



APPLICATION FOR INDIVIDUAL EXEMPTION

SEAFORD CENTRAL SHOPPING CENTRE

General Information Requirements

1. Legal Name

The trustee for The Seaford Property Investment Unit Trust ('Applicant')

2. Trading Name

Seaford Central Shopping Centre

3. Australian Business Number (ABN)

93 957 941 278

4. Registered Postal Address for Correspondence

C/- Level 2, 50 Hindmarsh Square, Adelaide, SA 5000

5. Nominated Contact Person

PPI Funds Management - Investment Manager, Giles Benton

P: (08) 8412 4222

E: gbenton@ppifundsmanagement.com.au

Level 2, 50 Hindmarsh Square, Adelaide SA 5000

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

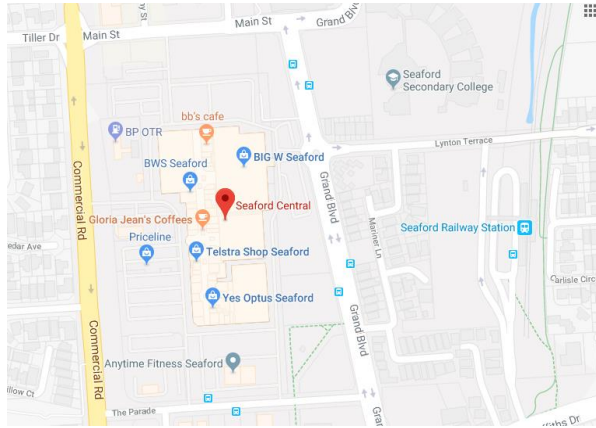
The Applicant is seeking an individual exemption for the retrofit of an existing network to an Embedded Network as per the current AER requirements that all embedded networks retrofitted after 1 January 2015 require an individual exemption.

The proposed on-selling activities are incidental to The Applicant's core business of managing the shopping centre.

7. The address of the site at which you intend to sell energy, including a map of the site and brief description of this site and its current and future use/s.

Seaford Central Shopping Centre is located at: 108 Commercial Rd, Seaford SA 5169

The Applicant intends to continue the site as a shopping centre in the future.



SHOPPING CENTRE

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

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

9. The form of energy for which you are seeking the individual exemption (electricity or gas). For electricity, please state whether the network you propose to sell is directly or indirectly connected to the main grid or is (or will be) an off-grid network.

The form of energy is electricity.

The site is connected to the local electricity distribution network via 2 connection points.

10. Are you establishing, or have you established, energy supply in an area where there are no other viable energy supply arrangements available?

No.

11. The date from which you intend to commence selling energy?

Approximately 01/8/2018

12. 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.

c/o Centre Management Office – Savills (SA)
 Seaford Central Shopping Centre
 108 Commercial Rd, Seaford SA 51 69

13. Details of any experience in selling energy, for example:

- **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 other sites on the NEM where electricity is sold via Embedded Networks as the Embedded Network Service Provider. Details of these sites are provided in the below table:

Shopping Centre	State	EN Live	Energy (Annual)	Small Tenants	Large Tenants	Total Tenants
Westland SC	SA	n/a	4.3 GWh	75	4	79
Victor Central	SA	n/a	3.3 GWh	55	3	58
Mt Barker Central	SA	n/a	2.7 GWh	87	2	89
Riverland Central Plaza	SA	n/a	1.9 GWh	18	1	19
Greenacres	SA	n/a	2.8 GWh	24	2	26
The Metro	SA	n/a	0.58 GWh	18	-	18
Roxby Central	SA	n/a	2.9 GWh	27	3	30
Nambour Plaza & Nambour Central Mall	QLD	n/a	2.5 GWh	38	2	40

Please note:

- All sites have current retail / network exemptions;
- Metering Services currently provided by WINconnect;
- Property / Operational Management Services currently provided by Savills (SA);

The proposed activities related to the key functions of the proposed Embedded Network are as follows:

- Sales and marketing to small and large customers will be conducted by The Applicant's chosen Embedded Network Service Provider WINconnect;
- Meter readings, data management and production of energy statements will be managed by The Applicant's Embedded Network Service Provider WINconnect;
- Customer bills will be issued to customers of the Embedded Network in a format compliant to the AER's Core Exemption Conditions.
- The Applicant's Embedded Network Service Provider, WINconnect, will manage all relevant licences and compliance with all applicable legislation. WINconnect has in place a Complaints Handling and Dispute Resolution Policy.

