

Application for Electricity Retailer Authorisation

This electricity retail authorisation application is submitted for the attention of:

**General Manager
Retail Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001**

An electronic copy of this application has been emailed to AERauthorisations@aer.gov.au.

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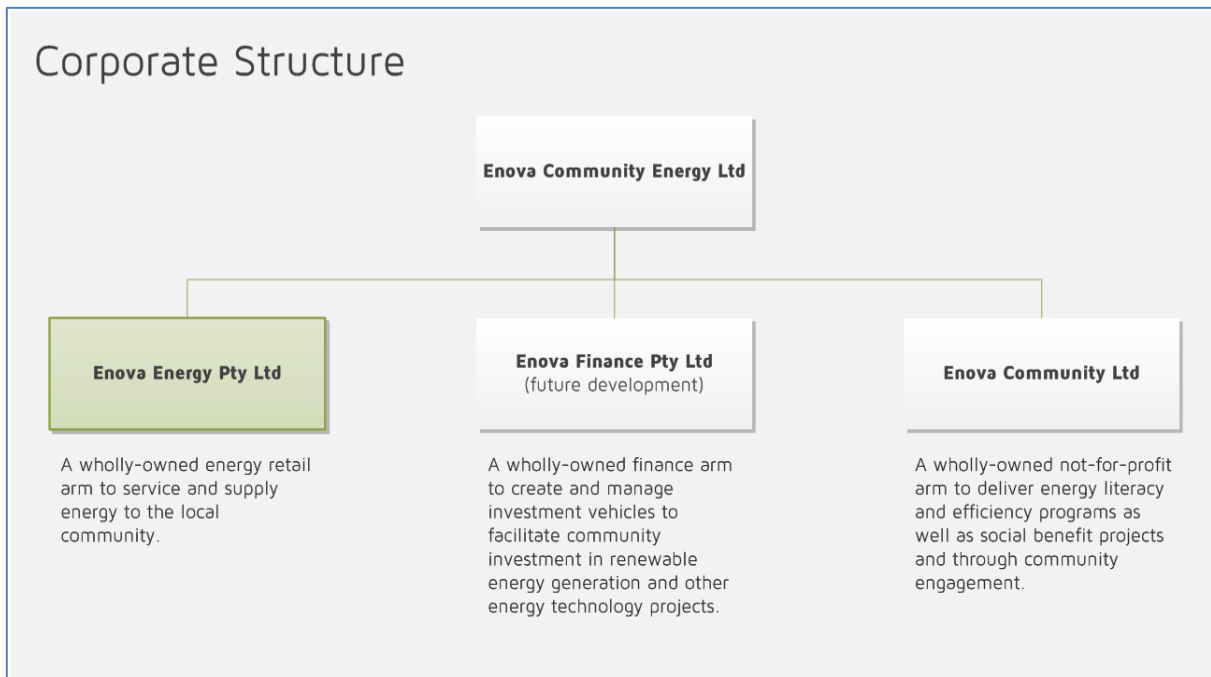
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1 About Enova Energy

Enova Energy Pty Ltd (Enova Energy) is a fully-owned subsidiary of Enova Community Energy Ltd, a recently established community-owned energy enterprise that provides a pathway towards offering 100% renewable energy to residential and business customers in the Northern Rivers of New South Wales.

Enova Community Energy corporate structure and relationship with Enova Energy and related companies is provided in the diagram below. A more detailed description of each of the underlying entities and their respective organisational focus is provided in *Section 3.8*.



Enova Energy will be a retailer of energy that aims to maximise the amount of GreenPower it buys from the grid and sells back to local customers. Enova Energy will also source GreenPower from community renewable energy projects.¹

Enova Energy's customers will be offered an attractive Feed-In-Tariff (FIT) for the net solar power they generate. We intend to become a trusted local supplier of solar, battery storage and energy efficiency technologies, and to facilitate installation of these services.

As a regional company, Enova Energy will be able to provide a personal level of service and tailored energy solutions. By partnering with innovative product suppliers, we will enable our customers to participate in new energy solutions with confidence that their retailer – which is owned by and located in their community – has their best interest in mind.

¹ GreenPower, a joint initiative of the ACT, NSW, SA, VIC and TAS governments, is a voluntary government accredited program that enables electricity retailers to purchase renewable energy on behalf of end-use customers.

