

**ERC Energy Pty Ltd**

**Energy Retail Authorisation Application –  
Electricity**

**August 2021**

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## 1.0 Introduction

Energy Resources Corporation (ERC) Pty Ltd is one of Australia's leading Independent Energy Management Businesses. As an Embedded Network Operator that acts on behalf of Body Corporates and Building owners, ERC has successfully provided maximum benefits and reduced utilities costs to thousands of individuals within the Embedded Network Space.

ERC's mission statement and values are to provide a total solution to meet our customers energy requirements. To fulfil this and provide our customers with even greater choice of services and potential benefits within Embedded Networks, ERC Energy Pty Ltd has been established as a propriety company, limited by shares with the view of gaining a retailer authorisation for the sale of electricity.

Like ERC, ERC Energy's strategic direction will remain concentrating on maximising benefits available through the implementation of Embedded Networks within the Queensland Jurisdiction with potential expansion across the Australian Eastern Seaboard. ERC Energy's core business will focus on retailing electricity to customers and businesses within the Embedded Networks for the foreseeable future with no plans to move into the small market customer space. ERC Energy desires to bring its operations under retail market obligations and under the National Energy Customer Framework.

This application has been compiled in accordance with the Retailer Authorisation Guidelines – December 2014, formulated by the Australian Energy Regulator. As such, it consists of information demonstrating our capacity and capabilities to successfully operate within the energy retail market.

Documents marked as 'Commercial in Confidence' can be found within the Appendices section and, as they are not for general disclosure, are not included within the public application.

## **2.0 General Particulars**

### **2.1 Legal Name**

ERC Energy Pty Ltd

### **2.2 Trading Name**

ERC Energy

### **2.3 ABN & ACN**

629 720 994

### **2.4 Registered Business Address**

18 /21 Nicklin Way  
Buddina  
Queensland, 4575

### **2.5 Nominated Contact:**

Matthew Blundell  
Director  
E: info@ercenergy.com.au

### **2.6 Form of Energy sought for retail authorisation**

Electricity

### **2.7 Proposed Commencement Date**

January 2022

### **2.8 Nature and Scope of proposed operations including types of customers**

ERC Energy intends to provide retail electricity to both small and medium market customers within the Embedded Networks, where the said customer has deemed it a more appropriate model for maximising the benefits for their circumstances. ERC Energy does not intend to market to Small Market Energy customers outside of the Embedded Networks in the foreseeable future.

ERC Energy's Business Plan marked commercial in confidence, Appendix 1, outlines in greater detail the intended nature and scope of its operations including the number of customers that all financial forecasting has been based on.

## 2.9 Jurisdictions

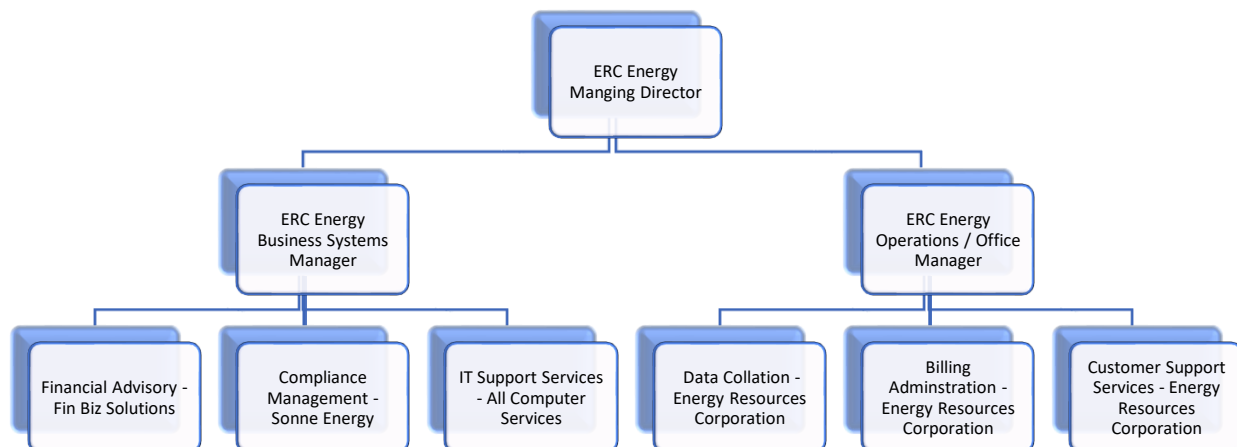
ERC Energy will commence operations in Queensland and will expand into other Jurisdictions as appropriate, meeting all regulations, rules and compliance requirements.