14. 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.

As per the table of sites provided in Question 13, all sites have Registered Retail Exemptions (R1 and R5) and Network Exemptions (N1 and N5).

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)?

In the event the SPI can no longer supply energy for customers within the Embedded Network, either at the result of SPI defaulting or through the sale of the property by SPI, the following options would be available.

- The new asset owner may choose to become the Embedded Network Owner and to continue with the on-selling arrangement with the exempt customers, or alternatively,
- The current infrastructure is capable of reverting back into a non-embedded network whereby the Parent Meter will be decommissioned and customers will then be required to enter into a retail contract for usage and network charges as normal.

In the event that the Embedded Network needs to be decommissioned, the physical works in reinstating the property would be minimal at this property. The process would involve the Parent Meters being abolished administratively on MSATs which would require the meter to be removed from the centre. We would initiate this process via the current "Abolishment" process. The sub-meters proposed to be installed are in line with the current Power of Choice metering (Type 4) supplied from a licensed service provider and adequately experienced in MDA and MC roles and responsibility. During the decommissioning process, Tenants would be required to enter into a direct agreement with their retailer of choice and arrange a new meter if they do not wish to utilise the incumbent service provider. We envisage that this would be more administrative intensive. WINconnect as the Embedded Network Manager would be involved with this process with all relevant market participants, which is likely to include MSATs standing data updates.

Particulars relating to the nature and scope of the proposed operations

1. Will your customers be your tenants? If so, are they residential or commercial/retail? Are they covered by residential or retail tenancy, or other legislation governing accommodation that is a person's principal place of residence (for example, retirement village legislation, residential parks or manufacturing home estates legislation) in your state or territory?

- Yes, the customers will be tenants of the shopping centre;
- The tenants are retail/commercial businesses;
- The small retail business tenants and some of the large retail tenants are covered by the relevant state-based Retail Shop Leases Act.
- There are no residential customers as part of this Embedded Network.

2. 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 the services are, and the contractual or leasing arrangements under which these services are being provided.

- Yes, The Applicant is providing retail and commercial leased premises;
- The leases to retail tenants will be covered by the relevant Retail Shop Leases Act.

3. What is the total number of dwellings/premises at the site? Please provide a breakdown between residential and business customers (and whether they are small or large as defined for the jurisdiction in which you intend to operate)?

- Total number of tenant metering points: 68
- Un-tenanted service points (to be excluded from consent campaign) 14
- Number of small business tenants: 45
- Number of large business tenants: 2
- Number of business tenants physically excluded from the Embedded Network: 7
- No residential customers will be part of this Embedded Network.

4. Will you be on-selling energy (that is, selling energy purchased from an authorised retailer) or purchasing it directly from the wholesale market?

The Applicant will be on-selling electricity purchased from an authorised electricity retailer.

5. **If purchasing from an authorised retailer, have you formed, or do you intend to form, a bulk purchase contract with the energy retailer, and how far into the future does this, or will this, contract apply? If you have formed, or intend to form, a contract, please provide a brief summary of this arrangement.**

The Applicant intends to form a bulk purchase contract with their energy retailer of choice.

6. **What is the estimated aggregate annual amount of energy you are likely to sell (kilowatt hours or megawatt hours for electricity and mega joules or giga joules for gas) and the average expected consumption of customers for each type of customer you service (that is, residential customers and retail or commercial customers)?**

- The estimated annual consumption of the shopping centre (common area): 1,471 MWh;
- The estimated annual consumption of small business load is: 1,305 MWh;
- The estimated annual consumption of large business load is: 3,600 MWh;
- Total estimated annual consumption of Embedded Network: 6,376 MWh;
- No residential customers will be part of this Embedded Network.

