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Australia

ABN 64 612 341 849

Australian Energy Regulator

GPO Box 520

Melbourne VIC 3001

Attn: General Manager, Retail Markets Branch

via email: [AERauthorisations@aer.gov.au](mailto:AERauthorisations@aer.gov.au)

27 October 2020

Dear Sir/Madam

## Application for retailer authorisation

EPC Technologies Pty Ltd (EPCT) is an innovative Australian energy services company, combining specialist economic and financial analytical skills and knowledge with real-world engineering and project development capability. We focus on the Australian market, supporting private and public sector clients in designing and implementing the transition to a lower emissions future. The EPCT team is at the forefront of energy innovation, and bring decades of energy market experience

- Advising governments and regulators
- Working with electricity and gas sector investors, owners and operators, and
- Designing and delivering generation, network and supporting infrastructure.

EPCT is proposing to establish itself as an electricity retailer to support its business implementing distributed energy solutions throughout Australia.

Besy is a distributed real-time electricity pricing and equipment management tool created by EPCT with the support of the Federal and Queensland Governments. EPCT intend to provide innovated retail offerings in association with Besy.

This application has been prepared in accordance with the “Retailer Authorisation Guideline – December 2014” issued by the Australian Energy Regulator.

## 1. Required Information – General Particulars

Reference	Requirement	Details
1.1	Legal Name	EPC Technologies
1.2	Trading Name	Besy and/or Besy Energy
1.3	ABN	64 612 341 849
1.4	Registered Address	Level 3, 155 Queen Street, Brisbane QLD 4000
1.5	Nominated Contact	Greg Denton Managing Director [REDACTED]
1.6	Form of Energy	Electricity
1.7	Commencement Date	Anticipated to be no later than March 2021
1.8	Nature and scope of operations proposed	EPCT will bundle retail electricity with the distributed energy solutions it implements directly and enables through the Besy platform.
1.9	Proposed jurisdiction	Australia (All States and mainland Territories)
1.10	Type of Customer	EPCT may make offers to small customers, small market offer customers and large customers

## 2. Organisational and Technical Capability

### 2.1 Previous experience in energy retailing

EPCT attained a retail exemption in 2017 through its 100% owned subsidiary, Smarter Energy Holdings. Smarter Energy Holdings sells electricity from behind-the-meter generators to customers via power purchase agreements. Details are provided as Confidential Attachment 1.

### 2.2 Details of other relevant retail or energy market experience

The founders of EPCT have deep knowledge in all aspects of the electricity supply industry. Of particular relevance are:

- our former roles at a vertically integrated power company
- our former roles in an electricity trading company
- our advisory roles in the design of electricity markets, including both the National Electricity Market and the Wholesale Electricity Market, and
- our advisory roles involving financial and electricity risk management, electricity generation, storage and distribution technologies.

### 2.3 Procurement of additional skills and experience

With funding from the Federal and Queensland Governments EPCT has contracted information technology services. We intend to bring this capability in-house following the initial development phase. We also intend to recruit expertise in social media and web design.

### 2.4 Organisation chart

EPCT's organisation chart is provided as Confidential Attachment 2.

### 2.5 Employees broken down by business unit

EPCT's allocation of employees is provided as Confidential Attachment 2.

### 2.6 Employees qualifications, technical skills and experience

EPCT's leadership team has the skills and experience to support our proposed retail operation.



## Greg Denton

*MBA BA BCom, GAICD*

20+ years in energy markets, projects and regulation

- Majored in economics, finance and political studies, MBA in the US
- Energy Economist advising governments, regulators and participants
  - Has worked in the National Electricity Market since its inception, the South Australian electricity industry privatization, Murraylink transmission investment implementation, many market rule changes, reliability panel investigations, and locational pricing
  - A Senior Associate of The Lantau Group – providing energy economic and financial advisory services throughout Asia
- Energy trader – with Enron Australia, then led Verve Energy's trading team at Wholesale Electricity Market start in Western Australia
- Engineering and project delivery – Delivering energy and infrastructure projects at Worley with responsibility for Australia/New Zealand and then South Africa
- Motivated by sustainability – was on Board/Chair of the Sustainable Energy Association
- Founded EPC Technologies in 2016 - market participation, commercial advisory and project implementation for distributed and renewable solutions



## Neville Wood

*MIEAust CPEng NER*

20+ years in Energy Markets

- 20+ years of energy industry experience in both Europe and Australia
- Expertise covers energy systems detailed design, access and operation within Power Utilities, Consulting and OEM practices
- Provides a holistic understanding of the operation of power systems, particularly renewables, with diverse market requirements
- Brings technological innovation to improve operational integrity and efficiency
- Founded EPC Technologies in 2016 - market participation, commercial advisory and project implementation for distributed and renewable solutions



## Michael Cornwall

*MIEAust CPEng NER*

15+ years in Energy Markets

- Highly skilled and effective Project Manager
- Successfully delivered numerous energy solution projects for both private and public sector clients for over 15 years
- Experienced and ability to innovate and think creatively
- Consistently deliver positive results for his clients
- Integrity and ability to communicate effectively with diverse stakeholders,
- Full project life-cycle management
- Founded EPC Technologies in 2016 - market participation, commercial advisory and project implementation for distributed and renewable solutions

### 2.7 Third-party reliance

EPCT's is not planning to rely on any third-party service provider to meet technical requirements.

