

Application for an Individual Exemption Application

Part 1: General information requirements

Please provide the following information in your application for an individual exemption:

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

CAMELOT TERRACE CTS 10067 BODY CORPORATE ("Camelot Terrace")

Body Corporate.

2. **Your trading name if different to your legal name.**

As above.

3. **Australian Business Number (ABN) or Australian Company Number (ACN).**

ABN: 80 789 564 641

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

PO Box 466, Toowong, QLD 4066

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

James Pearce

Consultant



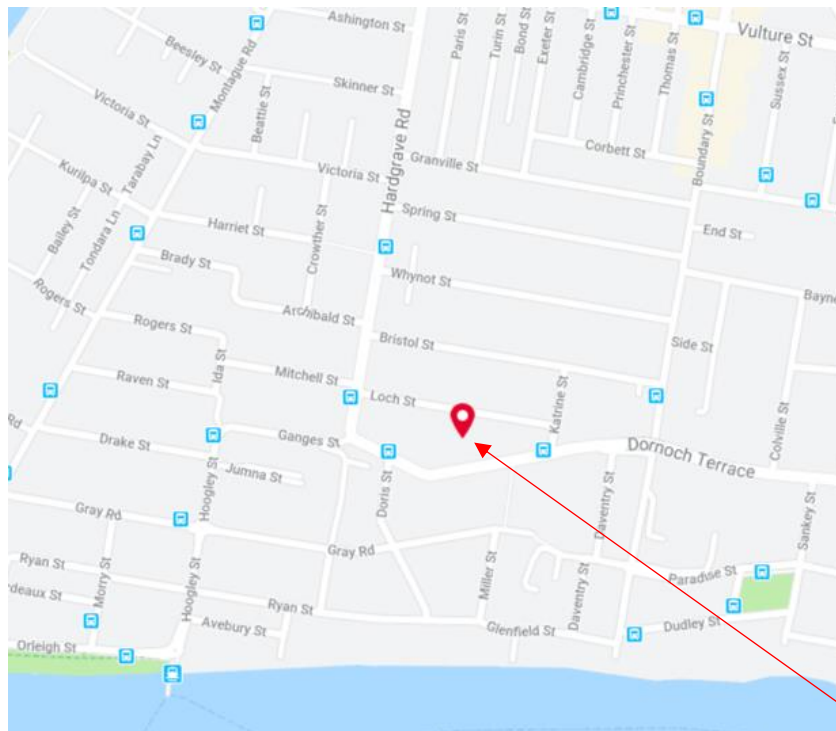
6. **Why you are seeking an individual exemption, and why you believe that an exemption (rather than a retailer authorisation) is appropriate to your circumstances.**

The Camelot Terrace Body Corporate is seeking an individual exemption for an Embedded Network to distribute and sell electricity to occupiers at 34 Dornoch Terrace, West End, QLD 4101. The proposed on-selling of electricity will be limited to those occupiers that reside at the site.

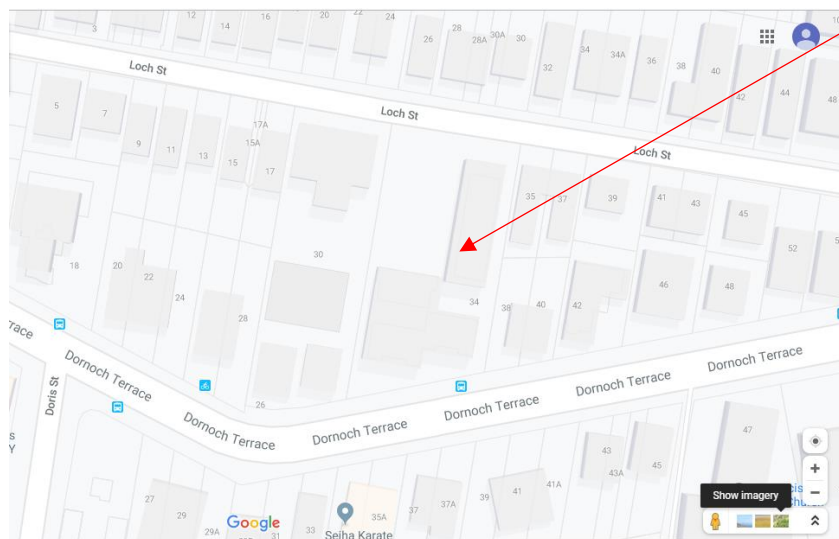
7. The address of the site at which you intend to sell energy, including a map of the site and a brief description of this site and its current and future use/s.

