

Application for Individual Exemption

Bonnyrigg Plaza

NEW SOUTH WALES

30 July 2023

For Publication

Investing today. For tomorrow.

LaSalle Investment Management

At LaSalle, we understand that the built environment has a significant impact both on the natural and social environment. Our areas of focus are the **PEOPLE** in the communities where we work, the **PLANET** we collectively share and our **DRIVE** for ethical, compliant, forward-thinking and transparent ESG policies across all business lines. We are among the first investment managers to comply with the new ANREV Sustainability Reporting Guidelines, demonstrating our commitment to increased visibility and insight into our ESG efforts.

LaSalle is a signatory to the **Net Zero Asset Managers** initiative, and has committed to support the goal of **net zero greenhouse gas emissions by 2050** or sooner, in line with international efforts to limit global warming.

Dedicated to tailoring operational sustainability solutions to each of our new and older assets, installing an embedded network at assets like Bonnyrigg Plaza will allow us to integrate our ESG principles [**DRIVE**]; provide a sustainable environment [**PLANET**] and reduce risk to energy market volatility and cost for the tenants [**PEOPLE**]. The intended Embedded Network will provide tenants an opportunity to access lower cost electricity and to improve infrastructure management through existing electrical asset upgrade and 300 kW of solar PV installation which will be solely funded by LaSalle.

We believe our intention to install an Embedded Network at Bonnyrigg Plaza meets the **energy retail objective: to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.**

The applicant provides the following information in relation to the AER NSP Registration Exemption Guideline - March 2018 and AER Exempt Selling Guideline – July 2022.

Table of Contents

Part 1: General information requirement	3
Part 2: Particulars relating to the nature and scope of the proposed operations	6
Part 3: Converting embedded networks (retrofitting)	10
Appendix.....	14

Part 1: General information requirement

1. **Your legal name. If you are a body corporate or community corporation, please indicate this.**

BAEV - LaSalle Bonnyrigg Plaza Pty Ltd

2. **Your trading name if different to your legal name.**

n/a

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

ABN 69 168 111 957

4. **Registered postal address for correspondence. We may verify this information with the Australian Securities and Investments Commission (ASIC) or other relevant agency.**

200 George Street Level 21 Sydney, NSW 2000 Australia

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

Jonathon Bayer

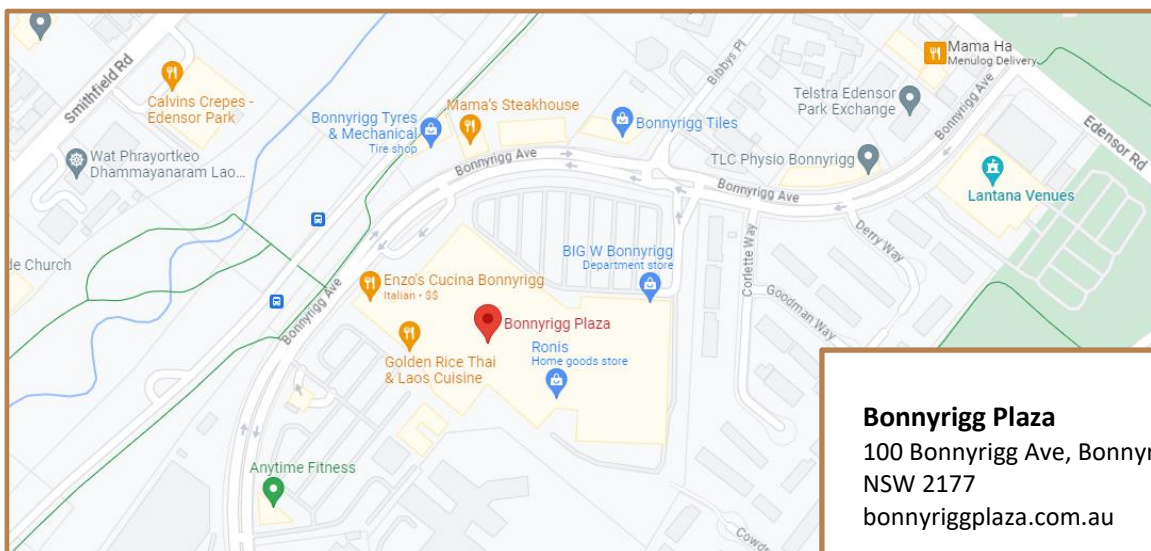


6. **Reasons for seeking an individual exemption (rather than an authorisation).**