### 2.8 Business Plan

EPCT has steadily expanded its business since formation in 2016. Our business plan reflects the intent to continue growing in a measured and staged manner. Our business plan relevant to this application relates to Besy and is provided as Confidential Attachment 3. It has three parts:

- Part A is the Business Evaluation Action Plan provided by the Commonwealth Government Department of Industry, Innovation and Science through the Business Entrepreneur's Program.
- Part B is the Besy Strategy Marketing Plan
- Part C is the business financial forecast for Besy.

## 2.9 Compliance Strategy

As an engineering business, EPCT has a strong culture for safety and compliance. We understand and will fully comply with the Retail Law, the Retail Rules, the AER Compliance Guidelines, and the AER Performance Reporting Procedures and Guidelines. Our compliance strategy has been prepared with input from professional services firms familiar with AER requirements. It has now been implemented within our organisation (to the extent practicable ahead of retail activity) and is provided as Confidential Attachment 4.

Our dispute resolution procedure was prepared in line with the requirements for Authorised Solar Retailers by the Clean Energy Council and is consistent with AS ISO 10002-2006 and industry best practice. As we establish our retail activity we will update this procedure to the updated standard (AS ISO 10002-2018). It is attached as Confidential Attachment 4A.

## 2.10 Risk Management Strategy

EPCT's risk management strategy for electricity trading is provided as Confidential Attachment 5. Our Health, Safety and Environment Risk Management Procedure is provided as Confidential Attachment 5A.

## 2.11 External Assurance

A letter of assurance is provided as Attachment 6.

## 2.12 Additional Information

Nil.

## 2.13 Membership of ombudsman schemes

EPCT will become members of ombudsman schemes on an as required basis in each jurisdiction in which we secure customers. We have initiated our engagement with the Queensland ombudsman, EWOQ, as evidenced by Confidential Attachment 7.

## 2.14 Key player engagement

EPCT has engaged with the Federal Government, Queensland Government and the AEMO as it developed Besy, with both the Federal and Queensland Governments financially supporting product development.

EPCT is:

- a registered participant in the National Electricity Market as a Small Generator Aggregator and applied for registration in the Market Customer Category on 18 August 2020.

- a Special Purpose Participant of the Austraclear System
- an Authorised Solar Retailer with the Clean Energy Council
- registered with the Clean Energy Regulator.

Evidence of this engagement is provided as Confidential Attachment 8.

### 3. Financial Capacity

#### 3.1 and 3.2 Existing Business

Confidential Attachment 9 provides our financial reports for the 2019 financial as prepared by BDO. It also contains data 2018 financial year. We have also provided balance sheets for our businesses at the end of the 2020 financial year (which are yet to be formalised).

EPCT does not audit its accounts and does not have a credit rating.

#### 3.3 Start-up Businesses

Not applicable

#### 3.4 Partnerships and Joint Ventures

Not applicable

#### 3.5 Going Concern Declaration

Confidential Attachment 10 provides the required declaration.

#### 3.6 Financial Institution Statement

Confidential Attachment 11 provides the required statement from BDO.

#### 3.7 Additional Capital Support

Confidential Attachment 12 includes details of the financial arrangements EPCT and its subsidiary has in place.

#### 3.8 Financial Forecasts

EPCT has positive cashflow. The business plan provided as Confidential Attachment 3 includes our projection that this situation will be maintained through a managed growth strategy.

### 4. Suitability

#### 4.1 Material Failures

Neither EPCT, its associated companies nor its officers have:

- been involved or had association with a material failure associated with regulatory compliance
- had any previous authorisation revoked
- been unsuccessful when applying for a licence or authorisation

- had legal action taken against us in association with an authorisation, authority or licence, nor have we
- been associated with any triggering of Retailer of Last Resort provisions.

#### 4.2 Offences and Prosecutions

To the best of EPCT's knowledge, 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 EPCT's capacity as an energy retailer, by EPCT or its current directors and employees.

#### 4.3 Criminal History

EPCT and its officer will provide a criminal history check if requested.

#### 4.4 Managing Director Declaration

To the best of my knowledge, no director or employee of EPCT has been disqualified from the management of corporations. I conducted a search of current management and found no evidence of bankruptcy.

#### 4.5 Officers addresses

Confidential Attachment 13 provides the names and addresses of EPCT's officers addresses.

#### 4.6 Probity and Competence of Officers

As a private and closely held business EPCT ensures the probity and competence of its employees through its recruitment process. To date, EPCT has been able to limit employment to individuals known to the owners through previous long-term working relationships. All existing employees are professionally qualified, with current professional memberships in their field of expertise.

As a matter of policy, EPCT will seek to continue employ individuals from our professional network. As a small business, our procedures are informal, but include the utilisation of human resource consultants to screen candidates utilising publicly available information and databases such as:

- Professional Membership Check
- AICD membership
- Citizenship and residency status
- Qualification Check, and
- ASIC Banned & Disqualified Persons.

## Summary

To the best of knowledge, this application and its supporting attachments contains everything requested of an applicant for a Retail Authorisation. Should additional information be required, please contact the author.

Yours sincerely



Greg Denton

Managing Director

M: [REDACTED]

E: [REDACTED]