



EnergyLocals
Urban

Electricity Retail Authorisation Application

Energy Trade Pty Ltd (ACN 165 688 568)

energylocals.com.au/urban

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1. INTRODUCTION

Energy Trade Pty Ltd (**Energy Trade**) is pleased to submit this application to the Australian Energy Regulator (**AER**) for authorisation to retail electricity under the National Energy Retail Law (**Retail Law**). Our objective is to provide innovative, affordable and reliable energy solutions to embedded network customers in all AER jurisdictions.

This application represents a strategic evolution of our business model. As a long-standing embedded network operator and operational partner to Energy Locals Pty Ltd, we have developed the systems, capabilities, and customer focus necessary to take the next step as a licensed electricity retailer. Retail authorisation will enable us to directly serve customers under a standardised framework, strengthening compliance, simplifying service delivery, and offering enhanced customer protections.

Our business model is closely aligned with the objectives of the NERL. We aim to promote efficient investment, cost-effective operations, and long-term value for energy users. Through our vertically integrated structure, we are uniquely positioned to leverage the efficiencies of embedded networks while delivering competitive, transparent, and consumer-focused energy services.

In accordance with the AER's Retailer Authorisation Guideline (Version 3, July 2024), this application demonstrates our compliance with the requisite entry criteria:

- **Organisational and technical capacity:** we have an existing team of experienced professionals with extensive expertise in the energy sector. Our operational plan outlines robust systems and processes to ensure compliance with all regulatory obligations and to deliver exceptional customer service.
- **Financial capacity:** our financial statements substantiate our solid financial position, ensuring we can meet all prudential requirements and sustain long-term operations in the energy market. Furthermore, we have strong shareholder backing through majority ownership by Palisade Impact while the Clean Energy Finance Corporation holds a minority position.
- **Suitability:** we maintain a strong record of ethical business conduct. Comprehensive background checks affirm the integrity and suitability of our company and key personnel to operate as an energy retailer.

We are committed to upholding the principles and objectives of the Retail Law, and to supporting the efficient operation of the energy retail market while protecting consumer interests—especially those in embedded networks who deserve a fair and reliable energy service.

Certain documents and sections of this application contain commercially sensitive or personal information and are marked as *Confidential*.

2. GENERAL PARTICULARS

Legal name:	Energy Trade Pty Ltd
Trading name:	Energy Locals Urban
ABN:	79 165 688 568
ACN:	165 688 568
Registered business address:	Level 2, 11 Newton Street, Cremorne VIC 3121
Postal address:	As above.
Nominated contact person	Lee Kolbe, General Counsel, lee.kolbe@energylocals.com.au
Form of energy:	Electricity
Commencement date:	1 July 2025
Jurisdictions:	QLD, NSW, SA, ACT, TAS (all that have adopted the National Energy Customer Framework)
Type of customers:	Small and Large residential and commercial

3. ORGANISATIONAL AND TECHNICAL CAPACITY

Energy Trade is the parent company of Energy Locals Pty Ltd (**Energy Locals**), an energy retailer already authorised by the AER to sell both electricity and gas. As a group (**Energy Locals Group**), we have extensive experience operating in the energy retail sector, with well-established systems, processes, and compliance frameworks in place.

Most of our staff work across both the retail and embedded network operations, bringing deep industry experience and hands-on experience in market operations, customer service, regulatory compliance, and risk management. This shared workforce ensures that Energy Trade is well placed to meet all organisational and technical capacity requirements, leveraging the knowledge and operational efficiencies developed within Energy Locals' established retail operations.

In this section, we outline our corporate structure, key personnel, operational capabilities, and risk management strategies, demonstrating our ability to comply with AER requirements and successfully operate as a licensed energy retailer.

3.1. Details of previous experience as an energy retailer

While Energy Trade itself is not a licensed energy retailer, it has extensive experience in retail energy operations through its wholly owned subsidiary, Energy Locals. Energy Locals has held an AER electricity retailer authorisation from the AER since 22 July 2016 and an AER gas retailer authorisation since 31 July 2020. Energy Trade and Energy Locals operate as an integrated group, with shared personnel, systems and expertise, ensuring that Energy Trade possesses the requisite knowledge and experience to successfully operate as a retailer.

Energy Locals sells energy to around 71,000 customers across New South Wales, South-East Queensland, Australian Capital Territory, South Australia, and Tasmania. These customers fall into three groups, with around 36,500 being on-market residential and small business customers, approximately 15,700 being white-label residential and small business customers and approximately 18,700 being customers within the embedded networks operated by Energy Trade.

Retail activities are supported by compliant in-house systems and established third-party service providers enabling efficient customer onboarding, billing, compliance, and market interactions. Our operations are underpinned by robust risk management frameworks, regulatory compliance programs, and customer service processes, all of which will support Energy Trade's evolution to licensed retailer.

