



Application for an individual retailer exemption by Blue Star Energy Pty Ltd

December 2014



Information required for individual exemption applications

General information requirements

Please provide the following information in your application for the grant of an individual exemption:

1 Your legal name.

Blue Star Energy Pty Ltd

2 Your trading name if different to your legal name.

Infinite Energy Electricity

3 Australian Business Number (ABN) or Australian Company Number (ACN).

4 Registered postal address for correspondence.

49 Labouchere Road, South Perth, WA 6151

<http://www.infiniteenergy.com.au>

5 Nominated contact person, including their position in the organisation and contact details.

6 Why you are seeking an individual exemption, and why you believe that an exemption (rather than a retailer authorisation) is appropriate to your circumstances.

We are seeking an individual exemption rather than a retailer authorisation as our model does not fit under the traditional retailer or retail exemption categories.

Blue Star Energy Pty Ltd offers Solar Power Purchase Agreements (SPPA's) to commercial and industrial customers. The SPPA's will allow consumers to benefit from producing onsite power with no up-front costs and therefore receive lower cost electricity (compared to that from traditional retailers).

We believe an exemption is appropriate for our circumstances as;

- Blue Star Energy's role will be as a supplementary source of electricity to consumers, we will not be the primary supplier of electricity.
- We do not influence the contractual agreements that the client has with their energy retailer.
- We only offset part of the energy being supplied by their energy retailer. The rest of the energy is still supplied by the existing energy retailer.
- We will not be guaranteeing supply; any contract with us is in addition to a supply arrangement with a retailer and loss of supply from us does not remove the customer's access to electricity.



7 The primary activity of your business.

Blue Star Energy has two major divisions/activities;

Commercial and Industrial Solar PV
Commercial Electricity Retail (in WA only)

8 The date from which you intend to commence selling energy.

We intend to sell energy generated from the SPPA's once a retail exemption has been granted

9 Mailing addresses for premises at the site (where applicable). We may use this information to ensure that potential customers are able to participate in our consultation process.

N/A

10 Details of any experience in selling energy, for example:

- date/s and location/s of previous operations – Blue Star Energy has operated within the South West Interconnected System (SWIS) since August 1st 2014
- form/s of energy sold - At this stage we have sold traditional grid supplied energy as a retailer in WA. We also have the billing and technical capabilities to sell energy via a solar PPA.
- scale of operations (that is, the number, size and type of customers) – Blue Star Energy supplies large use customers only (greater than 160 MW hrs per year). We currently have 22 customers.
- an explanation of which activities will be conducted in-house and which will be contracted out to third parties. - We will conduct all aspects of our business concerning SPPA's in house (meter reading, billing etc).

11 Whether you currently hold, or have previously held or been subject to, an energy selling exemption or a retail licence (retailer authorisation) in any state or territory. If so, please provide details.

We currently hold an electricity retail licence in Western Australia.

Particulars relating to the nature and scope of the proposed operations



To determine whether it is appropriate to exempt you from the requirement to hold a retailer authorisation, we need information on the nature and scope of the operations you propose to conduct. Please answer the following questions:

- 1 Are you providing other services (for example, accommodation/leasing of property) to persons on the site who you intend to sell energy to? Or will your only commercial relationship to persons on the site be the sale of energy? If you are providing other services, please specify what these services are, and the contractual or leasing arrangements under which these services are being provided.

No, Blue Star Energy is only proposing to sell electricity as an ancillary supply to the customer.

- 2 What types of meters will be used? For example, basic/accumulation meters, manually read interval meters or remotely read interval meters? Will these meters allow your customers to change retailers (i.e. not source their energy from you)?

We will use the EDM I range of smart meters; EDM I is one of the leading smart energy solution providers in the world.

The meters installed by us will have no impact in the customers wanting to change retailers.