## 3.0 Organisational and Technical Capacity

### 3.1 Details of previous experience as an energy retailer and any other relevant energy market experience

ERC Energy is a newly established business. However, the leadership team for ERC Energy are also responsible for the operations of ERC, an accredited Embedded Network Operator, that has been providing energy market solutions since October 2000. Despite the embedded network being outside the market, ERC business practices already predominately align with a traditional retailer model. We have proven strategies to manage meter data management; invoice issuance; credit management; initiation of energisation and de-energisation; financial hardship; and customer service to all parties involved from end users to developers / body corporate management services.

### 3.2 Organisational Chart



Please refer to Appendix 2 for ERC Energy's Organisational Chart with employee details, marked commercial in confidence.

### 3.3 Employee Breakdown

As reflected in the Organisational chart, ERC Energy staff with direct responsibilities includes 3 management roles and third party agreements being in place to meet operational / technical requirements of an Electricity retailer.

ERC Energy has engaged a management team of 3 positions that currently hold dual roles within both ERC and ERC Energy due to the proposed business model where the overall customer pool for both ERC and ERC Energy will remain stable therefore resulting in projected modest growth and resource requirements for ERC Energy that is manageable without having to recruit additional permanent resources. For resource requirements outside these management roles, ERC Energy has access to all necessary operational positions through the engagement of the following companies:

- Energy Resource Corporation
- Fin Biz Solutions
- All Computer Services
- Sonne Energy Australia

ERC Energy employment and third party service provider requirements will be reviewed on a biannual basis. Please refer to the Service Agreements (Appendix 3) and Business Plan (Appendix 1), all marked commercial in confidence, for full details.

### 3.4 Summary of Qualifications, technical skills and experience of officers

All ERC Energy Pty Ltd staff currently partake in the management of Embedded Networks. Senior staff in key stakeholder positions include the following:

#### **Matthew Blundell, ERC Energy Managing Director**

Matthew has over 20 years of experience in the energy industry and managing compliance-based conglomerates. His qualifications include being a qualified electrician and the completion of business studies at USQ. Matthew has successfully managed Energy Resource Corporation for 12 years meeting all legislative requirements and customer expectations within the embedded network space. As such, Matthew has extensive knowledge and proven abilities to meet all the requirements of running an electricity retailer company as per the stipulations of the national and jurisdictional energy legislation; the retail rules; and the National Electricity Rules.

A complete overview of Matthew's experience can be found within his attached Curriculum Vitae, appendix 4 marked commercial in confidence.

### **Trudi Nipperess, ERC Office Manager**

Trudi has 20 years' experience in leading teams and projects in customer service-based environments, with the last 5 years being in the energy industry through a key leadership role within Energy Resources Corporation. Trudi has successfully led and coordinated multi-disciplinary teams to ensure exceptional service delivery whilst being able to maintain all energy industry regulatory requirements. She has been instrumental in gaining Energy Resources Corporation accreditation as an embedded Network Manager demonstrating her in depth knowledge of obligations and requirements to both the regulatory bodies and end users of the energy sector. In her previous roles, Trudi has proven abilities in setting up subsidiary businesses within larger conglomerates, skills that will be invaluable and transferable to the establishment of ERC Energy.

A complete overview of Trudi's experience can be found within her attached Curriculum Vitae, appendix 4 marked commercial in confidence.