The proposed electricity onselling activities are incidental to the Applicant's core business which is leasing of private retail space. This also presents us with the opportunity to improve the sustainability profile of Bonnyrigg Plaza and integrate global ESG considerations through our assets.

7. **Site address and description of current and future use/s.**

Bonnyrigg Plaza is an existing shopping centre. The Applicant intends to continue the site as a shopping centre in the future.



8. The primary activity of your business (for example, managing a shopping centre).

The Applicant’s primary activity is acquiring, development and the ongoing management of shopping centres facilities and assets.

9. Form of energy for which the Applicant is seeking an individual exemption.

Electricity. The proposed Embedded Network will be connected to both the local network service provider and solar installed at the Shopping Centre.

10. Is the Applicant establishing, or have they established, energy supply in an area where there are no other viable energy supply arrangements available?

No.

11. Proposed commencement date for the sale of energy.

Ideally, 1st October 2023

12. Mailing address for site correspondence.

Attn: Centre Management
 Bonnyrigg Plaza
 100 Bonnyrigg Ave,
 Bonnyrigg NSW 2177

13. Details of the Applicant’s (or an agent’s) energy selling experience (under an exemption and/or authorisation):

- **date/s and location/s of previous operations**
- **form/s of energy sold**
- **scale of operations (that is, the number, size and type of customers)**
- **an explanation of which activities will be conducted in-house and which will be contracted out to third parties.**

The Applicant has multiple sites in the NEM where electricity is sold via embedded networks. These Embedded Networks are currently managed through various third-party network service providers with the sites highlighted below managed by Energy Intelligence.

SITES	STATE	AER Ref	TENANT #	TYPE
Summerhill Shopping Centre	VIC	AER-N 0557/16	33	Shopping Centre
Morayfield Supa Centre	QLD	AER - R0223/14 AER-N 0188/14	19	Shopping Centre
200 Grand Avenue Centre	QLD	E-2820	74	Shopping Centre
Transport House + Valley Metro	QLD	AER - R0222/12 AER-N 0725/16	74	Shopping Centre
Post Office Square	QLD	AER - R0335/12	38	Shopping Centre

The Applicant will outsource the following to the Applicant's elected Embedded Network Service Provider and Manager; **Energy Intelligence Pty Ltd**;

- retrofitting of the embedded network including the consent campaign, sales and marketing of small and large customers.
- metering, data, billing and management of the embedded network.
- issuing tenant bills in the format compliant with the AER and the ESC Core Exemption Conditions and the Better Bill Guide. See [Appendix I – Bill Sample](#).
- management of all relevant licences and compliance with all applicable legislation.
- customer management service including Information Provision, Dispute Resolution policy, Financial Hardship including flexible payment options. See [Appendix M – Dispute Resolution Policy](#).
- the appointment of Energy Intelligence (INTELENM) as the ENM.

14. Does the Applicant currently hold, or have they previously held or been subject to, any energy selling exemptions or retail licences (retail authorisation) in any state or territory?

Sites in the NECF states have obtained Registered Retail Exemptions (R1 and R5) and Network Exemptions (N1 and N5). Sites in VIC have obtained a Network Exemptions (N1 and N5) and in addition are registered with the ESC.

The Applicant does not hold a retail license/authorisation.

15. What arrangements you have made in the event that you can no longer continue supplying energy (e.g., has the retailer that sells to you agreed that they will service the customers).

