

Body Corporate for Pumicestone Blue CTS 33280

ABN 67503178686

Application for Individual Exemption

Part A: Public Application

Part B: Private Application

(Includes commercial information and IP presented to Pumicestone Blue in addition to confidential communications between parties)

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Pumicestone Blue Apartments CTS 16658 is a Body Corporate who commenced investigation into reducing resident's energy costs through bulk supply in 2014.

The Body Corporate initiated discussions with owners and residents directly through formal and informal Body Corporate avenues and met with Energy Resources Corporation (ERC) in 2015 and subsequently appointed ERC to manage the process.

The discussions and expectations were based around the Body Corporate providing energy savings to residents whilst continuing to provide consumer protections aligned with the expectation of the Australian Energy Regulator (AER) and those provided by direct authorised retail agreements.

The consultation process ensured all residents were provided with sufficient information to make informed decisions and ensure that should they wish to be excluded from the bulk supply, their power of choice would be respected and their decision to exercise their right to opt out if selected would be accommodated by the Body Corporate.

It was clearly communicated by the Body Corporate that customers were in no way to be disadvantaged by the implementation of an embedded network and that all protections, rebates, avenues for assistance and

procedural fairness for residents would continue however the physical requirements for conversion to an embedded network would preclude residents from access to an alternative supplier.

Multiple onsite meetings with residents and The Body Corporate for Pumicestone Blue Apartments ensured all residents were clearly informed prior and during the consent process being completed.

1: Legal name Pumicestone Blue CTS 33280

2: Trading Name Pumicestone Blue Apartments

3: Australian Business Number (ABN) 67503178686

4: Registered postal address for correspondence

PUMICESTONE BLUE CTS 33280 SITE 1 PO BOX 534
CALOUNDRA QLD 4551

5: Nominated contact person Matthew Blundell

ERC Director 0754378188 matt@energyresources.com.au

Ralph Settle

Body Corporate Chairman

ralph@tesmitenterprises.com.au 07 5492 6998

6: Why you are seeking an individual exemption

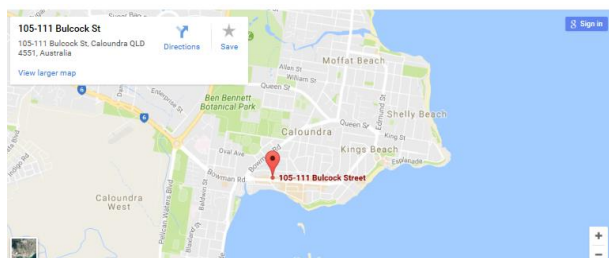
The Body Corporate intends to on sell energy to residents of Pumicestone Blue to ensure residents energy costs can be minimised as much as possible.

The ability to offset network costs through an embedded network without the cost of a retailer authorization ensures residents energy costs can be reduced as much as possible.

The on selling of electricity to residents is not the core business of the Body Corporate and all rights of the resident to confirm inclusion or exclusion as their power of choice has been respected.

7: The address of the site at which you intend to sell energy

111 BULCOCK ST, CALOUNDRA QLD 4551



8: The primary activity of your business and of the Body Corporate

Pumicestone Blue Apartments is a Residential Apartment complex with attached commercial lots, where the role of a body corporate is to manage the common property and body corporate assets in accordance with Body Corporate legislation.

9: The form of energy

Electricity which is directly connected to the main grid

10: Are you establishing, or have you established, energy supply

The property is an existing dwelling with an established energy supply

11: Commencement date

It is the intention of the Body Corporate to commence selling energy as soon as exemption has been received.

Please note as per communication to AER the retrofit has been completed following full receipt of consent.

12: Mailing address

SITE 1 PO BOX 534 CALOUNDRA QLD 4551

13: Details of any experience in selling energy

The Body Corporate has appointed Energy Resources Corporation (ERC) to administer the on selling process as they have managed embedded networks for over 15 years.

ERC refers to the AER Retail Exempt Selling Guideline Version 4 March 2016 for administration compliance advice & to ensure the Bodies Corporate is not exposed to noncompliance penalties.

ERC administers in accordance with EOQ, DEWS and AER expectations.

ERC also ensures all residents have access to qualified personnel and assistance in reducing their personal energy costs at no additional cost.

