelligent Energy Systems	www.iesys.com.au
Interrisk Australia Pty Ltd	www.interrisk.com.au
John Holland Pty Ltd	www.johnholland.com.au
JP Morgan Securities Australia Limited	www.jpmorgan.com.au

KPMG	www.kpmg.com.au
Leighton Contractors Pty Limited	www.leightoncontractors.com.au
Logica Australia Pty Ltd	www.logica.com.au
Marsh Pty Ltd	www.marsh.com.au
Marubeni Power Development Australia Pty Ltd	http://marubeni.com/
Mason Sier Turnbull	www.mst.com.au
Maunsell Australia Pty Ltd	www.maunsell.com
McKinsey and Company	www.mckinsey.com
McLennan Magasanik Associates Pty Ltd	www.mmassociates.com.au
MI Helicopters Pty Ltd	www.mihelicopters.com.au
Minter Ellison Lawyers	www.minterellison.com.au
Mitsubishi Electric Australia Pty Ltd	www.mitsubishielectric.com.au
Mizuho Corporate Bank Limited	www.mizuhocbk.co.jp/english
Monash University	www.ecse.monash.edu.au
NERA Australia	www.nera.com
NHP Electrical Engineering Products Pty Ltd	www.nhp.com.au
Norman Disney and Young	www.ndy.com
Northern Recruitment	www.northernrecruitment.com.au
Office of Energy	www.energy.wa.gov.au
Ok Tedi Mining Limited	www.oktedi.com
PearlStreet	www.pearlstreet.com.au
Piper Alderman	www.piper-alderman.com.au
PNG Power Limited	No website
Pozzolanic Industries Pty Ltd	www.cemaust.com.au
PricewaterhouseCoopers	www.pwc.com/au
Professional Power Management Pty Ltd	No website
Prysmian Cables and Systems	www.au.prysmian.com
Redflow Pty Ltd	www.magnetica.com
Rio Tinto Limited	www.riotintoironore.com
Rothschild Australia Limited	www.rothschild.com.au
Sanctuary Energy	www.sanctuaryenergy.com.au
Schneider Electric (Australia) Pty Limited	www.schneider-electric.com.au
Shine Technologies Pty Ltd	www.shinetech.com
Siemens Ltd	www.siemens.com.au
Silcar Pty Ltd	www.silcar.com
Sinclair Knight Merz Pty Ltd	www.skmconsulting.com
SMS Consulting Group Ltd	www.smsmt.com
Spotless Managed and Support Services	www.spotless.com.au
Standard and Poor's (Australia) Pty Ltd	www.standardandpoors.com.au
Sustainability Victoria	www.sustainability.vic.gov.au
Temco Pty Ltd	www.temco.com.au
Tenix Alliance Pty Ltd	www.tenix.com
Toshiba International Corporation	www.toshiba.com.au
TransAlta Energy (Australia) Pty Ltd	www.transalta.com
Transfield Services	www.transfieldservices.com
Tyree Industries Pty Ltd	www.tyree.com.au
UBS Securities Australia	www.ubs.com
United Group Infrastructure	www.unitedgrouppltd.com
University of Wollongong	www.elec.uow.edu.au
Utilacor Pty Ltd	www.utilacor.com.au

VEMCO Australia Pty Ltd

www.vemco.com.au

VENCorp

www.vencorp.com.au

Vero Insurance Ltd

www.vero.com.au

Vicpower Trading

www.vicpower.com.au

Ward Consulting Services (nsw) Pty Ltd

www.wardconsulting.com.au

Wesfarmers Premier Coal Limited

www.premiercoal.com.au

Wilson Transformer Company Pty Ltd

www.wtc.com.au

WorleyParsons Services

www.worleyparsons.com

Zenergy Power Pty Ltd

www.zenergypower.com

* Alinta LGA Limited changed its name to Jemena Limited on 4 August 2008.



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