3.2. Details of other relevant retail or energy market experience

Energy Trade has extensive experience in the energy market through its role as a key operational partner to Energy Locals and as an embedded network owner and operator. While not currently a licensed retailer, Energy Trade is deeply involved in retail energy operations, managing critical functions that align closely with the requirements of an authorised retailer.

Energy Trade provides comprehensive billing services for Energy Locals in relation to its embedded network customer base, supporting all aspects of customer account management, including billing, metering data processing, customer communications and payment collections. This operational role has given Energy Trade firsthand experience in managing large-scale energy retail functions while ensuring compliance with regulatory requirements and delivering high-quality customer service.

In addition to its partnership with Energy Locals, Energy Trade provides billing services to owners' corporations that operate under retail exemptions within embedded networks. This includes end-to-end energy billing and metering data management for residential customers, ensuring accurate and compliant invoicing and supporting exempt sellers in meeting their customer obligations.

Energy Trade is also an established embedded network owner and operator managing 379 embedded network sites in New South Wales, Australian Capital Territory, South-East Queensland, and Victoria.¹ In this role, Energy Trade is responsible for infrastructure management, regulatory compliance, customer billing, and dispute resolution, ensuring that customers receive reliable and transparent energy services. Maintaining customer protections has been a core focus of Energy Trade's embedded network operations, ensuring that they align closely with the consumer safeguards required under the Retail Law.

As stated above, expanding into a licensed retailer will allow Energy Trade to provide a full suite of energy services directly to customers, simplifying billing structures for clients and ensuring a seamless customer experience. This transition is a natural evolution of Energy Trade's existing expertise, further strengthening its ability to deliver compliant and competitive energy solutions.

We recognise that embedded network customers can be particularly vulnerable to poor outcomes. Our transition to licensed retailer will simplify our operating structure which we believe will strengthen consumer safeguards, including access to the standard retail contract framework, regulated complaint pathways, and hardship support aligned with the Retail Rules.

¹ Number of sites as at 13 May 2025.

3.3. Building on our energy market experience

Energy Trade has extensive experience in the energy market through its role in providing billing services, managing metering data, and operating embedded networks. Given this deep operational involvement, we believe we are already well equipped to take on the responsibilities of a licensed retailer. This includes experience across key functions expected of an authorised retailer, such as customer onboarding, hardship policy implementation, complaint handling, and obligations under the Retail Law and Retail Rules.

We are committed to continuously strengthening our expertise. Energy Trade invests in ongoing professional development for employees, ensuring that our team remains up to date with regulatory changes, market developments, and best practices in energy retailing. This includes regular training, participation in industry forums, engagement with regulatory bodies, and close monitoring of policy updates.

Additionally, our leadership team brings extensive experience from across the energy sector, further reinforcing our capability to manage the complexities of retail operations. As we transition into a licensed retailer, we will continue to enhance our knowledge base, refine our operational processes, and leverage industry expertise to ensure we maintain high standards of compliance, customer service, and operational efficiency.

This experience—combined with our compliance track record, scalable infrastructure, and commitment to customer protections—gives us confidence in our readiness to meet the full obligations of a licensed energy retailer.

3.4. Organisation chart

Please refer to Confidential Attachment 1 for a copy of the Organisation Chart for the Energy Locals Group.

3.5. Employees

Energy Trade operates with a skilled and experienced team, with most employees working across both Energy Trade and Energy Locals. Our workforce is structured across key business functions to support our energy operations effectively. The current breakdown of employees is listed in Confidential Attachment 1.

3.6. Qualifications, skills and experience of officers

The Energy Locals Group Board comprises five (5) directors with deep expertise in infrastructure investment, energy markets, corporate finance, regulatory compliance, and clean energy innovation. Two directors are founding members of the Palisade Impact Fund, which specialises in sustainable infrastructure investment across sectors such as energy, water, housing, and

the circular economy. One director is a representative of the Clean Energy Finance Corporation (**CEFC**), bringing extensive experience in growth capital, venture investing, and clean energy technologies. Another is an independent director with extensive experience in governance, capital markets, and infrastructure operations across listed and private companies. Adrian Merrick, the Energy Locals Group CEO, also sits on the board, bringing deep operational and strategic experience in retail energy markets. The Energy Locals Group Chief Financial Officer and General Counsel also attend each board meeting.

Summaries of the qualifications, technical skills and experience of each of the directors on the Energy Locals Group Board are provided in Confidential Attachment 2.

In addition to the Board, Energy Trade is supported by a highly qualified and experienced leadership team with extensive expertise in energy retail operations, compliance, technology, and customer service. Our key officers bring a wealth of experience from across the energy sector, including embedded networks, regulatory compliance, billing services, and strategic growth. Their combined skills and knowledge ensure that Energy Trade is well-positioned to meet the requirements for retailer authorisation, and to effectively deliver high-quality energy services in a compliant and customer-centric manner.

A summary of qualifications, technical skills and experience of our leadership team, and the relevance of those skills and experience to meeting the requirements of the retailer authorisation is set out below.

