



# APPLICATION FOR INDIVIDUAL EXEMPTION

16 June 2015

(Public version)

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# 1. General Information

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

Aeronergy Pty Ltd

- 1.2 Your trading name if different to your legal name.**

N/A

- 1.3 Australian Business Number (ABN) or Australian Company Number (ACN).**

ABN 34 142 814 695

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

PO BOX A139 ARNCLIFFE NSW 2205

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

Ms Crystal Chen  
Commercial Project Manager  
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E: [crystalchen@aeronergy.com.au](mailto:crystalchen@aeronergy.com.au)

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

Aeronergy specializes in energy efficiency technology and have implemented smart energy solutions to thousands of business all across Australia. Our mission is to deliver innovative power solutions to Australian business by demonstrating technological excellence and creative flare. As a respected long-standing member of the energy efficiency industry we have built many ongoing partnerships to benefit our clients with a wealth of experience to share.

Aeronergy has been involved in residential and commercial solar projects for the last five years. We are seeing the opportunity of providing extra option for financing the project, ie: Solar Power Purchase Agreement (SPPA), which can be attractive to those clients who need large PV systems.

By choosing the SPPA Model, Aeronergy design and install solar PV system at the individual customer's premises, which system will produce electricity. The generated electricity will be metered and sold to the customer at agreed rates.

This model gives the customers the benefit of using solar power without a large upfront investment. The customers pay for the power generated by the month. This model of generating and selling energy does not easily fit within the existing exemption regulations under the AER (Retail) Exempt Selling Guideline-July 2013, Version 2 unless AER regards the energy supplied in such circumstances to be incidental to the provision of the solar PV Systems. Hence why an individual retail exemption is applied for by Aeronergy, noting the AER final statement of Approach, regulation for alternative energy sellers under the National Energy Retailer Law ("**the Law**").

A number of retailer obligations under the Law and National Energy Retail Rules ("**the Rules**") would not be appropriate for a SPPA model business as proposed by Aeronergy due to the lack of economies of scale and the burden of obtaining a retailer authorisation.

Aeronergy believes an Individual Exemption rather than a Retailer Authorisation is appropriate due to the following:

- a) The energy being supplied under the SPPA is supplementary to customer needs. All prospective customers are required to have a Retail Contract with an authorised energy retailer of their own choice. As such, customers will at all times have access to energy from an authorised energy retailer, and can change electricity retailers should they desire.
- b) Prospective customers' rights to consumer protections will, as applicable, be protected under the Australian Consumer Law, Competition and Consumer Act 2010 (and similar state legislation), as well as the Offices of Fair Trading in all States and Territories.
- c) Compliances with all consumer protection requirements contained in the NECF for an Authorised Retailer is not practical or warranted.
- d) It would be burdensome and unnecessary for Aeronergy to meet all the obligations and requirements under the Law and Rules and to meet the regulatory conditions for a Retailer Authorisation.

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

N/A

**1.8 The primary activity of your business (for example, managing a shopping centre)**

Aeronergy proposes to extend its business dealings into solar energy retailing through a SPPA model.

Aeronergy is a clean energy solution provider, currently designs, supplies and installs solar PV systems to large Solar Projects in Australia.

**1.9 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.**

Electricity only. The customer will be connected to the grid. Any extra energy generated can be exported to the grid.

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

Unknown

**1.11 The date from which you intend to commence selling energy.**

As soon as feasible, after the grant of an Individual retail exemption.

**1.12 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.**

N/A

**1.13 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.**

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

No retail exemption or retailer authorisation held.

**1.15 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). N/A**

## 2. Particulars relating to the nature and scope of the proposed operations

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- 2.1 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 manufactured home estates legislation) in your state or territory?**

N/A

- 2.2 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 these services are, and the contractual or leasing arrangements under which these services are being provided.**

Aeronergy will not provide any other services to customers to whom we intended to sell energy other than those under the SPPA.

The only commercial relationship to the people on site will be the provision of Solar PV Systems and the sale of energy generated by Aeronergy under the SPPA.

- 2.3 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).<sup>1</sup>**

N/A

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

N/A

- 2.5 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.**

N/A

**2.6 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 gigajoules 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)?**

N/A

**2.7 Will your customers be wholly contained within a site owned, controlled or operated by you?**

N/A

**2.8 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.**

N/A

**2.9 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 meters to be installed are digital interval meter.

Any meters used will not affect customer's choice of energy retailer.

**2.10 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?**

Accuracy standards will be: Class 1.0 Compliance: AS1284.5 C1.0

All meters will comply with National Measurement Act 1960 (Cth) requirements.

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

N/A

**2.12 How will you determine energy charges if customers are not separately metered?**

N/A

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

Aerenergy will issue bills according to the terms of the SPPA which, most likely, will be on a monthly basis. Aerenergy expects at the beginning to use an outside agent to issue bills.

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

Aerenergy will adopt Clean Energy Council's PV Retailer Code of Conduct and follow the details of its Dispute Resolution procedures to handle complaints and issues.

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

N/A

**2.16 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?**

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

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### 3. Additional information required for SPPA applicants

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

As stated in clause 1.13, Aeronergy has more than 5-year PV industry experiences. Adding a SPPA business model to our existing operational structure is considered as a logical extension of our overall business plan.

**3.2 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.**

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**3.3 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?**

- ❖ Aeronergy proposes to charge our prospective customers for all energy generated.
- ❖ Aeronergy proposed terms and conditions under the SPPA will be consistent with current Australian Consumer Law, Competition and Consumer Act 2010, and similar legislation. Aeronergy will charge for costs incurred under various scenarios, all details will be set out in our SPPA contract.

**3.4 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?**

Aeronergy intends to pursue this venture with its own initiative. There will be no other related party involvement in this SPPA business.

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

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**3.6 Do you intend to use fixed term contracts and, if so, how long will they be?**

Aerenergy intends to use fixed term contracts with maximum term of in between 15 to 20 years.

**3.7 Under what circumstances can the customer terminate the agreement and at what cost? What happens when the contract ends? Who owns the system?**

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