



ENERGY RETAIL AUTHORISATION APPLICATION

EVERGY PTY LTD

PREPARED WITH

COMPLIANCE QUARTER | Suite 2.03, 4 Ilya Avenue Erina NSW 2250

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1. INTRODUCTION

This is an application by Evergy Pty Ltd (ABN 56 623 005 836) (**Evergy**) for a retailer authorisation for the sale of electricity in New South Wales. Evergy is an Australian proprietary company, limited by shares.

This application consists of the following:

- Part One of this document provides the Required Information: general particulars;
- Part Two of this document provides the Required information: organizational and technical capacity;
- Part Three of this document provides the Required information: financial resource;
- Part Four of this document provides the Required information: suitability; and
- Attachments to this document, as referenced throughout.

Documents marked as 'Commercial in Confidence' do not form part of the public component of this application.

2. PART ONE: REQUIRED INFORMATION – GENERAL PARTICULARS

Legal name:	The applicant is Evergy Pty Ltd (ABN 56 623 005 836) (Evergy).
Trading name:	As above.
ABN:	56 623 005 836
ACN:	623 005 836
Registered	22 November 2017
Business Address:	101/25 Angas St, Meadowbank NSW 2114
Postal address:	As above.
Contact person:	Name: Connor James Position: Consultant Address: Suite 2.03, 4 Ilya Avenue Erina NSW 2250 Email: connor@compliancequarter.com.au Mobile: 0406 509 198 Website: www.compliancequarter.com.au
Form of energy:	Electricity
Commencement date:	30 March 2018
Jurisdictions:	Those states that have adopted the National Energy Consumer Framework.
Type of customers:	Residential and commercial

2.1. Nature and scope of operations

The applicant is the energy-arm of the property development and project management company Billbergia Group Pty Limited (**Billbergia**). Billbergia is dedicated to developing quality living environments through the creation of well-planned, accessible communities that promote a healthy lifestyle, sustainable living and stimulating social interaction.

Billbergia incorporated Evergy for the specific purpose of selling electricity, gas and thermal energy to the tenants and residents of the residential apartment buildings and shopping centres Billbergia develops and / or owns.

To meet its energy pricing and environmental goals, Evergy intends to invest in and make use of:

- Embedded networks within Billbergia's developments;
- On-site renewable energy generation;
- Energy storage devices such as batteries; and
- An efficient, centralised thermal plant.

Billbergia is committed to Ecologically Sustainable Development and the improvement of environmental performance across its projects and corporate operations. This commitment includes waste minimisation and pollution control policies. Measurable environmental objectives and targets have been established to ensure the performance of the group's environmental management system.

Evergy will sell electricity to occupants of embedded electrical networks within those developments that Billbergia owns, manages, controls or has had some other involvement with. By purchasing electricity at the 'gate meter' at a discounted rate, the applicant will be able to on-sell that electricity at a reduced rate to occupants of the embedded electrical network.

Evergy will be focused on supplying energy to the residents and tenants of two of Billbergia's projects currently under construction.

The applicant will ensure that its customers have a choice of supplier. Customer retention will be achieved by ensuring that offers are competitive and by ensuring that customers enjoy excellent service.

Please refer to the **Business Plan (Annexure B)**, provided on a commercial in confidence basis, for a more detailed discussion of Evergy's operations.

3. PART TWO: REQUIRED INFORMATION – ORGANIZATIONAL AND TECHNICAL CAPACITY

Please find information below and attached demonstrating Evergy's organisational and technical capacity. By operating within a large organisation, Evergy has access to significant project management, risk management, financial management, and operational expertise.

As noted above, the day to day energy retail functions of Evergy will be carried out by a well-known and well-established third-party provider while responsibility for the delivery of services will remain with Evergy. Extensive due diligence has been carried out on this third-party provider and a comprehensive foundation for their management has been established including within **Evergy's third-party management process (Annexure S)** and within the contractual documentation between the parties.

Both Evergy's internal resources and those accessed by the third-party provider will be subject to Evergy's extensive compliance plan.