(a) Chief Executive Officer – Adrian Merrick

Adrian Merrick brings over 20 years of extensive experience in the retail energy sector, working across both the UK and Australian markets. His qualifications include an MBA with Distinction from London Business School, which has provided him with a solid foundation in business management, strategic leadership, and operational excellence. Throughout his career, Adrian has honed his technical expertise in the areas of energy market operations, regulatory compliance, and customer-centric solutions, all of which are crucial for meeting the requirements of retailer authorisation. His experience spans leading large-scale retail operations, driving system migrations, overseeing compliance with energy regulations, and delivering customer service innovations.

In his previous roles, Adrian led strategic operations at TXU Europe and E.ON, managing up to 5 million customers and overseeing a large offshore operation, and led a turnaround of E.ON's GBP1.7bn commercial and industrial unit. Later, at EnergyAustralia, Adrian was responsible for migrating 1.5 million customers to a new billing system and executing compliance-focused improvements in customer service. As the founder of Energy Locals, Adrian has been directly involved in building a customer-focused energy retailer and navigating the complexities of energy retail compliance. His deep understanding of regulatory

frameworks, energy market systems, and large-scale billing operations makes him exceptionally well-equipped to ensure Energy Locals meets the high standards required for retailer authorisation.

(b) Chief Financial Officer – Leigh Davis

Leigh Davis is a Certified Practising Accountant (CPA) with over 25 years of finance and accounting experience spanning the energy, technology, and telecommunications sectors. His depth of expertise and leadership across both ASX-listed and privately held companies directly supports Energy Trade's capability to meet the financial, operational, and governance requirements of a licensed energy retailer.

Leigh has served as Chief Financial Officer and Company Secretary for several organisations and has held senior finance roles in Australia, the United Kingdom, and Europe with NYSE, NASDAQ, and FTSE-listed entities. Notably, he played a key role in leading ASX IPOs and successfully guided a renewable energy business through a NASDAQ listing—demonstrating a strong understanding of capital markets and regulatory compliance in the energy sector.

He holds a Bachelor of Business (Accounting), a Master of Business Administration (MBA) from London Business School and is a graduate of the Australian Institute of Company Directors (GAICD).

Leigh brings extensive experience across financial operations, corporate reporting, treasury, budgeting, M&A, capital raising, and investor relations, along with oversight of IT, HR, and operations. His leadership across multi-site, cross-functional teams and regulated environments provides a strong foundation for the operational and compliance demands of energy retail. His qualifications and broad commercial expertise are highly relevant to retailer authorisation, supporting Energy Trade's financial viability, regulatory compliance, and effective delivery of energy services.

(c) Chief Commercial Officer – Luke Melisi

Luke Melisi is an accomplished commercial leader with extensive experience in the energy sector. He currently serves as the Chief Commercial Officer at Energy Locals, where he is responsible for leading the company's growth, sales, and operations functions. Luke has played a crucial role in shaping the company's commercial strategy and expanding its market presence. His strategic leadership has helped Energy Locals navigate the evolving energy landscape, contributing to the company's growth and enhancing its competitive position within the energy market.

Before joining Energy Locals, Luke held key positions at EnergyAustralia, including Partnership Development Lead and Business Improvement Manager. In these roles, he was instrumental in developing strategic partnerships and driving business improvement initiatives, demonstrating his ability to deliver

results in a highly competitive and regulated industry. His work at EnergyAustralia not only enhanced operational efficiency but also provided him with in-depth knowledge of the regulatory frameworks and customer-centric approaches critical to retail energy operations.

Luke's experience spans both commercial and operational aspects of the energy sector, from growth strategy to market execution, making him well-suited to help Energy Locals meet the requirements for retailer authorisation. His technical expertise in driving sales, managing partnerships, and optimising business performance in the energy retail space positions him as a key player in the company's continued success and compliance with industry regulations.

(d) General Counsel – Lee Kolbe

Lee Kolbe is an accomplished legal professional with extensive experience in corporate and commercial law, specialising in the energy sector. She is currently the General Counsel and Company Secretary for the Energy Locals Group, where she heads the legal, regulatory, and compliance functions. Lee holds a Juris Doctor degree from the University of Melbourne, which has equipped her with a deep understanding of law and legal frameworks, and a Bachelor of International Development, broadening her perspective on the intersection of legal systems with societal and environmental issues—skills that are crucial for navigating the complex regulatory landscape of the energy sector.

Lee's experience spans significant roles in both the energy and corporate sectors. Before joining Energy Locals, Lee was Corporate Counsel at Nutrien Ag Solutions, where she provided legal support to the Australian subsidiary of one of the world's largest providers of crop nutrients and agricultural services. She also served as a lawyer at Canadian Solar, where she played an instrumental role in the development, construction, and sale of large-scale solar generation projects in Australia. This included her critical legal support for the financial close of major solar projects like the Oakey and Longreach Solar Farms, as well as the acquisition of a project pipeline in New South Wales. Her expertise in managing large-scale energy projects, combined with her deep knowledge of energy regulatory compliance, positions Lee to effectively guide Energy Locals through the requirements for retailer authorisation.