The environmental and social benefits Enova Energy will contribute to its community include:

- Environmental benefits:
 - aggregating local demand to encourage greater supply of renewable energy;
 - encouraging development of local renewable generation; and
 - advancing experimentation of innovative on and off grid renewable technologies.
- Social benefits:
 - provision of energy efficiency services that reduce the cost of energy for households that suffer from energy poverty;
 - development of community benefit projects that support the ability of lower income residents to participate in renewable energy services;
 - employing locals and sourcing supplies locally;
 - offering a trusted social interface for application of new technologies in the Northern Rivers Region; and
 - actively engaging in community conversations about energy resilience and sustainability.

2 General Particulars

Enova Energy is applying for electricity retailer authorisation with the Australian Energy Regulator (AER).

The following information is provided in accordance with the AER Retailer Authorisation Guideline Version 2 December 2014.

2.1 Legal Name

The applicant for this retailer authorisation application is Enova Energy. See *Appendix A: Certificate of Registration* for Enova Energy's business registration information.

2.2 Trading Name

The trading name is the same as the applicant name, which is Enova Energy.

2.3 ABN or ACN

Enova Energy's ACN is 606 176 756 and ABN is 16 606 176 756.

2.4 Registered Business Address

The registered address for Enova Energy's operations and business correspondence is:

Enova Energy Pty Ltd
Green Building Centre and Industry Estate
1 Brigantine St
Byron Bay NSW 2481

2.5 Nominated Contact Person

The Enova Energy contact person for this application is:

Steven Harris
Chief Executive Officer
Contact details: [REDACTED]
Email: steve.harris@novaenergy.com.au

2.6 Form of Energy

Enova Energy seeks a retailer authorisation from the AER to retail electricity.

2.7 Expected Commencement Date

Upon the granting of the retailer authorisation by the AER, Enova Energy hopes to commence its retail operations on or around 26 October 2015.

2.8 Nature and Scope of Operations

Enova Energy intends to retail electricity primarily from renewable sources to residential, business, government and NGO customers. We will also install and maintain renewable energy equipment and provide community programs to assist in minimising energy usage through our sister companies.

2.9 Jurisdictions

Enova Energy will base its retail operations in NSW, with an initial retailing focus on the Northern Rivers region of NSW.

We may look to expand our retail operations into other communities in NSW and other state jurisdictions in the future.

2.10 Type of Customers

Enova Energy will be retailing electricity from renewable energy sources mainly to small customers initially but may expand to handle large customers on a reactive basis and as required. We expect our customer base to include residential, NGO, government and business customers over time.

3 Organisational and Technical Capacity

3.1 Previous Retailing Experience

Enova Energy is a new start-up business established to retail electricity and support its local community. We have no prior operational experience in the energy retail sector.

We have however, assembled a core team of senior personnel who have extensive experience in the energy industry both in Australia and internationally. The qualifications and background of these personnel are detailed in *Section 3.6*.

Enova Energy has also strategically aligned with two key external service providers with long-standing experience in the energy industry and retail sector to support its business establishment, implementation, management and growth. The nature of these business arrangements are detailed in *Section 3.7*.

3.2 Other Relevant Experience

Enova Energy is currently undertaking a recruitment drive for experienced retail operational personnel from within the local community for retail sales, customer service, transfer and billing functions. If necessary, we will also search externally for relevant personnel in key management and operational roles.

All new employees and contractors will undergo induction and ongoing training by our industry-experienced senior personnel according to a structured modular program as instituted in our Training Program detailed in *Section 3.9*.

3.3 Support for Gaps in Skills and Experience

Enova Energy has selectively engaged a number of outsourcing service providers with the relevant experience to cover its business functional gaps such as wholesale trading and risk management and financial services activities, as well as ongoing support on compliance and operational matters.

The service providers will also provide assistance to Enova Energy for ongoing staff development, training and knowledge transfer in the areas of licensing and retail compliance, marketing mix development, customer processes and systems, market operational interfaces, financial risk management, trading and supply sourcing and business operational requirements.

Please refer to *Section 3.7* below on outsourcing service providers for more information.

3.4 Organisation Chart

Enova Energy's organisation chart displaying our business functional areas and resourcing structure is provided in *Appendix B: Organisational Chart*.

We will be conducting internal and external recruitment over the next few months mainly for retail sales, operational and customer service resources in readiness for market entry and ongoing business operations.