14: Current or previously held retail license or energy selling exemption

NIL

15: Arrangements for non-service

All residents are aware that the network provider, currently Energex does not change and the susceptibility to power outages will remain as it currently is.

There are no additional risks or liabilities to residents by the implementation of an embedded network.

The Body Corporate has arranged for the purchase of the meters from Energex to be used for calculation of individual invoices and has assumed responsibility for the functionality of those meters. Responsibility for the main switchboard reliability remains that of the Body Corporate.

All residents kWh meters will remain in place and continue as they have previously with a direct supplied retailer.

Where a scheduled power outage is to occur the Body Corporate via ERC will communicate to all residents by both email and hard copy to ensure all occupants are aware of any planned outage. This communication is to include detailed information of the outage as documented by the network provider.

All residents are provided with the contact numbers for Network outages and any unplanned outages will be communicated to all residents as soon as it is identified.

The Body Corporate will communicate any supply issues to all residents as soon as it is identified as will ERC as the primary contact for residents.

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

1: Will your customers be your tenants?

There will be 53 Residents and 5 commercial lots all who have consented to be exempt customers. At time of consent there are 15 tenants and 43 owner occupiers.

2: Are you providing other services?

The only commercial relationship the Body Corporate has to residents is the sale of electricity.

3: What is the total number of customers at the site? 57 small customers , 1 large customer

4: Will you be on-selling energy?

Yes, Electricity will be purchased from an authorised retailer and on-sold to residents. A competitive tender to major retailers has been completed for supply for 3 years. Future supply contracts will be a non-brokering agreement appointed following a competitive tender to major retailers.

5: What is the estimated aggregate annual amount of energy you are likely to sell?

The estimated annual electricity to be sold is 380000 kWh between residential and commercial customers

6: Site operation

All customers will be wholly contained within the site owned and controlled by the Body Corporate.

7: Metering

Each lot will be separately metered using the same meter and meter number previously identified as the Energex asset utilised by the direct supply retailer.

8: Type of Metering

The current meters in place are basic/accumulation meters read manually which will continue. These meters do not allow access for remote reading.

Should a resident wish to revert to grid connection the Body Corporate and its agent will assist in the management/transition to grid connection should future requirements enable residents to do so.

9: Meter Reading Schedule

The meters will be read monthly by an ERC representative, all final reads will also be completed by an ERC representative. The onsite manager will assist in all operations.

10: How will you determine energy charges if customers are not separately metered?

Customers are separately metered

11: Customer Billing

Customers will receive invoices from ERC via a communication medium of their choosing.

All initial invoices will be issued by both email and hard copy letter to ensure receipt. Further method will be as requested by the resident.

Residents will continue to have all payment options they currently have through their retailer.

Residents will have access to BPay, direct debit, credit card and phone pay facilities. ERC is also registered for Centrepay for those residents who require the assistance of Centrelink.

Reasonable payment plans will be offered to all residents who contact ERC.

12: Dispute Resolution Process

Customers who wish to lodge a query on their invoice will do so directly to ERC via their online query process or by contacting the customer service team directly.

Any query will be processed according to the ERC Query procedure documentation available to all residents.

Residents are provided a 4 business day turnaround on all queries.

A resident will at all times have the option of further investigation by a qualified tradesman with the confidence that should fault be found onsite the Body Corporate accept responsibility to remedy the situation.

Should a resident wish to escalate their query or are unsatisfied with the initial outcome they may request it be accelerated to ERC senior management who will respond within 4 business days.

Where a resident wishes to escalate the query further ERC will on their behalf and at their request provide a summary of the query and steps taken to resolve the issue to the Body Corporate committee.

Where requested, ERC will provide the contact details of regulatory bodies The Energy and Water Ombudsman Queensland (EWOQ) and Department of Energy and Water Services (DEWS) as a dispute resolution service for unresolved complaints.

The Body Corporate has directed ERC that all queries that may escalate to complaints are to be treated in accordance with the expectation and guidelines provided

by EWOQ and DEWS to ensure residents are afforded comparable assistance and outcomes to customers outside embedded networks.

Residents are informed The Office of the Commissioner for Body Corporate and Community Management offers conciliation for customers unable to obtain resolution.

