

# Application for a Retailer Authorisation to sell Electricity in the NEM

## 1. Introduction

Acacia Energy Pty Ltd applies to the Australian Energy Regulator (AER) under the National Electricity Retail Law for the issue of a licence authorising it to retail electricity to Large customers.

## 2. General Particulars

Legal Name	Acacia Energy Pty Ltd
Trading Name	Acacia Energy does not intend to trade under a different name.
ACN / ABN	ACN 636 514 415 ABN 11 636 514 415
Registered Business Address	Level 10, 181 William Street Melbourne VIC 3000
Postal Address	Suite 1, 342 South Road Hampton East. VIC. 3188
Contact Person	Stephen Thomson Chief Executive Officer Email: [REDACTED] Phone: [REDACTED]
Form of energy for which retailer authorisation is sought	Acacia Energy is seeking Retailer Authorisation for the retailing of electricity.
Intended date to commence retailing energy	Acacia Energy intends commencing retailing electricity in the jurisdictions mentioned below in May 2021, pending approvals.
Nature and scope of operations proposed	Acacia Energy will provide retail electricity services to Large Customers as defined in section 5 of the National Electricity Retail Law only.
Intended jurisdictions	Acacia Energy is intending to compete for large electricity customers in the following National Electricity Market (NEM) jurisdictions: Australian Capital Territory, New South Wales, Queensland, South Australia, and Tasmania
Type of Customers	Acacia Energy intends to supply electricity to Large Customers as defined in section 5 of the National Electricity Retail Law.

## 3. Organisational and Technical Capacity

### 3.1. Energy Retail Experience

Acacia Energy is a new business which has not previously operated as an energy retailer.

Acacia Energy was granted an Electricity Retail Licence by the Essential Services Commission of Victoria on 16 December 2020.

## 3.2. Details of Relevant Retail or Energy Market Experience

Acacia Energy directors and senior managers are highly credentialed and experienced electricity industry professionals.

### 3.2.1. Richard Martin, Executive Chairman

Richard has had a distinguished international career developing, leading and advising businesses across Australia, South-East Asia and the Middle East. Richard has a passion for the environment and the agricultural sector. His engagement in the energy sector provides an intersection for this interest.

Richard founded AEES Group in 2014 to drive growth in the use of renewable energy resources and energy efficiency technologies, particularly where this drives energy efficiencies for commercial and industrial businesses.

Acacia Energy is a parallel business that provides further opportunity for businesses to reduce energy costs and reliance on fossil fuel sourced generation.

Countries that Richard has worked in include: South East Asia, UAE, Bahrain, Kuwait, Palestine, Jordan, Iraq, Turkey, Egypt, Sudan, Ethiopia, Sri Lanka, Solomon Islands and Papua New Guinea.

As Founder and Managing Director of a Solar and Renewables Engineering, Procurement and Construction business, Richard is familiar with energy industry regulation and is well placed to oversee Acacia Energy's compliance as Chairman of the Audit & Risk Committee. Richard's experience in founding start-up businesses will also position him well in his role as Chairman of the Acacia Energy Board as he oversees Acacia Energy's start up and growth phases.

As Executive Chairman, Richard will perform the role of Product Manager prior to employment of a staff member to this position. Refer to Page 43 of the Business Plan.

### 3.2.2. Nick Caine, Advisory Board Member

Nick has a career spanning almost thirty years in the highly regulated aviation sector, leading and driving growth in start-up, developing and established airlines. Driven by an entrepreneurial spirit, but on a platform of statutory and regulatory compliance, he has a passion for disruptive, yet controlled and compliant, business growth.

Nick studied accountancy at the University of Stirling and gained his professional accounting qualifications shortly thereafter. Working for some of the World's leading airlines, Nick has a broad and deep working knowledge of a number of disciplines complementing his financial background, gained from working in commercial, operational and strategic roles in addition to his core financial responsibilities.

Countries in which he has lived and worked include Australia, the UK, Hong Kong, Switzerland, South Africa, Barbados, Vietnam and Fiji – in addition to many others for which he has had financial and regulatory responsibility throughout his career.

Nick's experiences position him well to advise the Directors through the start-up and growth phases and also to act as a member of the Audit & Risk Committee.