7. **Will your customers be wholly contained within a site owned, controlled or operated by you? (For the purposes of this question, a body corporate may be taken to 'operate' premises it oversees).**

Yes.

8. **Will each premises/dwelling be separately metered? If the application is for a new development or a redevelopment and customers will not be separately metered, please explain why not.**

Yes, each premise will be separately metered.

9. **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)?**

The Applicant will install remotely read interval metering to measure the electricity consumption for all on-market and off-market tenants in the Embedded Network.

The Embedded Network metering arrangements will allow tenants freedom of choice of retailer and metering provider.

The upfront costs of the Embedded Network installation will be borne by The Applicant. There will be no upfront costs from The Applicant for the tenant to switch between an on-market or off-market electricity supply arrangement.

10. **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?**

All electricity metering installed in this Embedded Network will be National Measurement Institute approved utility electricity meters. All electricity meters installed will comply with the National

Electricity Rules, Electricity Customer Metering Code with the National Measurement Act 1960 (Cth) requirement for electricity meters installed from 1 January 2013.

11. If customer dwellings/premises are separately metered, how often do you propose the meters to be read and by whom?

Electricity meters within this Embedded Network will be manually or remotely read on a monthly basis by the Embedded Network Service provider appointed by the Applicant.

12. How will you determine energy charges if customers are not separately metered?

N/A, all customers will be separately metered.

13. In what form and how often will customers be billed? Will you be issuing bills yourself or through a billing agent?

Monthly invoices will be produced and issued to the customer by the Centre Management team , the Applicant's billing agent.

One major benefit to the design of this embedded network is that the Invoices including Child network only invoices are not an additional invoice to what the tenants currently receive and the energy charges and or network charges will appear as an additional line item on the rental outgoings with a reference energy charges statement. There is no additional administration impact to the tenant should they elect not to purchase energy from the embedded network owner and a reduced administrative impact should they elect to purchase from the Embedded Network owner.

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

SPI will be utilising WINconnect's Customer Services resources to manage enquiries and disputes, WINconnect's complaints handling procedure is to Australian Standards and is available on our website: <http://www.winconnect.com.au/resources/uploads/2016/09/Complaint-and-Dispute-Resolution.pdf>.

In summary. The Applicant's Embedded Network service provider, WINconnect, will provide customers access to a Customer Service Team which will be contactable via phone or email, this will be the first contact point for any energy related complaints or issues.

A formal complaint can be lodged to the Embedded Network Service Provider, WINconnect who will manage per their Complaint Management Policy and Procedure or will escalate to The Applicant for response.

Escalation channels:

1. WINconnect Customer Service Team,
2. WINconnect Customer Service Supervisor,
3. WINconnect Customer Service Manager,
4. South Australian Civil & Administrative Tribunal,

If the dispute cannot be resolved with the Embedded Network Service Provider, WINconnect or The Applicant the customer may raise a dispute with the South Australian Civil & Administrative Tribunal.

15. What energy rebates or concessions are available for your customers and, if applicable, how can customers claim these?

Rebates or concessions will not be applicable to this Embedded Network.

If they do become available in the future, then The Applicant will pass through any rebates or concessions and inform customers of any that may be available.

16. Will you make energy efficiency options available to your customers? Will your network incorporate solar or other generation options for sustainability purposes? If so, will you use gross or net metering?

The Applicant may look to install solar PV at the site. If this is completed then net metering will be installed.

17. Please provide any further information that you consider would assist us to assess your application.

The Applicant has written to all tenants advising them of its plans to implement a retrofitted Embedded Network at the shopping centre.

CONDITION 1 – Provision of information to tenants regarding embedded network retrofit

1. The communication to tenants has advised them via written notice in the form of a Letter of Intent:
 - a. The tenant's right to choose their own retailer, even within an embedded network;
 - b. The tenant's ability to enter into an energy only contract with an authorised electricity retailer;
 - c. The obligations regarding electricity offer matching; and
 - d. The obligations regarding duplication of network fees
2. A copy of the electricity sales agreement to be offered by The Applicant.
3. The contact details of a representative of The Applicant who will address any concerns and queries relating to the planned retrofit.

