



UPOWER PTY LTD RETAIL ENERGY AUTHORISATION APPLICATION

INTRODUCTION

Upower is a start-up entity that is seeking to grow in the retail market through:

- PPA retailing, and
- Traditional energy retailing from the grid to its customers.

Upower's main goal is to provide a complete end to end energy/utility experience for its customers at highly competitive prices which is sustainable and positive for the environment.

GENERAL PARTICULARS

Please see below the general particulars for Upower PTY LTD as required by the retailer authorisation guidelines

1. Legal Trading Name: **Upower PTY LTD**
2. ABN: **11 631 775 105**
3. Registered Business Address:
3D, Compton Road, Sunnybank Hills
QLD, 4109
4. Nominated Contact Person: **Jessica Nash**
email: **admin@u-power.com.au**
5. Form of Energy: **Electricity**
6. Commencement date: **October 2019**
7. Scope of operations: **Retail**
8. Jurisdictions: **QLD**
9. Type of customers: **Residential and SME**

In support of the information above please view business details in the following attachments

- **Australian Business Register**
- **Australian Securities and Investments Commission**

ORGANISATIONAL AND TECHNICAL CAPACITY

This section covers that organisational and technical capacity of Upower PTY LTD to hold a retailer authorisation. It will display the industry experience and expertise of staff and will show that Upower has the operational systems to support energy retail operations

This section will also show that Upower has the ability to

- comply with regulatory obligations under energy laws
- operate as an energy retailer under the National Energy Market.

Functions that are outsourced by Upower will be documented herewith and agreements will be provided through commercial in confidence attachments.

Each claim within this application will be supported with evidentiary documentation.

ENERGY MARKET EXPERIENCE

As a new company Upower does not have a history of retail or energy market experiences or activities. However, Upower recognises the necessity of such not only to meet the guidelines to receive an energy retail licence but for the successful implementation of a new business through to sustainable growth going forward.

As such Upower has brought in the relevant knowledge and experience through the creation of its executive team and key personnel as outlined below

The following information provides evidence of meeting the AER energy retail guidelines

DETAILS OF UPOWER (OR ANY RELATED PARTY'S PREVIOUS EXPERIENCE AS AN ENERGY RETAILER

As mentioned above Upower is a new entity with no historical experience in retail or energy markets.

DETAILS OF ANY OTHER RELEVANT RETAIL OR ENERGY MARKET EXPERIENCE

N/A, please see above.

HOW UPOWER INSTENDS TO BRING RELEVANT RETAIL AND ENERGY MARKET EXPERIENCE INTO ITS BUSINESS

Upower has assembled a team of executives and management who have years of experience in the energy and retail markets.

A summary of qualifications, technical skills and experience of Upower officers, and the relevance of those skills and experience to meeting the requirements of this retailer authorisation application is provided below.

Scott Lai – Chief Executive Officer

Scott Lai is an experienced Executive within 8 years experience in the Australian financial services market. Scott founded JSY capital, leading or co-leading a large size of lending funds and renewable energy funds. To this end Scott has been involved in the lending and investing in renewable energy funds for the last 2 years. Recently over the last 18 months Scott has become a director and advisor of Future x power (formerly Online Power and Gas) and has been instrumental as an advisor steering it back into the market. This new additional opportunity will allow Scott and Upower to access a specific part of the market, clients that JSY capital has built up over many years. Having successful experience with Future x power Scott is now turning his attention and expertise towards Upower.

Claire Liu

Claire has acquired both a Master's in Commerce from the University of Queensland as well as a Bachelor in Business from the University of Victoria. Since leaving University Claire has been employed by Q&T accounting firm and has been responsible for cashflow forecasting, financial reporting tax preparation, board documentation and all payroll and book keeping activities. Recently Claire assisted with this work for Future x energy in its take over of Online Power and Gas and has now acquired key energy experience in this capacity to compliment her growing financial management skill set.

Jessica Nash – Operations Manager

Jessica has worked within the retail energy sector for over 10 years as a SME account manager with energy brokerage Smart Utilities, as well as a Customer Service Manager, Compliance officer and Operations Manager with Online

Power and Gas from 2014 - 2017. Jess possesses a great wealth of experience across the operations of energy retailing.