Lee's legal acumen and sector-specific expertise are bolstered by recognition in her field, including being a finalist in the 2020 Lawyers Weekly 30 Under 30 Awards for Commercial Law and being named in the Legal 500's GC Powerlist (Rising Stars) in 2023. Her qualifications and experience, alongside her leadership of Energy Locals' legal and compliance functions, make her a vital asset in ensuring the company meets the regulatory standards required for retailer authorisation.

(e) Chief Operating Officer – Sean Thomson

Sean Thomson is a Chartered Accountant with over 25 years of experience, holding membership with the Institute of Chartered Accountants Australia and New Zealand. He has extensive expertise in accounting, finance, and operations, with a focus on the retail sector. Sean has been with Energy Locals for 8 years, during which he held the positions of Financial Controller, Chief Financial Officer and Chief Operating Officer. In these roles, Sean played a pivotal role in the successful implementation of the Community Energy Network (CEN) customer billing system and the establishment of the company's accounting system, as well as automating critical finance functions to enhance operational efficiency.

Prior to joining Energy Locals, Sean ran his own accounting practice for over 10 years, serving national clients across the retail, banking, agricultural, and consulting sectors. His broad experience across these industries has provided him with a deep understanding of financial management, regulatory compliance, and operational efficiency—skills that are essential in navigating the complexities of the energy retail market.

Sean's technical expertise and leadership in the implementation of finance systems and processes at Energy Locals make him highly capable of ensuring that the company meets the rigorous financial and regulatory requirements of retailer authorisation. His extensive background in both the energy sector and broader business environments enables him to oversee financial compliance, reporting, and operational efficiency, which are critical to maintaining a sound and regulated energy retail business.

(f) Head of Wholesale – David Priest

David has over 20 years of practical and advisory experience across the energy value chain covering retailers, wholesale participants, regulators, governments and investors. He has a unique blend of commercial, analytical and negotiation experience, having been focused on strategy, trading operations, risk and retail. His expertise covers the gas, electricity, carbon and renewable energy markets with a strong focus on strategy, risk management and policy development.

David has worked as a General Manager for Energy Australia and had responsibility for the wholesale trading division for electricity, gas, coal, carbon, renewables, and weather/wind hedging products. He was also responsible for gas and coal procurement. Uniquely, David also managed the Industrial and Commercial sales division. This encompassed strategy and sales for electricity and gas, working with small to large, sophisticated enterprises with which he would consult with to tailor the best solutions to their needs.

David has also worked with small enterprises, assisting in the development and implementation of trading governance and hedging for two new retailers entering the market. He has also consulted to large organisations such as the

State Electricity Commission of Victoria, Tilt Renewables, Delta Electricity and Quinbrook Infrastructure Partners.

These broad areas of responsibility have provided him with an excellent breadth and depth of the industry. Coupled with his longevity and flair for innovation, he has a unique ability to identify and balance risk versus rewards.

David has been a member of the Australian Financial Markets Association Risk Committee, served on numerous internal energy risk committees and is an Australian Financial Services License Responsible Manager for Energy Locals and previously for 1st Energy.

3.7. Third party service providers

Energy Trade recognises its responsibility to fully comply with its license conditions and retailer obligations under the Retail Law and Retail Rules, regardless of whether functions are outsourced to third parties. When engaging third-party providers, we ensure that our agreements explicitly require adherence to relevant energy laws and regulatory requirements. Additionally, we maintain proactive communication with all third-party partners to ensure they are equipped with the necessary knowledge and technical capacity to meet both current and evolving obligations.

As part of our engagement with third-party partners, we issue our Supplier Code of Conduct, which clearly outlines our expectations in relation to ethical business practices, anti-bribery and anti-corruption, environmental sustainability, human rights and modern slavery prevention, health and safety, fair work conditions, and cybersecurity and data protection. Please refer to Attachment 1 for a copy of the Supplier Code of Conduct.

Please refer to Confidential Attachment 3 for an overview of our outsourced functions and an explanation on our appointed third party's technical capacity and industry experience.

3.8. Business Plan

Energy Trade is expanding its operations by seeking a retail authorisation to complement its existing role as an embedded network operator. This strategic move is designed to enhance our ability to deliver clean, locally generated energy that is affordable, reliable, and aligned with evolving customer needs.

By integrating licensed retailing into our service offering, we will unlock additional benefits for customers, owners corporations, and developers—including simplified billing, streamlined regulatory engagement, and improved access to renewable energy solutions. We will continue to leverage the inherent advantages of embedded networks, such as shared infrastructure and cost efficiencies, while broadening our capability to deliver energy directly to customers.