The proposed Embedded Network is known as “Camelot Terrace” and is situated at 34 Dornoch Terrace, West End, QLD 4101. Camelot Terrace comprises of 30 residential units across 3 levels. Built in the late 1960’s, this well-maintained building is brick construction with one lift and under cover car parking for occupiers. Camelot Terrace is currently fully occupied with a combination of owner occupiers and rental tenants.

Map:



34 Dornoch Terrace, West End, Qld





34 Dornoch Terrace,
West End, Qld

Front view of Camelot Terrace, 34 Dornoch Terrace, West End, QLD.



Rear view of Camelot Terrace, 34 Dornoch Terrace, West End, QLD.



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

Camelot Terrace CTS 10067 Body Corporate's primary activity of business is to maintain and manage common property areas and body corporate assets for the benefit of all the owners.

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.

Camelot Terrace CTS 10067 Body Corporate is seeking an individual exemption for electricity connected directly to the main grid. There will be one Parent Meter.

10. Are you establishing, or have you established, energy supply in an area where there are no other viable energy supply arrangements available?

No.

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

1 November 2019 or from the date when the individual exemption is granted.

12. Mailing addresses for premises at the site (where applicable). We may use this information to ensure that potential customers are able to participate in our consultation process.

[REDACTED]

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.

Camelot Terrace CTS 10067 Body Corporate does not have any previously experience in the sale or distribution of electricity; however, intends to partner with established providers in the industry.

ENM Solutions

ENM Solutions is a leading provider of Embedded Network and Electrical Professional Services across the National Electricity Market. ENM Solutions has managed the process to obtain an individual exemption thus far. Further information can be found on their website: <https://www.ENMSolutions.com.au/>

Energy On

Energy On is a specialist in the operation of smart and efficient utility networks. Their solutions are specifically designed for multi-tenant environments, from apartment buildings, retirement villages and office complexes, to shopping centres, airports and industrial sites. Energy On provides the total service, from evaluation and planning, to implementation, infrastructure upgrades, meter reading, invoicing and credit management. Energy On believe in delivering innovative solutions that provide the owners of the network with a positive outcome through fair rate setting and cost recovery. Further information can be found on their website: <https://www.EnergyOn.com.au/>

Energy On has been appointed as the Embedded Network Operator.

- 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.**

Camelot Terrace CTS 10067 Body Corporate does not currently hold nor previously held a retailer authorisation or exemption.

- 15. What arrangements you have made in the event that you can no longer continue supplying energy (e.g., has the retailer that sells to you agreed that they will service the customers).**

In the unlikely event that Camelot Terrace CTS 10067 Body Corporate is unable to supply and sell electricity to the Embedded Network customers at the site, and as per their right, customers are able to purchase electricity from an authorised retailer of their choice.

Part 2: Particulars relating to the nature and scope of the proposed operations

To determine whether it is appropriate to exempt you from the requirement to hold a retailer authorisation, we need information on the nature and scope of the operations you propose to conduct. Please answer the following questions:

- 16. Will your customers be your tenants? If so, are they residential or commercial/retail**

Camelot Terrace is primarily residential with a mixture of owner, owner/occupier and tenants; with the exception of the Common Areas which is considered a business owned by the Body Corporate.

- 17. 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.**

Camelot Terrace CTS 10067 Body Corporate's primary activity of business is to maintain and manage common property areas and body corporate assets for the benefit of all the owners. We do not propose to offer any other services other than the sale and distribution of electricity.

18. **What is the total number of customers at the site? Please provide a breakdown between residential and business customers (and whether they are small or large as defined for the jurisdiction in which you intend to operate).**

The total number of customers at the site is 31. Camelot Terrace will have 30 small residential customers and 1 small business customer (for the Common Area).

19. **Will you be on-selling energy (that is, selling energy purchased from an authorised retailer) or purchasing it directly from the wholesale market?**

Camelot Terrace CTS 10067 Body Corporate will purchase electricity from an authorised retailer.

20. **What is the estimated aggregate annual amount of energy you are likely to sell (kilowatt hours or megawatt hours for electricity and mega joules or gigajoules for gas) and the average expected consumption of customers for each type of customer you service (that is, residential customers and retail or commercial customers)?**

Estimated aggregate annual amount likely to be sold:	██████████	MWh per annum.
Average expected consumption for each residential customer:	██████████	MWh per annum.
Average expected consumption for each business customer:	██████████	MWh per annum.

21. **Will your customers be wholly contained within a site owned, controlled or operated by you? (For the purposes of this question, a body corporate may be taken to 'operate' premises it oversees).**

Yes. Customers will be wholly contained within Camelot Terrace.

