



29 October 2013

General Manager,  
Retail Markets Branch,  
Australian Energy Regulator,  
GPO Box 520,  
Melbourne, Victoria, 3001.

By email: [AERinquiry@aer.gov.au](mailto:AERinquiry@aer.gov.au)

**Attention: Ms. Susan Faulbaum**  
**Attention: General Manager, Retail Markets Branch**

**Application for Retailer Authorisation: Attention: General Manager, Retail Markets Branch**

Dear Ms. Faulbaum,

We wish to apply for an Electrical Retailer Authorisation for **Pooled Energy Pty Limited (Pooled Energy)**.

Please refer to **Annex 1** for a confidential introduction to our proposal.

Yours Sincerely  
**Pooled Energy Pty Limited**

A handwritten signature in black ink that reads 'John Riedl'.

John Riedl  
Chief Executive Officer



**APPLICATION FOR A NATIONAL RETAIL AUTHORISATION**

**29 October 2013**

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## INTRODUCTION

POOLED ENERGY Pty Ltd is a privately owned company whose business purpose is the retailing electricity to owners and operators of Swimming Pools for the purposes of providing Energy Efficient, Safe Bathing while providing integrated Demand Management Services for the purpose of optimising electricity grid operations

### 1. General Particulars

#### 1.2. Applicant legal name:

Pooled Energy Proprietary Limited,

The company was registered on 21<sup>st</sup> May 2013 under the Corporations Act 2001. It is a 100% owned subsidiary of Efficiency Filters Pty Ltd.

#### 1.3. Trading Name:

Pooled Energy Pty Limited

#### 1.4. ACN:

Efficiency Filters: 143 391 566

Pooled Energy: 163 873 078

#### 1.5. Registered address for correspondence:

9 Coorabin Road Northbridge, NSW, 2063

#### 1.6. Nominated Contact:

John Thomas Riedl,  
Chairman and CEO (of both Pooled Energy and Efficiency Filters)

218/354 Eastern Valley Way,  
Chatswood,  
NSW, 2067  
Australia

Cell: +61 414 491 124  
JohnRiedl@PooledEnergy.com.au

## 1.7. Form of energy for retailer authorisation:

Electricity

## 1.8. Commencement of retail operations:

Retailer authorisation for the supply of electricity is sought from 1 February 2014.

## 1.9. Nature and scope of operations:

Pooled Energy is seeking an Authorisation to retail electricity to swimming pool owners and operators.

For approximately the first 12 months from commencement of operations, Pooled Energy (PE) will retail electricity primarily to small customers (residential households) with swimming pools. It may subsequently address other markets

## 1.10. Jurisdictions

Electricity retailing is proposed initially for NSW (effectively Sydney only) for the first year of operation.

Pooled Energy understands that there are national as well as State specific obligations that apply to retailing electricity (e.g. State specific ombudsman schemes), and will ensure compliance obligations are met in each State.

## 1.11. Types of customers:

Pooled Energy will initially retail electricity to small customers (households) with swimming pools.

## 1.12. Objective of the Retail law

**The objective of the NERL** *“is to promote efficient investment in and efficient operation and use of energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security of supply of energy”.*

Pooled Energy will make a significant contribution to the NERL objective in a number of ways ranging from more efficient usage of electricity by energy consumers to more efficient usage of the Electricity Grid and efficient use of chemicals while enhancing the consumer experience of swimming pools.



### 1.12.1. Efficient Operations & Investment

Pooled Energy by virtue of its unique, patented technology will provide to the energy consumer a unique solution that reduces energy consumption while improving the quality and safety of the swimming pool environment.

While Pooled Energy's business is highly focused on delivering energy services utilising industry best practice via highly experienced and capable people, its key value proposition is to provide the community with a solution for the efficient usage of electricity, safe and healthy swimming pools and efficient community capital investment. **We believe that Pooled Energy's value proposition is a unique and highly valuable contribution to the intention of the Energy laws.**

### 1.13. Legal Counsel:

#### General

Rob Sauer  
Dibbs Barker  
Level 8,  
Angel Place  
123 Pitt Street  
Sydney NSW 2000  
T: 61 2 8233 9500

#### Regulatory

Peter Nelson  
Norton Gledhill  
Level 23,  
459 Collins Street,  
Melbourne Vic 3000  
T: 61 3 8623 7104

### 1.14. Patent Attorneys:

Christian Schieber  
Watermark  
Building 1 Binary Centre  
Riverside Corporate Park  
3 Richardson Place  
North Ryde NSW 2113

## Entry Criteria

### 2. Organisation and Technical Capacity -Replies to Specific Questions

#### 2.1. Details of any previous experience as an energy retailer or any other experience in the energy market:

Pooled Energy has extensive technical management with deep experience on the Power and Transmission side of the network and has supplemented these with newly recruited personnel who have previously held senior positions in significant Electrical Retailers in the areas of Compliance, Market Pricing and Consumer Management. It also retains its original management which developed its underlying technology over several years.