Our business model aligns closely with the National Energy Objectives, promoting efficient investment in energy services and delivering long-term value for consumers. We are committed to operating as a fair and responsible retailer, underpinned by robust consumer protections, transparent pricing structures, and a strong emphasis on positive customer outcomes.

Please refer to Confidential Attachment 4 for a copy of the Energy Trade business plan.

3.9. Compliance Strategy

Energy Trade is committed to operating as a compliant, responsible, and customer-focused energy retailer. Our compliance strategy is designed to ensure adherence to all regulatory obligations under the Retail Law, the Retail Rules, and relevant jurisdictional requirements. It is underpinned by a strong compliance culture, clear policies and procedures, and a proactive approach to risk and issue management.

Refer to Confidential Attachment 5 for a copy of our Compliance Framework, and Confidential Attachment 6 for a copy of our Compliance Policy, which underpin our compliance strategy.

(a) Knowledge and understanding of compliance obligations

The Energy Locals Group has extensive experience operating within the retail energy sector, providing energy services across multiple jurisdictions in Australia. As an established retailer, we have developed and maintained a mature and scalable compliance framework that ensure adherence to all regulatory obligations under the Retail Law and the Retail Rules, along with jurisdictional, statutory, industry, and technical requirements.

Our leadership and compliance teams bring deep sector expertise in energy regulation, market operations, and customer protections. We maintain strong engagement with legal counsel, regulators, and industry bodies, enabling us to stay current with regulatory developments, proactively assess impacts, and respond with agility to change.

Our governance structures, policies, and risk frameworks enable us to identify and manage compliance risks systematically and transparently. Our centralised Obligations Register sets out each regulatory duty, its source, and the relevant accountable owner, forming the basis of assurance activities, reporting, and training.

Refer to Confidential Attachment 7 for a copy of the Energy Locals Group Obligations Register.

(b) Compliance management and breach identification

Energy Locals already has well-established compliance monitoring mechanisms and reporting processes in place, allowing for proactive identification and management of potential breaches. Our internal compliance team ensures that all obligations are met and that any regulatory changes are swiftly incorporated into our operational practices.

To ensure ongoing compliance, we have implemented a structured compliance management program that includes:

- **regulatory mapping:** a detailed mapping of retailer obligations under the NERL and NERR, along with jurisdictional regulations, to ensure all requirements are met.
- **internal compliance policies:** comprehensive policies and procedures covering areas such as hardship, family violence, complaints & dispute resolution, and life support.
- **training programs:** regular training sessions and refreshers for staff to reinforce compliance awareness and best practices.
- **compliance monitoring and reporting:** a risk-based approach to compliance monitoring, including regular audits, assurance checks and reporting mechanisms.
- **breach identification and remediation:** clear processes for identifying, investigating, and reporting compliance breaches, including root cause analysis, corrective actions, and preventative measures to mitigate future risks.
- **continuous communication via centralised ticketing:** Energy Locals uses a dedicated compliance queue in the Jira ticketing system to manage general compliance advice/feedback, content reviews, assurance checks, and incident reporting.

We have detailed our approach to compliance management and breach identification further in our Compliance Framework.

(c) Complaints and Dispute Resolution

The Energy Locals Group operates under a structured complaint resolution framework designed to resolve issues efficiently and in compliance with regulatory obligations. Our approach focuses on resolving complaints internally wherever possible, with most concerns addressed at first contact through our trained customer support team.

While some customers may choose to escalate their concerns to external ombudsman schemes, we view this as an opportunity to reflect on and strengthen our internal practices. To that end, we have conducted in-depth reviews of past escalations, identified systemic drivers, and introduced

alternative resolution strategies aimed at enhancing our responsiveness and preventing recurrence.

We are also deeply committed to service accessibility and responsiveness. Our customer service team consistently delivers short wait times and high levels of first-call resolution. As our customer base expands, we are proactively investing in staff development and operational systems to ensure we continue to meet service expectations and support customers effectively.

We are a member of all relevant Energy Ombudsman Schemes which we elaborate on further in section 3.13 of this application.

Please refer to Attachment 2 for a copy of our Complaint and Dispute Resolution Procedure.

(d) Staff knowledge and training

We recognise the importance of equipping our staff with the necessary knowledge and skills to fulfil compliance obligations effectively. As an experienced retailer, Energy Locals Group has developed a mature training framework that ensures all employees are well-versed in regulatory requirements and addresses any competency gaps. This approach will be adopted by Energy Trade once it is authorised.

To maintain and enhance our team's compliance capabilities, we have implemented the following measures:

- **competency assessments:** regular role-based evaluations are conducted to identify individual, or team-level knowledge gaps related to compliance obligations. Outcomes are clearly documented, with further coaching scheduled where required.
- **structured training programs:** Ongoing compliance training, covering key regulatory obligations, customer rights, and ethical sales practices. Core regulatory subject matters such as customer protections and contract formations are embedded into onboarding and refresher trainings. This is also delivered via the Go1 online training platform, customised as Locals101, where in-house materials and modules are uploaded, and auto-refreshers are assigned to all employees.
- **specialist compliance roles:** Dedicated compliance personnel support the broader business by interpreting regulatory changes, facilitating training, performing assurance checks, and advising on operational compliance risks and responsibilities.
- **external expertise:** Engagement with industry experts, regulators and legal advisors to ensure best practices are integrated into our compliance approach.
- **performance monitoring:** Continuous assessment of compliance performance through staff KPIs and quality assurance programs.