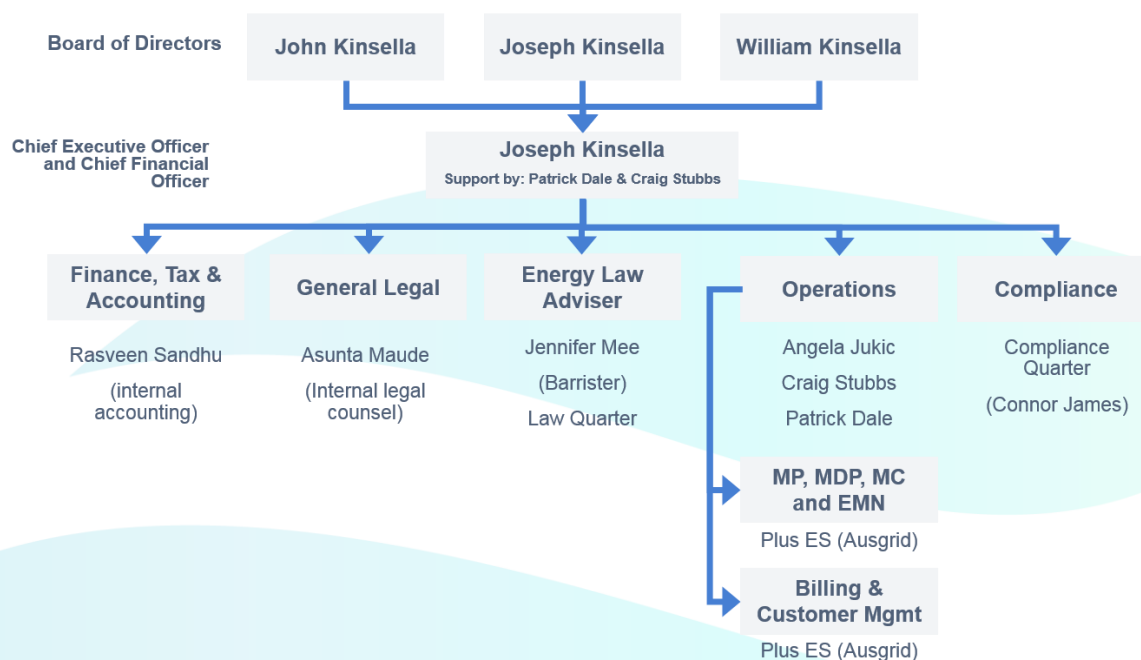
3.1. Details of previous experience as an energy retailer

Evergy is a newly established business which draws experience from individuals and organisations with significant energy retail experience. Details of individuals and organisations involved in the Evergy operation are explained in **Annexure A**, provided on a commercial in confidence basis.

An energy retailer who operates within embedded networks has no direct exposure to the wholesale market. This reduces the need to have risk management and procurement staff with experience in the wholesale market. Evergy's exposure will be limited to the supply contract at the 'gate meter.' As can be seen from Evergy's Risk Management Policy, the risks associated with supply to the gate meter have been extensively mapped, with appropriate controls put in place. Evergy's access to staff within Billbergia will ensure that it is able to manage the procurement process and the 'gate meter' supply contract.

Below is an organisational chart that shows the positions that will be managed both within Evergy and by external providers.

3.2. Organisational Chart



3.3. Summary of qualifications, technical skills and experience of Evergy officers and suppliers

Joseph Kinsella, Chief Executive Officer

Joseph Kinsella has a Bachelor's degree in Construction Management and Property (Major in Property Development)

Joseph Kinsella is a development manager with 5 years of experience having been involved in delivering mixed-use high density residential developments, retail centres and public infrastructure projects.

Having started in 2012 as a junior contracts administrator in the construction arm of Billbergia Group, Joseph quickly transitioned into the development arm where he has since been intimately involved in the development of more than 3000 apartments and two shopping centres over multiple developments with more in the pipeline. In conjunction with these developments Joseph has been involved in the negotiation and delivery of public infrastructure through Voluntary Planning Agreements with multiple

government agencies. He is a member of The Board of Management for the Billbergia Group of companies.

