

Application to Australian Energy Regulator for Individual Exemption under the National Energy Retail Law

Application Pursuant to the Exempt Selling Regime under the National Energy Retail Rules – Solar PPA

PUBLICATION VERSION

1. General Information Requirements

1.1 Your legal name. If you are a body corporate or community corporation, please indicate this.

Agri Energy Pty Ltd

1.2 Your trading name if different to your legal name.

As above

1.3 Australian Business Number (ABN) or Australian Company Number (ACN).

ACN 106 430 111

1.4 Registered postal address for correspondence. We may verify this information with the Australian Securities and Investments Commission (ASIC) or other relevant agency.

C/o Rose Corporate Pty Ltd
47 Stephenson Street
CREMORNE VIC 3121

1.5 Nominated contact person, including their position in the organisation and contact details.

Name	Position	Contact Details
Mr Michael Anthony	Director	0417 599 050
Mr Mark Barnett	Consultant	0409 023 140
Mr Lyle De Sousa	Solicitor; Legal Energy Lawyers & Consultants	0410 437 744

1.6 Why you are seeking an individual exemption, and why you believe that an exemption (rather than a retailer authorisation) is appropriate to your circumstances.

Agri Energy's business model is that of a Solar Power Purchase Agreement provider.

Agri Energy will provide, install and maintain, at no initial cost, a solar panel system to a customer. The customer will buy the energy provided by the solar panels for an agreed price for an agreed period. The energy will be sold at the customer's premises at which it is generated by Agri Energy's solar array. Any electricity that is not used is exported into the local electricity network. The customer will usually get the benefit of any feed-in tariff.

The term of each arrangement will be between 10 to 15 years, depending on the specific customer requirements.

The customer will remain connected to network distributed energy from the customer's main authorised retailer.

Agri Energy's customers will be grid-connected rural and regional businesses. Agri Energy's customers will **not** be residential, domestic customers.

Agri Energy proposes to operate in NECF jurisdictions, starting off in Tasmania.¹

Agri Energy will confirm to all of its customers, in plain English, that Agri Energy is not an authorised retailer; Agri Energy is not bound by all obligations under the Retail Law that apply to an authorised seller; and Agri Energy is bound by all other applicable customer protection legislation.

Agri will not register in the wholesale market for the purposes of purchasing energy and will not be the financially responsible market participant for the premises.

¹ We note that although on page 10 of the AER (Retail) Exempt Selling Guideline it states "the Retail Law's exemptions framework does not apply in that jurisdiction", we have since been advised by the AER and OTTER that the individual exemption selling regime now does apply to SPPA selling in Tasmania.

Several of the National Energy Retailer Law and National Energy Retail Rules retailer obligations are inappropriate for Agri Energy's business as an SPPA business. For example, participation in the Retailer of Last Resort scheme, obligations to provide standing offers, customer transfers and relationships with distributors etc.

Compliance by Agri Energy with all of the requirements contained in NECF for an authorised retailer is not practical or warranted.

On the basis of the Agri Energy's business model and the factors outlined above, we consider that it would be unnecessary and burdensome to seek a retailer exemption. We suggest an individual retailer exemption is appropriate.

1.7 Not applicable

1.8 The primary activity of your business (for example, managing a shopping centre).

Agri Energy will sell and install solar PV power panels at the customer's premises to produce solar electricity.

Agri Energy will monitor, operate and maintain the customer's system throughout the term of their contract.

The customer will agree to purchase the energy produced by the solar system at an agreed price for an agreed term.

The solar system will remain the property of Agri Energy unless the customer decides to purchase the system.

1.9 The form of energy for which you are seeking the individual exemption (electricity or gas). For electricity, please state whether the network you propose to sell is directly or indirectly connected to the main grid or is (or will be) an off-grid network.

Agri Energy will sell and install solar PV power panels at the customer's premises to produce solar electricity.

The customer will be connected to the grid. Solar energy produced may be at times exported to the grid.

The customer must have, and maintain, a retail customer contract with an authorised energy retailer.

1.10 Not applicable

1.11 The date from which you intend to commence selling energy.

1 October 2015

1.12 Not applicable

1.13 Details of any experience in selling energy, for example:

- **date/s and location/s of previous operations**
- **form/s of energy sold**
- **scale of operations (that is, the number, size and type of customers)**
- **an explanation of which activities will be conducted in-house and which will be contracted out to third parties.**

Selling energy is a new venture for Agri Energy.

