


# NOTICE OF DECISION, CONDITIONS AND STATEMENT OF REASONS

Zen Energy Retail Pty Ltd and ZEN Energy Retail Holdings Pty Ltd – Application to transfer electricity retailer authorisation

NATIONAL ENERGY RETAIL LAW

TRANSFER OF RETAILER AUTHORISATION E17006

**TO: Zen Energy Retail Pty Ltd and ZEN Energy Retail Holdings Pty Ltd**

**By email:** 

On 18 May 2026, the Australian Energy Regulator (**AER**) received an application from ZEN Energy Retail Pty Ltd (ABN 54 615 751 052) (**ZEN**) (**transferor**) and ZEN Energy Retail Holdings Pty Ltd (ABN 76 697 773 916) (**ZERH**) (**transferee**) to transfer ZEN's retailer authorisation E17006 (**the transfer**) to ZERH.

Pursuant to section 103 of the National Energy Retail Law (**Retail Law**), the AER has decided:

1. to grant the transfer of retailer authorisation from ZEN to ZERH, subject to the satisfaction of the conditions set out at Part A of Schedule 1;
2. to impose conditions on the transferor and/or the transferee as set out in Part B of Schedule 1; and
3. that the transfer shall take effect 7 business days after the AER confirms that it is satisfied that the Part A conditions have been met.

Schedule 2 sets out the reasons for the AER's decision to:

1. grant the transfer;
2. impose the conditions on the transfer specified in Schedule 1.

When providing the information specified in paragraphs 9 and 10 of Schedule 1, the AER requires the information be provided by either:

- a) sending the information to the AER at the following electronic address [AERauthorisations@aer.gov.au](mailto:AERauthorisations@aer.gov.au) marked to the attention of AER Compliance and Enforcement – Rebecca Holland (noting that file attachments larger than 20MB will not be accepted by the ACCC/AER email server), or
- b) uploading the information to the AER's secure file sharing service using the link to be provided by the AER and marked to the attention of AER Compliance and Enforcement – Rebecca Holland.

1 July 2026



Justin Oliver, Chair (A/g)  
Australian Energy Regulator

## SCHEDULE 1 – CONDITIONS IMPOSED ON THE TRANSFER

In these conditions, “Impacted Customers” means retail electricity customers of ZEN.

### PART A – pre-transfer conditions

Under section 104 of the Retail Law, the AER may determine that specified provisions of Division 2 of the Retail Law are to apply in relation to the proposed transferee in the same way as they apply in relation to an application for a retailer authorisation. In deciding this transfer application, the AER has determined that section 95, a provision of Division 2, applies to ZERH as the proposed transferee.

The conditions in this Part A have been imposed by the AER in accordance with section 103(3) of the Retail Law. ZERH and ZEN are required to meet the pre-transfer conditions applicable to them before the transfer takes effect, and in accordance with section 95(3) of the Retail Law, the AER will be taken to have decided to refuse the transfer if ZERH and ZEN do not satisfy the conditions specified in this Part A within 3 months after the day this notice is given by the AER. The AER may approve a request by ZERH and ZEN to extend the timeframe to meet the pre-transfer conditions.

1. ZEN or ZERH must pay, or procure the payment by Gunvor Group Limited (or another entity agreed between Distribution Network Service Providers (**DNSPs**) and ZEN) of, all outstanding network charges (and associated interest) payable in respect of one or more Impacted Customers in accordance with clause 6B.A2.1 of the National Electricity Rules (**Electricity Rules**).
2. ZERH must provide the AER with:
  - a. Evidence satisfactory to the AER that ZERH has access to a legally binding liquidity facility in an amount materially consistent with the financial support arrangements represented to the AER during the assessment process, including immediate access to funding of AUD \$60 million and subsequent available funding of up to AUD \$100 million, sufficient to support ZERH’s day one operational requirements, including the Australian Energy Market Operator (**AEMO**) prudential obligations and working capital requirements as an authorised retailer.
  - b. Evidence satisfactory to the AER that:
    - i. the acquisition of ZERH by Gunvor Group Limited has completed;
    - ii. Gunvor Group Limited has obtained legal and beneficial ownership of ZERH; and
    - iii. Gunvor Group Limited has obtained control of ZERH.
  - c. A written declaration signed by:
    - i. ZERH’s Chief Financial Officer, Chief Executive Officer or director/s stating ZERH is a going concern and that the nominated officer is unaware of any factor that would impede ZERH’s ability to finance its energy retailer activities under the transferred retailer authorisation for the next 12 months, and
    - ii. an independent auditor or principal financial institution stating that:
      1. an insolvency official has not been appointed in respect of the business or any property of the business;