If the Applicant could no longer supply energy to tenants in the embedded network, the metering configuration allows tenants to enter into a supply arrangement with an authorised retailer of their choice.

Part 2: Particulars relating to the nature and scope of the proposed operations

16. Will the Applicant’s customers be their tenants? Are tenants at the site residential or business customers?

Yes, the customers will be the Applicant’s tenants in the Shopping Centre and are retail businesses.

The retail business tenants are covered by the state-based Retail Leases Act.

There will be no residential customers in the Embedded Network.

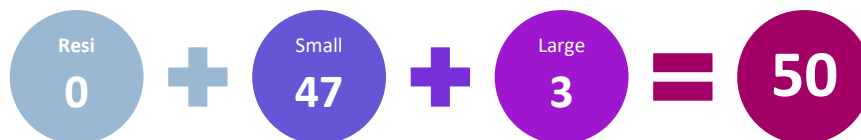
17. Will you be providing other services, aside from energy, to persons on the site (for example, accommodation/leasing of property)? If yes, specify these services and the contractual or leasing arrangements under which you are providing them.

The Applicant’s primarily relationship with the tenants is the provision of retail leasing space, which are provided under a lease signed between the tenant and the Applicant.

The leases to retail tenants will be covered by the relevant Retail Leases Act.

18. Total number and breakdown of customers at the site

The customers at Bonnyrigg Plaza proposed Embedded Network are all retail/business customers. There are 47 Small business customers and 3 Large customers that will be part of the proposed Embedded Network. 13 customers are not included in the figures below as they will not be part of the Embedded Network. There are NO residential customers.



19. Will any customers be ‘wired out’ of the embedded network (i.e. because they did not consent to the network conversion)? If so, please provide the number of such customers, broken down between residential, retail and commercial customers (include whether they are small or large, as defined in the jurisdiction in which you intend to operate). Note: This question only applies to retrofit applications.

There will be 13 customers that are ‘wired out’ of the Embedded Network.



20. Will the Applicant be on-selling energy purchased from an authorised retailer or purchasing it directly from the wholesale market?

The Applicant will be on-selling energy from an authorised electricity retailer and renewable power generated from solar.

21. What is the estimated aggregate annual amount of energy the Applicant is likely to sell (KW/h, MW/h and mega joules or gigajoules for gas)? What is the average expected annual consumption of each of the types of customers they service?

Annual Consumption	Average Small	Average Large	Residential
1,700 MWh	19 MWh	108 MWh	n/a

22. Will the Applicant’s customers be wholly contained within a site owned, controlled or operated by the applicant?

Yes

23. Will each premises/dwelling be separately metered? If not, and the application is for a new development/retrofit, please explain why not and how you intend to determine energy charges?

Yes, each premises will be separately metered.

24. Will meters allow your customers to change retailers (i.e. not buy their energy from you) as required by the Network Exemptions Guideline? Please specify the types of meters to be installed at the site.

Yes, all metering installation will conform to current standards for NEM metering and installation as outlined in Chapter 7 of the NER. All metering installations used in the proposed exempt network are fit for purpose and for full retail contestability if the customer elected to purchase from their retailer of choice.

An ENM will be appointed.

All meter data will be managed by an accredited MC/MDA/MP.

25. In what form and how often will customers be billed? Will the Applicant be issuing bills or through a billing agent?

Energy Intelligence will issue monthly bills in the format compliant with the AER Core Exemption Conditions.

It is the intention of the Applicant to use the services of an AEMO accredited MC, MP and MDA to supply, install, commission and manage the data. The consumption to calculate the tenant’s bills are based on daily 5-min data NEM12 data that is sent remotely to Energy Intelligence’ internal system via an MDA.

The preference are for bills to be sent via email however tenants have the options of receiving their bills via Post. Tenants can also access their bills via a self-service customer portal.

