



**TILT RENEWABLES AUSTRALIA PTY LTD
TILT RENEWABLES RETAIL PTY LTD**

APPLICATION FOR TRANSFER OF AN ELECTRICITY RETAILER AUTHORISATION

1. Introduction

Tilt Renewables Limited (**Tilt Renewables** or **TLT**) is a leading developer, owner and operator of renewable energy generation assets in Australia and New Zealand.

Since 3 August 2021, Tilt Renewables has joined the Powering Australian Renewables (PowAR) Group, which is the leading owner, operator and developer of wind and solar generation in Australia. PowAR has 1,313 MW of installed capacity across seven operating wind and solar farms, and a large portfolio of high-quality renewable energy developments in Australia.

PowAR is a partnership between the QIC (40%), Future Fund (40%) and AGL (20%). The PowAR partners are long-term investors, combining institutional capital with incumbent retail energy expertise:

- QIC: The Queensland Investment Corporation is an independent investment manager owned by the Queensland Government with over A\$85 billion in assets under management (as at 31 December 2020).
- Future Fund: The Future Fund is Australia's sovereign wealth fund with over A\$170 billion in assets under management
- AGL: AGL Energy Limited is a leading ASX-listed integrated energy business with over 4 million customers and a 11GW+ generation portfolio.

Tilt Renewables Australia Pty Ltd (**TRAPL**) is an authorised electricity retailer, being one of the original transitioned retailers under the National Energy Retail Regulations. Prior to 20 September 2016, TRAPL was known as Trust Power Australia Holdings Pty Ltd.

TRAPL has not made use of its electricity retailer authorisation and has no customers.

Tilt Renewables is establishing an electricity retail business to sell electricity to larger, grid-connected commercial and industrial (**C&I**) customers throughout Australia excluding Western Australia and the Northern Territory. That business is to be carried on by Tilt Renewables Retail Pty Ltd (**TRRPL** or **Tilt Retail**).

2. General information

TRAPL and Tilt Retail jointly apply to the Australian Energy Regulator (**AER**) under section 102 of the National Energy Retail Law (**NERL**) for the transfer of TRAPL's electricity retailer authorisation to Tilt Retail.

2.1 Applicants' details

TRAPL

Name:	Tilt Renewables Australia Pty Ltd
Any different trading name:	None
ABN:	15 101 038 331

ACN: 101 038 331
Registered address: Level 23, 535 Bourke Street, Melbourne Vic 3000
Principal place of business and address for correspondence: Level 23, 535 Bourke Street, Melbourne Vic 3000
Contact Person:
Name: Mike Wilson
Title: Head of Markets
Tilt Renewables
Telephone: [REDACTED]
Email: [REDACTED]

Tilt Retail

Name: Tilt Renewables Retail Pty Ltd
Any different trading name: None
ABN: 83 133 552 539
ACN: 133 552 539
Registered address: Level 23, 535 Bourke Street, Melbourne Vic 3000
Principal place of business and address for correspondence: Level 23, 535 Bourke Street, Melbourne Vic 3000
Contact Person:
Name: Mike Wilson
Title: Head of Markets
Tilt Renewables
Telephone: [REDACTED]
Email: [REDACTED]

2.2 Application details

Date: 20 October 2021
Authorisation sought: Electricity.
Timing: TRAPL and Tilt Retail each wants the transfer to take effect in time for Tilt Retail to commence selling electricity on 1 July 2021.
Nature and scope of operations: Tilt Retail wants to sell electricity to C&I customers.
Jurisdictions: South Australia
New South Wales
Queensland
Australian Capital Territory
Tasmania
Types of customer: Large customers only. No residential customers.

TRANSFEROR INFORMATION

3. Reasons for transfer

As already mentioned, Tilt Renewables' new electricity retail business is to be carried on by Tilt Retail, not TRAPL. Therefore Tilt Retail needs, and TRAPL does not need, an electricity retailer authorisation.

4. Customers

As already mentioned, TRAPL has no customers and therefore no arrangements need to be made for the transfer of any customers from TRAPL to Tilt Retail.

TRANSFeree INFORMATION

5. Organisational and Technical Capacity

5.1 Directors

Tilt Retail's directors' CVs are included in **Confidential Attachment 1**.

5.2 Management

Tilt Retail does not itself currently operate in the electricity retail industry in Australia, but its officers have the knowledge, skills and experience required to do so successfully.

Their CVs are also included in **Confidential Attachment 1** and **Confidential Attachments 1A-1E**.

The members of Tilt Retail's team combine:

- (a) relevant experience in electricity retailing;
- (b) complementary experience in the energy industry, particularly in wholesale electricity trading and risk management;
- (c) strong backgrounds in businesses focused on customer service; and
- (d) information technology expertise.

