

Macarthur **Energy**

Application for Retailer Authorisation-
Electricity

Application prepared by



1. Contents

1. Contents.....	2
2. Introduction	4
3. General Particulars	5
Organisational & Technical Capacity.....	6
4. Previous Experience as an Electricity Retailer	6
5. Scale of Operations.....	6
6. Organisation and Group Chart.....	6
7. Employees.....	7
8. Summary of Experience and Qualifications	7
8.1 Chief Executive Officer: Mathew Cox	7
8.2 Operational Advisor and Board Member: Lucas Donald	8
8.3 Operations manager: TBA	8
9. Third Parties.....	8
9.1 Sonne Energy Australia.....	8
9.2 Billing Provider - Utilibill	9
9.3 Wholesale advisory – Empower analytics (Savvy Plus Consulting).....	9
9.4 Compliance	10
10. Business Plan.....	10
11. Compliance Strategy and Risk Management.....	10
12. Risk Management Audit	11
13. Energy Industry Ombudsman Schemes.....	11
14. Market participant arrangements.....	11
Financial Capacity Criterion.....	12
15. Start-up business.....	12
16. Related companies	12
17. Going concern	12
18. Independent financial statement.....	12
19. Bank guarantees.....	12
20. Financial Forecast.....	13
Suitability Criterion	14
21. Suitability details.....	14
22. Prosecution and other offences	14

23. Criminal history	15
24. Full names and addresses	15
25. Probity and competence	15
Attachments.....	16

2. Introduction

Macarthur Energy Retail ('Macarthur') has been formed due to the success of Macarthur Energy within the solar retail industry in NSW. Macarthur is entering the Australian market seeking to establish a SME and residential business by adding a retail energy product to the solar installation offering provided by Macarthur Energy Solar business.

Macarthur Energy are a small yet proficient team with decades of experience working within the Campbelltown, Camden, Wollondilly and Picton electricity network.

Macarthur Energy work with the highest quality and safest residential and commercial solar panel products available on the market. Macarthur Energy abides by all law and regulations in regard to solar installations and maintenance, ensuring that all products are installed in a correct and safe manner. This experience in regulatory compliance will be invaluable as It guides Macarthur Energy Retail's regulatory compliance in the energy retail space.

Macarthur Energy Retail will enter the Australian market using a combination of current Macarthur Energy solar staff and new to hired staff to complement its push into providing a retail offer.

This application consists of the following sections

1. General Particulars
2. Evidence addressing organisational and technical capacity
3. Evidence addressing financial suitability
4. Statements addressing the suitability of employees, directors, the board and other associations
5. A list of attachments providing evidence of claims and statements made within this document

3. General Particulars

Legal Name	Macarthur Energy Retail
Trading Name	Macarthur Energy Retail trades under its own name
ACN/ANB	ACN: 643524921 ABN: 89643524921
Registered Address	13 Montazah st, Spring Farm NSW 2570
Nominated Contact	Mathew Cox – Chief Executive Officer
Form of Energy	Electricity
Proposed Date of Commencement	July 2021
Nature and Scope of Proposed Operations	Macarthur Energy Retail plans to operate as an energy retailer as a Market Participant
Jurisdictions	Macarthur Energy Retail intends to operate in New South Wales
Customer Type	Our primary customers will be small residential and business customers. As required, we will supply services to large customers

Attachment 01 - Company Registration

Organisational & Technical Capacity

4. Previous Experience as an Electricity Retailer

Macarthur Energy Retail is a newly established business which will draw on the experience and skills of individuals and organisations that have significant energy and retail experience. These are listed in the following sections.

