



Submission to AER for Individual Exemption

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Corporate Summary

Company Background

The Infinity Group (Infinity) is one of Australia's leading solar power and renewable energy solution providers. The business was founded in 2007 and focuses on providing its clients with ways to save money on their energy usage. This focus is applied to our 11 offices in the Northern Territory, Queensland, New South Wales and Victoria.

All of Infinity's offices provide solutions for residential, commercial and off-grid/remote customers that may include renewable energy generation and energy efficiency across a number of product categories. We aim to use our large number of office to provide local and personalized service to all of our customers and only offer the best quality equipment. This focus on quality extends to our installation structure where we aim to use our own people to implement any recommended solution.

Our focus on quality and service has resulted in strong but sustainable growth in a dynamic industry. This can be witnessed by over 9,000 residential installations and systems delivered for some of Australia's leading companies. Some of our customers include...

Government & Utility	Commercial	Education & Charity
Aust Federal Government	Brisbane Airport Corporation	University of QLD
QLD State Government	AA Co	James Cook University
Mackay Regional Council	Australand	RSPCA
Energex	Mirvac	Endeavour Foundation
Ergon	Stockland	
Endeavour Energy	Parmalat	
Essential Energy	Telstra, and many more	

Proposed Offering to Customers

Infinity would like to offer its customers a solution whereby they pay for the power as it is generated (Power Purchasing Agreement or PPA). The key components of this offering include...

- Available to customers throughout Australia, but primarily in the Northern Territory, Queensland, New South Wales, ACT and Victoria.
- Primarily focused on commercial customers.
- System sizes are determined based on site loads and are generally designed to limit or exclude exported energy.
- Customers are charged for the power the system generates on a kilowatt hour (kWh) basis (no other material fees).
- Charges are based on a specified annual rate per kWh of generation which is multiplied by the actual generation in that period. These charges are billed monthly.
- The specified annual rates may be indexed, escalating or diminishing based on the client's requirements.
- No upfront capital cost.
- The term of the agreement may vary from 5-15 years.
- Fully monitored and maintained by Infinity. These services are generally included in the base pricing applicable for any given system.
- Systems installed by Infinity's existing skilled installer base.
- Customers retain their primary electricity retail contract.
- At the end of the period the system would vest to the customer for a nominal charge.
- Customers can cancel the agreement at any time and pay out the value of the system based on a predefined formula.
- The PPA is transferable on the sale of the property.
- The proposed PPA generation is typically 5-30% of total site demand.

Based on our experience in the market, many customers are interested in these solutions as it provides greater choice, certainty and cost savings for a component of their electricity use. A high level estimate of the expected annual volumes under this model is listed below...

Projections are confidential

Individual Retail Exemption

Introduction

Infinity's aim is to provide a PPA offering to our large customers as per the above proposed offering. Based on advice from the AER on 08 April 2014, we would like to submit an application for an individual retail exemption.

General Information Requirements (Appendix B – Items 1-4)

Information Requirement	Response
Legal Name	Infinity Solar Pty Ltd, and Infinity Solar No. 131 P/L (coy to hold PPA)
Trading Name	Infinity Power and Infinity Solar
ABN	63 151 357 069 and 40 162 201 176
ACN	151 357 069 and 162 201 176
Registered Address	1454 Logan Rd Mt Gravatt Central Q 4122
Nominated Contact Person	Daryll Walk Director daryll@infinitysolar.com.au Phone – 07 3834 4777 Fax – 07 3832 5515

Reason for Seeking Exemption

Infinity aims to reduce its customer's energy costs by providing customized and high-quality solutions. We believe that a PPA is an important tool to allow customers to match the costs and benefits of a solar power system by paying for the solution as it generates (see "Proposed Offering to Customers" for a full explanation of Infinity's proposed solution).

We believe that a PPA as proposed does not meet the definition of the Deemed or Registerable Exemption categories and as a result we wish to apply for an Individual Exemption.