This group is highly experienced with running successful, large-scale corporations as well as with the other more technical aspects of the business. Prior to involvement in the Retail Energy business, the Board, CEO and COO have worked on major projects in Electricity Generation, Distribution & Control as well as major engineering projects in oil, gas, mining, solar arrays, shipping, telecommunications, process automation; large-scale R&D; product development; electronic products and systems; instrumentation; manufacturing, and service and support.

As a result, the organisation is well qualified to manage the requirements of Pooled Energy and its customers.

Pooled Energy P/L (PE), the company, is a start-up with no operating history. It was established specifically to apply to AER for a retail electricity licence.

## Board Member Experience (including Advisory Board)

Category	Number of Board Members
Senior Management Experience in <b>Major Companies</b>	7
<b>International</b> Business Experience	7
Personal experience in the <b>electrical power</b> industry:- generation, distribution	4
Personal Experience in <b>major IT systems</b>	6
Personal Experience in <b>professional telecoms</b>	5
Personal experience in large scale <b>financial systems</b>	7
Personal experience with <b>quality systems</b>	7
Personal experience with <b>sales and/or retail</b> customers	7

### *Management Experience*

The CEO, COO and HR Director all have extensive experience with electricity generation and distribution; with major systems and organisations; process control and instrumentation; regulatory issues, HR, Sales and support in major organisations.

The new managers in Customer Relationships and Regulatory and Compliance have several years of experience with an ASX listed Electricity Retailer. This initial group of specifically Electricity Retailing orientated management will grow with new additions from the Electricity Retail sector as appropriate to the roll-out of services.

#### **2.1.1. The date and location of previous operations**

Not Applicable for Pooled Energy as a company.

#### **2.1.2. The form/s of energy sold**

Not Applicable for Pooled Energy as a company.

#### **2.1.3. The scale of operations (including the number and size of customers)**

Not Applicable for Pooled Energy as a company.

#### **2.1.4. An explanation of which activities were conducted in-house and which were contracted out to third parties**

Not Applicable for Pooled Energy as a company.

### **2.1.5. An outline of the relevance of your previous experience to the requirements under the retailer authorisation, national regulatory framework and relevant state/territory energy regulatory arrangements.**

Not Applicable for Pooled Energy as a company.

## **2.2. Details of any other relevant retail experience:**

### **2.2.1. Overview**

The Board (including the Advisory Board), the CEO and the COO, the Manager Customer Relationships, the Manager Regulatory and Compliance, the Director for Human Resources, all have extensive retail experience.

Several Board and senior management members have successfully managed large sales forces and marketing departments for decades. Even though the customer base is different in the Electricity Retail area, the systems used for HR, customer management, service and support, billing and financial, are very similar. The regulatory environment is, of course, obviously different.

In this regard, it is noted that most of the Board and Management have had extensive Regulatory experience. This has been in Telecoms, Electrical Safety approvals, major project construction, ISO 9001/9002, U/L, CE, and many other regulatory and standards related areas, many of which are highly complex and very important in the way they affect physical and electrical safety.

### **2.2.2. Board Experience**

The Boards (and shareholders) are a group of senior Australian industry figures in an attempt to use technology in novel ways to solve major global problems. These include:-

**John Grill:** Chairman and former Chief Executive Officer and Founder of Worley Parsons, Australia's largest engineering company with over \$8 billion annual revenue and 40,000 employees in 165 offices in 41 countries.

**John Riedl:** CEO of Pooled Energy and Efficiency Filters. CEO and Founder of Game Changer Ventures and originator of the technology in this project. A successful high-tech CEO for 35 years including Jtec, Techniche (ASX) as well as a former general manager of a division of AWA. Former technology advisor to the Prime Minister and the Premier of New South Wales. Has served as a director of many early-stage technology-based companies.