26. What dispute resolution procedures will the Applicant put in place to deal with energy related complaints and issues? Confirm that the policy is consistent with the Australian Standards AS/NZS 10002:2014 Customer Satisfaction – Guideline. Provide a copy of the relevant policy.

Energy Intelligence and the Applicant has a successful history in dealing with disputes as there have been minimal reported. One of the foremost reasons why disputes are minimal is the long-term structured relationship between the lessor and lessee. Leases can range between 5 to 25 years and as such it is in the best interest of the ENO to identify and resolve issues with their customers. Most calls are managed and resolved whilst the customer is on the phone. Common queries are around rates, how to pay or contact updates.

The Applicant will be utilising Energy Intelligence's Customer Services resources to manage energy enquiries and disputes. Energy Intelligence manages over 150 Embedded Network across Australia, with the majority of their portfolio being Shopping Centres. Their dispute resolution procedure has been reviewed and accepted, as part of the ENM accreditation and adheres to Australian Standards and is consistent with AS/NZS 10002:2014.

The purpose of the Energy Intelligence Complaints and Dispute Resolution Policy is to:

- Recognise, promote and protect customer's rights to complain about their dealings with Energy Intelligence.
- Ensure that an accessible complaints management process is in place.
- Take appropriate action to resolve complaints as required.
- Provide a mechanism for resolving complaints in a timely, efficient and courteous manner.
- Inform the right to request a meter test.
- record, assess and review complaints on an ongoing basis in order to improve the service we provide and products we offer.

Energy Intelligence Complaints and Dispute Resolution Policy recognises that all individuals have the right to complain, have their complaint heard and be treated with dignity and respect. Each complaint is addressed in an equitable, objective and unbiased manner. When a customer raises a complaint related to their electricity, the complaint is expected to be resolved within a reasonable timeframe, having regard for the nature and complexity of the complaint. Tenants are always kept well informed. Where the complaint has been escalated to senior management and the tenant is still not satisfied the dispute has been resolved, the tenant may have the matter heard by NCAT. See [Appendix M – Dispute Resolution Policy](#).

Since the requirement for all Victorian Embedded Networks to become a member of EWOV in July 2018, the Applicant has had no complaints/cases reported. Energy Intelligence is also a member of EWON.

Energy Intelligence Hardship Policy is also offered to small businesses. See [Appendix O - Small Business Hardship Policy](#).

- 27. Are you a member of a recognised energy industry ombudsman scheme in the jurisdiction/s in which you intend to on-sell energy to residential customers?** If not, have you taken steps to become a member? Please provide supporting evidence or explain steps taken to obtain membership. Supporting evidence should include an ombudsman membership application reference number if attainable from the relevant ombudsman.

We do not on-sell to residential customers. When the ombudsman scheme is applicable to business customers, we will ensure we meet state requirements.

- 28. Do you have any further information that would assist us to assess your application?**

The Applicant request that the AER considers this application as the Applicant has written to all tenants advising them of its plans to implement a retrofitted Embedded Network at Bonnyrigg Plaza.

Disclosure to tenants

The Consent Campaign commencing February 2020. As a part of the information and education campaign to tenants, the Applicant has fully disclosed information as required in the *ENSP - Registration Exemption Guideline* for a copy of this disclosure for existing tenants. The Applicant also disclosed a copy of the Sale of Energy Agreement between the Applicant and the tenant. All tenants that are part of the Embedded Network have been provided with the Consent Form, the Sale of energy agreement, Terms and Conditions and Important information about the Embedded Network. See [Appendix A - Consent Form](#) and [Appendix B - Sale of Electricity Agreement with T&Cs](#).

High acceptance by tenants

Through the education and marketing phase, the Applicant has obtained explicit informed consent from the vast majority of the tenants at Bonnyrigg Plaza. Over 88% of all affected tenants have provided such consent and we are continuing efforts to obtain explicit informed consent for the remaining tenants.

