7 October 2015

|  |
| --- |
| GENERAL INFORMATION |

1. 5B Energy Services Pty Ltd
2. 5B Energy Services Pty Ltd
3. ABN 33 167 319 637

ACN 167 319 637

1. **Postal Address:** Level 2, 85 William St, Darlinghurst NSW 2010
2. **Nominated Contact Person:**

Jade Fennell, Project Development, 0450 166 951, jade.fennell@5b.com.au

1. **Reasons for seeking Individual Exemption:**

5B Energy Services Pty Ltd is a subsidiary of a small Australian business 5B Holdings. Our objective is to supply commercial customers with low-cost energy through a range of innovative energy products and financing options, primarily solar power purchase agreements (SPPA).

5B Energy Services will oversee the installation and energy sales management of its solar PV systems, and supply customers with electricity at a lower rate than they currently pay to traditional retailers. We are applying for Individual Exemptions as the equipment leasing and PPA model used to deliver the system to the customer does not fit with ‘’retailer’’ definition:

* 5B supplies pay-as-you-go electricity from solar PV
* 5B does not on-sell electricity from the grid
* Our target customers either use the solar power to supplement existing grid connections, or diesel generator systems
* 5B is not the sole provider of electricity and we do not guarantee electricity supply to the customer.

Our solar PPA has been drafted with reference to the Retail Energy Legislation (ie. Includes dispute resolution clauses, financial difficulty arrangements, 1 month cooling-off period), and to comply with Australian Consumer Law.

1. **Address of the site**

Not Applicable. A multi site exemption is sought for all Australian States and Territories under AER jurisdiction.

1. **Primary Activity of 5B**

The primary business activity of 5B Energy Services installation and management of low cost renewable energy, primarily solar PV, to a small number of large commercial and industrial customers:

* 5B Energy Services will arrange for the supply and installation of ground-mounted solar PV solutions for both off-grid and grid-connected commercial customers.
* 5B Energy Services and its contractors will deliver a complete solar PV energy solution, undertaking responsibility for site energy audits, energy system design, installation, remote energy monitoring, technical support, and maintenance
* 5B Energy Services will provide total project management, from development to commissioning, and billing.
1. **Energy Form**

Energy will be electricity, generated via ground-mounted solar PV systems, and:

* In the case of a grid-connected customer, they will retain their primary grid connected electricity supply through an authorised retailer
* In the case of an off-grid customer, they will retain their primary electricity supply (eg. Diesel, gas) [5B Energy Services notes that off-grid is only applicable to *Individual Exemption* in QLD]. For these customers, the solar PV system will connect to the existing distribution network.
1. **Are you establishing, or have you established, energy supply in an area where there are no other viable energy supply arrangements available.**

No. 5B Energy Services will only operate solar PV connected to existing grids, and will not operate in areas without viable electricity supplies. 5B Energy Services will be an ancillary supplier to existing off-grid electricity networks ; we will not create electrical networks or energy supplies where none existed prior.

1. **Date we intend to commence selling energy**

5B is ready to commence energy sales/PPA operations from today 21/09/2105.

1. **Mailing Address:** Not Applicable
2. **Experience in Selling Energy:**

5B’s directors have extensive wholesale market experience, and coordinating utility-scale wind and solar energy sales via PPAs through private development firms, and energy utility business.

1. **Previous energy selling exemptions and locations**

Not applicable

1. **Termination of supply arrangement:** Not Applicable

|  |
| --- |
| NATURE AND SCOPE OF THE PROPOSED OPERATIONS |

1. **Customers:** Commercial property owners, commercial lease holders.
2. **Other Services:** 5B Energy Services will provide the design, installation, maintenance and monitoring services for the generation assets.
3. **Total number of dwellings at the site** Not applicable. 5B Energy Services is seeking an exemption to allow the PPA to be established at multiple sites.
4. **On-selling Energy?** Not Applicable- 5B Energy Services will be producing the energy behind the meter at each site.
5. **Wholesale purchase of electricity?** Not applicable- 5B Energy Services will not be purchasing electricity from the market
6. **Estimated aggregate annual amount of electricity to be sold-**

CONFIDENTIAL.