**Greg Irving:** Executive Director of Pooled Energy and Efficiency Filters. Former Chief Technology Officer of Honeywell Inc., the world's largest automation company, worldwide, and former CEO of Honeywell Australia, a \$1 billion revenue company.

**Chris Beare:** Chairman of Dexus Property Trust, the largest commercial property trust in Australia, former director of strategy at Telstra, former managing director at Hambros Bank, former chairman of Radiata, an Australian wireless telecommunications technology innovation company which was sold to Cisco for over \$400 million.

**Clem Doherty:** HR Director. Director of Human Resources at ResMed, former managing director at McKinsey & Company, former non-executive director of NBNCo, Chairman Swimming Australia.

**Roger Buckeridge:** Non-executive director of Pooled Energy and Efficiency Filters. Managing director and owner of Allen and Buckeridge, a well-known Australian venture capital firm, and director of many early-stage technology-based companies during the last 28 years as a VC investor.

**Ron Spithill:** former Chief Marketing Officer Alcatel Lucent, the world's largest telecommunication company and member of the main Board in Paris. Former Chief Executive Officer of Alcatel in Asia and Australia. Director of a number of companies including Telecom New Zealand and Vodafone.

### **2.3. Details of retail and/or energy experience of a person holding 20% or more of any class of share**

As above in (2).

The two shareholders with more than 20% equity ownership of PE (and its 100% owner, Efficiency Filters (EF) are John Riedl and John Grill.

### **2.4. An organisation chart showing the structure of your organisation**

Please refer to **Annex 3** for Pooled Energy's organisation chart.

In summary, Pooled Energy currently has 2 highly experienced managers (CEO and COO) with deep industrial experience in Energy markets and technology, 8 highly skilled technical and support staff, 1 experienced Manager from Retail Electricity and 3 experienced managers in HR, Finance and Regulatory and Compliance, to join in the near future. It has outsourced all AEMO operation, hedging, Greenscheme activities and billing to sub-contractors

### **2.5. A Summary of Qualifications, Technical Skill and Experience**

A summary of qualifications, technical skill and experience is also included in **Annex 3**.

### **2.6. Details of your human resources policy regarding employee qualifications, including:**

Summary details for the HR Policy regarding experience and technical qualifications are provided in **Annex 5**.

### **2.6.1. Relevant industry licences or qualifications**

Allen & Buckeridge Asset Management Limited holds an Australian financial services licence and has appointed Roger Buckeridge, a Pooled Energy non-executive director as an authorised representative.

## **2.7. Details of all training programs and training policies for employees and agents of the retailer, and any other policies and procedures that you have in place (or propose to put in place) to ensure appropriate interaction with customers.**

### **2.7.1. Overview**

In Pooled Energy, training is required in both the electricity and pool aspects of the business. Policies, processes and training are described below.

Pooled Energy is developing a comprehensive set of training policies. Examples of Training Processes and Policies – Operations are located in **Annex 6**. Comprehensive staff training covers key policies including Pooled Energy's Business Plan (**Annex 9**), Compliance Plan (**Annex 4**) and Risk Management Strategy (**Annex 11**).

It is the over-arching Policy of the Board that all staff will receive training in key business functions. This will be provided upon staff induction and also in regular refresher courses. Training will be under the management of the HR Director. It will include, but not limited to:-

- Electricity Retailing
- Ombudsman Scheme Compliance
- Customer Service Policy
- Call Centre Handling Procedure
- Complaints Handling and Dispute Resolution Procedures
- Hardship Policy
- On-boarding Customers – Process and Verification
- Operations Policy
- Electricity pricing policy
- Customer Billing Policy
- Settlements Policy

### **2.7.2. Training in Electricity Retailing**

PE will provide a comprehensive range of training. Please see Annex 6 for details.

### **2.7.3. Policies**

PE has a comprehensive range of General Policies detailed at Annex 7.

#### **2.7.4. Comments on Training in General**

A good customer experience and referrals are important to PE achieving significant market penetration. Training therefore goes directly to quality and performance. Training is not just a matter of compliance but a fundamental business requirement

We would like to note that senior management have already had formal professional training. Pooled Energy senior management without electricity industry training will also seek out and attend industry training and briefing sessions, e.g. AEMO's Introduction to the National Electricity Market.

#### **2.8. Business Plan**

Please refer to Pooled Energy's Business Plan in **Annex 9**.

