

Application for Retailer Authorisation – Gas

Future X Power

Date: February 2021



Introduction

Future X is a specialised electricity retailer and energy service provider, specialising in renewable energy. With our head office in Brisbane, we are rapidly expanding to all major capital cities across Australia and as such are looking to diversify our energy retail offerings.

Future X's mission is to install and maintain renewable energy systems through Power Purchase Agreements (PPAs), allowing our customers to pay no upfront costs. We take pride in ensuring our customers are able to access renewable energy in a way that reduces financial burden installing a system can induce.

Future X offers Power Purchase Agreements (PPAs), which is a contract agreement between Future X, who is the provider of the solar system, and the customer. Future X pays all the upfront costs for the solar system, including its installation and any maintenance, and for the term of the PPA, owns the system. The customer purchases the electricity that is generated by the solar system from Future X at an affordable rate for the term of the PPA. At the end of the PPA term, the customer, has the option to purchase the system from Future X, for as little as \$1.

Future X is also an energy retailer providing grid energy to its PPA customers. Future X's strategic direction is to expand solutions to existing customers while offering a range of products to new customers. Whilst a gas retailer authorisation will enable us to sell gas to customers outside of the PPA model and to new retail customers, renewable energy through PPAs will still remain our core business operation.

Required Information

General Particulars

1. Legal Name	Online Power and Gas Pty Ltd
2. Trading Name	Future X Power
3. ACN/ ABN	95 164 285 634
4. Registered Address	3D, 528 Compton Rd, Stretton, QLD 4116
5. Nominated Contact	Lily Wang
6. Form of Energy	Gas
7. Proposed Date of Commencement	May 2021
8. Nature and Scope of Proposed Operations	Future X will continue it's primary operations of selling PPA's. These customers will be the primary target of our gas retail operations.
9. Jurisdictions	Initially Queensland
10. Customer Type	Residential and small business

Attachment 1 – ABN, ASIC Details and ownership structure - (Commercial in Confidence)

Organisational & Technical Capacity

1. Previous Experience as an Electricity Retailer

Online Power and Gas has been operating as an energy retailer since 2016. Operating as Future X Power since 2018 we have focussed primarily on renewable energy solutions while still maintaining traditional energy retail operations.

We manage operations (either ourselves or through third party agreements) including customer invoicing, energisation and de-energisation, meter reading, customer service and regulatory compliance

1.1 Date and Location of Previous Operations

Future X Power has operated as an energy retailer since 2018. Prior to this it operated as Online Power and Gas. Future X Power retails energy to Queensland, New South Wales, South Australia and Tasmania

1.2 Form of Energy Sold

Electricity

1.3 Scale of Operations

Future X Power customers are divided between residential and small business. The number of residential and small business customers is included in the attached business plan.

Attachment 2 – Future X Business Plan (Commercial in Confidence)

1.4 Retail Activities Conducted

We manage operations (either ourselves or through third party agreements) including customer invoicing, energisation and de-energisation, meter reading, customer service and regulatory compliance. Other retail activities include marketing and communications, financial reconciliation, accounting, customer reporting, solar system installation and management.

2. Other Relevant Retail or Energy Market Experience

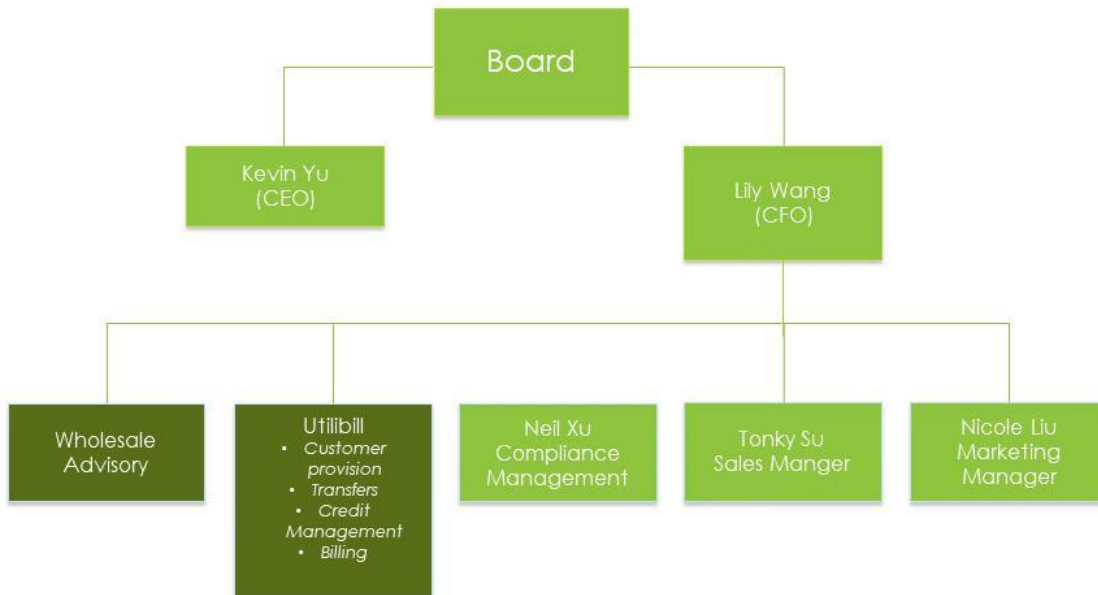
All Future X Power staff are training in strict compliance with retail regulations, policies and procedures.