### **Alison Blundell, ERC Business Systems Manager**

Alison brings high level skills in systematic reviews and change management. Prior to working with ERC, Alison had over 15 years' experience within the Sunshine Coast Hospital and Health Services (SCHHS) as an advance clinician whilst simultaneously managing allied health teams and being responsible for complying with local, state and national legislative requirements. Alison has also held the positions of Director of Nutrition and Dietetics and Director of Allied Health – Surgical Services where she held and demonstrated her efficacy in business systems management. Alison was integral in gaining the SCHHS a commendation within the accreditation process with the introduction of new national accreditation standards in 2013. As such she was selected to conduct a performance review and modify the overarching SCHHS strategic plan to ensure compliance with local, state and federal government and accreditation requirements. Alison was also integral in developing new clinical services to move the SCHHS from providing secondary health services to tertiary health services. Additionally, she facilitated the logistics around a full hospital relocation without any clinical incident that required the management of many different business systems. These skills will be an asset to ERC Energy in meeting legislative requirements of an electricity retailer company and the coordination of all third party services.

A complete overview of Alison's experience can be found within her attached Curriculum Vitae, appendix 4 marked commercial in confidence.

### 3.4 Third Party Provision

The following third parties have been engaged by ERC Energy to perform the nominated operational requirements. A compliance Committee will be formed to ensure both intra and inter operations of ERC Energy comply with all requirements of the Retail Law and Retail Rules

- **Energy Resources Corporation** will provide all Customer service and account management, metering data management, billing services and debt recovery.
  - o ERC are accredited Embedded Network Mangers that specialise in innovative and leading edge solutions for managing lower electricity cost for Body Corporate Groups, Commercial Buildings Owners and Business Operators. They offer a unique combination of extensive experience in building services, electricity industry, National Electricity Market, plus Body Corporate Industry knowledge to ensure a Body Corporate's compliance with relevant Legislation. ERC prides itself on accurate, efficient, and friendly customer service. With a focus on cash flow and debt management minimising any possible risk of bad debt for its customer. ERC provides the necessary Professional Engineering and Energy Management Services for the implementation and where required ongoing administration of the Electricity Supply.

For full details of service provision, please refer to the Service Agreement between ERC Energy and ERC, appendix 3 marked commercial in confidence

- **Fin Biz Solutions** will provide financial advisory and services.
  - o Drew Piva has over 24 years' experience as an accountant and tax agent and has been running Fin Biz Solutions since 2016. He has spent time working for large multi-national companies but primarily specialises in small to medium sized businesses. Drew specialises in providing business advisory services to a broad range of businesses in different industries. He works closely with management to implement KPI's, budgets and cashflow management to ensure that each business is able to generate annual profits with a long-term view to sustainable growth. He also educates management on financial best practice and establishes systems to ensure that internal accounting policies are adhered to. He Drew has worked with the owners of ERC Energy since 2014 in assisting them with their other business interests in the energy industry.

For full details of service provision, please refer to the Service Agreement between ERC Energy and ERC, appendix\_3 marked commercial in confidence

- **Sonne Energy** will provide Compliance Management Services.



- Sonne Energy Australia was founded by a team of professionals who have worked in the energy industry for a collective total of over 50 years and are passionate about finding new and innovative ways to help customers with their energy needs. Sonne Energy will initially facilitate auditing of all our compliance, risk and dispute resolution strategies to meet retail laws, codes and guidelines. After which they have been engaged to assist ERC Energy in ongoing compliance and performance obligations.

For full details of service provision, please refer to the Service Agreement between ERC Energy and ERC, appendix 3 marked commercial in confidence

- **All Computer Services** will provide Information Technology Services
  - All Computer Services will provide support services as an IT Manager for all related software systems including but not limited to cyber security; proactive systems health monitoring; data convergence; IT helpdesk; and cloud solutions

For full details of service provision, please refer to the Service Agreement between ERC Energy and ERC, appendix 3 marked commercial in confidence

### **3.5 Business Plan**

ERC Energy Business Plan, marked as commercial in confidence, can be found in Appendix 1.

### **3.6 Compliance Strategy**

ERC Energy compliance strategy is in accordance with the Australian Standard AS 3806-2006 and is committed to upholding the principles within the standard. By doing so, ERC Energy adheres and complies with the requirements stipulated within the energy industry laws, regulations, standards, and codes.

The full suite of compliance policies and procedures, marked Commercial in Confidence, can be found within Appendices 5 – 22.

### **3.7 Risk Management Strategy**

ERC Energy Risk Management strategy is in accordance with the Australian Standard AS/NZS ISO 31000:2009 addressing both financial and operational risks with a strong commitment from Senior Management and been assessed by external auditors through the Embedded Network Accreditation and subsequent auditor process.