- Sections 4 through 9 of this application

5. Scale of Operations

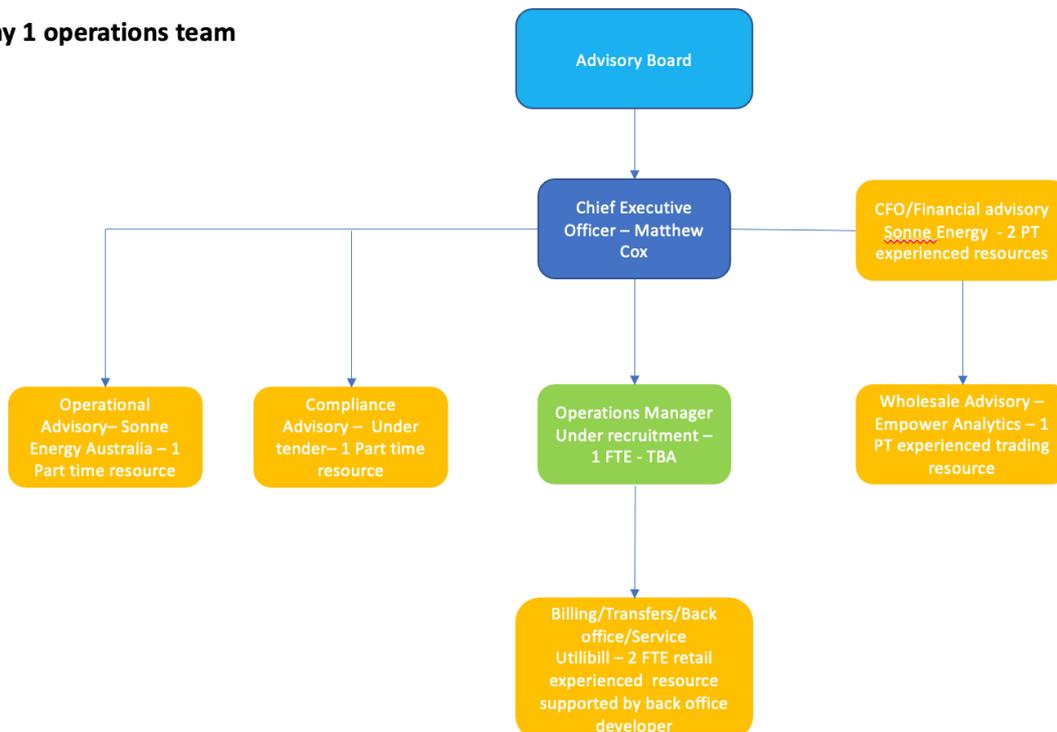
Scale of our operations are outlined in the attached business plan and financial forecast, including sales figures and rental management.

Attachment 02 – Macarthur Energy Business Plan (Commercial in Confidence)

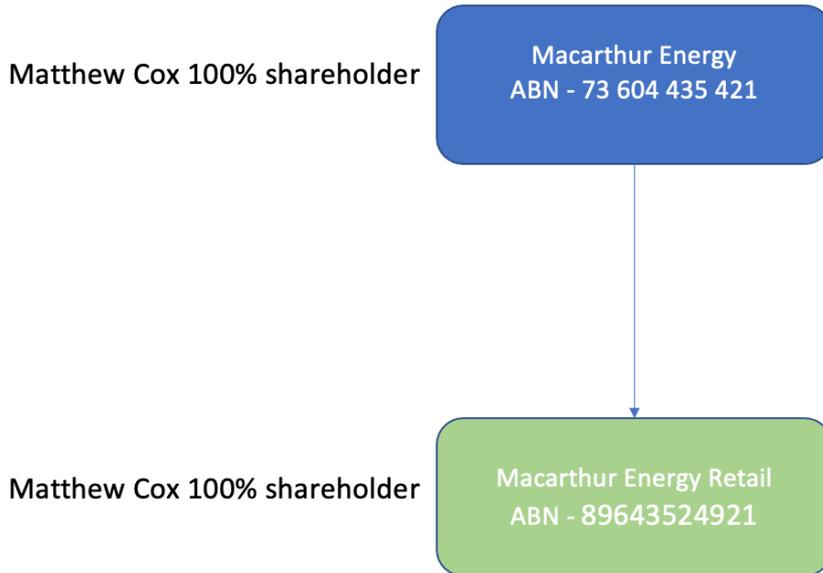
Attachment 03 – Financial Forecast (Commercial in Confidence)

6. Organisation and Group Chart

Day 1 operations team



Group structure



7. Employees

Macarthur Energy Retail will initially be staffed with employees from Macarthur Energy. Employee sharing arrangements are outlined in the following attachments

Attachment 04 - Staff Sharing Arrangements (Commercial in Confidence)

8. Summary of Experience and Qualifications

Macarthur Energy Retail understands that it will require skills and experience of relevant individuals and third parties (including key individuals from Macarthur Energy) to guide that its entry into the energy retail space. Including in its ability to operate successfully in the retail space is the ability to successfully adhere to compliance obligations.

Skills and experience of key individuals will be the focus of this section with key third-party relationships to follow.