3.5 Employees by Business Function

Enova Energy has developed a resourcing structure as detailed in *Appendix C: Launch Resourcing Plan* which will assist in establishing its resourcing needs for initial retail market entry to up to 6 months of operation, subject to Enova Energy's business growth performance.

3.6 Officers' Qualifications, Skills and Experience

Enova has assembled a small team of skilled and experienced personnel that will be supported by outsourced service providers and energy consultants. External recruitment of experienced energy retail operational and compliance personnel is also underway.

The following are existing senior officers of who provide day-to-day management and support to Enova Energy and their qualifications, experience and technical background.

3.6.1 Board of Directors

Alison Crook AO, Non-Executive Chair

BA (Hons), MBA, Dip Lib, Grad Dip Ed, Hon D Univ, Hon D Litt, FALIA, FAICD, FIPAA

Alison has extensive senior management experience in public and private sector roles including: State Librarian (NSW), Director General State & Regional Development (NSW), Executive Director Operations Serco Asia Pacific & Managing Director Serco Transport Services, and Deputy Vice Chancellor Resources Monash University.

She also has strong non-executive director experience having served on some 17 boards in both private and public sectors including IBM Australia, Lend Lease Corporate Financial Services, St James Ethics Centre, Australian Volunteers International and multiple boards connected with IT and Open Learning. She has been named as Qantas Bulletin Australian Business Woman of the Year, and Business review Weekly Alcatel Australian Business Leader of the Year (Professions), been awarded an AO for services to public administration and a Centenary Medal for services to business.

Mara Bun, Director

BA in Political Economy, Deans¹ honours list, Williams College Mass. USA. GAICD

Mara has extensive and diverse senior executive experience ranging from senior financial analyst with Morgan Stanley (USA), through Development Consultant, Nepal Ministry of Housing and Planning, Organisational Systems Manager for Greenpeace Australia, Manager Policy and Public Affairs at Choice, Senior Equities Analyst covering Internet and eCommerce at Macquarie Bank, Director, the Allen Consulting Group, Director Business Development CSIRO, Head of Research and Consumer Services, Canstar, and CEO Green Cross Australia.

She also has demonstrated experience with corporate, government and non-profit boards, including Australian Ethical Investment (current), Green Cross Australia (current), Bush Heritage Australia, and the National Office for the Information Economy, and having served on multiple innovation strategy, ICT deregulation, banking reform and renewable energy advisory boards and policy reviews under the Federal, NSW, Victorian, Queensland and multiple local governments. For six years was a member of the Advisory Council of the NSW Sustainable Energy Development Authority (SEDA).

Robert Rosen, Director

B Economics, majoring in Accounting and Commercial Law, Cert Personal Investment, Cert Real Estate Practice

Robert has had finance and managerial experience across a range of businesses, including as an auditor with KPMG. He played a pioneering role in the development of the socially responsible investment industry in Australia, including assisting in the establishment of investment funds, researching the social and environmental performance of listed companies and as a Director of the Association for Sustainable and Responsible Investment in Asia, (ASrIA) and the Responsible Investment Association Australasia. He has also been on the board of many other local, state and national not-for-profits and has been involved in a range of non-profit and business start-ups.

Robert is a Community Representative on the Sustain Northern Rivers Energy Working Group and has assisted in the financing of solar panels for a number of Northern River's businesses.

Tony Pfeiffer, Director

B Engineering (electrical), FIEA, CPEng, RPEQ, NPER, GAICD

Tony brings over 30 years' experience in the utilities sector to the board, having worked at senior executive level in business strategy, economic management, operational management and business performance in Qld and SA. He is currently General Manager, Effective Market Reform for Ergon Energy, having also been GM Alternative Energy Solutions, Exec GM Asset Management and GM Regulatory Affairs. In his present role Tony is responsible for developing alternative business and operating models for Ergon that will create a sustainable and viable network business into the future. In SA he project managed the development of ETSA Power's NEMMCO (market operator), and subsequently led ETSA's readiness for the commencement of the National Electricity Market.

He is also Chair of Green Cross Australia, a Director of the Australian Power Institute, and Advisory Board member of the Queensland Geothermal Energy Centre of Excellence and a member of various board subcommittees of the Energy Networks Association.

Peter Colby, Director

Australian Broadcasting Commission trained in Broadcast and Television Engineering and a Graduate of UNSW Business School.

Peter embarked on a career specialising emerging technologies, with a focus on the strategic building, restructuring and merging of companies to develop strong and profitable companies.