Julian Challingsworth – Board Member

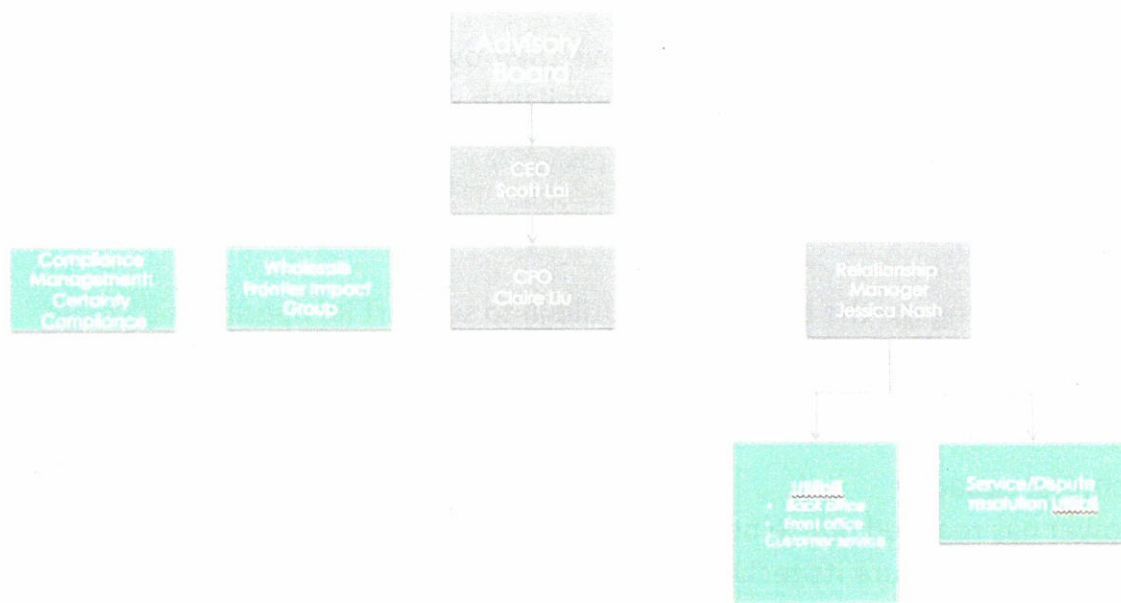
Julian is a senior executive with over 15 years of Management advisory experience. As a partner of Litmus Group Julian was responsible for managing large tenders and projects for major retailers AGL and Energy Australia in the retail sector and Tas Networks in the Distribution sector.

Recently Julian has just come out of 3 years as a Board member for Online Power and Gas. Through Julian [Entity name] is able to connect with a vast amount of resources across the sector as well as utilize Julian's expertise in the appropriate governance required to manage its Australian obligations. More recently, As CEO of listed Australian entity Tesseract, Julian has headed up a finance director division of his business providing bespoke finance management, forecast modeling and accounting services to a number of clients. Upower intends to utilize this service within its business.

Other technical skills and abilities will be provided under third party contracts and are accounted for in the financial model. The current employee profile has the capacity to manage the growth outlined in the financial model. If further skills are required and the financial capacity allows, then recruitment will be handled in house by two of the officers to bring in those required skills. Most recruitment is envisaged to take approximately four weeks from application close.

UPOWER ORGANISATION CHART AND EMPLOYEE PROFILE

The business plan following outlines the organisation structure of Upower.



EMPLOYEE PROFILE.

| Position | Number of employees |
|---------------------|---------------------|
| CEO | 1 |
| CFO | 1 |
| Relationship Manger | 1 |
| Compliance Officer | 1 |

THIRD PARTIES

Upower will contract third parties to provide staff and resources. This will enable Upower to meet the technical requirements of the retailer authorisation and perform specific retail roles. These partnerships are listed in the business plan. More information can be provided as requested by the regulator.

Note that although our third parties have their own compliance plans in place, they will operate under the Upower compliance policy when performing functions on behalf of Upower.

