



Individual Exemption and Embedded Network Conversion Application

Site: Wattle Rd

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Document Control

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Project details

1 Introduction

1.1 Document Intent

The Applicant is applying to convert an existing building into an embedded network at four (4) lot residential building located at 12 Wattle Rd, Rothwell QLD. The building and all units are owned by the Applicant, who is also the landlord.

This is a Brownfield (retrofit) project which will include the sharing of solar energy amongst the tenants to reduce energy costs over the long term and provide price protection for the tenants against events like the recent energy crisis.

According to AER information, the Applicant is required to:

1. Apply to the AER for an Individual Retail Exemption and an Embedded Network Retrofit Assessment in accordance with the [Retail Exempt Selling Guideline](#)
And
2. Run a marketing campaign and meet the eligibility requirements of clause 4.9 of the [Network Exemptions Guideline \(pg 73\)](#)

Please Note: All Attachments and Sections identified as such are Confidential in Confidence.





1.2 Applicant Background
Confidential in Confidence

1.3 Project Background
Confidential in Confidence

2 Key Points of Concern Addressed

2.1 How The Applicant is ensuring the residents of the Site are significantly better off than their existing supply arrangements.

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2.2 The Applicant has secured significant resident support for the project.

The owner of units and the residents are in favour of the project.

The Applicant has gained 100% consent from the residents of the Site.

Of the 0 who did not provide their consent, the reasons can be summarized as:

<ul style="list-style-type: none">• NA	
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2.3 The Applicant's process for those stating they do not wish to proceed.

NA

2.4 Marketing

In October 2022, The Applicant commenced a marketing campaign that sought to educate the residents of additional savings opportunity that can be achieved through a bulk electricity supply arrangement (Embedded Network).

The Applicant set-out to clearly and fully disclose all relevant facts that will impact the residents. The information distributed via email and mail, in addition to several consultations ensured all residents were provided with sufficient information to make an informed decision.

3 Application for Individual Retail Exemption and Embedded Network Retrofit Assessment

3.1 General information requirements

#	Item	Response
1.	Applicants Legal name	Daniel Joll
2.	Trading Name	As Above
3.	ABN	NA
4.	Registered Postal Address	Daniel Joll C/- Harcourts 1/260 Oxley Avenue Margate QLD 4019
5.	Nominated contact person	<p>Owners contact details: Daniel Joll [REDACTED] [REDACTED]</p> <p>Secondary contact: Daniel Owen [REDACTED] [REDACTED]</p> <p>Consultant: Ben Humphreys Managing Director Humenergy Group Pty Ltd Suite 1702, 56 Scarborough Street, QLD 4215 [REDACTED] [REDACTED]</p>
6.	Why you are seeking an individual exemption, and why you consider an individual exemption is appropriate to your circumstances (rather than a retailer authorisation or registrable class exemption)	The applicant's objective is to establish a bulk electricity supply arrangement for the residential complex that will deliver significant savings over the existing traditional supply arrangements.
7.	Site Address	12 Wattle Road, Rothwell QLD 4022 This residential apartment block comprising of 4 residential units.
8.	The primary activity of your business	The primary business activity of the applicant is an employee in the resources industry and a landlord. Energy onselling is incidental to the Applicants core

		business.
9.	The form of energy for which you are seeking the individual exemption	Electricity and Solar Electricity
10.	Whether you are establishing, or have established, energy supply in an area where there are no other viable energy supply arrangements available	The scheme is an existing dwelling with an established energy supply via traditional arrangements. It is the objective of the Applicant to establish a more cost-effective electricity supply arrangement and deliver significantly lower electricity charges for the residents and committee for common usage, than otherwise achievable through the current traditional electricity retail arrangement.
11.	The date from which you intend to start selling energy	The Applicant has commenced selling energy under deemed exemption. This application is to convert the site to an embedded network and add solar. The Applicant plans to physically convert the scheme as soon as possible depending on the receipt of the necessary regulatory approvals. We request approval by the 30 th April 2023.
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.	Daniel Owen and Daniel Joll C/- Harcourts 1/260 Oxley Avenue Margate QLD 4019
13.	Details of your (or your agent's) energy selling experience, for example: • date/s and location/s of previous operations • form/s of energy sold • scale of operations (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 no experience in onselling energy but has engaged Humenergy to provide consulting services. Humenergy is an authorised electricity and gas retailer within the NEM, in the states of Queensland, New South Wales, the Australia Capital Territory and South Australia. Servicing thousands of customers across these states, in addition to being an accredited Embedded Network Manager.
14.	Whether you currently hold; or have previously held; or been refused an energy selling exemption or a retail licence (retailer authorisation) in any state or territory. If so, please provide details (including any relevant AER	The applicant does not hold any exemptions other than deemed exemptions to onsell electricity to less than 10 residents.