Team members also have experience working within strict compliance frameworks in the utilities, financial services and accounting sectors, giving them the skills and experience required to operate an electricity retail business in compliance with applicable laws, regulations, codes and guidelines.

The specific roles that each team member will perform is described in **Confidential Attachment 1F**.

5.3 Organisational structure

An organisational structure chart showing the Tilt Renewables group's executive team, management and other key personnel is included in **Confidential Attachment 2**.

5.4 Service providers

5.4.1 Metering service providers

The Tilt Renewables group has existing relationships with metering services providers for its existing wind farms. It is likely Tilt Retail will engage these metering services providers as well.

5.4.2 Account establishment, billing and customer management

Tilt Retail is in discussions with a number of specialist billing and customer information system (CIS) service providers regarding them handling Tilt Retail's account establishment and customer management functions including customer on-boarding and customer service and enquiries, as well as for back office functions such as transfers, billing and payment. Tilt Retail plans to engage one of these service providers prior to Tilt Retail commencing to sell electricity on 1 January 2022. However, Tilt Retail is likely to have a relatively small number of large C&I customers, at least in the early days of its retail business, and so, if need be, will be capable of performing those functions in-house using the same team that handles similar functions in Tilt Renewables' generation business.

5.4.3 Other external service providers

The Tilt Renewables group engages many external service providers across the full spectrum of the group's business activities. The external service providers that provide key services related to Tilt Retail include:

- Schneider Electric (portfolio scenario analysis and spot price forecasting) – <https://www.se.com/au/en/>
- Baringa Partners (wholesale pricing forecasting) – <https://www.baringa.com/en/>
- Seed Advisory (strategy and risk management) – <http://www.seedadvisory.com.au/>
- Nelson Derham Law (legal advisor) – www.nelsonderhamlaw.com.au.

5.5 Business Plan

Tilt Retail's Business Plan, comprising senior management committee reports, are included in **Confidential Attachment 3**, includes information about Tilt Retail's sales and marketing strategy, revenue, costs, growth forecasts and estimated funding requirements. A financial model has been developed based on the Business Plan and is included in **Confidential Attachment 4**.

5.6 Compliance

5.6.1 Knowledge and understanding of compliance obligations

Tilt Retail is aware of and understands the obligations it will have under the NERL, the Retail Rules and jurisdictional energy legislation in relation to selling electricity.

In particular, Tilt Retail has obtained external legal advice in relation to its compliance obligations as an electricity retailer and has expanded the scope of the Tilt Renewables group Compliance Policy to incorporate retail specific obligations – see **Confidential Attachment 5** and **Confidential Attachment 5A** – and Retail Compliance Register covering the obligations Tilt Retail will need to comply with under the NERL – see **Confidential Attachment 6**.

5.6.2 How compliance obligations will be met

Tilt Retail's management team has a long history of operating businesses in the highly regulated electricity sector, in which a high level of compliance awareness and management is necessary.

Tilt Renewables' Senior Market Operations Analyst, as part of that role's broader compliance responsibilities, will act as compliance officer, responsible for ensuring all activities conform with applicable laws, regulations, codes and guidelines. The compliance officer will also be responsible for preparing and submitting compliance reports to the AER as required, and will work with Tilt Retail's external legal advisors to ensure full compliance with all relevant obligations on an ongoing basis. An extract from the Senior Market Operations Analyst's position description, outlining the relevant retail related compliance responsibilities, is provided in **Confidential Attachment 7**.

The compliance documentation discussed in section 5.6.1 provides for compliance measures that will enable Tilt Retail to comply with each compliance obligation to which it is subject. In particular, the Compliance Register nominates a member of the TLT team to be responsible for the development of appropriate operational procedures, policies or other measures to ensure Tilt Retail complies with these obligations at all times.

Tilt Retail's contracts with relevant service providers will require the service providers to comply, and to ensure that Tilt Retail will comply, with the NERL, the Retail Rules and applicable jurisdictional energy legislation.

5.6.3 Complaints and dispute resolution

The terms of Tilt Retail's template retail contract terms and conditions for the sale of electricity to C&I customers include conventional dispute resolution provisions.

In addition, whilst Tilt Retail has no plans to sell electricity to domestic or small business customers, a Complaints Management and Dispute Resolution Procedure has been prepared and provided – see **Confidential Attachment 7A**.

5.6.4 Knowledge or skills gaps

Tilt Retail has assessed whether there are any gaps in the relevant skills and knowledge of staff and has identified none.

5.7 Risk Management

With the expertise within Tilt Retail's senior management team, Tilt Retail has the capacity to manage the risks it will face in operating an electricity retail business.