Billing CRM

Upower will engage the expertise of Utilibill to support its operation through its billing CRM, exception management system and scalable experienced customer service team

Technical capacity

Upower has reached out to both Frontier impact group and Certainty compliance to ensure its technical capacity requirements are covered. Frontier impact group have provide wholesale advisory services (including RM services) to a number of retailers in the past. Jennifer Lauber Patternson who is a key contact at Frontier, established ANZ Bank's Electricity, Carbon and Renewable Markets Business and has over 20 years of energy industry and trading experience.

View **Third Parties** attachment for further information on the capabilities that Utilibill, Frontier and Certainty will bring to Upower.

Agreements with all third parties will be executed in due course well before go live. An example agreement can be found in attachment **Utilibill agreement**.

BUSINESS PLANS

The Upower business plan (**Upower – business plan**) further shows the organisational and technical capacity and financial capacity of the business.

The business plan describes Upowers business, its objectives and the strategies to be used to achieve those objectives. The business plan sets out operating

forecasts for the first years of Upowers operation, including anticipated customer growth.

The business plan includes revenue and expenses (including all relevant assumptions) and a cash flow analysis based on Upower operating forecasts.

For details of financial position please view the current financial position section.

COMPLIANCE AND RISK MANAGEMENT

This section provides evidence that Upower is operating under the national energy retail objective of focusing on the long term interests of energy customers.

The information here demonstrates that Upower will be in a position to manage all obligations to customers under the Retail Law and Retail Rules.

The Upower executive have endorsed the risk management and compliance strategies. These strategies have been subject to an external audit (**Risk and compliance audit**).

Upower has developed a standard retail contract which shows Upower's capacity to appropriately manage the retailer–customer relationship. This can be seen in the attachment **standard retail contract**.

COMPLIANCE STRATEGY

The Upower compliance strategy (**Upower - Compliance Policy**) has been developed using AS 3806-2006 as a reference point. The compliance strategy covers the following

- It addresses the obligations that are imposed on authorised retailers under Retail Law and Retail Rules.
- How obligations will be met.
- Complaint and dispute resolution procedures in accordance with Australian Standard AS ISO 10002-2006 (Customer satisfaction – Guidelines for complaints handling in organisations)
- How gaps in skills and knowledge of staff will be identified and then addressed

The following attachments support the compliance strategy

- **AER Compliance Reporting**
- **Upower – Complaint and dispute resolution**
- **Breach reporting process**

- **Breach reporting register**

RISK STRATEGY

The Upower risk management policy (**Risk management policy**) covers both operational and financial risks. This strategy has been developed using Australian Standards as a reference point.

Upower acknowledges that the responsibility for ensuring the effectiveness its risk management and compliance strategies lies with the board and CEO. The attached risk management strategy shows Upowers ability to manage risk and operate in accordance with the Retail Law objective, particularly as it relates to the long-term interests of consumers.

AGREEMENTS WITH MARKET PARTICIPANTS

Upower has taken steps to enter into agreements with key market participants.

The following attachments show contact has been made. Evidence of agreements entered into will be provided as required.

- **AEMO**
- **EWOQ**
- **Energy Q**

FINANCIAL CAPACITY

Upower has the financial capacity to support our planned retail operations as set out in the business plan. This combined with financial risk management and financial forecast shows that Upower has the financial capacity to successfully support its retail operations

CURRENT FINANCIAL POSITION

Upower's current financial position is provided in this section. As a new business Upower currently has no financial reports for the past 12 months, including credit ratings. However, Upower can supply its current cash on hand (**Financial document**). For details of Upower's ownership structure see **attachment Upower Pty Ltd - Company Details**.

The financial document listed above shows that Upower has more than enough capital to finance its retail enterprise for the length of the financial forecast and beyond.

Upower has created a financial model (**Upower financial forecast**) that forecasts revenue and expenses to the time when Upower will become cash-flow positive. This forecast model is consistent with the business plan (see business plans section) and highlights all key assumptions and risks.