#### **2.9. 3 years of budgets**

3 years of budget forecasts are attached as **Annex 10**.

#### **2.10. Quality Assurance Accreditations currently held**

Nil at this time as they have not been required in the R&D phase.

All of the Board and Management have obtained ISO 9001 and ISO 9002 certifications in past employment at CEO, COO or Chief Engineer level. PE is willing to acquire any level of required accreditation.

Pooled Energy's Compliance Policy follows the key principles of the Australian Standard AS 3806-2006 – Compliance Programs.

#### **2.11. Compliance Strategy**

##### **2.11.1. Knowledge and Understanding of Obligations**

Pooled Energy has a detailed understanding and knowledge of the compliance obligations and reporting commitments associated with wholesaling and retailing electricity under the National Electricity Market (NEM).

Pooled Energy understands the significance of providing electricity, an essential service, to customers, and has put in a place a strong compliance framework to ensure Pooled Energy will comply on an ongoing basis with the energy laws and regulations of the NERL and NERR.

### 2.11.2. Outlining how all retailer authorisation obligations and statutory, industry and technical requirements will be met.

Please see the compliance policy in **Annex 4**.

### 2.11.3. Including all complaint and dispute resolution procedures

Please see compliance policy in **Annex 4**

## 2.12. Risk Management Strategy

Pooled Energy has developed a Risk Management Framework and Strategy to manage risks associated with retailing electricity and also to document both operational and financial risks. Please refer to Pooled Energy's Risk Management Strategy - **Annex 11**, for full details. Pooled Energy takes an active approach to identifying, managing and mitigating risks.

PE's risk management policy extends to:-

1. Electricity supply
2. AEMO operations
3. Pool operations

Pooled Energy's business model involves extensive on-line sensing, monitoring and other features that substantially mitigate and manage risk. These are further detailed and summarised in **Annex 12**.

## 2.13. Declaration

Attached as **Annex 13** is a written declaration from the directors that PE's risk management and compliance strategies have been approved to the extent of their development and that they have been subject to an external assurance process.

## 2.14. Ability to manage Risk

As noted above, in addition to the usual risk management, Pooled Energy uses on-line sensing at all pools to manage the pools and reduce risk. Overall, PE, with its new business model, has taken a significant number of **additional** steps to ensure Risk Management. These are detailed in **Annex 12**.

Note: The Boards (and shareholders) of Efficiency Filters and Pooled Energy are all common. They are structured as an Advisory Board and an Operational Board with 3 Directors in each company. The seven Board members all have extensive senior international and local experience and have managed businesses with significant risk profiles for decades. Their combined experience, as well as the Risk Management Strategy and Framework, will ensure that risks are actively and well managed.



Please refer to Pooled Energy’s Risk Management Strategy for full details of Pooled Energy’s ability to manage risk as detailed in **Annex 11 and Annex 12**.

## **2.15. Details of Insurance Arrangements**

Please refer to **Annex 14** for existing insurances.

Pooled Energy is happy to enact any other insurance required by AER.

## **2.16. Third-party staff and resources**

### **2.16.1. State all functions and activities to propose to outsource:**

Pooled Energy plans to outsource:-

- Billing
- a range of energy markets financial products, prudential support, trading and risk management services including:
  - full load following hedging for electricity exposure of PE in NSW across each Net System Load Profile (“**NSLP**”) region. Hedging agreement to be subject to forecasts;
  - provision of all required green certificates under existing and future schemes applicable in NSW, including Large-scale Generation Certificates (“**LGCs**”), Small-scale Technology Certificates under the Federal Renewable Energy Target (“**STCs**”), and Energy Savings Certificates under the NSW Energy Savings Scheme (“**ESCs**”); and
  - full prudential support of PE’s load to the Australian Energy Market Operator (“**AEMO**”), including provision of ex-ante reallocation and required guarantees in AEMO format.
- Pool-related functions, equipment and activities to Efficiency Filters, which is Pooled Energy’s technology partner and owner.

### **2.16.2. Provide details of any formal agreements to provide services, including confirmation that a third-party possesses relevant technical competencies to conduct the proposed activities.**

Please see **Annex 16 and Annex 40**

### **2.16.3. Provide a summary of the third party’s experience in the knowledge of the relevant areas.**

Please refer to **Annex 16**.

**2.16.4. Provide evidence of the 3<sup>rd</sup> parties technical capacity to meet relevant obligations, including any relevant accreditations**

Please see Annex 16 and Annex 40

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

PE has applied to become a member of the Energy & Water Ombudsman NSW (EWON).