- **centralised compliance support and feedback loop:** A dedicated Jira compliance queue allows all employees to request compliance advice, raise incidents, and flag issues or uncertainty in real time. These inputs are triaged, tracked, and analysed to identify systemic training needs and continuous improvement opportunities.

By leveraging our existing expertise and established frameworks, Energy Locals Group is well-positioned to maintain the highest standards of regulatory compliance, ensuring robust governance and delivering fair outcomes for customers.

3.10. Risk Management Strategy

Energy Locals Group maintains a comprehensive risk management framework that ensures risks are systematically identified, assessed, managed, and monitored across the organisation. This framework supports sound governance, regulatory compliance, and the achievement of strategic objectives.

The framework is made up of the following key components:

- **Risk Appetite Statement** – defines the level and types of risk the Group is willing to accept in pursuit of its objectives, across domains such as compliance, finance, customer outcomes, and reputation.
- **Risk Management Policy** – outlines the operational procedures, responsibilities, and governance structures for managing risk consistently across all functions and business units.
- **Risk Register** – records identified risks, current controls, mitigation actions, accountable owners, and review timelines, serving as a live tool for tracking and reporting risks across the business.
- **Compliance Framework and Obligations Register** – maps regulatory requirements to internal controls and processes, supporting proactive compliance and breach management.
- **Monitoring, Reporting and Assurance** – includes regular internal reviews, executive risk reporting, and oversight by the Risk, Impact and Sustainability (RIS) Committee, a subcommittee of the Board.

Together, these elements provide a robust foundation for risk governance and continuous improvement, ensuring Energy Locals Group meets its obligations under the Retail Law and Retail Rules while safeguarding customers and stakeholders.

Please refer to:

- Confidential Attachment 8 for a copy of our Risk Appetite Statement;
- Confidential Attachment 9 for a copy of our Risk Management Policy; and

- Confidential Attachment 10 for a copy of the Energy Trade Risk Register and Risk Map.

3.11. External Review of Compliance and Risk Management Strategies

Our compliance and risk management strategies have been subject to an external assurance process conducted by a suitably qualified and independent entity. Please refer to Confidential Attachment 11 for evidence of such.

3.12. Additional Evidence of Risk Management and Retail Law Compliance

To further demonstrate our ability to manage risk and operate in alignment with the Retail Law objective, we have developed comprehensive retail contracts that prioritise transparency, fairness, and customer protections. These contracts comply with all regulatory requirements and ensure that customers are provided with clear information regarding their rights and obligations.

Please refer to Attachment 3 (Standard Retail Contract) and Attachment 4 (Market Retail Contract) for a copy of the terms of sale that will apply to retail customers.

In addition, we have developed a Hardship Policy and a Family and Domestic Violence Policy, both of which meet the requirements outlined in the AER Hardship Policy Guidelines and the AER Assisting Family Violence Affected Customer Guidelines. These policies ensure that customers facing financial hardship or experiencing family violence receive the support they need, without being unfairly disadvantaged.

To complement these policies, we have established arrangements for managing concession eligibility and provide customers with access to Centrepay as a flexible payment option. This ensures that low-income consumers can manage their energy bills in a way that aligns with their financial situation.

We take the privacy and protection of our customers' personal information seriously. Our Privacy Policy ensures compliance with the Australian Privacy Principles under the *Privacy Act 1988* and clearly outlines how we collect, store, and use personal data. The policy also details our transparent process for conducting credit checks, ensuring respect for customers' privacy rights.

In addition to customer-facing materials, we maintain a suite of governance policies that ensure the effective operation of our retail activities and compliance with regulatory requirements. This includes our Code of Conduct, which outlines expectations for all employees regarding ethical behaviour, compliance, performance expectations. We ensure that all employees are fully aware of their responsibilities and obligations under the Retail Law and related regulations.

To further promote a transparent and accountable culture, we have implemented a Whistleblower Policy, providing a safe and confidential mechanism for raising concerns related to governance, compliance, and regulatory breaches.

Our Supplier Code of Conduct sets clear expectations for ethical sourcing and business practices with our suppliers. This includes our commitment to preventing modern slavery and ensuring that our supply chain operates with the highest standards of integrity and transparency.

Please refer to Attachment 5 (Hardship Policy), Attachment 6 (Family Violence Policy), Attachment 7 (Privacy Policy), Confidential Attachment 12 (Code of Conduct), and Attachment 8 (Whistleblower Policy) for copies of these policies.