### 3.2.3. Stephen Thomson, Chief Executive Officer

Over the last 20 years Stephen has established a solid reputation as a trusted pair of hands for implementing new business operations in the energy industry, particularly associated with electricity and gas retail competition.

In the late 1990's Stephen led Powercor's Full Retail Contestability (FRC) Program which essentially demerged Powercor into separate retail and distribution businesses, laying the way for the sale of the retail business which became the foundation Origin Energy's electricity retail operations.

During this time Stephen was the Host Retailer representative on the National Electricity Market Settlements and Transfers (NEMSAT) Committee which developed the initial procedures were developed for electricity Full Retail Contestability (FRC) and selected the MSATS solution for NEMMCO, and subsequently AEMO, to operate. Stephen has maintained his detailed understanding of the market policies and procedures since this time.

From 2003 to 2009 Stephen was the CEO of the Retail Energy Market Company (REMCo) which was the market operator of gas FRC for South Australia and Western Australia. Stephen led the finalisation of the Market Rules and the selection and implementation of the market system that operates gas FRC in these jurisdictions to this day. Stephen subsequently oversaw the commencement of FRC in the two jurisdictions and subsequent operation of the markets through the initial years of competition.

Stephen Co-Authored the industry report to COAG Energy Council on consolidation of the Australian Gas Markets which led to the consolidation of energy market operators across the eastern seaboard and establishment of the Australian Energy Market Operator (AEMO).

During the mid-2000's Stephen led the Victorian AMI Program that established the commercial, technical and regulatory framework for the deployment of smart meters by the Victorian distribution businesses. Stephen's knowledge of the National Electricity Rules (NER) and associated procedures was instrumental in the success of this program, as was his ability to establish a collaborative working environment amongst the complex community of stakeholders.

Stephen's further experiences include advising business and governments in Australia and South East Asia on various matters related to retail competition and metering and successfully establishing a new entrant competitive electricity metering business.

Stephen's engineering background drives his understanding of business and commerce from a process and systems perspective. He has designed Acacia Energy's processes to be fully compliant with the NER and to be able to cost effectively operate through the start-up and growth phases of the business.

Stephen is a "hands-on" executive who will actively engage in the business operations to ensure its success. His detailed knowledge of the regulatory framework and business operations design will be key to Acacia Energy's success.

Stephen will be responsible for the Regulatory Advocacy process and for the attaining and maintaining registration under the Market Registration and Compliance process prior to employment of a staff member to this position. Refer to page 43 of the Business Plan.

Stephen will also be responsible for selling Acacia Energy's products and services under the Marketing & Sales process prior to employment of a Sales Manager. Refer to page 44 of the Business Plan.

#### 3.2.4. Hugh Gordon-Clark, Operations Manager

Hugh is an experienced customer services and metering operations manager with over 20 years' experience in the electricity retail industry in Australia. Hugh has in-depth knowledge of the National Electricity Market Business-To-Market (B2M) and Business-To-Business (B2B) processes, transactions and service levels as well as the Business-To-Customer (B2C) regulatory obligations.

Hugh's experience includes:

- Billing and Settlements Manager for Powercor prior to and post introduction of FRC,
- Senior Consultant for ServiceWorks Management, delivering consulting projects to utility customers covering project management, system implementation, process improvement, process outsourcing and financial modelling,
- Established and then managed, the meter data systems and business operation for Origin Energy's entry into competitive large customer metering under the Acumen Metering brand, including recruitment of all staff, ensuring regulatory compliance and achieving ISO 9000 quality certification,
- Established customer operations for a new entrant retailer, ensuring systems and processes were able to support all areas of retail operations to customers as the business grew, and
- Responsible for operational process establishment and accreditation of a new metering provider business under the Power of Choice market reforms and subsequently running the market facing operations. Responsible for ensuring compliance with regulations and managing audits with AEMO.

As Operations Manager, Hugh will be responsible for Acacia Energy's customer operations functions. Hugh's prior experience in both retail and metering operations provide a solid background to ensure that Acacia Energy will provide excellent customer services and maintain compliance with all relevant regulations.

