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15 September 2017

Sarah Proudfoot  
General Manager  
Retail Markets Branch  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

**Enlightened Energy.  
A New Way.**

Dear Sarah

**ZEN Energy - Application for Electricity Retail Authorisation**

ZEN Energy began operating in 2004 and has become a leading enterprise in the development, supply and installation of solar PV and associated energy systems. A merger of that business with Professor Ross Garnaut's Central Power Pty Ltd occurred in 2015, giving rise to a new parent entity, ZEN Energy Pty Ltd and a new business model which positions ZEN as a regionally-focussed, integrated renewable energy solutions company.

One element of that integrated business model is the ability to retail electricity. This will allow ZEN to provide a complete end-to-end renewable and sustainable energy solution to its customers. To that end, ZEN Energy Retail Pty Ltd (ZEN Energy) has been incorporated as a subsidiary of parent company ZEN Energy Pty Limited and is being authorised, capitalised and manned to pursue that objective. ZEN Energy submits this application to the Australian Energy Regulator seeking authorisation to operate as an electricity retailer.

In accordance with the AER's application guideline requirements, please find enclosed the following:

- A. General particulars
- B. Organisational and technical capacity
- C. Financial resources
- D. Suitability

If you have any questions, please contact me on 08 8211 0602.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Geoff Titus".

**Geoff Titus**  
Chief Executive Officer  
ZEN Energy

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## 1 ANNEXURE A - GENERAL PARTICULARS

### 1.1 Legal Name

ZEN Energy Retail Pty Ltd

### 1.2 Trading Name (if different)

ZEN Energy

### 1.3 ABN / ACN

ABN 54 615 751 052

ACN 615 751 052

### 1.4 Registered Address

Level 1, 100 Hutt Street  
Adelaide SA 5000

### 1.5 Nominated Contact Person

Geoff Titus  
Chief Executive Officer  
Mb: 0417 817 459  
Ph: 08 8211 0602  
Email: [gtitus@zenenergy.com.au](mailto:gtitus@zenenergy.com.au)

### 1.6 Form of Energy

Electricity only, to be supplied only to large customers with energy usage not less than 160MWh per annum.

### 1.7 Commencement Date of Retail Operations

ZEN Energy aims to commence electricity retailing from the date on which all unconditional approvals for retail authorisation and market participation are provided by the AER and AEMO respectively. We anticipate that this will be in the fourth quarter of calendar 2017.

ZEN Energy will not commence retailing to electricity customers until it has been provided with a full retail authorisation from the AER.

ZEN Energy will have all necessary contractual agreements in place with third party service providers (such as meter data providers, billing and settlement) prior to retailing electricity to customers. For some contractual services, it isn't commercially prudent to commence the contractual service until regulatory approvals have been granted, otherwise costs are incurred prematurely.

### 1.8 Nature and Scope of Operations

ZEN is one of Australia's leading and most experienced renewable energy companies, providing energy solutions to residential, business and government sectors. ZEN has undertaken many solar PV

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installations, including roof mounted, ground mounted and solar tracked systems. Since its inception ZEN has installed over 75MW of renewable capacity across Australia.

In recent years, ZEN has expanded its energy solutions to include energy storage systems of various scale which it has developed, sold and installed.

A retail authorisation will allow ZEN Energy to offer comprehensive energy solutions to customers, a solution involving renewable energy innovation. The effective change in paradigm from a standard retail contract is that customers will be able to take advantage of low carbon emitting technologies through a retail based offering that is price -competitive.

ZEN Energy has an organic growth strategy, primarily developing its retail portfolio from relationships formed through the provision of on-site renewable generation projects. The ability to retail electricity to those customers is intended to create synergies between the on-site generation capability of the plant and equipment that ZEN provides and the delivery of electricity to the customer via its ZEN Energy business.

ZEN Energy expects to be a competitive retail business, its establishment welcomed in an environment where large customers are experiencing high, volatile and unsustainable electricity prices.

Refer to Appendix A1 and A2 for further detail surrounding ZEN Energy's business plan.

### **1.9 Jurisdictions**

ZEN Energy will look to engage with customers in the NEM regions approved by the AER retail authorisation and will make separate retail licence applications to regions that fall outside of the retail authorisation.

### **1.10 Customer Type**

ZEN Energy will in the first instance only retail to large customers having energy usage in excess of 160MWh per annum and its business plan for the first 5 years of retail operations only contemplates retailing to such large customers.

## 2 ANNEXURE B - ORGANISATIONAL & TECHNICAL CAPACITY

### 2.1 ZEN - Energy Market Experience

ZEN Energy Pty Ltd was incorporated in 2004, and has been delivering renewable energy systems to the Australian market for over a decade. It is now in the process of expanding its business and operations in several ways, including retailing of electricity to customers via a subsidiary business called ZEN Energy Retail (ZEN Energy).

To date ZEN has installed in the order of 75MW of solar PV panels and battery storage systems across Australia. These renewable generation systems provide customers with the ability to reduce their electricity consumption when installed behind the meter, creating alternative retail solutions for large industrial customers.

ZEN Energy has an exceptionally experienced board of directors and executive team, with Geoff Titus as its Chief Executive Officer. Geoff has over 25 years of experience in the energy industry, particularly in the electricity retail sector, having previously worked for AGL Energy as its National Sales Manager.

ZEN Energy will use market opportunities created by the broader ZEN business as a developer, supplier and installer of renewable generation assets to further enhance ZEN Energy's desirability as a counterparty for long term retail structures. Furthermore, ZEN and ZEN Energy has specifically recruited staff with extensive retail energy experience covering wholesale risk management, operations, sales and customer service functions, combining with those members of its Board of directors and executive team who have considerable experience and expertise in more general success factors such as management, governance, business development and policy.