2. 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
        3. The independent auditor or principal financial institution are unaware of any other factor, other than those above, that would impede ZERH's ability to finance its energy retail activities under the authorisation.
  - d. Written confirmation that appropriate arrangements are in place to ensure that each Impacted Customer will be transferred from ZEN to ZERH on the same pricing terms and conditions as the current contracts between ZEN and the Impacted Customer, unless otherwise agreed by the Impacted Customer, with no loss, delay or interruption in energy supply at that time and for a period of three months from date on which the last Impacted Customer is transferred from ZEN to ZERH.
  - e. Written confirmation procured from nominated representatives of the DNSPs to which ZEN owes network charges payable in respect of one or more shared customers in accordance with clause 6B.A2.1 of the Electricity Rules, confirming that full payment of all outstanding network charges and associated interest payable in respect of the Impacted Customers has been made by Gunvor Group Limited, or another entity agreed by DNSPs and ZEN.
3. ZEN must provide the AER with Evidence that it has made any outstanding payments to AEMO as required to be made in accordance with clause 3.15 of the Electricity Rules or otherwise agreed by AEMO and ZEN.

## **PART B - post transfer conditions**

Conditions under Part B have been imposed by the AER in accordance with section 103(3) of the Retail Law. These conditions will be time limited conditions that will be applicable to ZEN and/or ZERH after the transfer takes effect to ensure that ZEN and/or ZERH will appropriately manage any issues concerning customers of ZEN.

4. From the date the transfer takes effect until twelve months from the date the last Impacted Customer is transferred from ZEN to ZERH, ZEN must continue to comply with all requirements and obligations as a "retailer" (as defined in the Retail Law), including in relation to:
  - a. clause 6B.A2.1 of the Electricity Rules i.e. to pay DNSPs for the network charges payable in respect of ZEN's shared customers, being customers of ZEN whose premises are connected to the DNSP's distribution system; and
  - b. dealing with outstanding disputes between ZEN and its customers as if ZEN was still a retailer.
5. If ZEN fails to pay an amount referred to on condition 4. a. by the date on which payment of that amount is due, (including any amount that was incurred prior to the transfer taking effect but was not yet payable as at the date of the transfer) ZERH must pay that amount to the relevant DNSP.
6. From the date on which the first Impacted Customer is transferred from ZEN to ZERH, until three months from the date the last Impacted Customer is transferred from ZEN to ZERH, ZERH must:
  - a. continue to supply energy to the Impacted Customer/s as the Financially Responsible Market Participant,
  - b. on the same pricing terms and conditions as the current contracts between ZEN and the Impacted Customer, unless otherwise agreed by the Impacted Customer.
7. ZEN must make all payments of amounts payable by it to AEMO, as a market customer or retailer, as defined in the National Electricity Law, in compliance with clause 3.15 of the Electricity Rules.
8. For each Impacted Customer who is transferred from a ZEN Contract to a ZERH Contract, within 14 days of being transferred to a ZERH Contract, ZERH must ensure that each Impacted Customer receives correspondence to:
  - a. inform the Impacted Customer of the transfer; and
  - b. inform the Impacted Customer that they are no longer a customer of ZEN and are now a customer of ZERH.
9. Within six months of the last Impacted Customer being transferred to the ZERH Contract, ZERH must provide:
  - a. the AER with a report signed by the ZERH Head of Compliance, Risk and Assurance (or equivalent position holder) that states whether ZERH has complied with the conditions set out in paragraphs 5, 6 and 8 above; and
  - b. evidence of such compliance, if requested by the AER.
10. Within six months of the last Impacted Customer being transferred to the ZERH Contract, ZEN must provide:

- a. the AER with a report signed by the ZEN Head of Compliance, Risk and Assurance (or equivalent position holder) that states whether ZEN has complied with the conditions set out in paragraphs 4, 7 and 11; and
  - b. evidence of such compliance, if requested by the AER.
11. In completing the transfers of the Impacted Customers to a ZERH Contract, ZEN must ensure that it and ZERH comply with the applicable processes in the Market and Settlement Transfer Solution (**MSATS**) Procedures administered by AEMO.