Address of the Site

The model proposes a number of sites for multiple customers throughout Australia

Primary Activities of the Business

Infinity is a large solar power and renewable energy company with offices and customers throughout Australia. Our capabilities extend from a grid connected system in central Brisbane to a remote mini-grid in North Western Australia.

Infinity proposed to provide an end-to-end solution which would include the sale, installation, monitoring, maintenance and billing of these systems.

Energy Form

The model proposes electricity as the energy form.

The customer will retain their primary connection and electricity supply relationship.

Off-Grid Establishment

All sites will have an existing and primary source of electricity. The power supplied by the system will be an ancillary supply which will generally be between 5-30% of the site demand.

Commencement Date

Infinity is discussing this concept with a small number of customers and we believe there is some latent demand. As a result, we would like to offer this solution as soon as possible.

Mailing Address

Not applicable.

Experience in Selling Energy

Confidential Information removed from public submission.

Infinity does not currently have any direct clients where we sell electricity.

Infinity will undertake all activities involved in our proposal.

Energy Selling Exemption or Retail License

Infinity has never had an Energy Selling Exemption or Retail License.

Continuity of Supply

Infinity's proposal is to be an ancillary supplier of electricity. As such, the client retains their pre-existing electricity supply infrastructure and relationships. Consequently, there are no material impacts should the system involved in the PPA fail.

Particulars in Relation to the Nature and Scope of the Proposed Operations.

Below are Infinity's responses to the general application questions...

1. **Are customers tenants?** No
2. **Are we providing other services or contractual arrangements?** No. Infinity is proposing to only sell electricity as an ancillary supply to the customer.
3. **Total number of dwellings at the site?** Not applicable.
4. **On selling energy?** Infinity is proposing to only sell electricity generated from the equipment installed at the client's site
5. **Bulk purchase of electricity?** Not applicable. See response to question 4.
6. **Estimated aggregate annual amount of electricity to be sold?** Please see the projections included on Page 3 under "Proposed Offering to Customers"

7. **Customers contained to a controlled site?** Not applicable.
8. **Metering of premises for a development or redevelopment?** Not applicable.
9. **Meter Type?** Infinity will use remotely read NEM-compliant meters which meet all required standards for the relevant locations.
10. **Meter Accuracy Standards?** Customers will be charged based on the meter readings.

Proposed metering type will be Class 0.5 NEM-compliant revenue metering and will be in adherence with all applicable codes, rules and regulations, relevant standards, CEC and other industry body's guidelines, authorities requirements and industry best practice. Metering accuracy will be 0.2% for current and power units. Meters will be supplied with a certificate of calibration, and compliant calibration schedules and record will be maintained as required under the National Measurement Act (1960).

11. **Meter reading frequency?** All sites will have their meters read and billed monthly, however systems will also be monitored daily to track system performance.
12. **Determining Energy charges if not separately metered?** Not applicable.
13. **Billing?** Customers will be billed monthly and billing will be undertaken by Infinity.
14. **Dispute resolution procedures?** Infinity proposes that the dispute resolution process should follow a standard contractual format. The main steps include...
 - **Step 1** – a party raise a Dispute Notice which lays out the basis for the dispute and who the party believes is in error. This notice is sent to the nominated Senior Representative from each party.
 - **Step 2** – the Senior Representatives must agree to meet within 2 days to undertake good faith negotiations with a view to resolving the dispute. They have 10 days to complete this process.
 - **Step 3** – in the event that the parties cannot reach an agreement within 15 days of the original Dispute Notice it can be referred to an Independent Arbiter and both parties must abide by the ruling.
15. **Rebates or concessions?** No rebates or concession will be made available to the customer. The value of Renewable Energy Certificates, will be included in the pricing offered to the customer.
16. **Energy efficiency?** Not applicable.

17. Additional information?

Infinity is highly experienced in the sale and installation of solar power systems. As a result, we are aware of the many and varied requirements of authorities and governments throughout Australia and will ensure that all applicable standards, guidelines and legislation is met.