8.1 Chief Executive Officer: Mathew Cox

Mathew Cox has spent over 16 years in the energy industry within the Australian market. Mathew Spent 13 years of this with Endeavour energy, firstly hands on as a fitter and lineman before moving across to become a Project Manager. Mathew then started Macarthur Energy and has been running Macarthur ever since installing Solar PV for consumers and businesses across the Campbelltown, Camden, Wollondilly and Picton electricity networks. Mathew has been planning on providing his customers with a retail offering since the inception of Macarthur and is now realising this vision 3 years on.

Attachment 05: CV – Mathew Cox (Commercial in Confidence)

8.2 Operational Advisor and Board Member: Lucas Donald

Lucas Donald has been an executive across both the banking, finance and energy sectors for almost a decade now. Of note in energy Lucas worked in both sales as a National Strategic Partner Manager and then in the procurement and compliance team at Energy Australia from 2012 – 2015. Lucas then moved working as a General Manger for Acquire BPO where he coordinated operational services for clients across three continents. More recently Lucas headed up NAB's mortgage credit assessment team (150+ indirect reports) before moving across to Toyota Finance Australia as their General Manager of Operations. Lucas brings a high level of executive acumen as well as operational experience to the Macarthur team.

Attachment 05: CV – Lucas Donald (Commercial in Confidence)

8.3 Operations manager: CV attached

Macarthur Energy Retail has completed its process to recruit for this function. A CV has been attached for review and is commercial in confidence as the appointment currently works in the industry with an active retailer. Detailed experience of appointment has been provided as evidence illustrating Macarthur's ability to recruit experience before it moves ahead in the market.

Attachment 06: CV and recruitment progress documents.

9. Third Parties

Macarthur understands that it will take time to appoint any additional resources and does not desire to waste investment on doing so until its authorisation has been provided. To this end Macarthur have engaged and appointed the below specialist parties who have been through this before. Not only will they provide the services as outlined below, but these partners, among others will continue to provide guidance while we set up our internal structures to ensure we do things in the right way. Of important note, individual employees that have worked across every function of a retail environment are very rare. Macarthur believes that it is getting the balance right by bringing in key partner experience from firms that have worked across the entire life cycle and process that exists within a retail environment across the NEM while seeking to upskill existing key people in the business and appoint specific staff with experience to cover specific retail energy functions. The below third party entities have experience in managing important parts or the end to end retail process across the NEM.

9.1 Sonne Energy Australia

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.

A diverse group (in both expertise, demographics and geography) who were originally drawn together by a common belief system; one of integrity before all else; in an industry that is at the forefront of environmental and technological change. Sonne has a team who have every service covered in energy.

Sonne have been engaged by Macarthur in the first instance to assist with its retail licence documentation as well as market on boarding process (Aemo, Austraclear and network).

Sonne has a team of specialist consultants that will be assigned to work with Macarthur throughout its journey. For public reference please visit <https://sonneenergy.com.au/>.

Attachment 07 - Sonne Capability Statement (Commercial in Confidence)

Attachment 07 – Sonne agreement (Commercial in Confidence)

9.2 Billing Provider - Utilibill

Macarthur Energy Retail understands that it will need to procure billing (meter to cash) services as it does not have the setup nor capability to do this in house. As such Macarthur Energy has had initial discussions with two CRM/Billing providers and at this stage chosen Utilibill CIS as its partner.

Macarthur Energy Retail is negotiating its terms with Utilibill and this will be formalised as part of the go live process. For public reference please visit <https://utilibill.com.au/>.

Attachment 08 - Utilibill Capability Statement (Commercial in Confidence)

Attachment 09 – Draft services agreement (Commercial in Confidence), other capability documents.

9.3 Wholesale advisory – Empower analytics (Savvy Plus Consulting)

Empower analytics is a specialist energy consultancy group that has extensive experience with the National Electricity Market. Empower analytics will provide Macarthur Energy Retail with wholesale advisory services including hedging strategies. This agreement has been provided as evidence. Given that Macarthur is looking to provide its retail product as a complimentary product to its existing and new solar customers alike it will not seek to hedge its wholesale position straight away but will seek to put the following measures in place:

- Appropriate trading risk margin reporting
- Market reporting and analysis of the fuel mix and market trends
- ISDA's in place that will allow it to transact hedges in a short space of time should it be deemed appropriate

To this end Macarthur is engaging with Empower analytics etc to ensure it has this key component of its business covered. Empower analytics is headed by Carl Daley, an experienced wholesale trader with over 20 years of energy wholesale experience. Of important note Carl was a senior trader at both Powercor and then Origin Energy after deregulation. Carl has been instrumental in providing wholesale energy services to active

retailers with managing Online Power and Gas wholesale position and more recently focusing on the C and I space. Carl will look to work closely with Macarthur to ensure it has the transparency and key decision-making process to manage its wholesale risk as it enters the market.