He established Australia's first optical media manufacturing plant in Melbourne then went onto establish optical media plants in the UK and US. Peter returned to Australia to set up a television post production company.

Peter has been a Director and CEO of many companies, both listed and unlisted, including Sony Broadcast and Professional group, Shomega NewMedia Ltd, Isis Communications. Sony DADC Australia and Sony Foundation. He also spent time internationally as Global president of Sony DADC International services group based in London.

Retiring to the Northern Rivers, Peter is currently the interim Managing Director of Sony DADC Australia and Director of Sony New Media Solutions.

3.6.2 Executives and Senior Managers

Steve Harris, Chief Executive Officer

Steve has had 40 years' experience in the energy retail industry, beginning with SECV/Eastern Energy (formerly Energy Australia), moving through Australasian Marketing Manager and Manager Market Innovation with Powercor Australia Ltd (owned by Pacificorp USA), where, as the first director level appointment outside the USA, he led Powercor's marketing activity through market deregulation and structural industry change.

His experience culminated in 12 years with Origin Energy in the roles of Manager Environmental Markets (where he led the development of Australia's most successful Green Power program), Strategic Market Development Manager (responsible for identification and development of new marketing and business opportunities via new products/services, partnerships, strategic alliances, and acquisitions), and Operational Manager of Country Energy (throughout its merger with Origin Energy including the successful implementation of a new customer regulatory framework resulting in operational changes to all areas of the business).

Chief Financial Officer (contract)

These services will be contracted during the start-up phase of the business to A Plus B Business Solutions. The contract is in two parts:

- (i) the work of review, analysis and implementation of financial systems and structures required to commence trading; and
- (ii) ongoing financial reporting and business advice.

Virpi Barrett, Commercial & Risk Manager

M Sc Environmental Technology of Energy Production, Cert Trader of Financial Electricity Market, Nordpool, Cert Trader of Physical Electricity Market, ELBAS&ELSPOT, Nordpool

Virpi is an experienced manager with over 10 years' experience working in management and coordination roles with energy consultancy and trading companies in Finland, Germany and Australia.

Having held several positions with Enegiakolmio Oy (Alpiq Group, previously Atel) and E.ON Energy Trading SE, she has managed procurement portfolios with aggregated annual power consumption of 1.8 billion kWh, managed cross-border transfer pricing and group internal position transfer of non-standard energy instruments and complicated risks, as well as delivered numerous business implementations to the planned scope and timelines (culminating to an 18 month project to harmonise the position transfer principles, operational processes and agreement framework across the interfaces of 12 European countries with annual value of 15 billion Euros). She has also managed several trading and back-office teams and acted as a member of the Executive Management Team of Energiakolmio Oy.

Santina LoGrasso - Operations and Compliance Manager

Santina LoGrasso brings over 20 years' experience within the utilities industry, with a focus on operational and delivery roles. She has proven success in delivering complex business transformation programs, including standardising technologies, and implementing new business processes and change.

Over the past 8 years, Santina has held various positions within Origin Energy including Customer Operations Manager supporting SMART digital capability, CRM Transformation Lead in

the Origin Energy Retail Transformation program and Business Solutions Lead for Net Promoter Score implementation. Santina has a passion for delivering customer experience through improved process, efficient and relevant communication and most importantly listening and understanding the voice of the customer to drive customer trust and loyalty.

Patrick Halliday, Manager Energy Technology

B App Sc, Grad Dip Ed

Patrick has owned and managed Juno Energy, a provider of high quality solar energy solutions to residential, business, & government clients since January 2010. Prior to that he worked with Eko-Energy (subsequently sold to AGL) in a role managing the North East NSW and South East Queensland business functions of sales & installation management including stock management, installation teams & rebate processes. Prior to entering the solar installation business Patrick was a teacher.

Melissa MacCourt, Senior Marketing Manager

Educated in Ireland, France and Australia including studies for a Bachelor of Science, majoring in Psychology, with electives in Strategic Management, and E-commerce marketing, Melissa is a specialist in marketing and business development. Her experience spans sectors including; start-up businesses, IT software, events, conventions, exhibitions, destination, convention centres, hotels, tourism, sports products, NFP's and government organisations in Australia and internationally. Melissa's broad experience brings insights, proven strategic capabilities, integrated/ digital marketing, as well as recognised sales and negotiation expertise to her work.