Mitigation of detriment - state or territory legislation

As “on-market child” NMIs allow tenants to purchase energy from an authorised retailer, the Applicant sees no detriment in state legislation that needs to be mitigated. Our on-market process if provided to retailers to assist in the on-market set up. See [Appendix K – On-Market process – retrofit](#).

The Applicant has undergone a thorough process to obtain explicit informed consent from all tenants at Bonnyrigg Plaza regarding the proposed embedded network installation. The process the Applicant has undertaken is:

- Initial communication in writing to all tenants regarding the proposal, including notification of their right and limited ability to choose a retailer. See [Appendix A - Consent Form](#).
- Follow up communications made by Energy Intelligence (the Applicant’s subcontractor), including emails and calls to all tenants. See [Appendix C - Consent Campaign Tenant Log](#).
- Several site visits to the Shopping Centre to discuss any questions or concerns made by tenants’ face to face.
- Notification of AER’s formal public consultation process.
[Appendix A - Consent Form](#)
[Appendix F – Embedded Network Project Update](#)
[Appendix G - AER Consultation Notice](#).
- Attempts to mitigate concerns of non-consenting tenants. The Applicant’s approach to mitigating these concerns specifically is documented. See [Appendix D - Mitigating non-consenting customers](#).
- If an affected customer displays signs of a limited capacity to provide explicit informed consent, we will address these as they arise. There have been no instances of any signs of any limited capacity to voluntarily provide explicit informed consent.
- The Applicant requests consenting tenants sign a separate Consent Form and stores electronic copies of the executed consent forms on file. See [Appendix A - Consent Form](#) and [Appendix A - Consent Summary](#).

Information provided to tenants informing them about the embedded network retrofit include

- Retrofit and what this means
- Retail contestability and their freedom of choice
- A tenant’s ability to enter into an energy only contract with an authorized retailer and that their choice of retailers may be restricted as some retailers are unable to bill energy only.
- Two invoice scenario for Tier 2 customers
- Possibility of receiving a duplication of charges in the initial EN stage and the ENO’s endeavour to rectify this
- An obligation to remedy any duplication of network fees
- Power of Choice Meters that will be installed
- Electricity offer matching as per conditions 4.9.3 and 4.9.4 of the NSP Exemption for the life of their lease.
- A sales agreement for prospective tenants. See [Appendix B - Sale of Electricity Agreement with T&Cs](#).
- Dispute resolution procedure. See [Appendix M – Dispute Resolution Policy](#).
- Applicant will cover any exit fees if incurred by tenants affected by the Embedded Network retrofit

Part 3: Converting embedded networks (retrofitting)

Provision of information

You must provide evidence in your application that you have supplied prospective customers with easily accessible written information explaining:

- 29. you are proposing to retrofit the site as an embedded network, which requires metering changes and the pros and cons of being an embedded network customer; and.**

Yes, all tenants have been issued a Letter of Intent and information about the metering changes is included in the Embedded Network Retrofit document. See [Appendix A - Consent Form](#).

- 30. customers retain the right to contract with a retailer of choice even after inclusion in the embedded network (except where this right does not exist due to jurisdictional legislation); and.**

Yes, all tenants have been issued a Letter of Intent and information about the consumers retain the right to contract with a retailer of choice is included in the Embedded Network Retrofit document.

- 31. to exercise their right to a retailer of choice, customers may need to enter into an 'energy only' contract, which is offered at retailers' discretion and may be difficult to obtain; and.**

Yes, all tenants have been issued a Letter of Intent and information about 'energy only' contract is included in the Embedded Network Retrofit document. A factsheet is also available to tenants. See [Appendix J – On-Market Customer](#).

- 32. customers in embedded networks may not receive the same protections as those of an authorised retailer under the Retail Law.**

Yes, all tenants have been issued a Letter of Intent and information about 'the customer not receiving the same protection' is included in the Embedded Network Retrofit document.

