

Body Corporate for RIYALA CTS 32485

ABN 57806591876

Application for Individual Exemption

Part A: Public Application

Part B: Private Application

(Includes commercial information and IP presented to Riyala Apartments in addition to confidential communications between parties)

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Riyala Apartments 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 2014 and subsequently formally appointed ERC in 2014 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 Energy and Water Ombudsman Queensland (EWOQ), Department of Energy and Water (DEWS) and 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 communications and meetings with residents and The Body Corporate for Apartments ensured all residents were clearly informed prior and during the consent process being completed.

The information and discussions allowed each residents to provide their consent or advise of their choice to opt out, ultimately 100% of owners and residents provided their consent to proceed and be included in the bulk supply either directly at the Body Corporate meetings or through subsequent discussions with onsite management or ERC.

1: Legal name Riyala CTS 32485

2: Trading Name Riyala

3: Australian Business Number (ABN) 57806591876

4: Registered postal address for correspondence

RIYALA CTS 32485 ADELAIDE STREET PO BOX 10093
BRISBANE QLD 4000

5: Nominated contact person Matthew Blundell

ERC Director 0754378188 matt@energyresources.com.au

Roger McComiskie / Bill Halliwell

Body Corporate Representatives

rmccomiskie@gmail.com / Riyala2@bigpond.com

6: Why you are seeking an individual exemption

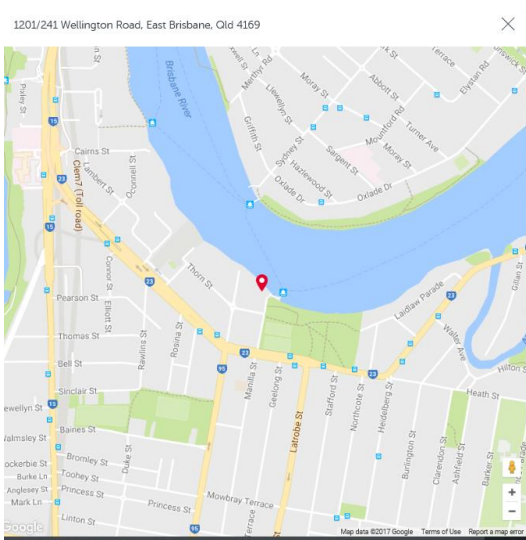
The Body Corporate intends to on sell energy to residents of Riyala to ensure residents energy costs can be minimised as much as possible.

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

241 WELLINGTON RD, EAST BRISBANE QLD 4169



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

Riyala is a Residential Apartment complex 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

Please note as per communication to AER the retrofit had been completed following full receipt of consenting residents.

Please also note as per communications submitted in Part B selling of energy commenced when registration of the network was completed.

The B2B was received June 1st however delays between Energex and Origin delayed the final conversion date.

12: Mailing address

RIYALA CTS 32485 ADELAIDE STREET PO BOX 10093
BRISBANE QLD 4000

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 is 33 Residents all who have consented to be exempt customers.

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?

33 small customers

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. 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 153600 kWh between residential lots.

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. A lease agreement has been entered into with Energex.

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 these 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.

ERC has also completed a walk through peak demand identification with another scheduled for 2017 with a view to reducing peak demand onsite.

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.

Communications have been thorough and completed in good faith by all parties.

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.

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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 Riyala as the account holder was then also sought.

Multiple meetings were held through the approval process notably on 2/6/14, 21/8/14, 1/12/14, 3/2/15, 23/4/15 and subsequently onsite information dissemination directly from Manager Bill Halliwell where residents had the opportunity to request further information or clarification around the process or the restrictions an embedded network placed on the resident.

Please refer to Part B for extracts of information between parties that were in turn disseminated to residents onsite.

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 cost of the bulk supply conversion. Also it was confirmed 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.

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 direct discussion sessions have been held by management and ERC to ensure they were 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 direct questions as all owners and residents were in favour.

Consent was received from 100% of residents at Riyala

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 provided their consent or advised of their decision to opt out of the retrofit conversion of Riyala.

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

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

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

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 Riyala.

Please also refer to communications from our office to AER outlining the circumstances leading to the initial registration of the embedded network.

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

A copy of EGM approval to proceed

Energex lodgement