The experienced professionals engaged on ZEN's board of directors and within its senior management include those noted below.

#### 2.1.1 Chief Executive Officer – Geoff Titus

##### Qualifications and Positions Held

- Bachelor of Business – Marketing and Business Management (University of SA)
- Diploma in Management (Australian Institute of Management)
- Certificate in Holistic Psychology (Wellness College SA)

##### Relevant Experience

- Geoff has over 25 years' experience in the energy market and has held senior management positions within retail, distribution and generation businesses.
- Geoff's most recent position with AGL, one of Australia's leading energy companies, tasked with creating value through extended renewable energy contracts and other energy management solutions while growing and protecting a revenue base of over \$1.2B.
- Key achievements have been preparing businesses for deregulation of the energy market and achieving positive market share in three successive years. Most recently Geoff's involvement in creating an energy-services business to help customers manage costs and compliance for managing carbon emissions while improving overall productivity, positions him well to understand the emerging needs of the market.
- Geoff has worked with energy committees and government agencies to understand the balance of community and business needs. He has a good industry knowledge and established

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relationships to help transition and partner with energy companies to embrace new technology and deliver long term business and market benefits.

### **2.1.2 Chief Financial Officer - Karen Jarrett**

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#### **Qualifications and Positions Held**

- Bachelor of Commerce (Accounting) (University of Adelaide)
- Honours Degree of Law (University of Adelaide)
- Chartered Accountant
- Barrister and Solicitor of the Supreme Court of South Australia

#### **Relevant Experience**

Karen spent four years with Ernst & Young as a Senior Accountant with responsibilities for managing tax compliance obligations for clients. Some of the skills and experience gained during this time includes analysis of financial statements, interpretation and application of tax legislation, case law and tax due diligence reviews.

From 2006, Karen was employed by Discovery Holiday Parks Pty Ltd and held roles including Chief Investment Officer, Chief Financial Officer and Business Improvement Manager. Some of the areas of responsibility included oversight and management of accounting functions, insurance, information technology and business improvement strategic planning.

### **2.1.3 Founder – Richard Turner**

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#### **Qualifications and Positions Held**

- Bachelor of Business Administration (University of South Australia)
- Member of the Australian Institute of Company Directors
- SA Entrepreneur of the Year (1996 Telstra Business Awards)
- SA Entrepreneur of the Year (2010 Ernst & Young – Cleantech category)

#### **Relevant Experience**

Richard Turner founded ZEN in 2004 and has established four successful companies in different industry sectors. Through Richard's innovation, leadership and business acumen, he was awarded the 2010 Ernst & Young Australian Entrepreneur of the Year for the CleanTech sector.

Richard established his first business venture (Regency Food Services in 1987) with his brother and later sold it in 1999 to Bidvest, who has subsequently used the business model to rollout across Australia, turning it into a \$1b revenue business.

ZEN, as initially developed under Richard's leadership, was acknowledged for being the fastest growing company in South Australia over two consecutive years and the fourth fastest growing company in Australia. These foundations provide a strong basis for a leadership role in the provision of distributed energy solutions.

### **2.1.4 Company Secretary and Legal Counsel – Mark Laurie**

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#### **Qualifications and Positions Held**

- Bachelor of Economics, Bachelor of Laws (University of Adelaide)

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- Master of Arts (Asia-Pacific Studies) with honours (ANU)
- Golden Key Honour Society member
- Admitted to practice law in the Supreme Court of South Australia and High Court of Australia

### **Relevant Experience**

After working as a solicitor specialising in commercial and corporate transactions in private practice in Adelaide in the early 1990's, Mark transferred to F.H. Faulding & Co. Limited, a listed multinational pharmaceutical and healthcare company based in Adelaide in 1996. He held various roles there during the following five years, including Legal Counsel-Commercial, Company Secretary, General Counsel and Vice President – Investor Relations.

A short-term project role with Tenix Defence Pty Limited followed, during which he was responsible for establishing an intellectual property management system and re-negotiating a contract with the Australian Hydrographic Institute. Between 2003 and 2007, Mark worked for Lihir Gold Limited in Papua New Guinea, occupying a number of roles including General Manager – Corporate & Investor Relations, Manager – Town Infrastructure, General Counsel & Company Secretary.

Most recently, he was General Counsel & Corporate Secretary for InterOil Corporation, a Canadian company listed on the New York Stock Exchange exploring for and developing natural gas assets in Papua New Guinea.

### **2.1.5 General Manager Engineering – Terry Teoh**

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#### **Qualifications and Positions Held**

- Bachelor of Engineering (University of Western Australia)
- MSc. Renewable Energy (Murdoch University)
- Finance for Managers (Melbourne Business School)
- Foundations of Directorship (AICD)
- Governors Leadership Foundation (Leaders Institute of South Australia)

#### **Relevant Experience**

Terry Teoh has a wealth of energy markets experience having previously worked with Pacific Hydro between 2002 and 2014 as Executive Manager, Engineering Development. This role was integral to Pacific Hydro's growth and development in renewable energy generation, including wind, hydro, solar and geothermal projects.

Terry has a very good understanding of the electricity market and the interactions of physical and financial energy transactions. As a key executive member of Pacific Hydro's decision making team, Terry provided valuable input into new business opportunities and how the business could contract the output of those investments to ensure an adequate return on capital.

During 2000 and 2001, Terry spent two years in Cambodia as an Energy Advisor for Australian Volunteers International. This was a two-year placement with a mandate from the Australian government to identify and deliver effective capacity building initiatives in a post-conflict country. Terry was the Technical Advisor to the Ministry of Energy, providing significant depth of expertise to the Renewable Policy Team, which needed to interact with the World Bank Cambodia Renewable Electrification project.