- 3 What accuracy standards apply to the meters? Do the meters comply with Australian Standards? If so, specify which Standard or Standards. For electricity meters, will the meters comply with National Measurement Act 1960 (Cth) requirements for electricity meters installed from 1 January 2013?¹

All EDM I meters are manufactured with a high level of quality and functionality, and meet IEC Compliance.

EDM I meters are 'Pattern Approved' under the National Measurement Institute (NMI) and are suitable for billing requirements. In addition to being 'Pattern Approved' all EDM I meters are individually NATA calibrated (National Association of Testing Authorities) and come with NATA endorsed test certificates.

Class 1 EDM I meters will be used. They will comply with the National Measurement Act 1960 (Cth) requirements for electricity meters installed.

What dispute resolution procedures do you intend to put in place to deal with energy related complaints and issues?

Customers may make a complaint to Blue Star Energy via email, phone or in person at our office.

Upon receipt of a written complaint, we will acknowledge the query or complaint within 10 business days and respond to the query or complaint by addressing the matters in the query or complaint within 20 business days.

The time we spend investigating a complaint is determined by its seriousness and complexity.

When responding to a customer complaint we will advise the customer that they have the right to have the complaint considered by a senior employee.



If a customer is not happy with how their complaint has been resolved, they may refer the complaint to the office of fair trading.

We will keep a record of all complaints and the time taken to conclusion.

4 What is your strategic direction and what are your objectives?

Blue Star's strategic direction is to offer businesses the opportunity to lower their electricity bills with no upfront capital costs. Blue Star is looking to reach those customers who might have otherwise not considered solar to lower their electricity costs, allowing more businesses to have greater control over their financial position. Our goal is to be able offer this arrangement nationally.

Blue Star will offer flexible end of contract terms to each of its customers including options to;

- buy the PV system from Blue Star Energy
- leave the system under the ownership of Blue Star Energy
- request the system to be taken down
- extend the contract

5 What are your projected customer number forecasts?

6 What are your projected annual aggregate energy sales (in kilowatt hours or megawatt hours)?

7 What financial resources do you have to support your business?

8 Are you intending to sell to business customers, residential customers, or both?

We intend to sell to business customers only

9 How will your pricing structure work – is the customer charged only for their consumption or are there other fees?

The customer will be charged a fixed rate for kWh produced from the installed solar system on their premises.

10 Who will be responsible for the maintenance and repair of the solar system once it is installed?

Blue Star Energy will be responsible for all ongoing maintenance and repair of the solar system over the life of the contract.

11 What will the length of the SPPA contract be?

This will vary depending on the terms negotiated with a client. A SPPA could have a term between 10-20 years.

12 In what form and how often will customers be billed?



Customers will be able to select their preferred billing method. Invoices will be sent monthly.

13 Will customers be required to buy all the energy produced by the solar panels or just the amount that they use?

Correct. The intention is to install a solar PV system that will allow all production to be utilised on site.

14 Who will own any green energy certificates or rebates, including feed-in tariffs, which are generated by the solar system?

All certificates and rebates associated with the solar system would be owned by Blue Star Energy. A feed-in tariff is paid by the incumbent grid supplying retailer and therefore would likely be owned by the client unless an alternative arrangement is agreed.

15 In which jurisdictions do you intend to sell energy?

NSW, SA, the ACT and Tasmania

Vic and Qld when The Retail law applies in these states and the exemption applies

16 Under what circumstances can the customer contract be terminated (for example, what happens if the customer moves house)?

The customer can either choose to transfer the agreement and their monthly/quarterly payments to the new owner or they can buy the system outright ending the PPA arrangement. They can do this at any time of the contract.

17 What happens to the solar panels at the end of the contract? Who owns them?

There are a number of contractual options;

- The customer can buy the PV system from Blue Star Energy
- The system can be left under the ownership of Blue Star Energy
- Blue Star Energy can take the system down if requested by the customer
- The contract can be extended by mutual agreement

We can confirm that Blue Star Energy is the legal entity which will be selling the energy.