The full suite of Risk Management policies and procedures, marked Commercial in Confidence, can be found within Appendices 23 – 28.

### **3.8 Energy Industry Ombudsman Scheme**

ERC Energy will partake in any scheme required of a retailer authorisation. As such, ERC has commenced the process of gaining membership to the Queensland Ombudsman Scheme (EWOQ) evidence is found within Appendix 29

### **3.9 Market Participation Arrangements**

ERC has obtained a Market Participant ID of ERCENM as part of the Embedded Network Manager accreditation process.

As ERC Energy intends to on-sell within the Embedded Network environment, contractual agreements will incorporate contingencies outlining that in the event of ERC Energy is unable to fulfil future obligations:

- RoLR obligations and processes will be completed
- Beneficiaries of the network and/or body corporate will assume responsibilities of energy on-selling requirements.

Please refer to Appendix 30 for the proposed ERC Energy contract, marked commercial in confidence outlining these contingencies.

## **4.0 Financial Capacity**

### **4.1 Evidence of current financial position**

Please refer to Appendix 31 (marked commercial in confidence) for the current financial position of ERC Energy Pty Ltd. As ERC Energy is a start up company, it has yet to have its financial reports audited or obtained a credit rating.

### **4.2 Details of the ownership structure**

Please refer to Appendix 32 marked commercial in confidence outlining where ERC Energy is placed within the Blundell Group Structure

### **4.3 Contractual arrangements defining relationships within the Group**

The Blundell Group structure (marked commercial in confidence) outlines the overarching relationships between ERC Energy and ERC and can be found in Appendix 32. The details of how these two companies intend to work together can be ascertained through the Service Agreement between ERC Energy and ERC, also marked commercial in confidence in Appendix 3.

### **4.4 Consolidated audited financial statements for the group**

Please refer to the Annual Accounts for the Blundell Group Pty Ltd inclusive of ERC Pty Ltd prepared by an independent accountant and marked commercial in confidence Appendix 33

#### **4.5 Going concern**

Please find within Appendix 34, ERC Energy's Director declaration that ERC Energy is a going concern.

#### **4.6 Independent financial declaration:**

Please refer to the written declaration from our principal financial institution Bendigo Bank outlining the following:

- An insolvency official has not been appointed in respect to the business or any property of the business
- 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
- They are unaware of any other factor that would impede our ability to finance your energy retail activities under the authorisation

This document, marked commercial in confidence, can be found in Appendix 35.

#### **4.7 Bank Guarantees**

ERC Energy has Sufficient access to the required capital to fund its first 5 years of operation. Therefore, it does not require the provision of a Bank Guarantee.

Please refer to the Loan Agreement in appendix 36 marked commercial in confidence outlining the how the required capital will be provided.

#### **4.8 Forecast**

Please refer to the financial forecasting document for the first five years of trading for ERC Energy. This document can be found in Appendix 37 and is marked commercial in confidence.

## **5.0 Suitability**

### **5.1 Record of regulatory Compliance**

For all officers within ERC Energy, we can confirm the following:

- There has been no material failure to comply with any regulatory requirements, laws or other obligations over the past 10 years.
- There have been no previously revoked authorisations, authorities or licences in any industries the officers have worked in.
- There have been no failed authorisations, authority or licence applications held in any industries the ERC Energy Officers have worked in.

- There have been no past or present legal actions taken regarding authorisations, authority or licences in any industries.
- No ERC Energy Officers have triggered the RoLR provisions of the retail law or its equivalent nor have they been involved in a transfer/surrendering of an authorisation or licence.

Please refer to the ERC Energy Pty Ltd Director's written declaration marked Commercial in Confidence in Appendix 38.

## **5.2 Details of Any Offences or declaration of no offences relevant to capacity as an energy retailer**

We can confirm that no current Directors, shadow Directors or any person responsible for significant operating decisions of ERC Energy Pty Ltd has had any offences or prosecutions under any territory, state, Commonwealth or foreign legislation in regard to the *Australian Securities and Investments Commission Act 2001 (Cth)*, *Competition and Consumers Act 2010 (Cth)* and the *Corporations Act 2001 (Cth)*.