Attachment 10 – Empower Analytics capability statement (Commercial in Confidence) and agreement.

9.4 Compliance

To ensure that Macarthur Energy is effectively managing its compliance obligations they are seeking the assistance of a third party to assist in this effort. Macarthur has had preliminary discussions with Certainty Compliance as well as Sonne Energy Australia. It will formalise its partner in this area before it intends to retail energy. Macarthur at this stage is comfortable that it has experienced options to align itself with to assist it and train and develop its capability as it goes into market. Certainty Compliance has many years of compliance experience in the retail sector and works with a number of active energy retailers in managing their compliance obligations. Certainty Compliance has also assisted a number of retail players procure their AFSL and is ready to provide this service to Macarthur.

Attachment 11 – Certainty Compliance capability statement (Commercial in Confidence)

Attachment 11.1 – Certainty draft services agreement (Commercial in Confidence)

10. Business Plan

A business plan and forecasting model have been created outlining Macarthur Energy Retail's first five years of operation. Also included is a SWOT analysis,

Attachment 02 – Macarthur Energy Business Plan (Commercial in Confidence)

11. Compliance Strategy and Risk Management

Macarthur Energy Retail understands that to operate as an on-market energy retailer it must:

- Adhere to Retail Market obligations as contained in the Retail Law and Retail Rules;
- Set up processes that are consistent with key market obligations and guidelines;
- Ensure sound monitoring, compliance and risk management practices are in place across Macarthur Energy Retail's operations;
- Ensure that its staff and related key parties act in accordance with industry guidelines and regulations.

To this end Macarthur Energy Retail has developed the required Risk and Compliance strategies with accompanying processes, reporting and monitoring tools to ensure that it will always be compliant with its obligations and that if breaches of any obligations do occur then it will have the right processes and tools to report and remedy its business.

This framework will also apply to Macarthur Energy Retail's key suppliers/partners to ensure they are always in compliance with our obligations as an on market retailer.

Evidence of these strategies are attached as

Attachment 12 – Compliance Strategy (Commercial in Confidence)

Attachment 12a – Complaints/Dispute policy (Commercial in Confidence)

Attachment 13 - Compliance obligation register (Commercial in Confidence)

Attachment 14 - Risk management strategy (Commercial in Confidence)

Attachment 15 - Risk Management Policy (Commercial in Confidence)

12. Risk Management Audit

Macarthur Energy Retail has reached out to an independent auditor and has had its Compliance and Risk Management strategies audited. Evidence of the audit can be found as

Attachment 16 - Compliance and Risk Strategy Audit

13. Energy Industry Ombudsman Schemes

As a new company Macarthur Energy Retail does not currently participate in an Energy Ombudsman Scheme. Upon being granted an energy retail authorisation Macarthur will apply for registration with the Energy and Water Ombudsman NSW (EWON). Contact has already been made with EWON as evidenced by the following attachment

Attachment 17 - EWON

14. Market participant arrangements

Contact with key market participants has taken place. Applications to onboard with energy networks companies will be submitted upon being granted a retail authorisation. Evidence of this contact can be found as

Attachment 18 - Network Contacts

Contact has been made with AEMO. Macarthur Energy Retail understands that they must become a Market Participant to operate as an energy retailer. Evidence of contact with AEMO can be found in the following attachment

Attachment 19 - AEMO Contact

Financial Capacity Criterion

Macarthur Energy Retail has sufficient financial capacity to support its retail operations. This information is outlined within this section supported by evidence in related attachments.

15. Start-up business

As a start up business Macarthur Energy Retail has neither audited financial reports or a credit rating. Suitable financial resources for the first five years of operation can be found in the following attachment

Attachment 03 - Financial forecast

16. Related companies

As described in the introduction to this document Macarthur Energy Retail is a new company and has no financial statements. As Macarthur Energy will staff Macarthur Energy Retail in its initial stages please see audited financial statements for Macarthur Energy included as

Attachment 20 - Financial attachments

17. Going concern

A declaration signed by the CEO stating that Macarthur Energy Retail is a going concern and is unaware of any factors that would impede our ability to finance our energy retailing activities is attached as

Attachment 21 – Going concern declaration (Commercial in Confidence)

18. Independent financial statement

A statement from the Macarthur Energy external accountant that there are no insolvency related issues with respect to the business is included as

Attachment 22 – Macarthur Energy Independent Financial Declaration (Commercial in Confidence)

19. Bank guarantees

At this stage Macarthur Energy Retail has sufficient capital to fund its first five years of operation. No bank guarantees are foreseen to be needed during this time.