1. **Customers wholly contained within a site owned, controlled or operated by you?**  Not applicable. 5B Energy Services is seeking an exemption that will allow us to install and operate solar power systems at sites owned or leased by the customers.
2. **Will each premises be separately metered?** Yes. Each site will have separate grid and solar metering. The solar meter will be installed at the time of solar PV system installation.
3. **Type of meter:** 5B Energy Services will use remotely read interval meters – providing real-time monitoring of the solar PV system’s output; Type 4 will most likely be the most appropriate for the size of our systems.
4. **What accuracy standards apply to the meters?** The type of electricity meter will be defined in the PPA contract. Typically, 5B will take the meter reading from the inverter. These inverters comply with AS4777 and AS3100. In the case of using a separate meter, it will conform to the relevant product Australian Standards.
5. **How often do you propose the meters to be read?** Meters will be read remotely at least once per month and as frequently as once per day.
6. **How will you determine energy charges if customers are not separately metered?** Not Applicable. 5B Energy Services is not the sole energy provider- customers have an existing supply with an authorised retailer. Energy provided by 5B will be metered separately.
7. **Billing Arrangements?** 5B Energy Services will issue and collect all billing in house. Customers will be billed on a quarterly basis.
8. **Dispute resolution procedures?** 5B Energy Services has a dedicated contact for customer complaints:
* Email: info@5b.com.au
* In writing: 5B Energy Services, Level 2, 85 William St, Darlinghurst NSW 2010

In the event of a dispute arising out of or in connection with 5B’s energy services which has not been resolved following discussions and negotiations between a person/s appointed or authorised by the client and 5B, then we will undertake to attempt to settle the dispute by engaging in good faith with the other in a process of mediation before commencing arbitration or litigation.

1. **Rebates or Concessions?** Not applicable
2. **Energy efficiency options:** 5B Energy Services’ PPA only relates to solar power usage, however as part of our audit process, we would make energy efficiency recommendations to the customer that relates to the supply and operation of their solar and electricity systems.
3. Please provide any further information that you consider would assist us to assess your application:

**Questions Pertaining to SPPA:**

1. **Do you have any experience in the energy industry? Please provide a brief description.**

5B was founded in 2013 and is relatively new to the retail sector, however 5B’s management team has extensive experience in utility scale project acquisition and development.

1. **What is your strategic direction and what are your objectives? Please describe your business model in some detail, noting jurisdictions where you will be operating, and customer number forecasts for the first 3 years.**

CONFIDENTIAL

1. **What is your pricing structure - will you charge for energy only or are there other fees? Will you charge only for energy consumed or all energy generated?**

5B Energy Services would provide energy to the customer at a rate less than their current levelised cost of energy (LCOE) through a PPA or flexible finance arrangement. Our pricing structure is optimised for the customer; energy is billed on an energy or time basis (eg. per kWh, or per month). Metering is energy consumed or energy generated, pertaining to the individual customer’s energy usage patterns.

1. **Are there related companies and what is their function? Do you intend to transfer any functions to any other related companies and, if so, what are they?**

5B Energy Services is the entity responsible for providing energy services to and invoicing for the customer, as well as owning and operating the solar PV asset. 5B Australia provides management services to 5B Energy Services to undertake these responsibilities.

1. **Do you intend to sell to commercial or residential customers, and what size systems will you install?**

Selling PV systems upwards of 100 kW to commercial customers offers the most tangible path to achieving our capacity targets.

1. **Will Fixed term contracts be used?**

Yes, ranging less than 1 year, upwards of 20 years. 5B Energy Services would develop the terms of the contract in negotiation with the customer, and in line with their needs.

1. **Under what circumstances can the customer terminate the agreement and at what cost?**

The customer can terminate the PPA during the 1 month cooling off period without incurring a penalty. The agreement would be drafted in line with their expected operational period. The customer can terminate the PPA at any time during the agreement, at a price outlined in the agreement. This price would be dependent on the amount of time remaining in the agreement, and the amount of energy the system is estimated to generate. If the customer moves premises, they have the option of purchasing the system outright, or amending the PPA to apply to the new premises and cover the cost of relocation.

1. **End of Contract Term**

Depending on the length of the contract, ownership of the PV system at the end of the PPA will transfer automatically to the customer, or be available for a fee. The fee would be based on the remaining years of warranty of the generation asset, and any equipment leasing or outright fee in place under the PPA.

1. **Maintenance and Repair**

5B Energy Services will arrange for maintenance and repair of the system for the duration of the PPA, either in-house, or through 5B Australia’s contractors. Weekly remote energy monitoring will enable 5B Energy Services to detect any operational faults, and arrange timely repair.