Prior to establishing her own business in March 2010, Melissa skills were strengthened through senior marketing and business development roles involving high profile organisations such as the pre-opening of the Melbourne Convention and Exhibition Centre, the Brisbane Convention and Exhibition Centre and Area Director of Marketing for a global hotel chain. She has also had senior roles in destination marketing organisations, tourism operators and software development.

Adam Guise, Company Secretary

BA/B Laws, Grad Dip Ed

After graduating with a Bachelor of Arts and Laws in 2004, and a Graduate Diploma in Education in 2005, Adam has gained diverse legal experience, from Legal Assistant in the Legal Aid Commission, Legal Researcher to a Barrister, and in the Environmental Defender's Office, and Policy and Legislation Adviser in the office of Jeremy Buckingham MLC. He also has strong communication and organisational skills gained in roles such as Communications Coordinator, CSG Free Lismore, Media Spokesperson, CSG Free Northern Rivers and Submissions Coordinator, Northern Rivers Greens. Adam has also been the Northern Rivers Regional Coordinator, Lock the Gate, and was the Greens Candidate for Lismore for 2015 State election.

3.7 Third Party Service Providers

Enova Energy has contracted a number of outsourced service providers to assist with the establishment and ongoing management of its retail business. Functional support to be provided by these service providers includes accounting and financial services, auditing services and energy retail business services.

Two specific key service contract agreements with Sustainable Edge and Smart Utility Solutions are provided in *Appendix D: Key Outsourced Service Provider Agreements* as these cover core energy retail functional services.

The nature of the services provided by Sustainable Edge includes energy retail and financial services licensing, retail compliance support, policy and procedural development and business process review and configuration.

Smart Utility Solutions will assist Enova Energy in the areas of wholesale trading and risk management, supply sourcing, financial services licence compliance, marketing mix development, financial risk system, customer management and billing system implementation and integration, market interface and transactional requirements and business and financial analysis.

The experience and technical background of the key service providers are described in more detail in *Appendix D* and in *Section 3.8*.

3.8 Business Plan and Financial Assumptions

Appendix E: Business Plan and Financials describes Enova Energy's business model, objectives, strategies and funding arrangements in detail and provides an independent consultant's modelling of its business financial projections covering financial statement forecasts and business performance assumptions.

The financial modelling includes financial forecast and scenarios extending over 5 years into the future to 2021. The assumptions book provided in *Appendix E* includes profit and loss and cashflow forecast for the energy retail business.

3.9 Compliance Program

Enova Energy is committed to ensuring compliance with the instruments that governs its energy retail operations, in particular its retail licences, industry acts, codes and guidelines and the agreements in place between Enova Energy and various government and industry bodies and authorities.

The compliance principles used by Enova Energy are in line with the Australian Standards AS3806:2006 and AS/NZS ISO31000:2009, following the seven principles of commitment, identification, prevention, monitoring, resolution, advisory and continuous improvement.

All personnel working for or with Enova Energy and related companies have responsibility for compliance and risk management which is managed through a structured approach.

Compliance issues are to be raised at Board and Executive meetings to ensure a strong compliance culture.

Our compliance framework is provided in *Appendix F: Compliance Program*.

3.9.1 Complaint and Dispute Handling Procedure

At Enova Energy, our aim is to provide our customers with the best level of service. If a customer is unhappy or dissatisfied with the level of service provided by us or we have not meet the customer's service expectation, Enova Energy will follow its documented customer handling process and endeavour to work together with the customer to establish a resolution that is fair, legal and reasonable.

Any service enquiries or complaints we receive from our customers are handled in line the procedure provided in *Appendix G: Complaint and Dispute Handling Procedure*, which follows and ensures the requirements set out in the Australian Standard AS ISO 10002:2006 Customer Satisfaction Guidelines are met.

This procedure provides our customers with our guideline and a point of contact in Enova Energy for handling and resolving customers' service expectation in a timely and efficient manner.

3.9.2 Hardship Program

As a community-owned and operated energy supplier, Enova Energy is an important part of the community we serve. Our Hardship Program identifies and assists vulnerable customers to manage their energy usage and costs. We aim to work with vulnerable households in a variety of pro-active ways.

The program, provided in *Appendix H: Financial Hardship Program*, documents a two-step approach which reviews the energy plan and payment options and energy efficiency programs for assisting our customers deal with financial hardship.

3.9.3 Recruitment and Selection Policy

Appendix I: Enova Energy Recruitment & Selection Policy is established to ensure fairness, equality and transparency in our recruitment and selection processes. Enova Energy will do its utmost to find the best people in our community to fill an available job position and at the same time promote development opportunities for internal candidates.