EWON have however asked PE to re-apply once it has been granted Retail Authorisation as it is ineligible without it. PE will re-apply once Authorisation has been granted and will extend this to other States prior to entry into those States.

**2.18. Evidence of any agreements and systems in place to facilitate interaction with relevant market participants within those jurisdictions in which you intend to operate. This includes, but is not limited to, distribution businesses, AEMO, jurisdictional technical regulators and contract market participants. Where agreement and systems have not been finalised, you should provide details of any negotiations or steps that occurred to date.**

Please refer to **Annex 18**.

**2.19. Details of any previous triggering of the RoLR provisions of the retail law**

None.

### **3. Information Requirements – Financial Resources**

#### **3.2. Financial statements for 3 years**

##### **3.2.1. Financial statements**

Not available for Pooled Energy Pty Limited, which is a start-up with no trading as yet.

Please see instead in **Annex 19** Pro-forma balance sheets as at 30 September 2013 for both PE and its parent EF.

##### **3.2.2. Directors' declaration**

Please refer to **Annex 20**.

##### **3.2.3. Directors' Report**

Please refer to **Annex 21**.

##### **3.2.4. Auditor's report**

PE, being newly formed, has not yet had any accounts, audited or otherwise.

Audited accounts for PE will begin in the 2013/2014 Fiscal Year.

#### **3.3. A copy of any other document submitted under Chapter 2M of the Corporations Act**

Not applicable

#### **3.4. Credit ratings from agencies**

Not applicable

#### **3.5. Part of a group of related companies**

##### **3.5.1. Ownership structure**

PE is a 100% subsidiary of EF.

##### **3.5.2. Contractual arrangements with other members of the group**

##### **3.5.3. Consolidated Audited Financial Statements for the Group**

The consolidated accounts for EF are shown in **Annex 23** for the year ending June 20, 2013.

PE has had no trading and has no accounts having incurred no expenses and accrued no revenue

**3.6. Forecast revenue and expenses for the first twelve months of operations consistent with your business plan.**

Please refer to **Annex 24**.

**3.7. Written declaration regarding insolvency**

Please refer to **Annex 25**.

**3.8. Written declaration regarding a going concern**

Please refer to **Annex 26**.

**3.9. Details of any bank guarantees**

Please see **Annex 15**.

**3.10. Additional information regarding Financial Capacity**

Please refer to **Annex 27**.

## 4. Information Requirements – Suitability

The AER requires the following information to be provided in an application for authorisation:

**4.1. For the applicant, its associates, any other businesses where its officers have held an officer position and any other entity that exerts control over its business activities—details of:**

**4.1.1. 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.**

Nil.

**4.1.2. Any previously revoked authorisations, authorities or licences held in any industry and the reason/s for the revocation.**

Nil.

**4.1.3. Any failed authorisation, authority or licence applications in any industry and the reason/s the application was unsuccessful.**

Nil.

**4.1.4. Any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry**

Nil.

**4.1.5. Details of any offences or successful prosecutions under any territory, state, Commonwealth or foreign legislation (including, but not limited to, the Australian Securities and Investments Commission Act 2001 (Cth), Competition and Consumer Act 2010 (Cth) 8 and the Corporations Act 2001(Cth)) that are relevant to your capacity as an energy retailer, or written confirmation that no offences have been committed against, or been prosecuted under, any such legislation.**

Nil for all.

**4.2. Upon request, a criminal history check conducted within the past 12 months for persons listed under information requirement 2.**

If required

**4.3. Details of whether any director/s (or shadow / de facto director/s) are disqualified, including written declarations from members of your management team stating that they have not been disqualified from the management of corporations.**

Nil. Please refer to **Annex 28**.

**4.4. A written declaration from your Chief Financial Officer (or Chief Executive Officer) or your director/s regarding your record of bankruptcy in any overseas jurisdiction.**

Nil. Please refer to **Annex 29**.

**4.5. Full names and current residential addresses of all officers of the applicant.**

Please refer to **Annex 30**.

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

Given the history and broad Industry regard for members of the Board and Senior Management, and the fact that all are professional and have worked together or been acquainted professionally for decades, there are no formal policies and procedures in place.