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During the period 1990 to 1998, Terry was the Project Manager for Asea Brown Boveri. During this time he led technical teams to deliver factory automation solutions at multiple sites including technical support on multiple foreign sales missions.

### **2.1.6 General Manager Retail and Energy Markets – Anthony Garnaut**

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#### **Qualifications and Positions Held**

- Bachelor of Science with Honors, majoring in Physics and Mathematics (Peking University)
- Master of Arts (University of Melbourne)
- PhD (Australian National University)

#### **Relevant Experience**

Anthony Garnaut is responsible for the development and oversight of major projects and strategic partnerships. Anthony's experience includes:

- Colonial First State funds management (Sydney, Melbourne, Singapore and Hong Kong);
- Oxford University, Lecturer and Research Fellow in Chinese History; and
- University of Melbourne, Lecturer and Research Fellow in Chinese History.

Anthony has experience in the provision of investment advisory services to Australian companies wanting to invest in China and to Chinese companies wanting to invest in Australia.

### **2.1.7 General Manager Project Development - Mark Sinclair**

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#### **Qualifications and Positions Held**

Bachelor of Engineering (Civil)

Bachelor of Science

#### **Relevant Experience**

Mark has over 25 years of experience in the energy sector, spanning utility, public and private sector. Mark has developed and delivered a number of large scale renewable energy projects in Australia and internationally. Prior to ZEN, Mark was head of Wind Development with Stanwell Corporation, CEO of CSIRO renewable energy spin out, Windlab, and more recently, transaction advisor to the Australian Renewable Energy Agency.

### **2.1.8 Manager Energy Markets - James McIntosh**

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#### **Qualifications and Positions Held**

Bachelor of Commerce – Bachelor of Laws (University of Tasmania)

Graduate Diploma in Applied Finance and Investment (Finsi now Kaplan)

#### **Relevant Experience**

James has traded the South Australian Electricity Market virtually since its inception, working for Synergen before it was privatised and sold to International Power (now Engie).

In 2004 he moved to AGL to head up their electricity trading operations. James has worked on numerous significant projects, including heading up the successful negotiations for renewable supply agreements to the Victorian and South Australian Desalination Projects.

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James has extensive experience in creating innovative retail products to meet the unique needs of large energy customers, and has pioneered the use of non-standard products across the National Electricity Market with the aim of lowering the cost to supply energy to customers.

James has also worked at hedge funds and international trading companies, so has a wealth of experience from different market perspectives.

### **2.1.9 Operations Manager, Retail & Energy Markets – Christopher Smyth**

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#### **Qualifications and Positions Held**

Masters of Science and Physics

Diploma of Journalism

#### **Relevant Experience**

Chris has more than 18 years' experience in a variety of market operational, analytical and consulting roles in the Australian and New Zealand energy industries.

Over the course of ten years at AGL Energy, Chris held a number of leadership positions, across the Wholesale Markets, Business Customers, Information Systems and Business Analytics functions. His experience included the modelling and analytics associated with development implementation of high-impact market strategies and acquisitions.

Prior to joining AGL, Chris had a market operations role at International Power (now Engie), where he had responsibility for managing real-time physical market operations of the company's South Australian generation portfolio.

Chris's first industry role was with Contact Energy, in NZ, as Generation Controller on the Clutha River hydroelectric scheme.

### **2.1.10 Retail Sales Manager – Ryan McKee**

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#### **Qualifications and Positions Held**

Bachelor of Management (Marketing) (University of South Australia)

#### **Relevant Experience**

Ryan has 13 years' experience working in the South Australian electricity industry for AGL Energy in sales, customer service and operations roles. For eight of these years, Ryan was responsible for the contractual negotiations and ongoing customer relationships with AGL's largest business and government customers throughout Australia.

Ryan has a detailed understanding of the end to end requirements of an electricity retailer including; customer sales and service; wholesale trading and risk management; billing and collections; metering; market settlements; and regulatory compliance.

### **2.1.11 Chairman – Ross Garnaut**

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#### **Qualifications and Positions Held**

- Bachelor of Economics (ANU)
- PhD (ANU)
- Officer of the Order of Australia (AO)
- Distinguished Fellow of the Economics Society of Australia

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- Distinguished Life Member of the Australian Agricultural and Resource Economics Society
- Fellow of the Academy of Social Sciences of Australia
- Honorary Professor of the Chinese Academy of Social Sciences
- Chairman of the Australian Centre for International Agricultural Research between 1995 and 2002
- Trustee and Chairman of the International Food Policy Research Institute between 2003 and 2010

### **Relevant Experience**

Ross Garnaut is an economist with an international reputation in relation to economic policy, international relations, particularly within the Asian and Pacific regions. He was Distinguished Professor of Economics at the Australian National University and currently holds a part time research position Professorial Fellow in Economics at the University of Melbourne.

Ross has held positions as Chairman of the boards of a number of large Australian and international companies from 1988, including Lihir Gold Limited (from its foundation in 1995 to its sale to Newcrest in 2010 for \$10b), the Bank of Western Australia, the Primary Industry Bank of Australia, Aluminium Smelters of Victoria, Lonely Planet Publications, the Papua New Guinea Sustainable Development Program Limited and its subsidiary Ok Tedi Mining Limited.

Ross has also held numerous senior government positions, including, Head of the Financial and Economic Policy Division of the Papua New Guinea Department of Finance, Principal Economic Advisor to Australian Prime Minister Bob Hawke and Australian Ambassador to China.

