



**BlueScope Steel Limited**  
ABN 16 000 011 058  
Altair Building (Zip 10)  
Five Islands Rd  
Port Kembla NSW 2505  
PO Box 1854  
Wollongong NSW 2500  
Telephone: +61 2 4240 1749  
Email: [Bridgette.Carter@bluescope.com](mailto:Bridgette.Carter@bluescope.com)  
[www.bluescope.com](http://www.bluescope.com)

19 October 2018

**Submission on ESB Consultation Papers  
OTC Transparency in the NEM and Market Making Requirements in the NEM**

BlueScope Steel (**BlueScope**) welcomes the opportunity to provide comments to the Energy Security Board on the consultation papers regarding ACCC recommendations addressing OTC transparency in the NEM and market making requirements in the NEM.

BlueScope is Australia's largest steel manufacturer and the only flat steel producer. We employ 6,500 people in Australian regions and cities to supply our nationwide customers in the building and construction, manufacturing, transport, and agriculture sectors. BlueScope also exports steel products and is a global leader in premium coated and painted steel products, operating in 17 countries.

BlueScope is very concerned that electricity has become increasingly unaffordable and potentially unreliable for large, energy-intensive manufacturers.

As a large electricity consumer with sites in all NEM regions, energy affordability, reliability and security are fundamental to the competitiveness of our business. Over recent years, BlueScope has transformed its operations to return to profitability. Keeping domestic production costs competitive remains paramount and energy is a major cost in steelmaking. Rising energy costs represent the single largest increase in BlueScope's local production costs. More expensive energy directly affects our capacity to invest and provide employment.

Historically, issues of electricity supply and reliability have not been regarded as particularly high risks to BlueScope's Australian operations, largely due to the significant reserve capacity within the National Electricity Market (NEM). However, recent assessments showing a reduction and potential shortfalls in the dispatchable capacity in the NEM, along with load shedding events last year, raise concerns about energy reliability for BlueScope's process-critical operations.

BlueScope is pleased to see ACCC recommendations directly addressing stakeholder feedback on improving competition in the electricity market. BlueScope strongly supports Recommendations 6 and 7 in enhancing transparency, aiding price discovery and supporting a more competitive market, particularly in South Australia where the issues of lack of market liquidity and competition are substantial.

With respect to feedback on specific issues raised by the ESB in the consultation papers, BlueScope shares the concerns raised by the Energy Users Association Australia (EUAA) and supports the positions put forward in their submissions.

Thank you for the opportunity to provide feedback. If further comment or clarification is required please contact Bridgette Carter, Manager Energy Sourcing & Utilisation on 02 4240 1749 or David Jenkins, Manager Government Relations on 03 9666 4022.

Yours sincerely

A handwritten signature in blue ink, appearing to read "BCarter".

**Bridgette Carter**  
Manager Energy Sourcing & Utilisation