20. Financial Forecast

A detailed financial forecast covering the first five years of Macarthur Energy Retail's operation as an energy retailer is attached as

Attachment 03 – Financial Forecast (Commercial in Confidence)

Suitability Criterion

21. Suitability details

Macarthur Energy retail can confirm that - Macarthur Energy Retail's associates, any other business where Macarthur Energy Retail's officers have held an officer position and any other entity that exerts control over Macarthur Energy Retail has not had:

- Any material failure to comply with regulatory requirements, laws or other obligations over the previous 10 years, including infringement notices or other enforcement action (including voluntary administrative undertakings) being taken by a regulatory body.
- Any previously revoked authorisations, authorities or licences held in any industry.
- Any failed authorisation, authority or licence applications in any industry.
- Any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry.
- Any situation where Macarthur Energy Retail or an associate of Macarthur Energy Retail, 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.

A declaration signed by the CEO addressing application guidance points 1.1 to 1.5, Required Information – Suitability in the guideline is attached as

Attachment 23 – Suitability details declaration (Commercial in Confidence)

22. Prosecution and other offences

Macarthur Energy confirms that Macarthur Energy Retail's current directors or shadow/defacto director/s, and any other person that exerts control over Macarthur Energy Retail's business activities and all persons who are responsible for significant operating decisions for Macarthur Energy Pty Ltd have not committed or been the subject of any offence or successful prosecution 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 Macarthur Energy Retail's capacity as an energy retailer.

We also declare that:

- no member of Macarthur Energy Retail's management team has been disqualified from the management of corporations; and
- There is no record of bankruptcy, including any overseas jurisdiction, of any member of

Macarthur Energy Retail's management team.

Declarations stating the above have been provided attached as

Attachment 24 – Prosecutions declaration (Commercial in Confidence)

Attachment 24 – Disqualification and bankruptcy (Commercial in Confidence)

23. Criminal history

Upon request, Macarthur Energy is willing to commit to a criminal history check on any Director or employee who will have a material impact on the management of Macarthur Energy as an authorised energy retailer.

24. Full names and addresses

The full names and addresses of all officers are included as

Attachment 25 – Officer details (Commercial in Confidence)

25. Probity and competence

The policy and procedure included in this application as attachments meet the requirements of probity and competence. Including in these are the Macarthur Energy Retail risk and compliance strategy documents.

Macarthur Energy Retail is aware of the requirement to establish and publish a hardship policy within 3 months of being granted an energy retail authorisation. To prepare for this Macarthur Energy Retail has begun drafting this policy in line with energy retail law.

Macarthur Energy Retail relies on other policy and procedure which include

- Privacy Policy
- Code of conduct
- Customer Charter
- Third party policy
- Deceased policy
- Life support policy
- ID Verification process
- Deceased Policy

Attachments – Commercial in confidence

Attachment 01 - Company Registration

Attachment 02 - Macarthur Energy Business plan

Attachment 03 - Financial Forecast

Attachment 04 - Staff Sharing Arrangement

Attachment 05 – CVs

Attachment 06 - Recruitment progress

Attachment 07 - Sonne Energy Australia Capability Statement

Attachment 08 - Tallyit Overview & Energy Billing capabilities

Attachment 09 - Utilibill Capability Statement

Attachment 09.1 - Draft services agreement

Attachment 10 – Wholesale partner Capability Statement

Attachment 11 - Certainty Compliance Capability statement

Attachment 11.1 - Certainty Macarthur Energy ComplianceManager

Attachment 11.1 - Certainty Macarthur Energy AFS Licensing Project

Attachment 12 - Macarthur Energy Compliance Strategy

Attachment 12a – Complaints/Dispute policy (Commercial in Confidence)

Attachment 13 - Compliance Obligations

Attachment 14 - Macarthur Energy Risk Management Strategy

Attachment 15 - Macarthur Energy Risk Management Policy

Attachment 16 - Compliance and Risk Strategy Audit

Attachment 17 – EWON

Attachment 18 - Network Contacts

Attachment 19 - AEMO Contact

Attachment 20 - Financial attachments

Attachment 21 - going concern

Attachment 22 – Macarthur Energy Independent financial declaration

Attachment 23 - Suitability details declaration

Attachment 24 - Prosecutions declaration

Attachment 25 - Officer details