He has also led high-level government reviews and commissions, including:

- Preparation of the Report to the Australian Prime Minister and Foreign Minister, 'Australia and the Northeast Asian Ascendency';
- The Review of the Wool Industry;
- The Review of Commonwealth-State Funding; and
- The Garnaut Climate Change Reviews (2008 and 2011).

### **2.1.12 Director – Raymond Spencer**

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#### **Qualifications and Positions Held**

- Inducted to the Chicago Area Entrepreneur of the Year 2005 for the Illinois Region
- Laureate in the Computerworld Honors Program
- Honorary Degree of Doctor of Humane Letters by the University of Arizona in 2013
- Chairman of the Economic Development Board
- Chairman of the South Australian Health and Medical Research Institute (SAHMRI)
- Chairman or board member of a number of public companies in Australia and the USA.

#### **Relevant Experience**

Raymond Spencer brings an exceptional level of experience to the ZEN Board, including a background in law and an international recognition of excellence in founding and developing businesses.

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Between 1970 and 1989, Raymond was employed by the Institute of Cultural Affairs (ICA), a not-for-profit development organisation. At ICA, Raymond was the country head for India from 1970 to 1976 and was later involved in worldwide fundraising, government relations and investment operations. In 1989, he started an IT services company that provided services to the financial sector, called Kanbay International. Raymond was the Chairman and CEO of Kanbay and led it from inception through to its acquisition by Cap Gemini for \$1.7b in 2007 at which point Kanbay had over 7,500 associates in fourteen cities across eight nations.

Raymond served on the board of Greensmith Energy Management Systems, a leading US provider of energy storage software and integrated solutions. ZEN is the exclusive partner of Greensmith Energy for a range of projects in Australia.

### **2.1.13 Director – Michael Lane**

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#### **Qualifications and Positions Held**

- Fellow of the Institute of Chartered Accountants
- Fellow of the Tax Institute of Australia
- Member of the Australian Institute of Company Directors
- Bachelor of Economics, Adelaide University

#### **Relevant Experience**

Michael Lane joined the ZEN Board of Directors in 2011 and is also a principal in the Private Clients division of Pitcher Partners Adelaide. He joined Pitcher Partners in 1983 and was admitted as a principal in 1988.

Michael specialises in providing management, strategic and tax advice to his clients who are predominantly family owned and managed businesses. He also has significant experience in succession planning and implementation of those plans.

Michael has worked across many sectors including building and construction, property development, medical, managed investment, manufacturing and wholesale industries and the wind industry.

### **2.1.14 Billing and Settlements Systems**

ZEN Energy has engaged an experienced Retail Operations consultant, Elson Abat from Elson Abat Consulting, to conduct a formal review process which will inform our choice of system. Elson has a lengthy career in the electricity industry working for companies such as Simply Energy, International Power Australia, Aurora Energy, Synergen Power, Optima Energy and ETSA Utilities.

Elson has vast experience in Commercial Operations, Settlements and Middle Office, Risk Management, NEM (National Electricity Market) Retail Start Up, NEM Retail Operations, ICT Operations, Wholesale Electricity Deal Capture Systems Design, Retail Billing System Implementation and Integration, Call Center and BPO (Business Process Outsourcing) Set Up, Business Culture Design and Change Management.

Further detail regarding the required functions and our evaluation and procurement process for the above systems can be found in Appendix C – Market Operations System Requirements.

### **2.1.15 Meter Data Agent**

ZEN Energy will employ the services of suitable meter data agents (MDA) within each of the jurisdictions in which it will retail to customers. ZEN Energy has already commenced discussions with SA Power Networks in relation to meter type provision and the services surrounding meter data collection and dissemination. A list of MDA service providers as provided by AEMO is attached in Appendix D.

### **2.1.16 Call Centre Activities**

ZEN Energy will utilise the services of internal staff initially to deal with customer calls and enquiries. ZEN's existing customer facing team includes staff members with significant retail electricity experience covering customer service, sales, system development and process improvement functions.