In addition, you need to confirm that you have provided consumers with:

- 33. your electricity sales agreement, which details all fees and tariffs; and.**

Yes, all tenants have been issued the Sale of Electricity Agreement, Terms and Conditions and Price Fact Sheet which includes all fees and tariffs. See [Appendix B – Sales of Energy Agreement with T&C's](#) and [Appendix N - Price Fact Sheet](#)

- 34. contact details of a representative from your company to answer any queries or concerns about the proposed retrofit.**

Yes, both the Applicant's representative contact details was provided in the Letter of Intent and the Embedded Network Retrofit document. Energy Intelligence representative's contact details is provided in all the emails to tenant. See [Appendix A - Consent Form](#).

Explicit informed consent

35. provide evidence of the explicit informed consent

See *Appendix A - Consent Summary*.

36. confirm the explicit informed consent percentage calculation for total customers affected by the proposed retrofit; and

Status	#	%
No. of customers at site that is in the Embedded Network	50	100%
Vacant (n/a for Consent)	7	-
No. of customers that refused consent (Non Consent)	3	7%
No. of customers that have not responded (Pending)	2	5%
No. of customers who provided consent (Consent)	38	88%

38 tenants out of 50 tenants have provided written consent as of 1 July 2023. This equates to 88% of tenants that will be affected by the proposed retrofit. *Please note we do not obtain consent from Vacant tenancies or tenancies that will not be part of the Embedded Network and so are excluded from the Consent %.* See the following appendix.

Appendix C – Consent Campaign Tenant Log

Appendix D – Mitigating non-consenting customers.

37. The Applicant must confirm that consent to the retrofit was sought separately from consent to the sale of energy agreement. Provide an explanation of when and how consent documents were provided to customers.

The Applicant requests consenting tenants sign a separate Consent Form and stores electronic copies of the executed consent forms on file. A log is also maintained, detailing communication logs from tenant’s who have either not provided a response or have expressed explicit no’s. See the following appendix.

Appendix A - Consent Form

Appendix A - Consent Summary

Appendix A - Consent Form Sample Signed

38. provide dated records of consultation and meetings with all customers affected by the proposed retrofit, identifying and recording any non-consent and the reasons for non-consent; and

See *Appendix C - Consent Campaign Tenant Log*.

39. The Applicant must provide documentation outlining any concerns raised by tenants, and evidence of the Applicant’s attempts to address those concerns.

See *Appendix D - Mitigating non-consenting customers*.

Retail contestability

To demonstrate you have addressed any potential customer detriment resulting from a loss of retail contestability, you must confirm whether you have:

- 40. The Applicant must confirm that it sought advice from the relevant distributor about whether non-consenting customers can be wired out of the embedded network.** Provide evidence of advice sought/received and details of wiring out options available. If wiring out is not being offered as an option, explain why not.

Where a centre has tenants who are unwilling to provide consent, the Applicant along with the preferred electrical engineer and electrician will review the options of wiring the tenant out of the EN. At this stage, 2 majors, House and 10 tenants will maintain a direct connection to the distributor. Energy Intelligence has project managed numerous retrofits and greenfield Embedded Networks and has a good working relationship and understanding of Endeavour Energy's requirements and policy including their connection separation policy. See [Appendix C - Consent Campaign Tenant Log](#).

- 41. taken steps to ensure customers who wish to remain with their retailer, but cannot be wired out, will not be financially disadvantaged by the retrofit.** Measures to reduce financial detriment are likely to include price matching for affected customers, and taking financial responsibility for any double billing of network charges.