3. No previous experience

Not applicable

4. Organisation Chart

Future X Power Organisational Structure



5. Employees by business unit or other classification

The number of employees currently directly employed by Future X Power are displayed below

Business Unit	Number of permanent employees
Management and board	5
Staff	9

6. Summary of Qualifications

Below are biographies of the relevant people who will perform key functions within Future X Power. They all currently work in the retail energy environment as the leadership group within Future X Power. **Note CVs are attached for the below individuals under Attachment 3 – CVs (commercial in confidence)**

6.1 Kevin Yu - CEO

Kevin R Yu was appointed Chief Executive Officer (CEO) of Future X Power in 2018. In his role, he is responsible for leading the day-to-day operation and co-making the strategy for the company in the PPA and retail sectors.

Prior to joining Future X Power, his career spans more than 12 years of varied experience in financial management and business leadership. Kevin has worked for a diverse range of businesses and achieved significant accomplishments in operation management.

6.2 Lily Wang - CFO

Lily Wang took up her duties as Chief Financial Officer (CFO) for Future X Power in July 2018. She is responsible for all the company's financial functions including accounting, audit, treasury, corporate finance and investor relations in the energy industry.

Prior to joining Future X Power, Lily has over 8 years' experience in the finance industry where she managed financial operations, budget, forecast and cash flow management. She has a master of accounting and finance and is a member of the CPA.

6.3 Neil Xu – Compliance Manager

Neil joined Future X Power in 2018 and is devoted in executing the best practice regulatory compliance framework to ensure the effective delivery of high-quality outcomes for Future X Power and its customers. His background in information technology has largely assisted in responding to compliance-related requests for information and investigations.

He is highly diligent and self-motivated to proactively scan and research regulatory compliance and enforcement activity across the industry.

6.4 Nicole Liu – Marketing Manager

Nicole joined Future X Power in August 2018 and held the position of Marketing Manager.

Nicole holds a Master of Business and Marketing which contributed to the design, manage and implementation of Future X Power's 2019 and 2020 marketing strategy. She had worked in the energy industry for a couple of years and showed track records in collaborating with internal and external stakeholders to support the effective implementation of plans.

6.5 Tonky Su – Sales Manager

Tonky joined Future X Power in 2019 and acted as the sales manager. He is responsible for overseeing operations and maintaining strong network relationships within the industry.

Prior to joining Future X Power, he had experience in an assistant manager role where he trained his ability to motivate sales teams to exceed sales goals, expand customer base and strengthen channels. His strong communication and interpersonal skills have also made him excel in his position.

7. Third Parties

7.1 Utilibill

Future X Power relies on Utilibill to provide their billing provisioning payment platform.

Utilibill will provides the following services:

- CRM: Contains all of Future X Power's customer information in one place including their history.
- Billing: covering all aspects of the billing cycle and other aspects including bundles.
- Exception management: ensuring customers are provisioned on time, billed on time and monitored when required.

Utilibill has been in the market for a number of years and provides on market and off market CRM/retail management services to a number of Embedded on market retailers across the AER jurisdictions. Utilibill also has the requisite staff that have a depth of experience within a

retail environment to ensure Utilibill's service offering aligns to that of its retail clients and their obligations.

Attachment 4 – Utilibill (Commercial in Confidence)

7.2 Sonne Energy

Sonne has a team that has worked in all areas of the energy industry, from developing renewable energy projects, to building financial models. Sonne Energy can provide wholesale advisory services. Other services that Sonne provide include:

- Business planning
- Regulatory compliance
- Energy retail services
- Sales and marketing
- Engineering Services
- Resourcing
- Energy products
- Billing services

Sonne and Future X Power are currently working together. An agreement formalising this is in place and attached.

Attachment 4 – Sonne (Commercial in Confidence)

7.3 Certainty Compliance

Certainty compliance currently assists Future X Power to manage their AFSL and relating compliance requirements. Certainty has experience in strategy and business management, finance, risk management, legal and compliance, sales management, change management, training and assessment.

Attachment 4 – Certainty Compliance (Commercial in Confidence)

8. Business Plan

A copy of Future X Power's business plan is attached. It includes strategic direction and objectives. Details of Future X Power's forecast and assumptions are addressed under Financial Capacity Criterion section 9 Financial Forecast.