Hugh will be responsible for monitoring compliance with the regulatory framework and rectifying non-compliances under the Market Registration and Compliance process prior to employment of a dedicated Regulatory Manager. Refer to page 44 of the Business Plan.

### 3.2.5. Riley Van de Loo, Operations Analyst

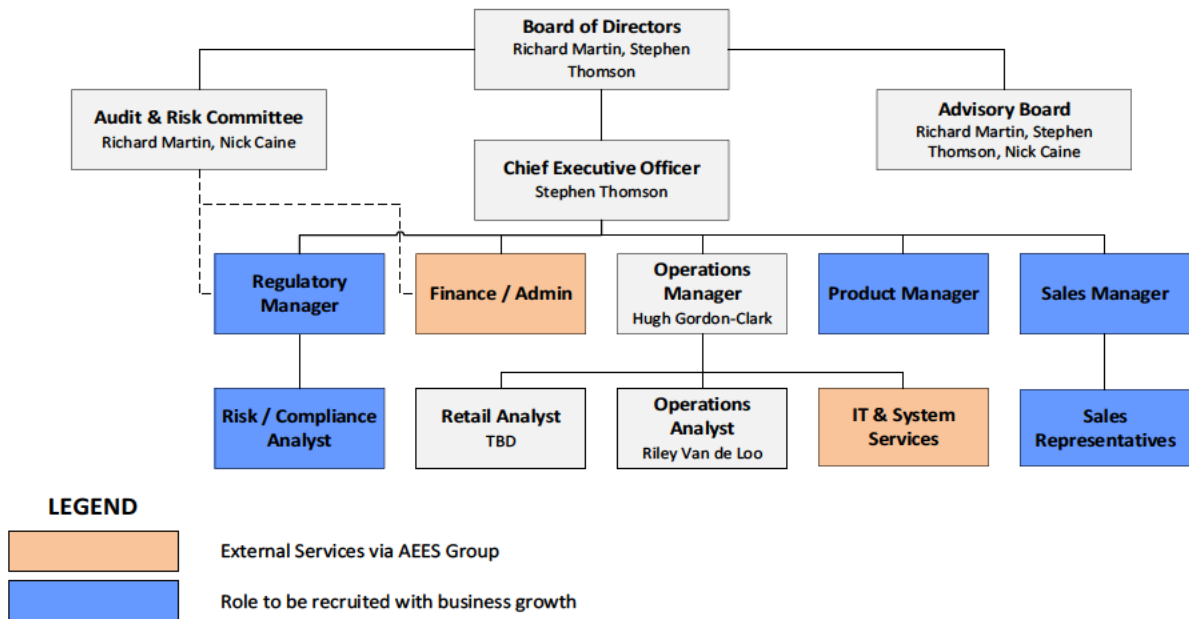
Riley Van de Loo is a final year engineering student who has been working with a solar and renewables EPC business for several years designing renewable energy systems for customers and overseeing their successful implementation. Through his work Riley has developed a detailed understanding of the NEM wholesale and ancillary services markets and how distributed energy resources can be controlled to participate in these.

Riley will support customer operations with a particular focus on the operational control of distributed energy resources associated with the retail services provided by Acacia Energy.

Riley will support the Operations Manager to monitor compliance with the regulatory framework and rectify non-compliances under the Market Registration and Compliance process prior to employment of a dedicated Regulatory Analyst. Refer to page 45 of the Business Plan

**Curriculum Vitae are contained in Confidential Attachment 1.**

### 3.2.6. Organisation Chart



### 3.3. Plan to Bring Energy Market Experience into the Business

Acacia Energy plans to recruit a Regulatory Manager within the first two years of operations to assume responsibility for compliance and establish a more independent compliance process as the business grows and can afford increased operational costs. Recruitment of a Risk / Compliance Analyst is also planned as the business expands.

In addition to these regulatory roles, Acacia Energy plans to recruit a Product Manager with experience in retail and demand management services to support future growth and product development aligned to customer requirements and the emergence of new opportunities associated with Distributed Energy Resources.

Further details on Acacia Energy's plans for resourcing key roles are set out in the Business Plan.