22. **Will each premises/dwelling be separately metered? If the application is for a new development or a redevelopment and customers will not be separately metered, please explain why not. For unmetered supply, state how you will determine energy charges?**

Yes. Each premises/dwelling will be separately metered.

23. **Will meters allow your customers to change retailers (i.e. not buy their energy from you) as required by the AER's Network Guideline?**

Yes. All customers will have access to a retailer of their choice as stipulated in AER's Network Guideline.

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

Customers will be billed quarterly via email or post.

Camelot Terrace CTS 10067 Body Corporate has appointed Energy On to operate and manage the Embedded Network on our behalf as our "billing agent".

25. What dispute resolution procedures do you intend to put in place to deal with energy related complaints and issues? Confirm whether it is consistent with the Australian Standards: AS/NZS 10002:2014 Customer Satisfaction – Guidelines.

Energy On has current Complaint Handling Policy and Process in place which is made available to all Energy On customers. The Energy and Water Ombudsman Queensland (EWOQ) does not currently provide membership opportunities for Embedded Networks but the regulations are being reviewed. Once membership is available we will be joining EWOQ. As the ombudsman scheme does not apply in QLD, if a complaint was to remain unresolved the matter could be referred for mediation to the Resolution Institute, or any successor body.

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

Camelot Terrace Body Corporate has considered the National Electricity Objective, "to promote efficient investment in, and efficient operation and use of, energy services for the long-term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy". We confirm that we wish to invest in our internal infrastructure for the long-term benefit of our consumers, specifically from a safety standpoint (considering the age of our switchboards and metering) and from a renewable generation standpoint. We intend to provide our consumers with market competitive pricing, if not better than market, with a high level of quality, reliability and security.

ENM Solutions and Energy On is aware and up to date with the changing landscape for Embedded Networks, particularly regarding the final report published by the AEMC "Updating the Regulatory Frameworks for Embedded Networks".

ENM Solutions and Energy On is aware of the pending requirement to join the Energy and Water Ombudsman Queensland (EWOQ) and is in contact with them for when this requirement is passed.

Energy On understands and complies with all conditions of both the AER's "Electricity Network Service Provider – Registration Exemption Guideline Version 6" and "AER (Retail) Exempt Selling Guideline Version 5" and will do so on our behalf.

Embedded Network customers, at all times, have the right to choose an authorised retailer of their choice.

All metering will be National Measurement Institute approved and National Electricity Market compliant.

Part 3: Converting embedded networks (retrofitting)

If you are planning to sell energy through a converted embedded network, your application needs to address all the questions in Parts 1 and 2 as well as the questions and information requests at 30 to 39 below. Before completing this section you should refer to sections 4.4 and 7.2.1 of this guideline.

Provision of information

You must confirm you have evidence that consumers have been provided with the following information:

27. that you are planning to retrofit the site as an embedded network and this will require metering changes

Yes, all occupiers at Camelot Terrace have been provided with notification regarding the proposed retrofit of the embedded network and metering changes. As evidenced in "Appendix 1 - Letter of Intent" and subsequent correspondence.

28. that consumers retain the right to contract with a retailer of choice even after inclusion in the embedded network (except where this right does not exist due to jurisdictional legislation)

Yes, all occupiers at Camelot Terrace have been notified regarding their right to a retailer of their choice. As evidenced in "Appendix 1 - Letter of Intent" and subsequent correspondence.

29. that in order to exercise their right to a retailer of choice, consumers may need to enter into an 'energy only' contract, which is offered at retailers' discretion and may be difficult to obtain.

Yes, all occupiers at Camelot Terrace have been informed that they would need to enter into an 'energy only' contract should they not choose the Embedded Networks retailer. Please see "Appendix 2 - Background & Frequently Asked Questions".

30. that customers in embedded networks may not receive the same protections as those of an authorised retailer under the Retail Law, including access to ombudsman schemes.

Yes, all occupiers at Camelot Terrace have been advised that they may not receive the same protections as those of an authorised retailer. Unfortunately, Embedded Networks in Queensland do not support the requirement for the Body Corporate to join the ombudsman scheme for dispute resolution. Energy On, on behalf of the Body Corporate, has a detailed Complaints Handling Policy that will govern how issues are managed, both internally and externally. This can be evidenced in "Appendix 2 - Background & Frequently Asked Questions".