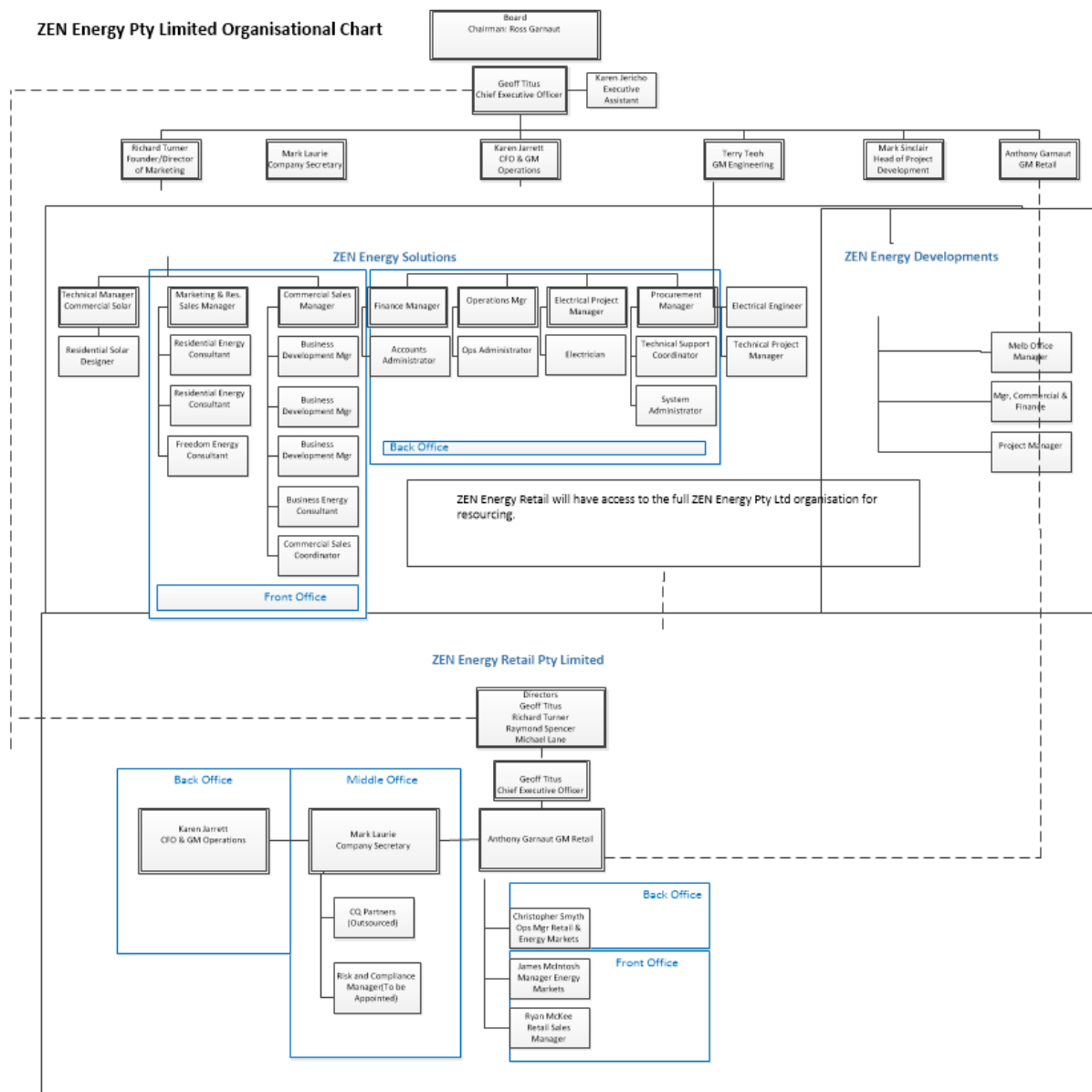
As the retail business model is to grow organically and focus upon a manageable number of large customers, existing ZEN company resources will work across the ZEN Energy subsidiary business and will assist in the management of customer interface and contact. As the number of customers and demand for this function increases, ZEN Energy will appoint further internal resources. The nature of the customer base does not warrant and ZEN Energy's business model does not contemplate the use of external resources for this function.

## **2.2 Details Other Relevant Retail Experience**

ZEN Energy will also be able to rely on the relevant retail expertise and experience available internally within the wider ZEN business. Such expertise includes:

- Retail contracting;
- Retail strategy;
- Electricity portfolio management to ensure that the retail load is managed within the confines of variable price and volume risk;
- Retailing systems, including settlements and billing systems;
- Compliance framework.

### 2.3 ZEN Organisation Chart



See Appendix E for the ZEN organisation chart as a separate file.

### 2.4 Number of ZEN Employees by Business Unit

Business Unit	Number of Employees
Executives	7
Operations	13
Sales	11
Technical	6
<b>Total</b>	<b>37</b>

ZEN has sufficient staff and management resources, both in terms of expertise and capacity, to meet its initial retail business needs. These resources will be added to organically as the need arises in order for ZEN Energy to meet licence obligations and customer expectations.

## **2.5 ZEN Employees directly involved in ZEN Energy retail activities**

### **1. Geoff Titus – Chief Executive Officer**

Geoff is involved in setting, reviewing and monitoring performance against the retail strategy and business plan. Geoff will also have ultimate responsibility of ensuring that ZEN’s retail business remains appropriately staffed and managed.

### **2. Karen Jarett - Chief Financial Officer**

Karen will assist with the review of the retail business plan and with the review of its performance against key performance indicators and financial metrics. Karen will also be responsible for monitoring performance within established financial parameters, both internal and external.

### **3. Richard Turner – Founder & Director of Innovation**

Richard will be responsible for the delivery of new and innovative renewable products to new and existing electricity customers. Richard will be responsible for ensuring that ZEN is commercially competitive in the NEM when compared to other electricity retail businesses. Richard will consider and roll out new retail plans, that may or may not incorporate new renewable infrastructure plants to the customer.

### **4. Anthony Garnaut – General Manager- Retail and Energy Markets**

Anthony will have responsibility for the ZEN Energy retail business, with focus on its staffing requirements, customer contracts and relationships, strategy development and implementation and financial performance.

### **5. Terry Teoh – GM Engineering**

Terry will be responsible for the definition and delivery of renewable generating infrastructure to large customers, underpinning the retail energy solutions provided to them.

### **6. James McIntosh - Manager Energy Markets**

James will manage ZEN’s market risk within the risk management framework approved by ZEN’s Board and Executive team, through the trading of financial instruments alongside the physical generation infrastructure established for customers.

### **7. Christopher Smyth – Operations Manager, Retail & Energy Markets**

Christopher will manage the daily operations of the Retail Business, including IT system selection and operation; wholesale settlement procedures and metering and data management.

### **8. Ryan McKee – Retail Sales Manager**

Ryan will manage the sales and customer service functions of the business. He will have responsibility for sales prospecting and contract negotiation and will manage ZEN’s Account Management team responsible for delivering a high-standard of customer service and contract management to ZEN’s customers.

### **9. Dan Taylor – Commercial Sales Manager**

Dan leads ZEN’s existing Commercial Sales department focussed on the sale of behind the meter solar generation and energy storage solutions to customers, along with new off grid, inset network

and embedded or micro grid solutions. ZEN's retail offerings will, in many instances, incorporate these behind the meter solutions.