### 3.4. External Service Providers

#### 3.4.1. Electricity Purchasing

Acacia Energy's service offering is based on a Pool Price Pass Through retail product. As such, Acacia Energy will not be entering into wholesale energy contracts to support its retailing activities.

### 3.5. Business Plan

Acacia Energy has a detailed business plan which is supported by a ten-year financial model.

**A copy of the Business Plan is provided in Confidential Attachment 3.**

**A copy of the Financial Model is provided in Confidential Attachment 4.**

### 3.6. Compliance Strategy

#### 3.6.1. Knowledge and understanding of the obligations imposed on authorised retailers under the Retail Law and Retail Rules and applicable statutory, industry and technical requirements of the jurisdictions in which you intend to operate

Acacia Energy and its officers understand the importance of compliance with all relevant laws, rules and regulations. A detailed obligations register covering the relevant laws, rules and regulations has

been prepared. This register includes allocation of the relevant obligations to specific roles within Acacia Energy.

**A copy of the Compliance Register is provided in Attachment 5.**

### 3.6.2. Compliance Monitoring, Reporting and Improvement

**A copy of the Compliance Management Framework is provided in Attachment 6.**

### 3.6.3. Complaints and dispute resolution

Acacia Energy has adopted a complaints and dispute resolution policy commonly found in large customer and service delivery contracts.

**See clause 37 of the Standard Terms and Conditions which are provided in Confidential Attachment 7.**

## 3.7. Risk management Strategy

Acacia Energy operates a Risk Management Framework that complies with AS ISO 31000:2018.

**A copy of the Risk Management Framework is included in Confidential Attachment 8.**

A copy of the Risk Register is included in the Business Plan.

### 3.7.1. Risk Management Review

Acacia Energy's Risk Management Framework and Compliance Framework have been subjected to independent external review.

**A copy of the external Risk Management Framework and Compliance Framework review is included in Confidential Attachment 9.**

## 3.8. Ombudsman Scheme Participation

Not Applicable – Acacia Energy intends to sell electricity to large customers only.

## 3.9. Arrangements with other Market Players

### 3.9.1. AEMO Registration

Acacia Energy is to be registered with AEMO as a Market Customer under section 11(4) of the National Electricity Law and clause 2.3.1 of the Rules. This will allow Acacia Energy to purchase electricity in the wholesale exchange, on behalf of its customers, operated by AEMO for on-sale to customers.

### 3.9.2. ASX Austraclear Participation

Acacia Energy has submitted its application for membership of ASX Austraclear. At the time that this application for Authorisation as a Retailer is submitted, our ASX Austraclear application is under consideration.

### 3.9.3. Electricity Distributors

Acacia Energy will enter into Use of System agreements with electricity distributors in the NEM once the AER grants Acacia Energy its authorisation to sell electricity. Use of System Agreements have been executed with CitiPower, Powercor and United Energy. Discussions with other distributors across the NEM are underway.

### 3.9.4. Metering

Acacia Energy is in the process of engaging an authorised Metering Co-ordinator to arrange the provision, installation and maintenance of meters, and metering data for its customers.

Acacia Energy plans to, wherever possible, use the in-situ metering at a customer site when we become the FRMP for a new site. Discussions with multiple metering services providers are underway.

## 4. Financial Resources

### 4.1. Audited Financial Reports

**A copy of the Financial Report for the Year Ended 30 June 2020 is provided in Confidential Attachment 17.**

### 4.2. Long Term and / or Short Term Credit Ratings

Not Applicable – Acacia Energy is a start-up business and has not established credit ratings at this time.

### 4.3. Details and evidence of your current financial position, for example, interim financial statements

#### 4.3.1. Interim Financial Statements

**Details of Acacia Energy's current financial position are set out in Confidential Attachment 10.**

### 4.4. Group Structure

**Details of Acacia Energy's ownership structure are set out in Confidential Attachment 11.**

### 4.5. Going Concern Declaration

**A Declaration is provided at Confidential Attachment 12.**

### 4.6. Independent Auditor or Primary Financial Institution Declaration

**A Declaration from Acacia Energy's Independent Auditor is provided at Confidential Attachment 13.**

### 4.7. Details of Bank Guarantees or Arrangements to Access Additional Capital

**Copies of Acacia Energy's agreements relating to access to capital are provided at Confidential Attachment 14.**

### 4.8. Revenue and Expense Forecasts

Details of Acacia Energy's revenue and expense forecasts are included in the Business Plan.