Attachment 2 – Future X Business Plan (Commercial in Confidence)

Attachment 5 – Future X Financial Forecast (Commercial in Confidence)

9. Compliance Strategy

To demonstrate Future X Power's knowledge and understanding of the obligations on retailers Future X Power has outlined its compliance strategy. This strategy ensures that Future X Power manages and complies with its obligations under Retail Law and retail rules. Outlined within are processes for testing, reporting, process improvement, breach identification and remediation. Future X Power's compliance and risk strategies have been reviewed by an independent auditor.

Attachment 6 – Future X- Compliance Strategy (Commercial in Confidence)

Attachment 6 – Compliance audit

10. Risk Management Strategy

Future X Power's risk management strategy is included under the compliance umbrella and is integrated into its compliance strategy. The risk strategy outlines key risks and mitigation strategies.

Attachment 6 – Future X Risk Strategy (Commercial in Confidence)

11. Additional Information

Future X Power has developed a number of policies and customer documents as part of operating in accordance with Retail Law. These are attached as attachment 5.

Attachment 7 – Probity documents - (Commercial in Confidence)

12. Energy Industry Ombudsman Schemes

Future X Power is a member of the appropriate ombudsman schemes for the states that they operate in as a retailer of electricity.

Attachment 8 – EWOQ - (Commercial in Confidence)

13. Market participant arrangements

Future X Power is a Market Participant (as Online Power and Gas) with the Australian Energy Market Operator. Future X Power has also began the process for onboarding with the relevant gas distributors in Queensland, see initial communications attached.

Attachment 9 – NEM registration list - (Commercial in Confidence)

Attachment 9 – Gas network communication - (Commercial in Confidence)

Attachment 9 – AEMO - (Commercial in Confidence)

14. Additional Information

Not applicable

Financial Capacity Criterion

1. Existing Businesses

1.1 Financial statements

A copy of Future X Power profit and loss has been attached

[Attachment 10 – Future X P&L \(Commercial in Confidence\)](#)

[Attachment 10 – Future X Balance Sheet \(Commercial in Confidence\)](#)

[Attachment 10 – Financials \(Commercial in Confidence\)](#)

2. Evidence of credit rating

Future X Power does not have a credit rating

3. Start up business

Future X Power is not a start-up business

4. Related companies

Ownership structure of Future X Power has been included as a confidential attachment.

[Attachment 1 - ABN ASIC Details and ownership structure \(Commercial in Confidence\)](#)

5. Going concern

A declaration signed by the CEO stating that Future X Power is unaware of any factors that would impede it's ability to finance energy retailing activities is attached as

[Attachment 11 – Financial stability \(Commercial in Confidence\)](#)

6. Independent financial statement

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

[Attachment 12 – Future X Independent Financial Declaration \(Commercial in Confidence\)](#)

7. Bank guarantees

Future X Power has the capital needed for current business operations including moving into the gas retail space. This is evidenced in the financial forecast and other financial attachments.

[Attachment 10 – Future X P&L \(Commercial in Confidence\)](#)

[Attachment 10 – Financials \(Commercial in Confidence\)](#)

[Attachment 10 – Future X Financial Forecast \(Commercial in Confidence\)](#)

8. Financial Forecast

A financial forecast is attached and outlines Future X Power operations for the next five years.

Attachment 5 – Future X Financial Forecast (Commercial in Confidence)

9. Additional information

Not applicable

Suitability Criterion

1. Suitability details

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

[Attachment 13 – Suitability details declaration \(Commercial in Confidence\)](#)

2. Prosecution and other offences

Future X Power confirms that our CEO and other executive officers have not been involved in any prosecutions under any territory, state, Commonwealth or foreign legislation including, but not limited to, the items identified in this guideline. Declaration attached as

[Attachment 14 – Prosecutions declaration \(Commercial in Confidence\)](#)

3. Criminal history

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

4. Written declarations

Written declarations from the CEO confirming that no management team members have been disqualified from the running of corporations or have a record of bankruptcy are included as

[Attachment 15 – CEO Declaration \(Commercial in Confidence\)](#)

5. Full names and addresses

The full names and addresses of all officers are included as

[Attachment 16 – Officer details \(Commercial in Confidence\)](#)

6. 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 Future X Power risk and compliance strategy documents.

Attachment 7

7. Additional information

Not applicable

Attachments

- Attachment 1 – ABN ASIC Details and ownership structure
- Attachment 2 – Future X Business Plan Attachment 3 – CVs
- Attachment 4 – Third party agreements
- Attachment 5 – Financial Forecast
- Attachment 6 – FXP – Compliance and Risk Strategies
- Attachment 7 – Probity documents
- Attachment 8 – EWOQ
- Attachment 9 – AEMO, Network Communication and NEM Registration List
- Attachment 10 – Financial Documentation
- Attachment 11 – Financial Stability
- Attachment 12 – Independent Financial Declaration
- Attachment 13 – Suitability Details Declaration
- Attachment 14 – Prosecutions declaration
- Attachment 15 – CEO Declaration
- Attachment 16 – Officer details