In addition, you need to confirm that you have provided consumers with:

31. your electricity sales agreement, which details all fees and tariffs

Correspondence including the Energy On Price Fact Sheet initially sent to Camelot Terrace occupiers on 26 June 19, please refer to "Appendix 3 - Energy On Price Fact Sheet".

32. the contact details of a representative from your company to answer any queries or concerns about the planned retrofit.

Camelot Terrace occupiers were actively encouraged to contact ENM Solutions throughout the collection of Explicit Informed Consent process. Contact details were included on all correspondence for occupiers to ask any questions or concerns regarding the proposed retrofit.

Camelot Terrace CTS 10067 Body Corporate also provided the contact details of a committee member to all occupiers in initial correspondence should they have any questions or concerns.

In your application you need to include samples of the information you have provided to consumers.

Explicit informed consent

To demonstrate that you have obtained customer consent you need to address the following:

33. confirm you have evidence of written consent from all customers affected by the retrofit

As per the NSP Registration Exemption Guideline, section 4.9.7, greater than eighty-five percent consent to the conversion to an embedded network has been granted. ENM Solutions has written consent for the proposed retrofit of the Embedded Network at Camelot Terrace from 27 of the 31 occupiers representing 87%. All received consent has been securely stored and can be provided in support of this application if required.

Total number of customers	Number of consented tenants	Number of non-consenting tenants	Number of tenants who have not responded	Percentage of consented tenants
31	27	1 (Not finalised)	3	87%

34. confirm that consent was sought separately from customers for the retrofit and the energy sale agreement

Consent for the retrofit of the Embedded Network was managed by ENM Solutions on behalf of the Camelot Terrace CTS 10067 Body Corporate and was sought separately from all customers.

35. if customers expressed concerns, provide evidence of your attempts to resolve them.

During the consent process, ENM Solutions did not receive any expressions of concern.

Some occupiers questioned if they would still be able to access the Queensland Government Electricity Rebate. In order to provide confirmation that occupiers would still be able to access this rebate, ENM Solutions wrote to all Camelot Terrace occupiers about how the rebate would be applied for eligible occupiers. Please refer to "Appendix 4 – Concession Information".

Two occupiers questioned whether the rate provided by the Body Corporate would be better than their current offer. After detailed analysis and discussion with the occupiers, they were happy that they would be better off and signed the consent form.

You do not need to provide evidence of customers' consent to the proposed retrofit in the initial application, but evidence should be available on request.

Retail contestability

To demonstrate you have addressed any potential customer detriment resulting from a loss of retail contestability, you must confirm whether you have:

36. sought advice from the distributor about whether non-consenting customers can be wired out of the embedded network

Yes, Camelot Terrace CTS 10067 Body Corporate and ENM Solutions have sought advice from Energex about wiring out non-consenting occupiers. As evidenced in Appendix 5 (email etc to show that this has been done) and phone discussion.

37. taken steps to ensure that customers who wish to remain with their retailer, but cannot be wired out, will not be financially disadvantaged by the retrofit. Measures to reduce financial detriment are likely to include price matching for affected customers, and taking financial responsibility for any double billing of network charges.

There has been no customer that wishes to remain with their current retailer.

Customer dispute resolution services

38. Have you advised customers of your dispute resolution process and options for external dispute resolution, such as ombudsman schemes?

Yes, Energy On has current Complaint Handling Policy and Process in place which is made available to all Energy On customers. The Energy and Water Ombudsman Queensland (EWOQ) does not currently provide membership opportunities for Embedded Networks but the regulations are being reviewed and once membership is available we will be joining EWOQ. As the ombudsman scheme does not apply in QLD if a complaint was to remain unresolved the matter could be referred for mediation to the Resolution Institute, or any successor body. This information has been provided to Camelot Terrace occupiers as evidence in "Appendix 2 – Background and Frequently Asked Questions".

AER Consultation

39. You must confirm you have advised consumers of the AER's consultation process. In particular, you must make consumers aware that the AER consults on individual exemption applications and will publish your application on its website and invite public submissions.

ENM Solutions on behalf of Camelot Terrace CTS 10067 Body Corporate notified all occupiers at Camelot Terrace that the application for individual exemption will be published on the AER's website as evidenced in "Appendix 2 – Background and Frequently Asked Questions".

Notice of the open consultation period will be sent to tenants by letter and email once the AER has advised the date for which submissions are open

Appendix (Confidential)

Appendix 1 – Letter of Intent

Appendix 2 – Background and Frequently Asked Questions

Appendix 3 – Energy On Price Fact Sheet

Appendix 4 – Concession Information

Appendix 5 – email etc to show advice from distributor regarding wiring out of non-consenting occupiers.