Please refer to the ERC Energy Pty Ltd Director's written declaration marked Commercial in Confidence in Appendix 38

## **5.3 Criminal History Check**

ERC Energy will provide, upon request, criminal history checks for any employee that has material impact on ERC Energy as an authorised retailer.

## **5.4 Written Declarations**

Written declarations, marked commercial in confidence, have been provided in Appendix 39 by the Managing Director verifying that no one within the executive management team for ERC Energy have been disqualified from running corporations or have declared bankruptcy.

## **5.5 Officer Names and addresses**

The full names and addresses of all ERC officers, marked commercial in confidence, can be found in Appendix 40.

## **5.6 Probity and Competence policies**

In addition to policies and procedures already provided, the following policies and procedures address the probity and competence of current and future key personnel within ERC Energy:

- ERC Employment Agreement (Appendix 41) marked commercial in confidence
- ERC Change management policy (Appendix 15) marked commercial in confidence
- OH&S Policy (Appendix 8) marked commercial in confidence

- Anti-fraud and Corruption Policy (Appendix 25) marked in commercial in confidence
- Quality Assurance Manual (Appendix 22)
- Procedure for Recruitment and Selection (Appendix 42)

## 6.0 Appendices (all Commercial in Confidence)

1. ERC Energy Pty Ltd Business Plan August 2021
2. ERC Energy Pty Ltd Organisational Chart
3. Contractual Agreements – third parties (*ERC Pty Ltd; Fin Biz Solutions Pty Ltd; Sonne Energy Pty Ltd; All Computer Services Pty Ltd*)
4. ERC Staff curriculum Vitae
5. ERC Compliance Strategy 2021
6. ERC Compliance Policy 2021
7. Environmental Policy
8. ERC Occupational Health & Safety Policy
9. ERC Incident Report Form
10. ERC Corrective and Preventative Action Procedure
11. Preventative Action Request Form
12. Corrective and Preventative Action Register
13. ERC Customer Service Email Filing Process and Procedure
14. Control of Record Procedure
15. ERC Change Management Policy
16. ERC Server Details
17. ERC Privacy Policy
18. ERC Complaint / Dispute Resolution Policy
19. ERC Quality Assurance Policy
20. ERC Internal Auditing Policy and Procedure
21. Financial Hardship Policy
22. Quality Assurance Manual
23. ERC Risk Management Policy
24. ERC Risk Assessment Tool
25. Anti-fraud and Corruption Policy
26. Fraud Reporting Form
27. ERC Disaster Recovery and Business Continuity Standards
28. Disaster Recovery Register
29. Letter confirming commencing Ombudsman Scheme participation process
30. ERC Energy Embedded Retail Electricity Supply Agreement
31. Evidence of Financial Position
32. Blundell Group Ownership Structure
33. Blundell Group Annual Accounts
34. Declaration of Going Concern
- 35.** Independent Financial declaration from Bendigo Bank
36. Loan Facility Agreement between ERC Energy and ERC
37. Financial Forecasting
38. Written Declarations of record of regulatory compliance
39. Managing Director Bankruptcy Declaration
40. Names and Addresses of ERC Officers
41. ERC Employment Agreement
42. Procedure for Recruitment and Selection

## **Appendix 1**

# **ERC Energy Pty Ltd Business Plan August 2021**

## **Appendix 2**

# **ERC Energy Pty Ltd Organisational Chart**



## **Appendix 3**

### **Third Party Contractual Agreements As per attached documents: –**

- ERC Pty Ltd
- Fin Biz Solutions Pty Ltd
- Sonne Energy Pty Ltd
- All Computer Services Pty Ltd