As per the requirements of the Retail Exempt Selling Guideline, we have mitigated this detriment by:

- notifying all tenants via emails, phone calls and site visits; of a right to choose their own retailer, that they will receive two invoices if they choose not to purchase energy from the Applicant, and (for non-consenting tenants) that the Applicant will price match any genuine electricity offer that would be available to that grid connected customer.
- where a tenant has requested to remain with their authorised retailer, the Applicant will facilitate competition by allocating "on-market child" NMI's to all tenants who choose to purchase energy from an authorised retailer. This allows tenants to remain with their existing authorised retailer under their current contract arrangement.
- seeking to preserve access to existing contractual arrangements for customers on C&I contracts.
- once the embedded network energisation date is confirmed, the Applicant will notify all authorised retailers to inform them that either
 1. the tenant has chosen to purchase energy from the Applicant (off-market), and request to cease billing from the date of embedded network install, or
 2. the tenant has chosen to continue to purchase energy from their authorised retailer (on-market), and to cease invoicing for network charges effective the date of embedded network install. The appointed ENM will follow up with relevant market participants to request the AEMO Market Settlements and Transfer Solution (MSATS) is updated to reflect the embedded network installation minimising instances of double charging. The ENM will work closely with the retailer to ensure they are billing suitably. AEMO and the ENM has a number of publicly available factsheets including one to assist retailers in the process of making offers to embedded network customers. This document clearly displays the roles and responsibilities of market participants, aiding in the resolution of any incorrect charges.
- where a tenant notifies the Applicant of double charging, the Applicant's agent will follow up with the relevant market participants to ensure the retailer is billing suitably. This is predicated on the tenant providing a Letter of Authority to engage with their authorised retailer on their behalf.
- committing to ongoing annual price reviews to ensure the rates on-sold are competitive to rates a tenant would otherwise receive from authorised retailers and below the Default Market Offer.

Customer dispute resolution services

- 42. The Applicant must advise customers of its dispute resolution process and the options available for external dispute resolution such as ombudsman schemes.** For individual exemptions relating to retrofits, we will assess the need for ombudsman scheme membership on a case-by-case basis.

The Consent Form includes the dispute resolution process that will apply for the embedded network at Bonnyrigg Plaza. This resolution process also lists the customer's ability for recourse to NCAT - NSW Civil & Administrative Tribunal if they are not satisfied with the internal dispute resolution. This is also noted in the Terms and Conditions provided to the tenants and in the Customer Charter that will accompany their first bill. This information is also accessible online and was provide as part of our email to tenants. See the following appendix.

Appendix A - Consent Form

Appendix B - Sale of Electricity Agreement with T&Cs

Appendix F – Embedded Network Project Update

AER Consultation

- 43. The Applicant must confirm that it has advised consumers of the AER's consultation process, including that:**

- a) consult on individual exemption applications**
- b) publish your application on its website**
- c) invite public submissions on your application from interested stakeholders, and**
- d) ensure that the public consultation period runs for at least 20 business days.**

The tenants have been advised both in the Consent Form as well as a project update email notifying tenants that we are in the process of submission and the process includes

- a thorough review by the AER and if accepted
- will undergo public consultation for 20 business days which would be available on the website
- the AER will accept public submissions and that we would notify the tenants when the public consultation was made available including links to the public consultation.

Notice of the open consultation process will be sent to tenants by email once the AER initiates the public consultation process. See the following appendix.

Appendix F – Embedded Network Project Update

Appendix G - AER Consultation Notice

Appendix

Accompany documents – strictly confidential

- Appendix A - Consent Form
- Appendix A - Consent Form Sample Signed
- Appendix A - Consent Summary
- Appendix B - Sale of Electricity Agreement with T&Cs
- Appendix C - Consent Campaign Tenant Log
- Appendix D - Mitigating non-consenting customers
- Appendix E - Initial Email Correspondence
- Appendix F – Embedded Network Project Update
- Appendix G - AER Consultation Notice
- Appendix H - Sample Email Correspondence 1
- Appendix H - Sample Email Correspondence 2
- Appendix H - Sample Email Correspondence 3
- Appendix H - Sample Email Correspondence 4
- Appendix H - Sample Email Correspondence 5
- Appendix I – Bill Sample
- Appendix J – On-Market Customer
- Appendix K – On-Market process – retrofit
- Appendix L – Brownfield flyer
- Appendix M – Dispute Resolution Policy
- Appendix N - Price Fact Sheet
- Appendix O - Small Business Hardship Policy