In regards to financial stability of Upower:

- An insolvency official has not been appointed in respect of the business or any property of the business.
- No application or order has been made, resolution passed or steps taken to pass a resolution for the winding up or dissolution of the business.
- is unaware of any other factor that would impede Upower's ability to finance energy retail activities under the authorisation.

A declaration to this effect can be found in the following attachment

- **Financial Declaration**

DECLARATIONS

Upower is a going concern and the Chief Executive Officer is unaware of any factor that would impede Upower's ability to finance energy retailer activities under the retailer authorisation for the next 12 months.

As required by the retail guidelines Upower provides all required declarations (financial and suitability) in the following attachments.

- **Signed Declaration - CFO - Prosecutions**
- **Signed Declaration - CFO - Disqualification or Bankruptcy**
- **Signed Declaration - CFO - No material Failure**
- **Signed Declaration - CFO - Going concern**

CONTACT DETAILS OF OFFICERS

Full names and current residential addresses of Upower Officers can be found in the following attachment

- **Business Plan**

POLICIES AND PROCEDURES

The following policies and procedures have been developed (or are currently in development) address the probity and competence of Upower officers and key management staff

- Hardship policy
- Authorised third party policy
- Bankruptcy Policy
- Deceased persons policy
- Live support policy
- Rebates and concessions
- Credit reporting and debt collection
- ID verification and Proof of Identity
- Product and disclosure statement

SUITABILITY

This section deals with the suitability of leadership within Upower to retail energy. Primarily made up of declarations Upower gives evidence that the directors have not previously been refused a licence or authorisation. This section also deals with the compliance background of the directors in their previous commercial dealings.

For a list of the full names and current residential addresses of all Upower officers can be found in the attachment **Key Names and Addresses**.

PRIOR REVOCATION OR REFUSAL OF A LICENCE OR AUTHORISATION

No Upower director have held an officer position in any entity that have had

- any material failure to comply with regulatory requirements, laws or other obligations over the previous 10 years, including infringement notices or other enforcement action (including voluntary administrative undertakings) being taken by a regulatory body
- any previously revoked authorisations, authorities or licences held in any industry and the reason/s for the revocation
- any failed authorisation, authority or licence applications in any industry and the reason/s the application was unsuccessful
- any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry
- any situation/s where you (or an associate) have previously triggered the RoLR provisions of the Retail Law or equivalent state/territory/foreign legislation, or have transferred or surrendered an authorisation or licence in circumstances where if not done, triggering a RoLR event would have been likely.

COMPLIANCE BACKGROUND

No officer within Upower have ever committed or been subject to

- any offences or successful prosecutions under any territory, state, Commonwealth or foreign legislation (including, but not limited to, the *Australian Securities and Investments Commission Act 2001* (Cth),

Competition and Consumer Act 2010 (Cth) and the Corporations Act 2001 (Cth)) relevant to your capacity as an energy retailer, or written confirmation that no offences have been committed against, or been prosecuted under, any such legislation.

No members of the Upower management team have been

- disqualified from the management of corporations
- subject to bankruptcy conditions in this or any overseas jurisdictions.

In the interest of full disclosure Upower provides the names and current residential addresses of the CEO and CFO in the **Business Plan**.

CRIMINAL CONVICTIONS

Upon request, any Upower director or employee will submit to a criminal history check.

APPENDIX

All attachments within this document are commercial in confidence are to be used by the regulator for the sole reason of determining Upowers suitability for an energy retail authorisation.

ATTACHMENT LIST

- Upower – business plan
- Risk and compliance audit
- Upower - Compliance Policy
- AER Compliance Reporting
- Upower – Complaint and dispute resolution
- Breach reporting process
- Breach reporting register
- AEMO
- EWOQ
- Energy Q
- Financial document
- Upower financial forecast
- Financial declaration
- Signed Declaration - CFO - Prosecutions
- Signed Declaration - CFO - disqualification or Bankruptcy
- Signed Declaration - CFO - No material Failure
- Signed Declaration - CFO - Going concern
- Key names and addresses
- Third parties
- Standard retail contract
- Upower Pty Ltd - Company Details