3.13. Evidence of Ombudsman memberships

Please refer to Confidential Attachment 13 for evidence of Ombudsman memberships and steps taken to join additional schemes.

3.14. Agreements with key market players

(a) Key market players

Energy Trade understands that as a retailer, it will be required to engage with the following market participants:

- AEMO
- Network Distributors
- Metering service providers

As detailed in Confidential Attachment 3, we already have arrangements in place with our metering provider.

However, we recognise that a number of contractual agreements with the other market participants cannot be further progressed until we have received a retailer authorisation. Furthermore, some of the above relationships will be a formality only given that Energy Trade intends to contract with embedded network customers only.

Please refer to Confidential Attachment 14 for an overview of our engagement with these key market players.

(b) Back up arrangement in case business fails

We acknowledge that the Retailer of Last Resort (RoLR) scheme does not apply to customers within embedded networks, unless they have elected to go on-market. Accordingly, we have considered and implemented alternative continuity measures to protect end customers in the unlikely event of a business failure.

Energy Trade operates embedded networks under commercial arrangements with the relevant owners' corporations or bodies corporate. These arrangements include specific provisions that allow for alternative embedded network operators (ENOs) or service providers to be engaged by the body corporate if Energy Trade is unable to continue delivering services.

In practice, Energy Trade does not purchase electricity directly from the wholesale market; instead, it enters large customer retail contracts for supply to the parent (gate) meter at each site. In the event Energy Trade ceases operations, the registered market retailer—who is financially responsible for the parent meter—remains obliged under its market participation role to continue supplying electricity to the site, subject to its own retail authorisation and AEMO requirements. The electricity supply to the site would not be automatically disconnected because of Energy Trade ceasing to trade.

Given the competitive nature of the embedded network industry, with multiple accredited ENOs and billing agents operating in the market, bodies corporate are well-placed to promptly engage a replacement operator to ensure continuity of on-supply to end customers. This model has precedent in the market and ensures practical continuity even without RoLR coverage.

We also note that the Energy Locals Group has significant financial backing and robust internal governance, including a risk management framework that mitigates the risk of business failure. These details are set out further in our response to the financial viability and risk assessment sections of this application.

3.15. Additional Information

Please refer to Confidential Attachment 15 for an overview of how we intend to manage wholesale risk and a copy of our Hedging Strategy.

4. FINANCIAL CAPACITY

4.1. Audited Financial Reports

Please refer to Confidential Attachment 16 for a copy of Energy Trade's audited consolidated financial report for the financial year end 30 June 2024, including all financial statements required by the accounting standards and notes to financial statements.

4.2. Credit ratings

We do not have any credit ratings to provide details of.

4.3. Group details and financial support

(a) Details of ownership structure of the Energy Locals Group

The Energy Locals Group is majority owned by the Palisade Impact Fund (**Palisade**), a specialist fund managed by Palisade Investment Partners. Palisade focuses on investing in infrastructure and infrastructure-like businesses that deliver measurable social and environmental outcomes. It targets essential services that contribute to the transition to a low-carbon, inclusive, and sustainable economy – key areas that directly align with Energy Trade’s embedded network energy retail services. Palisade’s mandate includes accelerating Australia’s energy transition, expanding access to clean energy, and investing in companies that improve community resilience and sustainability.

The Clean Energy Financial Corporation (**CEFC**) – a statutory body established by the Australian Government to mobilise capital and expertise in support of Australia’s clean energy transition – is also a shareholder in the Energy Locals Group. The CEFC’s investment reinforces that Energy Trade is well-positioned to contribute to sector innovation, customer-focused outcomes, and to operate within the regulatory framework.

This ownership structure strengthens Energy Trade’s ability to meet the financial, compliance, and operational obligations of a licensed energy retailer, particularly in a regulatory environment that increasingly values environmental responsibility, customer protections, and innovation in service delivery.

Please refer to item 4.1 above and:

- Confidential Attachment 17 for a copy of our group structure diagram; and
- Confidential Attachment 18 for an overview of the contractual arrangements defining relationships within the Energy Locals Group.

4.4. Declaration from the Chief Executive Officer

A written declaration from our Chief Executive Officer stating that Energy Trade Pty Ltd is a going concern and that the Chief Executive Office is unaware of any factor that would impede the company’s ability to finance its energy retailer activities under the retailer authorisation for the next 12 months, is attached as Confidential Attachment 19.

4.5. Declaration from our principal financial institution

Please refer to Confidential Attachment 20 for a written declaration from the company’s principal financial institution stating that:

- (a) an insolvency official has not been appointed in respect of the business or any property of the business;
- (b) no application or order has been made, resolution passed, or steps taken to pass a resolution for the winding up or dissolution of the business; and
- (c) they are unaware of any other factor that would impede your ability to finance your energy retail activities under the authorisation.

4.6. Bank guarantees and accessing additional capital

Energy Trade is able to access capital through its parent company. The group has unused committed credit facilities with Commonwealth Bank of Australia. The group working capital facility limit is currently \$20,000,000. This facility can be used to support bank guarantees or other working capital needs of the business, up to that limit.