Enova Energy has developed a the policy to ensure that our employees and contractors have the experience, qualifications and capabilities to fulfil their roles competently and in accordance with Enova Energy's standards and requirements.

Our recruitment and selection process follows an 8-step guide, from identifying business needs and defining job description to interviewing, good fame, character and qualifications review, providing the job offer, induction and training, and performance assessment.

3.9.4 Training Program

Enova Energy has instituted a modular staff training scheme which supports our strong commitment for ensuring our employees and contractors are provided the necessary training and development to enable them to be competent and effective in the performance of their duties and compliant execution of industry regulatory and legislative obligations.

Our training approach and framework is documented in *Appendix J: Training Program*. The program provides for continuing training and development for employees and contractors to address their skill and knowledge gaps and to ensure their technical knowledge and capability stay current and relevant.

3.9.5 Privacy

Enova Energy recognises the importance of proper handling of customer information in all interactions whether by voice, written, electronic and web-based. We have developed a Privacy Policy that is available on our website. The policy document is provided in *Appendix K: Privacy Policy*.

3.9.6 Customer Charter

Our Customer Charter has been developed for small customers. It details Enova Energy and customers' mutual rights, entitlements, and obligations and lets our customers know what they can expect as an Enova Energy customer. This Charter also incorporates a statement of customer rights in respect of bills and charges.

Please see *Appendix L: Customer Charter* for more information. You should read this Charter in conjunction with the terms and conditions of your electricity (energy) contract with us.

A copy of the Charter is also available for download from our website (including a large print version).

3.10 Risk Management

Enova Energy is committed to establishing a robust risk culture by observing and adhering to a formal governance framework for risk management. This framework includes day-to-day management of critical business risks, roles and responsibilities for risk ownership and processes for regular review and reporting.

The Board and senior management of Enova Energy are committed to ensuring that risk management is a critical aspect of its business and operational activities.

As part of the governance structure, Enova Energy executives ensure that business risk management is captured at the line management level and reported and reviewed on a quarterly basis. Risks of significance are then escalated and presented to the Board of Directors.

Our risk management framework has been established in accordance with the principles and definitions outlined in the AS/NZS ISO 31000:2009 Risk Management standards with the specific purpose of promoting consideration of business risks, prioritising and treating risks and optimising business strategy to balance opportunity and risk.

A copy of our policy and related procedures is provided in *Appendix M: Risk Management Policy*.

3.11 External Assurance for Risk and Compliance Framework

Enova Energy is a newly incorporated company and has yet to embark on quality assurance and standards accreditations.

However, all our policy and procedural framework and documentation have been developed by an industry-experienced external consultant skilled and specialised in energy retail governance and compliance requirements.

3.12 Additional Information on Managing Risk and Compliance

3.12.1 Customer Supply Agreements

Appendix N: Standard Retail Supply Agreement and *Appendix O: Market Retail Supply Agreement* contain the standard version and market version of the Enova Energy customer supply agreements and their respective terms and conditions.

3.12.2 Customer Price Plans

Appendix P: Customer Price Plans provides a snapshot of the various Enova Energy price plans (effective from 1 July 2015) that we will be offering to prospective customers when we launch into the market upon our retail licence authorisation.

3.13 Energy and Water Ombudsman Scheme (EWON)

Enova Energy has made initial approaches to Energy & Water Ombudsman of NSW (EWON) to establish the requirements for membership of the scheme. We will join the scheme as soon as our licence authorisation is granted by the AER for retail market entry.

As with all jurisdictional ombudsmen, EWON is central to Enova Energy's Complaint and Dispute Resolution Procedure, providing small customers access to an external dispute resolution scheme for wide-ranging issues relating to service, billing and charging.

3.14 Arrangements with Key Market Participants

3.14.1 AEMO Registration

Enova Energy has been in contact with AEMO representatives to understand the timelines and requirements for lodging its application for AEMO registration. Enova Energy is familiar with the rules and conditions governing market participation including settlement and reconciliation of wholesale electricity purchases, meter reading and network service charges.

We will proceed to finalise our registration with AEMO upon AER's authorisation of our retail licence application. In the interim, key Enova Energy operational staff involved in the transfer and settlement process will undergo both internal and external training.