## SCHEDULE 2 - STATEMENT OF REASONS

### REASONS FOR GRANT OF TRANSFER OF ZEN ENERGY RETAIL PTY LTD'S RETAILER AUTHORISATION TO ZEN ENERGY RETAIL HOLDINGS PTY LTD, SUBJECT TO CONDITIONS

#### Application to transfer retailer authorisation

On 18 May 2026, the AER received an application to transfer (**application**) ZEN Energy Retail Pty Ltd's (**ZEN**) electricity retailer authorisation to ZEN Energy Retail Holdings Pty Ltd (**ZERH**). The application was published on the Australian Energy Regulator's (**AER**) website on 22 May 2026 for consultation. Five submissions were received which included 2 public submissions and 3 confidential submissions.

The AER held several meetings with ZEN to discuss the application and outline the additional information required to assess it. The AER subsequently sought further information during the assessment process regarding those matters through requests for information.

The AER considered the application together with further information provided by the applicants during the assessment process, including information relevant to ZERH's financial support arrangements and the proposed management of customer issues arising from the transfer.

The AER has also considered that ZEN only supplies large customers and has no small customers.

#### Statutory provisions

Section 103 of the *National Energy Retail Law* (**Retail Law**) provides that the AER must decide whether to grant or refuse an application to transfer a retailer authorisation. The application must not be granted unless the AER is satisfied that the proposed transferee satisfies the entry criteria in section 90 and that arrangements relating to the transfer will appropriately manage any issues concerning customers of the proposed transferor. Section 103 also permits the AER to impose conditions on granting the application and to fix a time, no later than 6 months after deciding the application, for the transfer to take effect.

The entry criteria are set out in section 90 of the Retail Law and include:

- the organisational and technical capacity criterion,
- the financial resources criterion, and
- the suitability criterion.

#### AER Authorisation Guideline

Under subsection 102(2)(b) of the Retail Law, an applicant must, in accordance with the *AER Retailer Authorisation Guideline Version 3 July 2024* made pursuant to section 117 of the Retail Law (the **Authorisation Guideline**), provide such information to the AER as being required to be included in or with the application for transfer of a retailer authorisation.

The Authorisation Guideline sets out the information that must be provided to the AER as part of a retailer authorisation transfer application, including information related to the satisfaction of each of the entry criterion.

### **Reasons for granting conditional authorisation**

For the reasons set out below, the AER has decided to grant the transfer application subject to conditions.

The AER is satisfied that ZERH meets the organisational and technical capacity criterion.

The AER's satisfaction of the financial resources criterion depends on the provision, before the transfer takes effect, of evidence that the liquidity facility and related financial declarations required by the conditions are in place.

Similarly, the AER's satisfaction of the suitability criterion depends on the provision, before the transfer takes effect, of evidence that ZEN or ZERH has made full payment of all outstanding network charges and associated interest payable to DNSPs.

The AER is also satisfied that, with the imposition of customer-related transfer conditions, the arrangements relating to the transfer will appropriately manage issues concerning customers of ZEN.

### **Organisational and technical capacity criterion**

Under the organisational and technical capacity criterion contained in section 90(1)(a) of the Retail Law, an applicant must have the necessary organisational and technical capacity to meet the obligations of a retailer.

As stated in the Authorisation Guideline, the AER assesses organisational and technical capacity by looking at an applicant's industry experience, operational systems and staff expertise, including an applicant's ability to comply with regulatory obligations under the energy laws and operate as an energy retailer in the National Energy Market.

The Authorisation Guideline indicates that relevant information includes the applicant's key staff or executive energy market experience, business plan, compliance and risk management strategies, and agreements or arrangements with market participants. If the applicant intends to outsource some of its retail functions, the Authorisation Guideline also requires evidence of any third-party arrangements and the controls in place to ensure third-party compliance.

### **AER's reasons on the applicant's satisfaction of the organisational and technical capacity criterion**

The AER has considered the information provided in the application and the additional material provided during the assessment process relevant to the ZERH's organisational and technical capacity.