Tenants can access the Residential Tenancy Authority (RTA) website for advice on ways to resolve disputes under The Act and conditions directly related to the 'charging of utilities'.

13: Rebates or concessions

All rebates and concessions are managed directly by ERC who are directly registered with Department of Concessions (DOCS)

ERC will also ensure any residents who may be eligible for assistance schemes are assisted to do so.

ERC includes information and direction on how to claim rebates in the welcome pack residents receive once their account is set up.

14: Efficiency options

Energy Efficient solutions will be available to residents and assistance provided where applicable.

Should solar or other generation be available it will be accommodated where possible.

ERC will provide load profile reporting to monitor Power factor onsite and also monitor peak demand times with a view of managing solutions to provide residents with information of how to manage peak demand to lower their energy costs and in turn lower their individual purchase price.

15: Further information

The Body Corporate has ensured a full consultative approach has been adhered to ensuring all residents have

the information available to make an informed choice in registering their consent or choosing to opt out.

The Body Corporate has at all times stated it is the individual choice of each resident to register their consent.

All residents have been assured that they are protected by legislation and cannot be charged more than their relevant area retailer.

All residents have been assured the Body Corporate cannot make a profit and that the embedded network is a cost recovery process for The Body Corporate.

All residents have received assurances they will be provided with the same level of service and protections they now receive.

The Body Corporate and its appointed Service Provider ERC have been accessible and engaged with all residents since the appointment to clarify any questions raised in a transparent manor.

7.2.1 Assessing an application involving retrofits

1. Mitigation of detriment: Retail contestability and competitive offers

An exempt customer will continue to have access to existing off peak tariffs such as tariff 31 or 33 where applicable should they wish to facilitate the installation and they will be charged the lower of the bulk unit rate or the published tariff.

If it arises where a resident can access an offer from a direct retailer a metering solution will be sought to ensure there is no detriment to the resident for their inclusion in the embedded network.

All residents have been informed their meter may be bypassed from the conversion to the parent meter should they wish to opt out of the process during the conversion stage.

All future energy retail supply agreement will be appointed by the committee following a full competitive tender of all major retailers and the appointed retailer will be identified as offering the best solution to the residents.

The energy retail supply agreement will be free of any brokering or commissions from any retailer to ensure transparency and full benefits of the embedded network is enjoyed by all residents.

Residents will continue to have access to information and billing consistencies they are currently afforded by a direct authorised retailer.

All billing information and service expectations will be in accordance with those outlined in the retail exemption guidelines.

2. Mitigation of detriment: Customer dispute resolution services

Further to previous note 12, customers who wish to dispute the invoice amount, its contents or its accuracy will be directed to the ERC Query procedure.

ERC will in turn provide the customer a solution within 4 business days.

Should this solution not be acceptable to the customer they may wish to have it escalated.

ERC will assist the customer to validate their invoice data including meter readings, historical trends and provide solutions for the customer to self-validate the billing information to ensure the data may be checked at no cost to the customer. ERC will provide the customer with processes to validate the information.

Where a customer wishes further investigation they may request ERC to facilitate an electrician onsite where the customer will only incur a charge if the electrician confirms there is no fault onsite.

The charge for any contractor must be agreed to prior to scheduling the appointment.

Residents are provided a 4 business day turnaround on all queries.

A resident will at all times have the option of further investigation by a qualified tradesman with the confidence that should fault be found onsite the Body Corporate accept responsibility to remedy the situation.

Should a resident wish to escalate their query or are unsatisfied with the initial outcome they may request it be accelerated to ERC senior management who will respond within 4 business days.

Where a resident wishes to escalate the query further ERC will on their behalf and at their request provide a summary of the query and steps taken to resolve the issue to the Body Corporate committee.

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3. Mitigation of detriment: state or territory legislation

Following deregulation of the Queensland electricity market relevant retailer tariffs have been used as a comparative guideline for calculating the benefits of the embedded networks.

These benefits communicated to residents are consistent in delivering lower priced energy tariffs and increased service levels to ensure residents are not disadvantaged by the embedded network.