	reference number/s).	
15.	<p>Whether you have made arrangements in the event that you can no longer continue supplying energy (for example, whether the retailer that sells to you has agreed that they will service the customers).</p>	<p>In the event of the Applicant being unable to continue because of business failure, as a substitute for RoLR protections there will be in place arrangements to ensure continuance of electricity supply. These arrangements are as follows:</p> <ul style="list-style-type: none"> (a) The Applicant will not be a Financially Responsible Market Participant (FRMP) for any NMI meter. (b) The parent meter in the embedded network will be supplied electricity via a retail contract with a third-party retailer, with the third-party retailer being the Financially Responsible Market Participant (c) The electricity account holder for the parent meter will be held in the Applicant's name, and will be novated to the entity replacing the Applicant thus ensuring continuity of supply to the parent meter. (d) Property owners and property tenants within the embedded networks have 'Power of Choice' under existing legislation thus have the ability and right to source retail contracts from alternative electricity retailers. (e) All meters installed within the embedded network are NEM compliant. (f) The physical assets of the embedded network, i.e., wiring and meters, will be held in the the Applicant's name and will be novated to the entity replacing the Applicant thus ensuring continuity of supply to the end user meters within the embedded network.

3.2 Part 2: Particulars relating to the nature and scope of the proposed operations

#	Item	Response
16.	Will your customers be your tenants? If so, are they residential or commercial/retail?	Residential tenants of the Applicant
17.	Will you be providing other services, aside from energy, to persons on the site (for example, accommodation/leasing of property)? If yes, specify these services and the contractual or leasing arrangements under which you are providing them.	Residential leasing under normal RTA contracts.
18.	What is the total number of customers at the site? Please provide a breakdown between residential, retail and commercial customers (include whether they are small or large, as defined for the jurisdiction in which you intend to operate).	4 small residential
19.	Will any customers be 'wired out' of the embedded network (i.e. because they did not consent to the network conversion)? If so, please provide the number of such customers, broken down between residential, retail and commercial customers (include whether they are small or large, as defined in the jurisdiction in which you intend to operate). Note: This question only applies to retrofit applications.	No, 100% consent.
20.	Will you be on-selling energy purchased from an authorised retailer or purchasing it directly from the wholesale market?	Purchasing from an authorised retailer
21.	What is the estimated annual aggregate 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 (residential customers, retail or commercial customers)?	12,000 kWh 8kWh/day per customer
22.	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
23.	Will each premises/dwelling be separately metered? If not, and the application is for a new development/retrofit, please explain why not and how you intend to determine energy charges?	Yes Smart meters will be installed for each unit.

24.	Will meters allow your customers to change retailers (i.e. not buy their energy from you) as required by the Network Exemptions Guideline? Please specify the types of meters to be installed at the site.	Yes, the smart meters will be market and power of choice compliant
25.	In what form, and how often, will you bill your customers? Will you be issuing bills yourself or through a billing agent?	The Applicant or Applicants' agent will invoice tenants no less frequently than quarterly with invoices consistent with the relevant legislation.
26.	What dispute resolution procedures do you intend to put in place to deal with energy related complaints and issues? Confirm that your dispute resolution policy is consistent Retail Exempt Selling Guideline – version 6 – July 2022 56 with the Australian Standards, as amended from time to time. Please provide a copy of the relevant policy	See Attachment A - Embedded Network Information Packs Distributed to Tenants, A6 Supply Agreement Clause 14 and 15
27.	Are you a member of a recognised energy industry ombudsman scheme in the jurisdiction/s in which you intend to on-sell energy to residential customers? If not, have you taken steps to become a member? Please provide supporting evidence or explain steps taken to obtain membership. Supporting evidence should include an ombudsman membership application reference number if attainable from the relevant ombudsman.	No
28.	Do you have any further information that would assist us to assess your application?	No

