

**APPLICATION FOR INDIVIDUAL RETAIL EXEMPTION**

8 July 2014

SOLAR PANELS Pty Ltd

ACN 169 737 044

## INTRODUCTION

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Solar Panels Pty Ltd (“Solar Panels”) has developed a 15-year solar Power Purchase Agreement (“PPA”) product that will provide a new offering in the Australian solar PV marketplace, providing a “zero down – save immediately” zero-carbon product.

The Solar Panels solar PPA product has the following key attributes:

- “Zero \$ down” from the property owner – no capital contribution required;
- Fully monitored; fully maintained; high quality equipment & installation;
- The customer acquires the solar power generated from the panel at an annually set flat per kWh tariff;
- 15 year term;
- The customer retains a primary electricity supply relationship with a grid power retailer of their choice;
- The PPA is transferable upon sale of the property; and
- The continued operation of the solar PV system remains the responsibility of Solar Panels, meaning the system is continually monitored and managed to deliver optimum output.

## INFORMATION REQUIRED TO SUPPORT APPLICATION

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|-----------------------------|---|
| 1. Company Name             | Solar Panels Pty Ltd  |
| 2. Trading Name             | To be determined  |
| 3. ABN / ACN                | ACN 169 737 044   |
| 4. Registered Address       | 2 Illawarra Street, Mosman, NSW, 2088   |
| 5. Nominated Contact Person | <b>David Jones, CEO</b> <ul style="list-style-type: none"><li>▪ <a href="mailto:dfj@angelenogroup.com">dfj@angelenogroup.com</a></li><li>▪ 0412 097 445</li></ul> <b>Geoff Zippel, COO</b> <ul style="list-style-type: none"><li>▪ <a href="mailto:gdz@angelenogroup.com">gdz@angelenogroup.com</a></li></ul> |

## **6. Reasons for Individual Exemption**

In providing customers with a true zero-down solar system, Solar Panels propose to offer customers the ability to purchase solar electricity generated from an Solar Panels-installed system on their own property. The establishment of a long-term Power Purchase Agreement, with the requisite ability to bill the customer for the power produced from their rooftop, does not fit within the existing exemption categories under the AER “Exempt Selling Guidelines”.

The primary electricity supply arrangements will be retained by a grid power retailer of the customer’s choosing. Solar Panels seek an exemption to allow Solar Panels to establish this ancillary-supplier relationship.

Solar Panels plan to operate across Australia, with focus initially being on the eastern states of Queensland, NSW, ACT and Victoria, and possibly South Australia. Solar Panels seeks this multi-site individual retail exemption to include Victoria and Queensland once those states adopt NECF. In the interim Solar Panels will ensure it has appropriate approvals and exemptions in those two states.

## **7. Address of the Site**

As such Solar Panels is seeking an exemption to allow the PPA to be established at multiple sites.

## **8. Primary Activity of Solar Panels**

Solar Panels has been established to deliver clean energy under a long-term contract to the customer, using methodologies proven internationally, to finance, install and operate rooftop PV systems. Solar Panels will deliver this through charging customers on a per-kWh basis for energy generated on their rooftop, and consumed within their property.

Solar Panels are responsible for the overall system, and are working with various well-established suppliers to the Australian solar and electricity industry, to deliver the elements required to install and operate each individual system.

## **9. Energy Form**

Energy will be electricity, generated solely via a rooftop solar PV system.

The property will retain its primary grid connection with supply through an authorised electricity retailer.

Further details of Solar Panels's energy strategy are contained in Appendix A

## **10. Off-Grid establishment**

Solar Panels's primary business is as an ancillary supplier to the existing grid power network. As such, Solar Panels do not expect to supply to off-grid applications.

## **11. Date of Commencement**

Commencement of operations remain subject to approval of this exemption request, and finalisation of remaining arrangements. Solar Panels would expect to be in a position to commence installing PPA systems during 3<sup>rd</sup> Quarter 2014.

## **12. Mailing address for premises**

Solar Panels is seeking an exemption to allow the PPA to be established at multiple sites. As such, this is not applicable.

## **13. Details of any experience in selling energy**

### **1. Experience in selling energy:**

Solar Panels is a newly established business, formed specifically to develop and deliver this PPA offering. As such, Solar Panels has no direct experience in retailing electricity.

Solar Panels's main sponsor is Angeleno Group, a US-headquartered private equity firm with USD 500m assets under management. Angeleno Group specialise in clean energy investing, and with a strong track record in solar-related investments ([angelenogroup.com](http://angelenogroup.com)). Angeleno Group were the former majority shareholder of Nu Energy, which was Australia's largest solar

installation company in recent years. Today Angeleno Group is the majority shareholder of Click Energy, a fast growing Melbourne-based national electricity retailer.