The appointed service provider ERC has developed extensive working relationships with Energex metering division Metering Dynamics to ensure customers receive the full benefits of the embedded network whether that is through lowering peak demand by identifying peak demand profiles and engaging residents to assist them how they may further lower costs or through metering solutions to ensure customers have full access to programs or available market rates.

Throughout the legislative changes from the electricity act through to the AER exempt selling guidelines the customers access to lower priced electricity and their right to have their billing information validated with an avenue to dispute the information and be treated in accordance with the expectations of the governing bodies is to be consistent with those outside of the embedded network framework.

4. Efforts to obtain explicit informed consent

Consent of owner/residents commenced through the applicable Body Corporate meetings and once resolution

to proceed was reached the consent of tenants of Pumicestone Blue as the account holder was then also sought.

Multiple meetings were held onsite where residents had the opportunity to request further information or clarification around the process or the restrictions an embedded network placed on the resident.

Body Corporate representatives were made available at all times to respond to residents questions as were ERC management post their appointment.

ERC received queries around the applicable rebates and how they would be administered, it was noted ERC is directly registered with DOCS and all rebates would be applied directly to the residents invoice at the time of billing and ERC would recover through the DOCS process.

ERC received further questions around flexible payment arrangements and customers received documentation to ensure they would be in place to receive their applicable rebate or Centrepay concessions on commencement.

ERC has provided commercial customers with comparison of their current energy agreement with the bulk supply based on the supply agreement in place.

It was confirmed to residents that they have the option of payment plans, and it was also noted customers could pay

each week or month in advance to reduce the invoiced amount each quarter.

Residents were supplied with relevant documentation and further information links to ensure they were fully informed to register their consent.

The application for exemption will be made available to all residents through the Body Corporate dissemination of information and also through ERC customer service team.

Further discussion sessions have been held by committee chairman to ensure he was available to answer any questions from residents.

Residents were provided with examples of billing information, the invoice query process and the recovery process including how they would be notified of non-payment and disconnection procedures.

There were no concerns raised regarding the capacity of residents to consent.

100 % consent was received from all residents of Pumicestone Blue Apartments.

Embedded Site Conversion Confirmation

It is confirmed that through information seminars, Body Corporate meetings and through documentation distribution that all residents were informed and have consented to the retrofit conversion of Pumicestone Blue Apartments.

All residents have received information pertaining to the practical application of embedded network and the guidelines under which it must be administered.

All residents have been advised they would receive updates on commencement dates and that calculated tariffs would be communicated to them along with all relevant information.

All residents have been offered the opportunity to register their objection or consent to the process through Body Corporate meetings, subsequent EGM , AGM and AER process.

Part B

Please find attached all supporting documentation noted on the application and others provided to residents to

assist them in their decision or requested through the process by residents of Pumicestone Blue Apartments.

Noted:

A copy of the ERC conversion process that is provided to all residents at each site outlining the process to ensure they are consulted for their approval and advised further at each step of the process.

A copy of ERC terms and conditions that is supplied to each site through the conversion process.

A copy of the ERC acceptance form that is sent to each resident of the proposed site. Please note, where a resident cannot return a signed copy of their acceptance a resident is required to return an email confirming they wish to participate and they provide their security details to confirm they have approved their acceptance.

A copy of ERC Hardship Policy is made available to all residents

A copy of the Query procedure should a customer wish to have their invoice validated , ERC at all times attempts to provide the customer with confirmation of the accuracy of the invoice without the need to have a contractor attend and incur costs.

A copy of the QLD Electricity rebate form provided to residents to ensure they receive the rebates on commencement should they qualify.

A copy of the ERC proposal and brief is available to display to residents how ERC attempts to further reduce their energy rates through assistance with load profile and peak demand identification.

A copy of the Peak Demand Identification service ERC completes to work with the sites to use shift demand from peak times and in turn reduce their costs. (Further information of such assistance is also shown in the Newsletter attached for an ERC site)

A copy of a conversion notice prior to conversion to ensure all residents are aware of the date and time and any additional measures they may need to take to ensure their safety on the conversion date.

A copy of a Welcome notice a customer can expect to receive when they move into a complex managed by ERC.

ERC Frequent Asked Questions as referenced

Pumicestone Blue Tariff Savings Calculator provided

Individual Notices of request to contact