The Tilt Renewables group already has extensive experience in wholesale electricity trading and risk management. Tilt Renewables has an Enterprise Risk Management Policy and Risk Management Framework. The Enterprise Risk Management Policy is provided as **Attachment 8**. The Risk Management Framework has been expanded to include retail functions – see **Confidential Attachment 9** and **Confidential Attachment 9A**.

Also under the framework of the Enterprise Risk Management Policy and Risk Management Framework, Tilt Retail has developed a Retail Risk Register which identifies the risks associated with developing and operating its electricity retail business – see **Confidential Attachment 10**.

Tilt Retail will be able to enter into arrangements with Snowtown Wind Farm Pty Ltd, Blayney and Crookwell Windfarm Pty Ltd, Salt Creek Wind Farm Pty Ltd, Dundonnell Wind Farm Pty Ltd and other members of the Tilt Renewables group that generate and sell electricity in the wholesale market, to minimise Tilt Retail's exposures in that market.

5.8 External audit of compliance and risk strategies

Tilt Retail's compliance and risk management strategies, as well as the Complaints Management and Dispute Resolution Procedure, have been subject to independent external review by specialist electricity industry expert Stewart Jackson: see **Confidential Attachment 11** and **Confidential Attachment 11A**.

5.9 Contract terms and conditions

Tilt Retail's template retail contract terms and conditions for the sale of electricity to C&I customers are included in **Confidential Attachment 12**. The template provides for the sale of electricity at a fixed price. Those provisions may be adapted over time as different C&I customers may prefer different arrangements, e.g., prices directly reflecting the spot price in the wholesale market.

Also, in relation to arrangements with distributors in NEM jurisdictions, see **Confidential Attachment 12A**.

5.10 Energy ombudsman schemes

5.11 Tilt Retail does not intend to sell energy to small customers or engage in energy marketing activity (defined in the NERL in a way that is confined to marketing energy to small customers), and if Tilt Retail ever were to sell energy to small customers or engage in energy marketing activity, it would become a member of each relevant energy ombudsman scheme first – also see **Confidential Attachment 12B. Other arrangements**

5.11.1 AEMO registration

Tilt Retail has commenced the application process with AEMO to become registered as a market participant in the NEM. Correspondence with AEMO in relation to the application is included in **Confidential Attachment 13**. Note whilst this correspondence specifically references an application to the ESCV for a licence to sell electricity under the Electricity Industry Act 2000 (Vic), it equally applies to the AER retailer authorisation.

- 5.11.2 ASX Austraclear participation
Tilt Retail is already a participant in Austraclear.
- 5.11.3 Australian financial services licence
Tilt Retail is not likely to enter into electricity derivatives since this risk management function is likely to be undertaken by other entities in the Tilt Renewables group. If necessary, Tilt Retail will engage Tilt Renewables Market Services Pty Ltd, another Tilt Renewables group company that holds an AFSL, as its agent to enter into electricity derivatives. For these reasons, Tilt Retail does not need to apply to the Australian Securities and Investments Commission for an AFSL.

5.12 Additional information

- 5.12.1 Privacy
Tilt Retail understands its obligations under the *Privacy Act 1988* (Cth) (**Privacy Act**) in relation to customers' personal information and sensitive information. Tilt Retail has developed a Privacy Policy which is included in **Confidential Attachment 14**. Following the granting of an electricity retailer authorisation, the Privacy Policy will be available for free download on Tilt Retail's website.
- 5.12.2 Call centre
Tilt Retail does not intend to establish a call centre.
- 5.12.3 Tilt Retail website
Tilt Retail is currently developing pages covering its retail business, for inclusion on Tilt Renewables' website.

6. Financial Capacity

6.1 Current financial position

Tilt Retail is financially viable and has sufficient financial resources, and access to further financial resources, including in the form of financial support from its parent company, Tilt Renewables Limited, to commence and sustainably perform electricity retail activity.

Tilt Retail is a start-up business and does not have audited financial reports for previous financial years. A pro-forma balance sheet for Tilt Retail is included in **Confidential Attachment 15**.

A director's declaration as to Tilt Retail being a going concern and as to Tilt Retail's financing ability is included in **Attachment 16** and an independent auditor's declaration is included in **Attachment 17**.

Also, a current bank account statement for Tilt Retail is included – see **Confidential Attachment 17A**.

6.2 Tilt Renewables group

Tilt Renewables Limited's audited financial statements are included in **Confidential Attachment 18**.

A copy of the post PowAR acquisition company structure chart is included – see **Confidential Attachment 18A**.

As a member of the Tilt Renewables group, Tilt Retail is a party to the Tilt Renewables Deed of Cross Guarantee included in **Attachment 19** and **Attachment 19A** and, as such, Tilt Retail's creditors are entitled to the benefit of the guarantees regarding Tilt Retail's debts given by all other members of the Tilt Renewables group.