## **2.6 Qualifications, Technical Skills and Experience Summary of Officers**

Please refer to sections 2.1 and 2.2 above and including reference to resources covered in section 2.3 to 2.6.

## **2.7 Human Resources Policy**

ZEN has a Recruitment and Selection Procedure in place that sets out the process by which it will recruit new staff. The Procedure is clear in its intent and provides a detailed process for defining, advertising, interviewing and selecting human resources to the company. The Procedure is heavily weighted to recruiting individuals with the appropriate skills and experience while at the same time ensuring that they possess the attitude and aptitude to observe and enhance the company's safety, governance and quality standards and culture.

ZEN Energy also has a Training and Development Policy in place. Both the company and employee are able to identify training requirements to ensure that personnel remain up to date and appropriately prepared for their roles and the company's needs.

The ZEN Human Resources Recruitment and Selection procedure is attached in Appendix F.

The ZEN Human Resources Training and Development Policy is attached in Appendix G.

## **2.8 Training Programs and Policies**

Specific retail business-related skills required include contract negotiations, facilitation of settlements, market trading and payments and customer queries. Existing personnel with capability and experience in these areas include the Retail Sales Manager, Commercial Sales Manager, General Manager-Partnerships, Manager Energy Markets and also the CEO for large complex transactions. As stated earlier, ZEN Energy's customer facing team includes staff members with significant retail electricity experience covering customer service, sales, system development and process improvement functions.

ZEN Energy will also employ the experience and capability available through CQ Partners to assist them through any transition requirements for retailing electricity. CQ Partners have significant experience in retail transactions as well as with the policies, procedures and processes required to underpin retail activities and meet regulatory requirements. CQ Partners have assisted a number of businesses in this way.

## **2.9 Retail Business Plan**

The retail business plan is attached in Appendix A1 and the retail revenue cost forecast is attached in Appendix A2.

## **2.10 Quality Assurance Accreditations**

ZEN's existing trading entity, ZEN Technologies (Power and Energy) Pty Ltd, has the following accreditations. It is our intention to apply to expand these for ZEN Energy Retail Pty Ltd and the retail business being conducted by it upon receipt of conditional retail authorisation.

- Environmental Management System – ISO 14001:2004
- Quality Management System – ISO 9001:2008



## ZEN Retail Authorisation Application

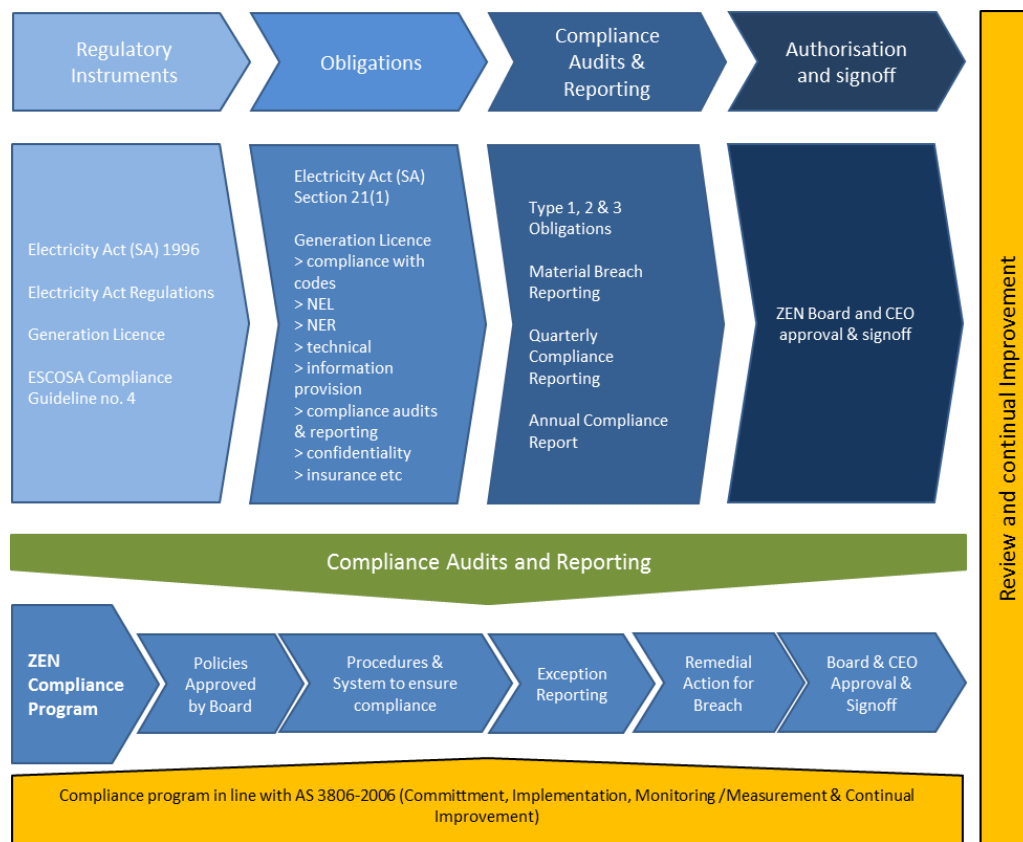
- Safety Management System – BS OHSAS 18001:2007

### 2.11 Compliance Strategy

ZEN Energy understands the compliance requirements for the provision of retail services in the NEM. ZEN Energy has compiled a compliance monitoring framework detailing all applicable regulatory requirements. A draft Compliance Diary and an Obligations Register have been provided in Appendix K1 & K2.