3.14.2 Austraclear Membership

Enova Energy will be applying for ASX Austraclear access to their system to enable us to perform AEMO cash settlement with major supplier accounts. Relevant Enova Energy representatives will undertake the Austraclear online training and accreditation requirements to comply with their system and transaction rules and meet their technical infrastructure requirements.

3.14.3 Distribution Use-of-System Agreements

Enova Energy intends to start its energy retail operations in the Northern Rivers Region of NSW, and our representatives have been in discussions with the relevant NSW distribution network provider Essential Energy. Enova Energy is in receipt of the default Use-of-System Agreement from Essential Energy and is aware of the network standards and procedures and credit support requirements.

Enova Energy awaits the AER licence authorisation process before finalising the UOS Agreements with the relevant distribution companies in the state jurisdiction.

3.15 Additional Information on Technical Capacity

3.15.1 Australian Financial Services Licence (AFSL)

AFSL is a requirement by ASIC for businesses dealing and trading in financial products and services such as energy derivatives and hedging instruments. Enova Energy is aware that to

trade with wholesale counterparties on energy derivatives for managing wholesale risks, being an AFSL holder is a requisite.

Enova Energy has been in contact with ASIC and will embark on the financial services licence application process upon its customer load reaching the required scale for portfolio risk management.

We will be instituting a robust wholesale trading risk management governance process within our risk management framework to ensure wholesale price-volumetric and counterparty credit risks are actively managed.

3.15.2 Community Services Agreements

Enova Energy will commence discussions with various governmental and non-governmental community welfare agencies including NSW Department of Family and Community Services, St Vincent De Paul, Salvation Army and Smith Family with a view to entering into community services arrangements for the provision of concessions to eligible customers. Enova Energy understands the various concession schemes and arrangements administered by the federal and state governments and will be in full compliance in line with our hardship program requirements.

3.15.3 Insurance Arrangements

Enova Energy holds all insurances necessary to comply with statutory obligations including public liability, industrial risk liability, and workers compensation. These insurance policies are recently subscribed and current.

3.15.4 Clean Energy and Renewable Schemes

Enova Energy will register with the Clean Energy Regulator for the surrender of small-scale technology certificates and large-scale generation certificates.

We will also be participating in jurisdictional energy efficiency schemes such as the NSW Energy Saving Scheme.

4 Financial Resources

4.1 Audited Financial Reports for the Past Year

Enova Energy and Enova Community Energy are recently incorporated entities and have not commenced any business trading activities. We therefore, do not have any historical financial statement or business performance data.

4.2 Credit Rating

Enova Energy does not have a credit rating.

4.3 Financial Statements for a Start-Up Business

Enova Energy has not commenced trading activities and does not have information on its current financial position or interim financial statements.

We have however modelled financial projections and forecast financial statements in our Business Plan which are provided in *Appendix E: Business Plan and Financials*.

4.4 Group Structure

4.4.1 Corporate Ownership Structure

The diagram in Section 1 illustrates the company group and ownership structure.

4.4.2 Contractual Arrangements

As a wholly-owned subsidiary of Enova Community Energy, Enova Energy has direct access to shared resources within the Group including:

- policies, procedures and compliance support;
- administrative and marketing support;
- board and senior management personnel;
- financial services and support;
- risk management;
- IT support; and
- group reporting and business assurance.

4.4.3 Consolidated Financial Statements

Appendix E: Business Plan and Financials provides financial forecast projections at the consolidated group level including P&L and cashflow statements.

4.5 Director and Officer Declarations

Appendix Q: Director and Officer Declarations (consolidated) confirms that Enova Energy is a going concern and is unaware of any factor that would impede our ability to finance our energy retailing activities for the next 12 months.

4.6 Independent Auditor's Declaration

As a newly incorporated company with no previous financial history, independent auditor's or related declaration is not available for the following events.

4.6.1 Insolvency

As a newly-incorporated business entity that has not begun trading, Enova Energy has not had an insolvency official appointed in respect of the business or any property of the business.

4.6.2 Dissolution or Winding-Up Resolution

As a newly-incorporated business entity that has not begun trading, Enova Energy has not had resolution passed or steps taken to pass a resolution for the winding up or dissolution of the business.

4.6.3 Any Other Factor Impeding the Finance of Business Activities

We are unaware of any other factor that would impede our ability to finance our energy retail activities.

4.7 Bank Guarantees

Enova Energy is aware of this requirement and is in the process of finalising the required information from the network distribution company, AEMO and trading counterparties for credit support and prudential requirements.