4.7. Forecast revenue and expenses

Please refer to Confidential Attachment 21 for a copy of Energy Trade's Forecast revenue and expenses. The business is cash-flow positive. This forecast is consistent with the provided business plan (Confidential Attachment 4) and associated key assumptions and risks.

We have performed scenario stress testing on the forecasted numbers in our baseline business plan to ensure that we are well equipped to manage a scenario where the customer acquisition path is 50% lower than projected and scenarios where the customer acquisition path is 200% higher than forecast. Refer to Confidential Attachments 22, 23, 24 and 25. We are confident that Energy Trade will be able to operate to meet the customer acquisition numbers modelled in the scenario stress tests. For each of the stress scenarios we have considered not only the financial implications but also the broader operational impacts across our business. Refer to Confidential Attachment 26.

5. SUITABILITY

5.1. Compliance and license history

The Energy Locals Group is committed to upholding the highest standards of integrity, compliance and governance. As a model organisation with a demonstrated history of sound management and regulatory compliance, we provide the following confirmations:

- Neither Energy Trade nor any of our associates, directors, or controlling entities have experienced any material failure to comply with regulatory requirements, laws, or obligations in the past 10 years. There have been no infringement notices, enforcement actions or voluntary administrative undertakings imposed by any regulatory body.

- No authorisations, authorities, or licenses have ever been revoked from Energy Trade or any of our associates, officers, or related entities in any industry.
- There have been no failed applications for authorisations, authorities, or licenses in any industry for Energy Trade or our associates, directors, or controlling entities.
- There are no current or historical administrative or legal actions involving Energy Trade or our associates relating to any authorisation, authority, or licence in any industry.
- Energy Trade and its associates have never triggered the Retailer of Last Resort (RoLR) provisions under the Retail law of equivalent legislation. We have also never transferred or surrendered an authorisation or licence under circumstances that could have led to a RoLR event.

5.2. Offences or prosecutions

We confirm that no offences have been committed, nor have there been any successful prosecutions against Energy Trade, its directors, or key personnel under any territory, state, Commonwealth or foreign legislation, including (but not limited to) the *Australian Securities and Investments Commission Act 2001 (Cth)*, *Competition and Consumer Act 2010 (Cth)*, or the *Corporations Act 2001 (Cth)*.

5.3. Criminal history checks

We can provide criminal history checks conducted within the past 12 months for all directors and relevant personnel upon request.

5.4. Declarations from the Chief Executive Officer

Please refer to:

- Confidential Attachment 27 (CEO Declaration – Suitability – Criteria 1);
- Confidential Attachment 28 (CEO Declaration – Suitability – Criteria 2); and
- Confidential Attachment 29 (CEO Declaration – Suitability- Criteria 4).

5.5. Officer details

The full names and current residential addresses of all officers have been provided in Confidential Attachment 30.

5.6. Probity and competency policies

Energy Trade has robust internal policies and procedures in place to ensure the probity, integrity, and competence of all officers and key management staff.

These include:

- Comprehensive background checks during recruitment
- Ongoing compliance and ethics training
- Performance monitoring and governance oversight
- Clear conflict of interest policies
- Regular internal and external audits

These policies support our commitment to transparency, accountability, and responsible corporate management.

6. Attachments

No	Attachment name
1	Supplier Code of Conduct
2	Complaint and Dispute Resolution Procedure
3	Standard Retail Market Contract
4	Market Retail Contract
5	Hardship Policy
6	Family Violence Policy
7	Privacy Policy
8	Whistleblower Policy

Confidential		
No	Attachment name	Reason for confidentiality
1	Organisation Chart.	Commercially sensitive
2	Qualifications, technical skills and experience of the Board	Contains personal information
3	Overview of third party service providers	Commercially sensitive
4	Business Plan	
5	Compliance Framework	
6	Compliance Policy	
7	NERR Retail Obligations Register	
9	Risk Appetite Statement	
9	Risk Management Policy	
10	Risk Register and Map	
11	External Assurance Letter	
12	Energy Locals Group Code of Conduct	
13	Evidence of memberships with each Ombudsman	
14	Evidence of agreement with key market players	
15	Overview of wholesale risk and Hedging Strategy	
16	Audited Consolidated Financial Report FY24	
17	Group Structure	
18	Energy Locals Group contractual agreements	
19	CEO Declaration - Financial Resources – criteria 1	
20	Declaration from Financial Institution	
21	Financial Forecast Baseline	
22	Financial Forecast stress test 1	
23	Financial Forecast stress test 2	
24	Financial Forecast stress test 3	
25	Financial Forecast stress test 4	
26	Stress test scenario analysis	
27	CEO Declaration - Suitability – criteria 1	
28	CEO Declaration - Suitability – criteria 2	
29	CEO Declaration - Suitability – criteria 4	
30	Officer Details	Contains personal information



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