



DETERMINATION OF MERGER NOTIFICATION M/22/001 – DIAMOND GENERATING EUROPE/ELECTROROUTE

Section 21 of the Competition Act 2002

Proposed acquisition of ElectroRoute Holdings Ltd by Diamond Generating Europe Limited

Dated 24 January 2022

1. On 07 January 2022, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby Diamond Generating Europe Limited (“Diamond”), a wholly owned subsidiary of the Mitsubishi Corporation, would acquire sole control of ElectroRoute Holdings Limited (“ElectroRoute”) (the “Proposed Transaction”).
2. The Proposed Transaction will be implemented pursuant to a call option agreement dated 2 February 2017 (as amended from time to time) between ElectroRoute, Diamond and “The Vendors’ Representatives.”¹ This will result in Diamond acquiring 100% of the shareholding in, and sole control of, ElectroRoute.
3. The parties are involved in the following business activities:
 - Diamond is a wholly owned subsidiary of the Mitsubishi Corporation, and is active in the market for electricity generation in Europe and the Middle East. It has an ownership interest in several offshore wind, solar and downstream electricity generation assets in Scotland, Germany, France, the Netherlands, and Portugal. The Mitsubishi Corporation is a global integrated trading company with headquarters in Tokyo, Japan. It is active in the development, manufacturing, installation and service of products across a variety of industries. The Mitsubishi Corporation is also active in the development and operation of windfarms,

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generation and wholesale supply of electricity, and trading of electricity within the European Economic Area.

- ElectroRoute is active in energy and commodities, including power and gas. ElectroRoute is active in the wholesale supply of electricity in the State but not active in the generation or retail supply of electricity in the State. ElectroRoute provides the following services: provision of power purchase agreements² and related services,³ and trading of physical and financial energy.

Conclusion

4. After examination of the notification, the Commission has concluded that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act, since Diamond, which already has joint control over ElectroRoute, is to acquire sole control over ElectroRoute.
5. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

6. No ancillary restraints were notified.

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of Proposed Transaction by which Diamond Generating Europe Limited, a wholly owned subsidiary of the Mitsubishi Corporation, would acquire sole control of ElectroRoute Holdings Limited, will

² A power purchase agreement (including subsidy linked PPAs and long term fixed price PPAs) 'refers to contractual arrangements whereby independent generators (typically renewable) and large energy consumers contract for the sale of power to a buyer. PPAs manage market risk for renewables because the buyer guarantees the developer a fixed price for energy from a project.'

³ Related services for PPAs include enabling the PPA by providing advice and guidance to assist the parties to develop the optimal contractual and market structures to enable the corporate PPA; procuring the necessary licenses and market registrations required to implement the structure; the ElectroRoute trading desk manages the position of the generator and the large energy user in the energy market; ElectroRoute can take balancing of risk on behalf of the counterparties; and the Management of Guarantess of Origin (GoO), Green Certificates and any green reporting.



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not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

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Competition and Consumer Protection Commission