3.3 Part 3: Converting embedded networks (retrofitting)

#	Item	Response
29.	Provide evidence of supplying information: you are proposing to retrofit the site as an embedded network, which requires metering changes and the pros and cons of being an embedded network customer; and	See Attachment A - Embedded Network Information Packs Distributed to Tenants
30.	Provide evidence of supplying information: customers retain the right to contract with a retailer of choice even after inclusion in the embedded network (except where this right does not exist due to jurisdictional legislation); and	See Attachment A - Embedded Network Information Packs Distributed to Tenants

31.	Provide evidence of supplying information: to exercise their right to a retailer of choice, customers may need to enter into an 'energy only' contract, which is offered at retailers' discretion and may be difficult to obtain; and	See Attachment A - Embedded Network Information Packs Distributed to Tenants
32.	Provide evidence of supplying information: customers in embedded networks may not receive the same protections as those of an authorised retailer under the Retail Law.	See Attachment A - Embedded Network Information Packs Distributed to Tenants
33.	Provide evidence: your electricity sales agreement, which details all fees and tariffs; and	See Attachment A - Embedded Network Information Packs Distributed to Tenants
34.	Provide evidence: contact details of a representative from your company to answer any queries or concerns about the proposed retrofit.	Consultant: Ben Humphreys [REDACTED] [REDACTED]
35.	provide evidence of the explicit informed consent;	See Attachment B – Explicit Informed Consents
36.	confirm the explicit informed consent percentage calculation for total customers affected by the proposed retrofit; and	100%
37.	confirm that you sought consent separately from customers for the proposed retrofit and the energy sale agreement; and	See separate Attachment B Explicit Form Consent and Attachment C Supply Agreements
38.	provide dated records of consultation and meetings with all customers affected by the proposed retrofit, identifying and recording any non-consent and the reasons for non-consent; and	Attachment D Communication Records 100% consent achieved.
39.	provide evidence of your attempts to resolve any customer concerns relating to the proposed retrofit.	NA, 100% consent achieved.
40.	you must confirm whether you have: sought advice from the distributor about whether non-consenting customers can be wired out of the embedded network. Please provide evidence of advice sought/received and details of any available 'wiring out' options; and	It is possible to wire out non-consenting customers, but 100% consent was obtained.
41.	taken steps to ensure customers who wish to remain with their retailer, but cannot be wired out, will not be financially disadvantaged by the	It is possible to wire out non-consenting customers, but 100%

	retrofit. Measures to reduce financial detriment are likely to include price matching for affected customers, and taking financial responsibility for any double billing of network charges.	consent was obtained.
42.	Provide evidence that you have advised customers of your dispute resolution process and the available options for external dispute resolution, such as ombudsman schemes. For individual exemptions relating to retrofits, we will assess the need for ombudsman scheme membership on a case-by-case basis.	See Attachment A - Embedded Network Information Packs Distributed to Tenants, A6 Supply Agreement Clause 14 and 15
43.	You must confirm you have advised customers of the AER's consultation process. In particular, you must make customers aware that the AER will: a) consult on individual exemption applications b) publish your application on its website c) invite public submissions on your application from interested stakeholders, and d) ensure that the public consultation period runs for at least 20 business days.	Yes

4 Network Exemption Guideline 4.9 Conversion of an existing site (Brownfield conversion)

4.1 Marketing campaign

The applicant has formulated an Information Pack to the residents that includes an on-going education program that has clearly, fully, and adequately disclosed information as required. A summary of marketing activities undertaken by applicant:

- Include in tenancy agreement that landlord will sell electricity to tenants
- Late Oct 2022 – Advise residents of the intention to create an embedded network and provided a comprehensive information pack
- Oct-Nov 2022 – correspond directly, verbally and in writing with residents, and address any queries and concerns.
- 14th Nov 2022 – After consultation and review of existing pricing, final pricing set at significantly below residents current offers. Residents agree and are happy to support project.
- End Nov 2022 - All residents sign explicit informed consent pack

4.2 Details of acceptance percentage obtained.

As of the date of this submission, 100% of the Residential Tenants to be included in the embedded network have provided such consent. The Applicant continues its efforts to answer any customer queries.

4.3 Views of Customers

The applicant has taken the concerns and views of the customers seriously with any questions being addressed, via phone, email, and consultations.

