



GridX Power Pty Ltd

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18th August 2014

Attn: Carbon Co-ordination

Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

Your Reference: 52282

Dear Sir or Madam

Re: Substantiation Notice issued under section 60FA(2) and Substantiation Statement required under section 60FD of the *Competition and Consumer Act 2010*

GridX wishes to advise the Australian Competition and Consumer Commission (ACCC) of the impact of the carbon tax repeal to both GridX and its customers.

GridX's business is to generate and on-sell electricity to one customer. GridX's mode of operation includes the generation of electricity via gas-fed reciprocating engines and, at times via importing from the grid. While GridX was not liable to pay carbon tax on the amounts it has generated, it was liable to pay carbon tax passed through by GridX's suppliers of gas and electricity. These carbon charges are subsequently passed on to our customer.

Therefore GridX is neither better nor worse off financially (other than reduced administrative burden) after the repeal of the carbon tax.

In financial year 2013/2014 (that is, the period 1 July 2013 to 30 June 2014) GridX passed on a cost of approximately \$1,008,062 to our customer. For the financial year 2014/2014 (that is, the period 1 July 2014 to 30 June 2015) GridX anticipates that amount would have increased to approximately \$1,200,000 via the installation of further generation capacity to its customer.

In summary, GridX will be financially neutral, however it estimates its customer will save approximately \$1,200,000 per year from financial year 2014/2015 onwards due to the carbon tax repeal.

Yours Sincerely,

Chris Smith
General Manager