ZERH's organisational and technical capacity is materially the same as that of the current authorisation holder. On the material before it, the AER is satisfied that the operational capability, systems, and resources relevant to the conduct of the retail business will continue following the transfer.

Having regard to the continuity of the retail operations, the information provided about the business and operating arrangements, and the matters identified in the Authorisation

Guideline, the AER is satisfied that ZERH has the necessary organisational and technical capacity to meet the obligations of a retailer.

Therefore, the AER is satisfied that ZERH meets the organisational and technical capacity criterion in paragraph 90(1)(a) of the Retail Law.

### **Financial resources criterion**

Under the financial resources criterion contained in section 90(1)(b) of the Retail Law, an applicant must have resources or access to resources so that it will have the financial viability and financial capacity to meet the obligations of a retailer.

As stated in the Authorisation Guideline, under this criterion the AER must be satisfied an applicant has (or has access to) adequate financial capacity to support its planned retail operations. The AER's assessment is informed by an applicant's business plan and approach to managing financial risk. In making our assessment, the AER focuses particularly on an applicant's current and projected financial position, specifically whether it has sufficient financial resources (or access to them) to support its proposed business activities.

If an applicant business is not expected to be immediately profitable, the applicant should have enough cash at hand to meet all expected costs under the business plan or be able to demonstrate it can access the required support, for example, through a bank guarantee or a deed of guarantee from a related party.

In addition to the normal costs of operating a business, an applicant's costings should consider circumstances where its cash flow is put under short term pressure, for example, by high wholesale prices. An applicant should have sufficient reserves to meet such cash peaks.

An applicant must provide financial information contemplated by the Authorisation Guideline, including recent financial reports, senior officer and auditor/financial institution declarations, evidence of current financial position, credit ratings (if available), and business plan aligned financial forecasts outlining key assumptions and risks. Details of bank guarantees or access to additional capital must also be included. Where part of a corporate group and receives financial support from the parent company or related entity, applicants must provide group structure, consolidated financial statements, and evidence of contractual arrangements. Any further information relevant to the AER assessing financial capacity to operate as an energy retailer should also be provided, and the AER may request additional information after accepting an application.

The AER's financial capacity assessment is a one-off entry test used to determine whether an authorisation application meets the entry criteria specified in the Retail Law. It should not be taken as an endorsement of an applicant's ongoing financial viability or profitability.

### AER's reasons on the applicant's satisfaction of the financial resources criterion subject to conditions

The AER has considered the information provided in the application and the additional material provided during the assessment process. That material indicates that ZERH is intended to become the vehicle through which the retail business will continue following the proposed acquisition by Gunvor Group Limited, and that ZERH's financial capacity is expected to depend materially on financial support associated with that transaction.

On the material presently before it, the AER is not satisfied that ZERH independently has sufficient resources, or access to resources, to demonstrate the financial viability and financial capacity required under section 90(1)(b) of the Retail Law.

The AER considers that this issue can appropriately be addressed through conditions precedent requiring ZERH to provide satisfactory evidence of the following:

- Evidence satisfactory to the AER that ZERH has access to a legally binding liquidity facility in an amount materially consistent with the financial support arrangements represented to the AER during the assessment process, including immediate access to funding of AUD \$60 million and available funding of up to AUD \$100 million, sufficient to support ZERH's day one operational requirements, including AEMO prudential obligations and working capital requirements as an authorised retailer;
- Evidence that the acquisition of ZERH by Gunvor Group Limited has completed and that Gunvor Group Limited has obtained legal and beneficial ownership and control of ZERH;
- A written declaration signed by ZERH's Chief Financial Officer, Chief Executive Officer or director stating that ZERH is a going concern and that the nominated officer is unaware of any factor that would impede ZERH's ability to finance its energy retailer activities for the next 12 months; and
- A written declaration signed by an independent auditor or principal financial institution stating that no insolvency official has been appointed, no winding up or dissolution steps have been taken, and that they are unaware of any other factor that would impede ZERH's ability to finance its energy retail activities.

Those conditions are directed to ensuring that the transfer does not take effect unless the proposed financial support arrangements associated with the Gunvor Group Limited transaction are formalised and capable of being relied on by ZERH in carrying on the retail business.