ZEN Energy’s business plan provides for the appropriate resourcing of its middle office functionality, which will have responsibility for the oversight of regulatory compliance. In the meantime, ZEN’s company secretary and counsel will be responsible for the necessary advice and compliance support.

The following flow diagram provides a diagrammatic overview of what ZEN Energy Retail has put in place to ensure compliance.



### 2.12 Risk Management Strategy

ZEN Energy has established an Electricity Risk Management Framework, an Energy Risk Management Policy and an Electricity Risk Management Committee Terms of Reference. The Framework document describes:

- The risks inherent in retailing and energy contracting
- How they will be measured
- Responsibilities for managing and reporting risk
- Responsibilities of the Energy Risk Management Committee

A copy of the document referenced above are attached in Appendices I, J and L.

## 2.13 Additional Information

ZEN Energy is in the process of applying to AEMO to become a market customer concurrently with the AER retail authorisation application, noting however that it stills requires an Austraclear account to be established in order to undertake that application.

The attachment in Appendix N provides a first draft of the intended AEMO market customer application form.

## 2.14 Details of insurance arrangements

The required insurance coverage is already in place for ZEN's existing trading entity, ZEN Technologies (Power and Energy) Pty Ltd. Coverage will be extended to include ZEN Energy Retail Pty Ltd and the retail business being conducted by it upon receipt of conditional retail authorisation.

## 2.15 Third party information

### a. State all functions and activities you propose to outsource

In an initial period, expected to last between 6-12 months, a third party expert will be engaged as an external expert to provide technical expertise and aid in the transition. The third-party expert will provide guidance on the development of risk management framework and policy documentation, assist in development of an 'earnings at risk' model, provide assistance in the application to obtain an AFSL, provide a recommendation on system requirements and aid the organisation in the transition into retailing. As the internal organisational capability increases, the third-party expert will be relied upon less, until all activities are eventually conducted in-house.

### b. Provide details of any formal agreement/s to provide services, including confirmation that the third party possesses relevant technical competencies to conduct the proposed activities

ZEN Energy is currently undertaking a review of suitable billing systems as well as determining appropriate meter data agency agreements. We have identified reputable, established system providers) and a Meter Data Agent and are comparing their offerings with other providers. ZEN Energy intends to have arrangements in place with suitable service providers prior to retailing to any customers. It is currently utilising this period leading up to full retail authorisation to properly review its requirements given its business plan requirements.

### c. Provide a summary of the third party's experience in and knowledge of the relevant area

ZEN Energy is currently in the process of determining appropriate third party service providers and is expected to contract those services well prior to the commencement of retail services being provided to customers. ZEN Energy intends to utilise the services of a qualified meter data agent/agents that are already active in the NEM as well as utilising market systems for billing and settlements, should these prove more suitable than custom development.

### d. Provide evidence of the third party's technical capacity to meet relevant obligations, including any relevant accreditations

ZEN Energy intends to utilise the services of qualified third parties that are already active in the NEM. As a result, ZEN Energy will ensure that these parties have sufficient technical capacity to meet relevant obligations as well as relevant accreditations. Where the technical and/or

accreditation is found to be insufficient, then ZEN Energy will work with the third party service provider to bring that capability up to a level that is satisfactory.

Also see further information below.

**1. Evidence of any membership, or steps taken to obtain membership, of a recognised energy industry ombudsman scheme in the jurisdiction/s in which you intend to retail energy to small customers**

Once ZEN Energy's retail authorisation has been granted it will become members of appropriate industry schemes, such as the industry ombudsman scheme in relevant jurisdictions. ZEN Energy have already made enquiries into the requirements to become a member of the SA Electricity Ombudsman Scheme at a cost of approximately \$2,500 pa. ZEN Energy will make the application as soon as it has been granted a retail authorisation.

**2. Evidence of any agreements and systems in place to facilitate interaction with relevant market participants within those jurisdictions in which you intend to operate**

As ZEN Energy is not yet authorised to retail electricity directly to customers, agreements and systems have not yet been finalised. ZEN Energy intends to negotiate with the relevant transmission and distribution companies for each new customer load; the company already has very close relationships with these entities for current business activities.

ZEN Energy will engage a meter data agent and will facilitate systems to meet settlements and billing obligations.

**3. Details of 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 of RoLR provisions would have been likely**

Not applicable.

### **3 ANNEXURE C - FINANCIAL RESOURCES**

**3.1 Copies of audited financial reports for the past three years including:**

- a. All financial statements required by the accounting standards
- b. Notes to financial statements (disclosure required by the regulations, notes required by the accounting standards, and any other information necessary to give a true and fair view)
- c. Director's declaration that the financial statements comply with relevant accounting standards, give a true and fair view, have been made in accordance with the Corporations Act 2001 (Cth) and that there are reasonable grounds to believe the company/scheme/entity will be able to pay its debts as and when they fall due
- d. Director's report
- e. Auditor's report

ZEN Energy Retail Pty Ltd is a newly established subsidiary company. ZEN Energy is not able to provide financial statements of past performance nor does it have a credit rating.

### **3.2 Information submitted to ASIC under chapter 2M of the Corporations Act 2001 (Cth) over the past three years**

No member of the ZEN Group has been required to submit any document, record or information to ASIC under Chapter 2M of the Corporations Act in the past three years.

### **3.3 Evidence of long and/or short term credit rating/s**

As ZEN Energy Retail Pty Ltd is a new entity, it does not have a credit rating. None of ZEN's associated companies have a credit rating.

### **3.4 Related companies**

#### **a. The ownership structure of the group, including proportions of equity held.**

ZEN Energy Retail Pty Ltd is a wholly owned subsidiary of ZEN Energy Pty Limited. Below is a full share registry for ZEN Energy Pty Limited.