## 5. Suitability

### 5.1. Details of any other business where your officers have held an officer position and any other entity that exerts control over your business activities

#### 5.1.1. Details of any material failure to comply with regulatory requirements, laws or other obligations over the previous 10 years, including infringement notices or other enforcement action (including voluntary administrative undertakings) being taken by a regulatory body.

Not applicable – Acacia Energy Pty Ltd, Acacia Energy Pty Ltd's associates, any other business where Acacia Energy Pty Ltd's officers have held an officer position and any other entity that exerts control

over Acacia Energy Pty Ltd has not had any material failure to comply with regulatory requirements, laws or other obligations over the previous 10 years, including infringement notices or other enforcement action (including voluntary administrative undertakings) being taken by a regulatory body.

5.1.2. Details of any previously revoked authorisations, authorities or licences held in any industry and the reason/s for the revocation.

Not applicable – Acacia Energy Pty Ltd, Acacia Energy Pty Ltd’s associates, any other business where Acacia Energy Pty Ltd’s officers have held an officer position and any other entity that exerts control over Acacia Energy Pty Ltd has not had any previous revocation of authorisations, authorities or licences.

5.1.3. Details of any failed authorisation, authority or licence applications in any industry and the reason/s the application was unsuccessful.

Not applicable – Acacia Energy Pty Ltd, Acacia Energy Pty Ltd’s associates, any other business where Acacia Energy Pty Ltd’s officers have held an officer position and any other entity that exerts control over Acacia Energy Pty Ltd has not had any failed applications for authorisation, authority or licence in any industry.

5.1.4. Details of any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry.

Not applicable – Acacia Energy Pty Ltd, Acacia Energy Pty Ltd’s associates, any other business where Acacia Energy Pty Ltd’s officers have held an officer position and any other entity that exerts control over Acacia Energy Pty Ltd has not been involved in any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry.

5.1.5. Details of any situation/s where you (or an associate) have previously triggered the RoLR provisions of the Retail Law or equivalent state/territory/foreign legislation, or have transferred or surrendered an authorisation or licence in circumstances where if not done, triggering a RoLR event would have been likely.

No applicable – Acacia Energy Pty Ltd, Acacia Energy Pty Ltd’s associates, any other business where Acacia Energy Pty Ltd’s officers have held an officer position and any other entity that exerts control over Acacia Energy Pty Ltd has not triggered any RoLR provisions of the Retail Law or equivalent state/territory/foreign legislation or transferred or surrendered an authorisation or licence where if not done, triggering a RoLR event would have been likely.

**A Declaration attesting to the above statements is provided in Confidential Attachment 12.**

5.2. Confirmation that no offences have been committed against, or been prosecuted 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) and the Corporations Act 2001 (Cth)) relevant to your capacity as an energy retailer,

**A Declaration is provided in Confidential Attachment 12.**

5.3. Management Team Declaration

**A Declaration is provided in Confidential Attachment 12.**

5.4. Officers Personal Details

**Personal details of Acacia Energy’s officers are set out in Confidential Attachment 15.**



## 5.5. Details of policies and procedures addressing the probity and competence of officers and any other key management staff

**Policies and procedures setting out the probity and competence of officers are set out in Confidential Attachment 16.**

### Confidential Attachments

1. Directors and Key Staff Curriculum Vitae
2. Not Used
3. Acacia Energy Business Plan
4. Acacia Energy Financial Model
5. Acacia Energy Compliance Register
6. Acacia Energy Compliance Management Framework
7. Standard Terms and Conditions
8. Risk Management Framework
9. External Review of Risk Management Framework and Compliance Framework
10. Financial Position
11. Ownership Structure
12. Acacia Energy Declarations
13. Independent Accountant Declaration
14. Acacia Energy Access to Capital
15. Officers Personal Details
16. Probity and Competence Policies and Procedures
17. Financial Report for the Year Ended 30 June 2020