Once the individual exemption application has been published by the AER on their website, The Applicant will inform all tenants via written notification of the public consultation process and their right to make a submission to the individual exemption application.

A sample Letter of Intent, Frequently Asked Questions and electricity sales agreement is attached to this application.

CONDITION 2 – Collecting and recording explicit informed consent

1. The Applicant has provided the tenant with information set out in Condition 1, prior to seeking the tenant's explicit informed consent to the retrofitting of the embedded network.
2. The Applicant has kept records of the consent obtained. These records have:
 - a. Included copies of the information provided to tenants.
 - b. Included records of consultations and meetings held with tenants.
 - c. Identified and recorded which tenants have not consented and the reasons for non-consent.

- d. Recorded the outcome of any negotiation and/or dispute resolution with tenants.

The Applicant can provide these records upon request from the AER. At the time of submission, the consent level satisfy the **85%** threshold.

3. The Applicant has obtained the tenant's consent for the retrofit in a separate document, that is, the document recording the tenant's consent to the retrofit is separate to the document acknowledging that the tenant is selecting The Applicant as their electricity supplier.

A sample Letter of Consent which was distributed to all tenants is attached to this application.

CONDITION 3 – Offer matching for large customers

1. If a tenant who is categorised as a large electricity customer, did not consent to becoming part of the embedded network, The Applicant has attempted to:
 - a. Facilitate, within the embedded network, the continuation of the tenant's electricity contract with their current retailer, or if this is not practical,
 - b. Maintain the tenant's direct connection to a registered distributor, or, if neither (a) and (b) are practical
 - c. Fulfil a request made by the tenant that The Applicant match any genuine electricity offer that would be available to the particular tenant if they were still a grid connected customer.
2. The Applicant will fulfil any subsequent request made by a tenant to match an electricity offer if the request is made 12 months or more after a previous request.
3. In the absence of a subsequent request to match an electricity offer, The Applicant will only apply the matched offer for a period of 12 months.
4. The Applicant's obligation to match an electricity offer expires upon termination or renewal of the large customer's tenancy/lease.

CONDITION 4 – Offer matching for small customers

1. If a tenant, who would be categorised as a small electricity customer, did not consent to becoming part of the embedded network, The Applicant has fulfilled a request made by the tenant that The Applicant match any genuine electricity offer that would be available to the particular tenant if they were still a grid connected customer.
2. The Applicant will fulfil any subsequent request by a tenant to match an electricity offer if the request is made 12 months or more after a previous request.
3. In the absence of a subsequent request to match an electricity offer, The Applicant will only apply the matched offer for a period of 12 months.
4. The Applicant's obligation to match an electricity offer will expire upon termination or renewal of the customer's tenancy/lease.

CONDITION 5 – Duplication of network charges

1. The Applicant will take steps to remedy any duplication of network charges experienced by tenants who have entered into an energy only contract with an authorised retailer. This condition only applies if the customer was a tenant at the time of the creation of the embedded network.
2. The Applicant will not charge a connection charge to any tenant who enters into an energy contract with an authorised retailer.

CONDITION 6 – Metering arrangements

1. The Applicant will not charge tenants the cost of any changes to metering and other network alterations that take place in the course of retrofitting the embedded network.
2. The Applicant has ensured that metering arrangements within the embedded network allow for exempt customers to access retail competition.

Additional information relating to the application:

Incoming tenants:

- All future tenants who move into the Embedded Network will have the presence of the embedded network as well as all of the conditions and their rights within an embedded network disclosed to them as part of their lease documents.

Accompanying documents (strictly confidential):

1. Letter of Intent
2. Letter of Intent Frequently Asked Questions
3. Letter of Consent / Signed (Dated 07/05/2018)
4. Sale of Energy Agreement – Terms & Conditions (WINconnect)
5. Public Consultation Notification
6. Seaford Central Consent Campaign Summary / Tenant Contact Log 30/04/2018