Upon this retail licence authorisation and prior to market entry, Enova Energy will ensure all required financial guarantees are secured for and provided to these trading partners either through internal shareholders' equity or establishing financing arrangement through our banking relationships.

4.8 Forecast Revenue and Expenses

Appendix E: Business Plan and Financials provides financial forecast projections at the consolidated group level and energy retail business entity level including P&L and cashflow statements. The projections also show detailed forecast revenue and expenses to the point where the business is cash flow positive.

4.9 Additional Information on Financial Capacity

Enova Community Energy is currently undertaking capital raising through a Prospectus Offer to the residents of the Northern Rivers Region of New South Wales and others. The nature and scope of the Offer is detailed in *Appendix E: Business Plan and Financials*.

The Offer is expected to close at 5 pm AEDT on 11 September 2015.

5 Suitability

Please refer to *Appendix Q: Director and Officer Declarations (consolidated)*.

5.1 Material Failures, Legal Actions, Revocation of Authorisations

Enova Energy confirms that neither it, its associates or any other businesses where its officer have held positions nor any other entity that exerts controls over its business activities has been the subject of:

- any material failure to comply with regulatory requirements, laws or other obligations over the previous 10 years, including all circumstances that resulted in an infringement notice or other enforcement action (including undertakings) being taken by a regulatory body;
- any previous revoked authorisations, authorities or licences held in any industry;
- any failed authorization, authority or licence applications in any industry;
- any past or present administrative or legal actions in relation to an authorization, authority or licence in any industry; or
- any situation where any of our officers has 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.

5.2 Offences and Prosecutions

Enova Energy confirms that none of its directors, nor any other person that exerts control over its business activities have been the subject of any offences or successful prosecutions under any territory, state, Commonwealth or foreign legislation that are relevant to AER's capacity as an energy retailer.

5.3 Criminal History Check

Criminal history checks for Directors and Officers of Enova Energy will be provided on request where necessary.

5.4 Disqualification Declaration

Please refer to *Appendix Q* containing a written declaration from our Chairman that no directors, officers or managers have been disqualified from the management of corporations.

5.5 Bankruptcy Declaration

Please refer to *Appendix Q*, which includes a written declaration from our Chairman that no Enova Energy or related businesses, subsidiaries or entities have been involved in any past or present bankruptcy proceedings in Australia or in any overseas jurisdiction.

5.6 Officer Details

Please refer to *Appendix R: Officers Names and Addresses*, which provides the contact details of Enova Energy officers responsible for significant operating decisions of the business.

5.7 Suitability Policy

Enova Energy is committed to building a business that operates ethically and is the subject of robust governance frameworks and processes. Enova Energy seeks to achieve these outcomes by:

- Standard employment agreement deals with probity expectations and requirements including confidentiality, compliance with laws and regulations and code of conduct;
- Completing Good Fame and Character screening for all Board and executive positions, including criminal history and bankruptcy checks for all jurisdictions they have resided in during the past 10 years and extensive reference checks;
- Implementing the Enova Community Energy Ltd Compliance Policy requiring commitment from Board of Directors and regular negative and positive assurance from directors, senior executives and other key managers in relation to probity matters;
- Promoting ethical conduct through the adoption of the Enova Energy Code of Conduct & Ethics and including ethics topics as a mandatory part of the training program;
- Accurate and meaningful minute-taking for all Board and sub-committee meetings;
- Conducting regular reviews of executive and Board activities and decisions; and
- Providing access to qualified legal advice.

6 Appendices - Commercial-in-confidence

- Appendix A: Certificate of Registration**
- Appendix B: Organisational Chart**
- Appendix C: Launch Resourcing Plan**
- Appendix D: Key Outsourced Service Provider Agreements**
- Appendix E: Business Plan & Financials**
- Appendix F: Compliance Program**
- Appendix G: Complaint and Dispute Handling Procedure**
- Appendix H: Financial Hardship Program**
- Appendix I: Recruitment and Selection Policy**
- Appendix J: Training Program**
- Appendix K: Privacy Policy**
- Appendix L: Customer Charter**
- Appendix M: Risk Management Policy**
- Appendix N: Standard Retail Supply Agreement**
- Appendix O: Market Retail Supply Agreement**
- Appendix P: Customer Price Plans**
- Appendix Q: Director and Officer Declarations (consolidated)**
- Appendix R: Officers' Names and Addresses**