

4 April 2017

Ms. Sarah Proudfoot
General Manager Retail Markets
Australian Energy Regulator
GPO Box 520
Melbourne, VIC 3001

Dear Ms. Proudfoot,

RE: POSITIVE ENERGY TM PTY LTD APPLICATION FOR ELECTRICITY RETAILER AUTHORISATION SUBMISSION UNDER SECTION 91 OF THE NATIONAL ENERGY RETAIL LAW.

We make the following submission under section 91 of the National Energy Retail Law (**Retail Law**) in respect to the application made by Positive Energy TM Pty. LTD (**Positive Energy**) for an electricity authorization under part 5, division 2 of the Retail Law dated 28 March 2017 (**Application**).

It is the view of Savant Energy Power Networks Pty Limited (Savant) that the application should be refused by the AER on the basis that:

1. Positive Energy fails to meet the entry criteria under section 90 (1) of the Retail Law.
2. The publically available application for an electricity retail authorisation via Positive Energy fails to provide required information

The criterion as set down in section in 90 (1) of the Retail Law goes to the applicants' industry experience, operational systems and staff expertise. Applicants should demonstrate their ability to comply with regulatory obligations under the Retail Law and their ability to operate as an authorised retailer.

According to the application, the sole Director has no energy market experience, nor do they have any experience in energy costing, billing systems, retail service or financial reporting. Under 2.2 of the application, it is stated that "board members are well-regarded business people with extensive background in a number of relevant fields outlined in Appendix C". This is confusing in that a company search of Positive Energy indicates that there is only one Director, Martin Stansfeld Burns. It is therefore misleading to suggest that there are other board members, whereas the company only appears to have one director. We do not believe that the director has sufficient experience in the relevant areas. We do not see any evidence in the application of the technical capacity of the director to manage a business of the complexity of an energy retailer. We do not believe it is appropriate that all key areas of expertise are outsourced, as the ultimate responsibility for these functions still lies with the director, and they have no relevant experience. We do not believe that they can adequately manage the functions of their contracted service providers without a clear understanding of the industry.

The fact that the publically available version of the application has all relevant information within the appendices makes it impossible for us to form any opinions in other areas that may have relevance to the appropriateness of the applicant to hold an energy retailer's license. If the Australian Energy Regulator were to approve this application, it would be setting a precedent that applicants with no relevant experience within the industry can obtain retailer authorisations as long as they use the appropriate subcontractors. We do not believe that this serves the market well.

We therefore submit that the application should be rejected because;

1. Positive Energy has failed to meet the entry criteria under section 90 (1) of the Retail Law.
2. The publically available application for an electricity retail authorisation via Positive Energy fails to provide required information.

Please contact Richard Mintz on 0414 332 607 if you would like further information in respect of this submission.

Yours faithfully

Savant Energy Power Networks Pty Limited



Richard Mintz

Director