6.3 Revenue forecasts

See Tilt Retail's business plan, at **Confidential Attachments 3 and 4**.

6.4 Credit support obligations

Using the forecasts and projections outlined in the Business Plan and financial model, Tilt Retail has calculated the ongoing financial support it will require to meet the following credit support obligations:

- (a) the obligations Tilt Retail will have under the National Electricity Rules (**Rules**) to provide credit support to Australian Energy Market Operator Limited (**AEMO**) in respect of electricity purchased from the National Electricity Market (**NEM**) for on-sale to its customers; and
- (b) the credit support obligations Tilt Retail may have under arrangements with electricity distributors.

Tilt Retail will have sufficient financial resources sufficient to meet these credit support obligations.

6.5 Credit rating

See **Confidential Attachment 20**.

7. Suitability

7.1 Compliance history of Tilt Retail, its associates, other businesses of which a Tilt Retail director has been a director, and other businesses that control Tilt Retail's business activities

A director's declaration regarding the compliance history of Tilt Retail, its associates, other businesses of which a Tilt Retail director has been a director, and other businesses that control Tilt Retail's business activities, is included in **Confidential Attachment 20A**.

7.2 Offences or prosecutions

A director's declaration regarding offences or prosecutions is included in **Confidential Attachment 20A**.

7.3 Criminal history checks

Criminal history checks are available on request for Tilt Retail's directors and senior managers.

7.4 Declaration as to disqualification from management and bankruptcies

See **Attachment 21**.

7.5 Names and addresses of officers

See **Confidential Attachment 22**.

7.6 Policies and procedures addressing probity and competence

As a member of the Tilt Renewables group, Tilt Retail is bound to comply with all of Tilt Renewables' governance policies including:

- Board of Directors Corporate Governance Charter
- People, Remuneration and Nominations Committee Charter
- Code of Ethics
- Diversity and Inclusion Policy
- Executive and Director Remuneration Policy
- Whistleblower Policy
- Modern Slavery Policy
- Code of Conduct

These policies are included in **Attachments 23 to 30**.

Attachments

No.	Title	Commercial in confidence
1.	TRRPL Directors' and TLT managers' summary CVs	Yes
1A - E.	Full CVs for TRRPL's officers (x5)	Yes
1F.	Specific roles of TRRPL's officers	Yes
2.	TLT Organisational Chart	Yes
3.	TRRPL Business plan	Yes
4.	TRRPL Financial model	Yes
4A.	Extract from TRRPL's Financial model (cashflow statement)	Yes
4B.	Extract from TRRPL's Financial model (P&L and Balance sheet)	Yes
5.	TLT Compliance Policy (Draft)	Yes
5A.	TLT Compliance Policy (Final)	Yes
6.	Retail Compliance Register (NECF)	Yes
7.	Extract from Senior Market Operations Analyst PD	Yes
7A.	TRRPL Complaints Management and Dispute Resolution Procedure	Yes
8.	TLT Enterprise Risk Management Policy	No
9.	TLT Risk Management Framework (Draft)	Yes
9A.	TLT Risk Management Framework (Final)	Yes
10.	TRRPL Risk Register	Yes
11.	External Assurance Letter #1	Yes
11A.	External Assurance Letter #2	Yes
12.	TRRPL Electricity Sale Agreement (Std contract terms and conditions)	Yes
12A.	Correspondence with Distributors	Yes
12B.	Formal letter regarding membership of ombudsman schemes	Yes
13.	Correspondence with AEMO	Yes
14.	TRRPL Privacy Policy	Yes
15.	TRRPL pro-forma balance sheet	Yes
16.	TRRPL Director's declaration as to going concern and financing ability	No
17.	Independent auditor's declaration as to solvency and financing ability	No
17A.	Current TRRPL bank account statement	Yes
18.	TLT audited financial statements	No
18A.	Post PowAR acquisition company structure chart	Yes
19.	TLT Deed of Cross Guarantee – Assumption Deed	No
19A.	TLT Deed of Cross Guarantee	Yes
20.	TRRPL Credit rating	Yes
20A.	TRRPL Director's declaration regarding suitability criteria	Yes
21.	TRRPL Director's Declaration as to bankruptcy and disqualification from management	No
22.	Names and addresses of officers	Yes
23.	TLT Board of Directors Corporate Governance Charter	No
24.	TLT People, Remuneration and Nominations Committee Charter	No
25.	TLT Code of Ethics	No
26.	TLT Diversity and Inclusion Policy	No
27.	TLT Executive and Director Remuneration Policy	No
28.	TLT Whistleblower Policy	No

29.	TLT Modern Slavery Policy	No
30.	TLT Code of Conduct	No