4.4 Mitigation of concerns and undertaking to observe conditions 4.9.1 to 4.9.6 Network Exemption guidelines

The applicant has taken all reasonable steps and efforts to mitigate concerns pertaining to conditions 4.9.1 – 4.9.6. The following covers the efforts undertaken by the applicant:

4.4.1 4.9.1 Provision of retrofit information:

The applicant has provided notice, by letter, to all tenants at the retrofit location, of the plan to install an embedded or exempt network at the site that has clearly, fully and adequately disclosed information as required in the Network Exemption Guideline. The Applicant's information pack included:

- (a) a written notice which provides the tenant/resident with information concerning:
 - I. the tenant/resident's right to choose their own retailer, even within an embedded or exempt network
 - II. the tenant/resident's ability to enter an energy only contract with an authorised electricity retailer

- III. the obligations regarding electricity offer matching, as set out in conditions 4.9.3 and 4.9.4
- IV. the obligations regarding duplication of network fees, as set out in condition 4.9.5.
 - i. a copy of the electricity sales agreement to be offered by the exempt person
 - ii. the contact details of a representative of the prospective Exempt Network Operator who will address any concerns and queries relating to the planned retrofit

4.4.2 4.9.2 Collecting and recording explicit informed consent

The Applicant has provided the resident with the information set out in condition 4.9.1t. The applicant has retained copies of the information provided to residents, in addition to consultations and meetings held with the residents. The applicant has record of residents who have both consented and not consented and the reasons for non-consent. In addition, understand that these records must be kept for a period of two years.

4.4.3 4.9.3 Offer matching for large customers

Not applicable

4.4.4 4.9.4 Offer matching for small customers

The Applicant intends to provide the residents energy at a rate that is at least equivalent to current market offers and lower than the default market offer the relevant distribution zone. Where presented with an offer that is more competitive than the Applicants, the Applicant will offer tariffs equal to, or less than the customers' existing tariffs (i.e price match).

4.4.5 4.9.5 Duplication of network charges

In the event a resident wish to move on-market, the Applicant will ensure to act fairly and in a timely manner to remedy any duplication of network charges experienced by tenants/residents who have entered an energy supply contract with an authorised retailer.

4.4.6 4.9.6 Metering arrangements

The Applicant understands that they must bear the costs of any changes to metering and other network alterations that take place during the retrofitting of the exempt network. The applicant will ensure that the metering arrangements within the exempt network are in accordance with energy legislation at the time of the retrofit.

4.5 Supporting Information

4.5.1 Total number of customers at the site

Total lots within the site are 4 residential units.

4.5.2 Will each premises/dwelling be separately metered?

Each premise is individually metered and will be invoiced at a frequency in accordance with energy legislation, based on the individual's metered consumption.

4.5.3 Energy rebates and concession

The applicant will facilitate any relevant energy rebates and concessions applicable to the residents within the scheme.

4.5.4 Complaints and disputes

The Applicant will handle complaints and disputes policy which will be provided to each customer upon sign up and upon as the customer's request. Although the Applicant will endeavor to resolve each complaint as per their policy, the Applicant will also inform the End-User of their ability to escalate their complaint to the relevant ombudsman body for their state, in the case they are not satisfied with our handling of their complaint.

4.5.5 You have advised tenants /customers that you are planning to retrofit the site as an embedded network.

The Information Pack includes the following confirmations:

- The Occupant has been advised of the differences between being a standard retail customer connected to the national electricity grid and being a customer of the embedded network.
- The Occupant has been advised that once the embedded network is established that the Applicant will provide a retail offer for their consideration. However, the Occupant is under no obligation to accept or take up the retail offering; and
- That you have provided your informed consent to the establishment of an embedded network.
- Copy of the advice given tenants / customers about the proposed retrofit. This advice included details about how the conversion will affect the tenants' / customers' ability to access a retailer of choice.

5 Attachments

Attached Appendices are provided on a commercial in confidence basis.

Item	Title	Commercial in Confidence
A	Embedded Network Information Packs Distributed to Tenants A Cover Letter A1 Energy Price Fact Sheet A2 Embedded Network Informed Consent (EIC) Form A3 AER Fact Sheet - Embedded Network Conversions (Retrofits) - Authorised On-sellers A4 How to access an authorised retailer of your choice if you live in an embedded network-july-2022 A5 Embedded Network Conversion FAQ – General A6 Supply Agreement A7 Embedded Network Opt- Out Policy – General A8 Form 500 Electricity Rebate Application	Yes
B	Explicit Informed Consents Signed	Yes
C	Supply Agreements Signed	Yes
D	Communication Records D1 D2 D3 D4	Yes