## **Appendix 4**

### **ERC Staff Curriculum Vitae**

- **Matthew Blundell**
- **Trudi Nipperess**
- **Alison Blundell**

## **Appendix 5**

### **Compliance Strategy**

## **Appendix 6**

### **Compliance Policy**

## **Appendix 7**

**Environmental Policy as per attached document: -**

**ERC Environmental Policy**

## **Appendix 8**

**Occupational Health and Safety Policy as per attached document: -**

**ERC OH&S Policy**

## **Appendix 9**

**Incident Report Form as per attached document: -**

**ERC Incident Report Form**

## **Appendix 10**

**Corrective and Preventative Action Procedure as per attached document: -**

**ERC Corrective and Preventative Action Procedure**



## **Appendix 11**

**Corrective Action Request Form as per attached document: -**

**ERC Corrective Action Request Form**

## **Appendix 12**

**Corrective and Preventative Action Register as per attached document: -**

**ERC Corrective and Preventative Action Register**

## **Appendix 13**

**Customer Service Email Filing Process and Procedure as per  
attached document: -**

**ERC Customer Email Filing Procedure**

## **Appendix 14**

**Control of Record Procedure as per attached document: -**

**ERC Control of Records Procedure**

## **Appendix 15**

**Change Management Policy as per attached document: -**

**ERC Change Management Policy**

## **Appendix 16**

**Server Details as per the attached document: -**

**ERC Server Details**

## **Appendix 17**

**Privacy Policy as per the attached document: -**

**ERC Privacy Policy**

## **Appendix 18**

**Complaint / Dispute Resolution Policy as per attached document: -**

**ERC Complaint / Dispute Resolution Policy**



## **Appendix 19**

**Quality Assurance Policy as per attached document: -**

**ERC Quality Assurance Policy**

## **Appendix 20**

**Internal Auditing Policy and Procedure as per attached document: -**

**ERC Internal Auditing Policy and Procedure**

## **Appendix 21**

**Financial Hardship Policy as per attached document: -**

**ERC Hardship Policy**

## **Appendix 22**

**Quality Assurance Manual as per attached document: -**

**ERC Quality Assurance Manual**

## **Appendix 23**

**Risk Management Policy as per attached document: -**

**ERC Risk Management Policy**

## **Appendix 24**

**Risk Assessment Tool as per attached document: -**

**ERC Risk Assessment Tool**

## **Appendix 25**

**Anti-fraud and Corruption Policy as per attached document: -**

**ERC Anti-fraud and Corruption Policy**

## **Appendix 26**

**Fraud Reporting Form as per attached document: -**

**ERC Fraud Reporting Form**



## **Appendix 27**

**Disaster Recovery and Business Continuity Standards as per  
attached document: -**

**ERC Disaster and Business Continuity Standards**

## **Appendix 28**

**Disaster Recovery Register as per attached document: -**

**ERC Disaster Recovery Register**

## **Appendix 29**

**Evidence of participation in the Ombudsman scheme:-**

**Scheme membership enquiry letter \_ EWOQ**

## **Appendix 30**

### **ERC Energy Embedded Retail Electricity Supply Agreement**

## **Appendix 31**

### **Evidence of Financial Position**

#### **ERC Energy Financial Accounts 31 May 2020**

## **Appendix 32**

**Blundell Group Ownership Structure as per attached document: -**

**ERC Energy Pty Ltd Ownership Structure 2020**

## **Appendix 33**

**Blundell Group Annual Accounts as per attached documents: -**

- Annual Accounts 2019 Blundell Investment Group**

## **Appendix 34**

**Declaration of Going Concern as per attached document: -**

**ERC Energy Pty Ltd signed memorandum of resolution 06112020**



## **Appendix 35**

**Independent Financial Declaration as per attached document: -**

**Independent Financial Declaration from Bendigo Bank 2020**

## **Appendix 36**

### **Loan Facility Agreement between ERC Energy Pty Ltd and ERC Pty Ltd**

## **Appendix 37**

**Financial Forecasting as per attached document: -**

**Basic Cashflow model - ERC**

## **Appendix 38**

### **Written Declarations of Regulatory Compliance**

- **Declaration of Regulatory Compliance Criterion 1**
- **Declaration of Regulatory Compliance Criterion 2**

## **Appendix 39**

**Bankruptcy Declarations as per attached document: -**

## **Appendix 40**

### **Names and Addresses of ERC Energy Pty Ltd Officers**

#### **ERC Officers Names and Addresses**

## **Appendix 41**

**ERC Employment Agreement as per attached document: -**

**ERC Employment Agreement**

## **Appendix 42**

**Procedure for Recruitment and Selection as per attached document: -**

**ERC Recruitment and Selection Procedure**