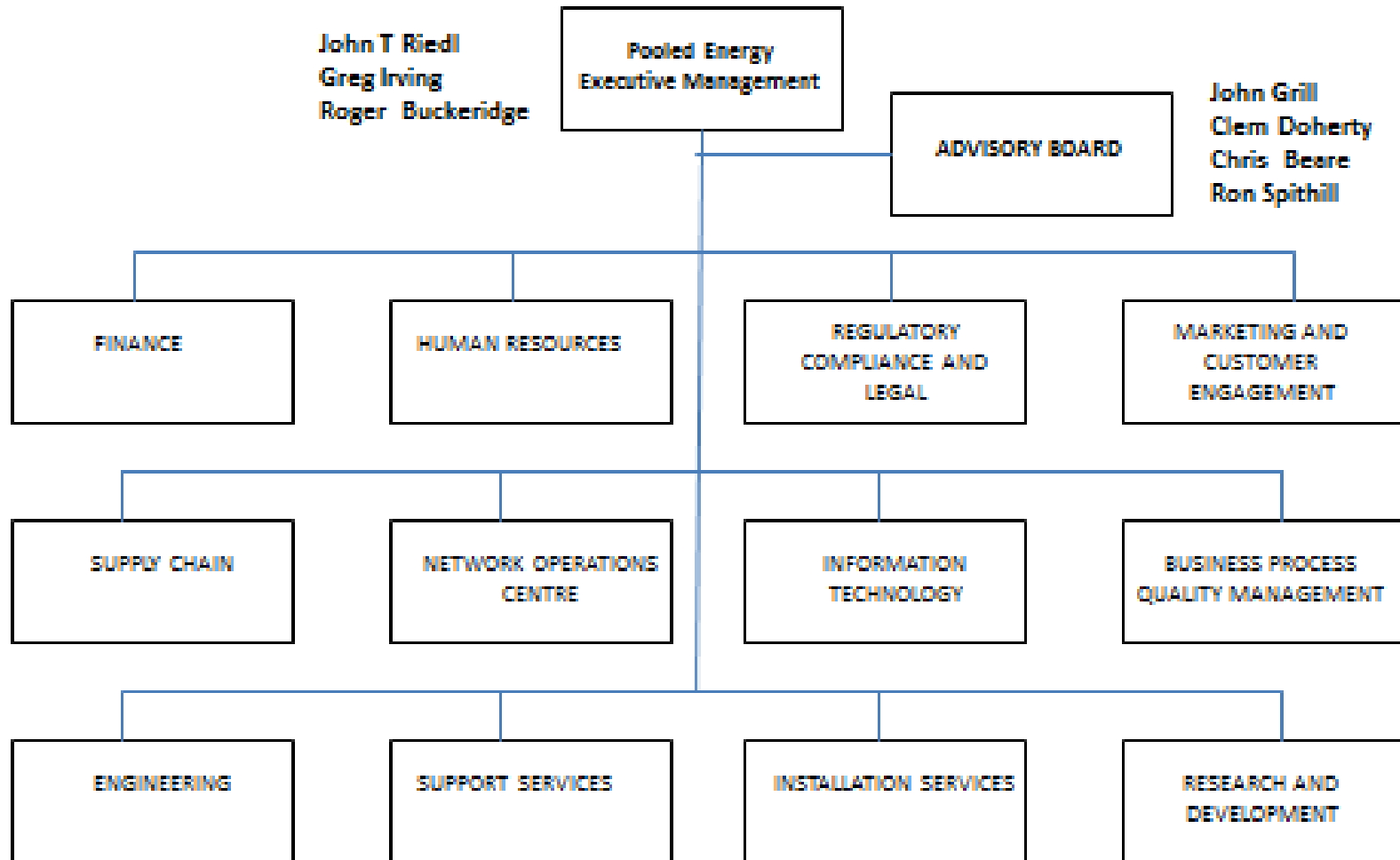
All key staff are carefully selected, interviewed and vetted for competence and probity, but not against a formal procedure. It is expected that formal procedures will be put in place from 2014 as the company grows.

**4.7. Any additional information that will assist us in our consideration of the character and past performance of your officers.**

The Board and Officers of the company are well-known, leading industrial figures. Please refer to their CV's.

**Pooled Energy Organisation Chart.** This is the target organisation which will be in place by the commencement of Commercial Operations and will be fully populated by the end of 2014 as the business expands beyond the initial Beta trials into wider commercial deployment.

# POOLED ENERGY PTY LTD



September 2013