Explanation of which activities will be conducted in-house and which will be contracted out to third parties

[CONFIDENTIAL]

1.14 Whether you currently hold, or have previously held or been subject to, an energy selling exemption or a retail licence (retailer authorisation) in any state or territory. If so, please provide details.

Agri Energy does not currently hold, or and has not previously held or been subject to, an energy selling exemption or a retail licence or retailer authorisation in any State or Territory.

1.15 Not applicable

2. Particulars Relating to the Nature and Scope of the Proposed Operations

2.1 Not applicable

2.2 Are you providing other services (for example, accommodation/leasing of property) to persons on the site who you intend to sell energy to? Or will your only commercial relationship to persons on the site be the sale of energy? If you

are providing other services, please specify what these services are, and the contractual or leasing arrangements under which these services are being provided.

Agri Energy's only commercial relationship to persons on the site will be the sale of energy and access to the premises for operation and maintenance and system removal at the end of the contract.

2.3 – 2.8 Not applicable

2.9 What types of meters will be used? For example, basic/accumulation meters, manually read interval meters or remotely read interval meters? Will these meters allow your customers to change retailers (i.e. not source their energy from you)?

We will provide remotely read interval meters which measure the amount of electricity generated by the solar system at an agreed point of connection which is "behind" the customer's grid connected meter.

How the customer sources their grid supplied electricity is not impacted by Agri Energy. The electricity supplied by the solar PV system will be supplementary to the electricity the customer purchases from the grid through their authorised energy retailer. Agri Energy thus does not inhibit a customer from changing electricity retailers if they wish.

Installation of solar PV may require the customer to update their meter switchboard to allow the excess solar electricity generated to be fed into the grid. This requirement arises as a result of the installation of solar PV and is not impacted in any way by Agri Energy's SPPA business model.

2.10 What accuracy standards apply to the meters? Do the meters comply with Australian Standards? If so, specify which Standard or Standards. For electricity meters, will the meters comply with National Measurement Act 1960 (Cth) requirements for electricity meters installed from 1 January 2013?

The meters we install will comply with Australian Standards including the *National Measurement Act 1960*.

2.11 & 2.12 Not applicable

2.13 In what form and how often will customers be billed? Will you be issuing bills yourself or through a billing agent?

Agri Energy will issue bills itself, and not through an agent, in accordance with customer contracts. Billing will be on a monthly basis.

2.14 What dispute resolution procedures do you intend to put in place to deal with energy related complaints and issues?

Agri Energy will employ its own customer service and dispute resolution procedures. Issues arising will be negotiated in good faith. Customers will also be notified of their access to jurisdictional Ombudsman schemes.

2.15 Not applicable

2.16 Will you make energy efficiency options available to your customers? Will your network incorporate solar or other generation options for sustainability purposes? If so, will you use gross or net metering?

Our plants will be solar powered and offer information on energy efficiency of the business through site monitoring. The plants will be gross metered.

2.17 Please provide any further information that you consider would assist us to assess your application.

The bulk of our sales will be in regional and rural areas. The solar plants we build will need approval from the distributor and enhance the uptake of renewable energy.

3. Particular information required for SPPA applicants

3.1 Do you have any experience in the energy industry? Please provide a brief description.

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3.2 What is your strategic direction and what are your objectives? Please describe your business model in some detail, noting

jurisdictions where you will be operating, and customer number forecasts for the first 3 years.

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- 3.3 What is your pricing structure - will you charge for energy only or are there other fees? Will you charge only for energy consumed or all energy generated?**

[CONFIDENTIAL]

- 3.4 Are there related companies and what is their function? Do you intend to transfer any functions to any other related companies and, if so, what are they?**

[CONFIDENTIAL]

- 3.5 Do you intend to sell to commercial or residential customers, and what size systems will you install?**

[CONFIDENTIAL]

- 3.6 Do you intend to use fixed term contracts and, if so, how long will they be?**

[CONFIDENTIAL]

- 3.7 Under what circumstances can the customer terminate the agreement and at what cost?**

[CONFIDENTIAL]

- 3.8 What happens when the contract ends? Who owns the system?**

[CONFIDENTIAL]