Joseph Kinsella is the founder of Structure Building Management a facilities management group in management of over 1500 Lots, demonstrating his versatility and entrepreneurial ability to traverse new ventures.

Joseph Kinsella is involved within Billbergia's associated philanthropic organisation being the Hope For Cambodian Children organisation who support impoverished children through education, healthcare and housing in the Battambang region of Cambodia.

Angela Jukic, Commercial Operations Manager

Angela Jukic has extensive operational experience in the National Electricity Market developed through her 20 years of service at Ausgrid (formerly EnergyAustralia). Ausgrid is a large and significant Australian energy business with a strong focus on compliance and safety.

Angela's experience commenced in 1997 in the early years of the National Electricity Market. At that time, she was employed in the area metering support services at Testing and Certification Australia which provided the foundation of her knowledge of contestable metering services for large customers. Angela then moved on to EnergyAustralia's Retail division, developing her knowledge of small and large customer transfers and mass market contract management for residential and commercial gas and electricity customers. Angela's next roles were in the National Electricity Market Support group at Ausgrid. The group provided operational support services for Ausgrid's network business including transfers, B2B services and network billing.

In the National Electricity Market Support group Angela performed a number of roles including that of Service Officer and Acting Team Leader, with her most significant role being that of Business Analyst for the group for over 10 years. As a Business Analyst, Angela obtained very detailed knowledge of energy business revenue processes from meter to invoice. Her experience encompasses processes including meter reading validation, bill calculation, invoice preparation, invoice dispatch, dispute processing and payment collection. She also has knowledge of NEM B2B processes, metering field services, the application of energy tariffs and tariff maintenance. Angela also has significant project experience including process automation and quality initiatives. She

has also been involved in regular system changes for MSATS Consumer Administration and Transfer Solution (CATS) and B2B Procedures updates.

Angela's range of experience means she understands the obligations of the various market participants including retailers, meter providers, meter data agents, and distribution network service providers.

Angela Jukic has a Bachelor's degree in Environmental Engineering (Honours) from the University of New South Wales.

Craig Stubbs, Operations Support

Craig Stubbs was with the ANZ Banking Group for 23 years. During this period Craig acquired significant experiences across both business and commercial banking sectors. His most recent role was as the regional executive of Commercial Banking in Sydney. He led the transformation of relationship specialists to industry groups including medical and energy. He was also a member of The Eastern Seaboard Strategic change committee. Craig is a strong team builder and facilitator, fosters an atmosphere that encourages highly talented professionals to balance high level skills with maximum production.

Craig established Yellow Co in 2006, which provides management consultancy to larger emerging SME's to assist with manage growth and cash flow with a mix of capital, investment or debt.

Craig has been with Billbergia for the past eight years in the role of General Manager. His current responsibilities for the Billbergia group of companies include group structure including establishment of SPV's, the establishment/review of joint venture agreements, undertakes both internal and external funding requirements, administration/operations, human resources including internal policies and risk mitigation. Craig is a current member of The Board of Management for the Billbergia Group of companies.

Craig holds a Bachelor of Accounting and Bachelor of Business with a major in Banking and Finance.

Assunta Maude, Legal Support

- Assunta Maude, LLB (Hons)

- Solicitor of the Supreme Court of NSW
- Member of the Law Society of NSW

Assunta Maude has been employed as Senior General Counsel in corporate organisations for over 20 years and has extensive experience in property, commercial, lending, leasing and in building and construction law.

This diverse range of experience and exposure to commercial matters have contributed to a strong skill set and practical commercial approach together with a thorough understanding and knowledge of the legal process and familiarity with associated documentation in conveyancing, property and commercial transactions generally.

Assunta manages the provision of a full spectrum of legal, risk and compliance services to support corporate level transactions and the operations of business units within Billbergia. Reporting to the Directors she works collaboratively with the senior leadership to ensure all operations of the organisation are conducted within the limits prescribed by law and that the organisation's rights are fully protected through the provision of sound legal counsel and guidance.

Jennifer Mee, Legal Support

Jennifer Mee is a barrister who has been retained directly by the applicant to provide legal advice in relation to various aspects of the applicant's operations and contracts.