## **2. In-house/Outsourced Activities:**

Solar Panels will utilise the deep experience that currently exists within the Australian solar energy marketplace. Solar Panels's unique skills are in developing the IP and funding required to successfully deliver a PPA offer to the marketplace. Most "functional" activity will be contracted to 3<sup>rd</sup> party providers with proven relevant experience, under tightly defined operational agreements and close governance. As Solar Panels will have a long-term stake in each solar PV installation, only proven high-quality equipment suppliers and contractors will be utilised.

Third-party operations will include:

- Call Centre and Customer Service operations
- System design, installation and whole-of-life operation
- System generation monitoring
- Metering and meter data provision to required standards (where required)
- Billing and payments

## **14. Exemptions or Retail Licences held**

Solar Panels is a newly established business, formed specifically to develop and deliver this PPA offering. As such, it has no current or prior exemptions or licences.

## **15. Continuity of Supply**

Solar Panels provides an ancillary supply of electricity only. Primary supply, along with all related obligations, is provided by the grid electricity retailer of choice of the customer. Should supply from the Solar Panels-owned solar system be in any way compromised, full electricity needs to the property would be fulfilled by the grid retailer.

## **PARTICULARS RELATING TO NATURE & SCOPE OF OPERATIONS**

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### **1. Will customers be our tenants?**

No.

### **2. Provision of Other Services; Contractual Arrangements**

The only commercial relationship Solar Panels will hold for each site will be for the installation and maintenance of equipment at the site and the provision of electricity generated from the rooftop solar PV system.

### **3. Total Number of Dwellings at the site**

Solar Panels is seeking an exemption to allow the PPA to be established at multiple sites. As such, this is not applicable.

### **4. On-selling Energy**

Solar Panels will only be selling the electricity sourced from the solar PV system installed on each specific property. For more information see Appendix A.

### **5. Bulk Purchase of Energy**

Solar Panels will not be purchasing any electricity from the marketplace.

### **6. Estimated Annual Amount of Electricity to be Sold**

Solar Panels will not be re-selling any electricity. Solar Panels will only be selling the electricity sourced from the solar PV system installed on each specific property. Details of the Estimated Amount of Electricity to be sold are in Appendix B.

### **7. Customers contained to a controlled site?**

Solar Panels is seeking an exemption to allow the PPA to be established at multiple sites, none of which are owned, controlled or operated by Solar Panels. As such, this is not applicable.

### **8. Metering of Premises**

Each premises will be metered for both grid power and solar. This will be achieved through smart (interval) meter(s) applicable for the regulatory environment that exists in each location, using a contracted 3<sup>rd</sup> party Meter Data Provider (MDP) who is fully accredited.

#### **9. Meter Type**

Solar Panels will use remotely read interval meters (Type 4), which meet all required standards for the applicable location.

#### **10. Meter Accuracy Standards**

The meters will comply with all relevant Australian Standards and National Measurement Act criteria, as would be applicable for an authorised electricity retailer.

#### **11. Meter Reading Frequency**

Solar Panels will contract all metering and meter data to an accredited Meter Data Provider. Solar Panels will receive meter data from our MDP's daily.

#### **12. Determining Energy Charges if not Separately Metered**

All customers will be separately metered for grid and solar PPA consumption, with each supplier being separately responsible for their respective charges and billing processes.

#### **13. Customer Billing**

Solar Panels will contract a 3<sup>rd</sup> party billing agent. The billing agent to be utilised by Solar Panels is a market leader in the retail electricity sector, and provides a complete data-to-cash billing service, consistent with that provided by an authorised electricity Retailer.

#### **14. Dispute Resolution Procedures**

Solar Panels will adopt an industry standard dispute resolution procedure. This is detailed in Appendix C.

#### **15. Rebates or Concessions**

The Solar Panels customer offering will have no rebates or concessions.

## **16. Energy Efficiency**

The Solar Panels PPA only relates to solar power usage. As a part of the service to be provided, Solar Panels will work with the customer to assist them to manage their electricity consumption, and to maximise the availability of solar power utilisation.

Having full data available will allow Solar Panels to make suggestions on a data-driven basis, and from time-to-time to help the customer to understand and cost the benefits of changing behaviours or appliances.

Solar Panels may, at its discretion, from time-to-time provide group-purchase offers for its customers, for proven products to assist in improving energy efficiency (eg LED light globe replacements, etc).

## **17. Additional Information**

APPENDIX A: Energy Strategy

APPENDIX B: Estimated Energy Amount

APPENDIX C: Additional matters requested by the AER

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