# SHARES	Shareholder	Direct shareholding
841,272	Maccullochella	33.06%
302,001	Richard Turner atf The Richard Turner Property Foundation Trust	11.87%
287,328	SP Estate Pty Ltd atf various beneficiaries	11.29%
258,614	Paul Vlasic atf the Paul A. Vlasic Revocable Trust	10.16%
198,001	Vance Gledhill Fund Pty Ltd atf The Vance Gledhill Superannuation Fund	7.78%
111,270	Terry Teoh (Inge Larson Trust)	4.37%
100,000	Anthony Hayden Garnaut	3.93%
50,000	Tim O'Loughlin	1.96%
5,630	Tim O'Loughlin atf TW O'Loughlin Superannuation Fund	0.22%
99,009	Jianguo Pty Ltd (acting in its capacity as trustee for the C B Gantner Trust)	3.89%
47,990	Peter Taylor atf the P Taylor Family Trust	1.89%
40,019	Reuben Summerell	1.57%
64,048	SP Retirement Fund Pty Ltd	2.52%
49,505	Adela International Pty Ltd	1.95%
49,505	Macalister Springs Pty Ltd	1.95%
27,967	Sanambiet Pty Ltd	1.10%
4,950	Huntspill Investments Pty Ltd	0.19%
4,951	Sable Investments Pty Ltd	0.19%
2,475	Mibel Pty Ltd	0.10%
2 544 535		100.00%

b. The contractual arrangements (e.g. alliance contracts, associate contracts, establishment contracts) that define relationships within the group - including shared resources, guarantees, revenue flows, obligations and/or responsibilities.

N/A

c. Consolidated audited financial statements for the group.

N/A

### **3.5 Forecast revenue and expenses**

Refer to Retail Business Plan as attached in Appendix A1 and the Retail Revenue Cost Forecast is attached in Appendix A2.

## **4 ANNEXURE D - SUITABILITY**

### **4.1 Any other businesses where its officers have held an officer position**

- a. Any material failure to comply with regulatory requirements, laws or other obligations over the previous 10 years, including all circumstances that resulted in an infringement notice or other enforcement action (including undertakings) being taken by a regulatory body.
- b. Any previously revoked authorisations, authorities or licences held in any industry and the reason/s for the revocation.
- c. Any failed authorisation, authority or licence applications in any industry and the reason/s the application was unsuccessful.
- d. Any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry.
- e. 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.

In answering this question ZEN and ZEN Energy has assumed that the information required relates to current directors or officers of ZEN (parent) and ZEN Energy (subsidiary) only and accordingly answers this question on that basis. No director or officer has been subject to any prosecution, disciplinary action, being fined or penalized, or has been the subject of an inquiry or investigation in their capacity as a director or officer or shareholder or subsidiary.

ZEN and ZEN Energy is not aware of any other legal proceedings, civil or criminal commenced or likely to be commenced relating to the business activities of ZEN and/or ZEN Energy.

### **4.2 Details of any offences or successful prosecutions**

- a. **the current director/s (or shadow / de facto director/s) of the applicant, and any other person that exerts control over the applicant's business activities**
- b. **if the applicant is unincorporated, the person/s with effective control of the business all persons who are responsible for significant operating decisions of the business**

After all due enquiries, none of the directors or officers of the applicant, ZEN Energy Retail Pty Ltd, or of its parent entity, ZEN Energy Pty Ltd have been found to have committed any offences or been the subject of successful prosecutions in relation to the matters outlined in item 2.27 above or otherwise related to their capacity as a director or officer of any organization.

### **4.3 Details of director disqualifications**

None

**1. Full names and current residential addresses of all officers (directors) of the applicant**

Geoffrey Mark Titus,  
Richard Holbrook Turner,  
Raymond John Spencer,  
Michael John Lane,

**2. Details of policies and procedures addressing the probity and competence of officers and any other key management staff**

Please see the following documents attached:

- Appendix F - Recruitment and Selection Procedure;
- Appendix G - Training and Development Policy
- Appendix O – Sample Employment Contract
- Appendix P – OHS Communication and Consultation Policy
- Appendix Q – Code of Conduct
- Appendix R - Performance Development Reviews



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**APPENDICES – COMMERCIAL IN CONFIDENCE**

- 5 APPENDIX A1 – ZEN ENERGY BUSINESS PLAN**
- 6 APPENDIX A2 - RETAIL REVENUE COST FORECAST**
- 7 APPENDIX B – THIRD PARTY EXPERT CAPABILITY STATEMENT**
- 8 APPENDIX C – MARKET OPERATIONS SYSTEMS REQUIREMENTS**
- 9 APPENDIX D – METER DATA AGENTS**
- 10 APPENDIX E – ZEN ORGANISATION CHART**
- 11 APPENDIX F – HUMAN RESOURCES RECRUITMENT AND SELECTION PROCEDURE**
- 12 APPENDIX G - ZEN HUMAN RESOURCES TRAINING AND DEVELOPMENT POLICY**
- 13 APPENDIX I - ENERGY RISK MANAGEMENT FRAMEWORK**
- 14 APPENDIX J - ENERGY RISK MANAGEMENT POLICY**
- 15 APPENDIX K – RETAIL OBLIGATIONS AND COMPLIANCE REGISTER**
- 16 APPENDIX L – ELECTRICITY RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE**
- 17 APPENDIX M- DISPUTE RESOLUTION POLICY**
- 18 APPENDIX N - DRAFT AEMO MARKET CUSTOMER APPLICATION FORM**