Accordingly, the AER considers that grant of the transfer subject to those conditions is the preferable course. Those conditions ensure that the transfer will not take effect unless and until the AER is provided with the evidence necessary to be satisfied that ZERH has access to financial resources sufficient to meet the obligations of a retailer.

In these circumstances, the AER is satisfied that the financial resources criterion in section 90(1)(b) of the Retail Law can be met only if, before the transfer takes effect, ZERH complies with conditions requiring satisfactory evidence that the liquidity facility is available, evidence of completion of the acquisition and control arrangements, and the required financial declarations.

### **Suitability criterion**

Under the suitability criterion contained in section 90(1)(c) of the Retail Law, an applicant must be a suitable person to hold a retailer authorisation.

The Authorisation Guideline explains that the question of whether a person is suitable to retail energy goes beyond an assessment of financial and organisational capacity and a person's character or reputation is relevant to any assessment as it provides an indication of likely future conduct. This assessment may involve consideration of an applicant's previous commercial dealings, honesty and integrity, and compliance background.

The Authorisation Guideline requires information about past compliance failures, revoked or refused licences or authorisations, relevant legal or administrative actions, possible RoLR events, relevant offences or prosecutions, management disqualification or bankruptcy, and policies or procedures addressing probity and competence of officers and any other key management staff.

#### AER's reasons on the applicant's satisfaction of the suitability criterion subject to conditions

The AER has considered the information provided in the application and the additional material relevant to ZERH's suitability, including information directed to the matters identified in the Authorisation Guideline.

On the material presently before it, the AER is not satisfied that ZERH has demonstrated it is a suitable person to hold a retailer authorisation as required by section 90(1)(c) of the Retail Law. In particular, the AER considers that there are currently material outstanding Network Use of System (NUoS) charges owing to Distribution Network Service Providers (DNSPs) by ZEN. Therefore, the AER considers that the unresolved NUoS charges raise a suitability concern because ZERH's proposed officers were also officers of ZEN when the NUoS liabilities arose.

The AER considers that this issue can appropriately be addressed through pre-conditions requiring ZEN or ZERH or procure the payment from the Gunvor Group Limited to pay the DNSPs and provide written confirmation that outstanding NUoS charges have been fully discharged.

In these circumstances, the AER is satisfied that suitability criterion in section 90(1)(c) of the Retail Law can be met only if, before the transfer takes effect, ZERH complies with conditions requiring satisfactory evidence that outstanding NUoS charges owed by ZEN to DNSPs have been fully discharged.

#### **Consideration of customer arrangements under section 103(2)(b)**

Section 103(2)(b) of the Retail Law requires the AER, when deciding whether to grant a transfer application, to be satisfied that arrangements relating to the transfer will appropriately manage any issues concerning customers of the proposed transferor.

In this matter, the principal customer-related issues include continuity of supply to ZEN's large customers during and after the transfer process and customer communication about the transfer.

The AER is satisfied that those issues can appropriately be managed through conditions requiring, among other things, that:

- ZERH will continue to supply energy to Impacted Customers on the same pricing terms and conditions as their current contracts, unless otherwise agreed by the Impacted Customer for a period of three months, that there will be no loss, delay or interruption in energy supply at that time and for a period of three months post transfer.
- ZEN to continue to comply with retailer obligations in relation dealing with outstanding disputes between ZEN and its customers as if ZEN was still a retailer for 12 months.
- For three months post transfer, ZERH must continue to supply energy as the Financially Responsible Market Participant.

- Impacted customers are transferred to contracts with ZERH and informed of the transfer.
- ZEN and ZERH report on compliance with those conditions.

With those conditions, the AER is satisfied that the arrangements relating to the transfer appropriately manage issues concerning customers of ZEN for the purposes of section 103(2)(b) of the Retail Law.

### **Decision and conclusion**

Under section 103 of the Retail Law, the AER must decide whether to grant or refuse the transfer application. The AER may grant the application subject to conditions and must fix a time, no later than 6 months after the decision, for the transfer to take effect.

For the reasons set out above, the AER has decided to grant the transfer of ZEN's retailer authorisation to ZERH subject to conditions. Those conditions are directed to the matters that remain material to the AER's decision, including the need for satisfactory evidence that the liquidity facility and related financial support arrangements are available before the transfer takes effect, the suitability concerns are addressed and the need to appropriately manage customer issues arising from the transfer, including continuity of supply and customer notification.