Jennifer has over 20 years' experience as a lawyer, including positions as partner of global and national law firms.

Jennifer has been advising energy retailers on numerous matters since the original introduction of competition in energy retail markets, and throughout the development of regulatory changes to those markets, including on issues such as regulatory compliance, customer contracts, energy pricing, energy retail market rules, B2B procedures, sales channels, sales scripts, advertising material, consumer law compliance, unsolicited consumer agreements, competition issues, new product development, metering, privacy, e-commerce, customer credit, complaints handling, dispute resolution, and engagement with regulatory bodies.

Jennifer has drafted, rewritten or amended electricity and gas customer supply contracts for both large and small customers for numerous retailers, including customer

communications and collateral, and provided a number of related advices on regulatory issues and commercial approaches. She has advised on issues relating to customer consents, customer contract renewals, billing matters, customer transfers, pricing (including price representations and price variations), the calculation of early termination fees, recovery of meter testing costs, and privacy. She has prepared contracts relating to embedded networks, the procurement of contestable metering services, broker agreements, branding and sponsorship agreements. She has also advised retailers on customer disputes and assisted in relation to regulatory investigations.

Patrick Dale, Contractor

Patrick is a commercial, energy and financial adviser specialising in embedded energy.

Patrick has played a lead role a number of complex and ground-breaking energy projects in the property sector including Frasers' Central Park development, which includes embedded networks and a large district thermal energy plant.

Patrick's clients include Crown Group which has embedded networks with Flow Systems and Origin Energy and Frasers Property Group's Real Utilities business. Patrick played a central role in the establishment of Real Utilities, including its application for an energy retail licence. He continues to assist Real Utilities with the establishment and management of its operations.

Patrick provides commercial and operational support advice to property developers and registered network service providers in respect of establishing and operating embedded networks. Patrick has also provided general energy advice in respect of the design and operation of large social infrastructure assets including hospitals and prisons.

Patrick was previously Co-Head of Environmental Finance at the National Australia Bank and has held a range of other positions at banks and financial services companies including National Australia Bank, AMP Capital Investors and Citibank.

Patrick holds a current Australian Financial Services Licence, has Bachelor of engineering (Chem.) and a Graduate Diploma of Applied Finance and Investment.

Rasveen Sandhu, Finance, Tax and Accounting Manager

Rasveen Sandhu is a highly qualified accountant with 15 years' experience and extensive knowledge of accounting principles, taxation policies and income tax procedures.

Rasveen is proactive and results oriented and experience in all aspects of financial management. She is well disciplined with proven ability to manage multiple assignments and efficiently under extreme pressure while meeting tight dead line schedules.

Rasveen has been with Billbergia for the past 11 years and her current position is that of Finance Manager. In this role her responsibilities include all the financial and management accounting operations of the Billbergia Group. She is a member of The Board of Management for the Billbergia Group of companies.

Rasveen has a Bachelor of Commerce with a graduate diploma in Accounting and a Masters in Professional Accounting. She has held CPA Membership for the last 10 years.

Jiri Volejnik ,Marketing and Communications Manager

Bachelor of Marketing and Communications / Certificate IV in Business Administration

Jiri Volejnik joined Billbergia Group in 2016 as a marketing coordinator. In seven years working in the marketing and graphic design industry he has gained an extensive experience in the field. Jiri has developed a strong skillset that contributes to accomplishing company's business goals.

Jiri is currently managing various marketing and branding projects for Billbergia Group and Evergy and strives to push the brand development and marketing efforts to the new levels. Working closely with sales, operations and development teams he's quickly gaining skills in business operations, organization, communication and teamwork.

Rob Allen, IT support

Rob Allen manages the IT support and services for the Billbergia Group. Rob Allen is an expert in setting up, implementing and managing IT infrastructure on a project by project basis and for the Billbergia Group as a whole.

Rob Allen has been with Billbergia for over 20 years holding multiple roles over that period being project manager, development manager, R&D manager and IT Manager.

Rob Allen has a Bachelor in Architecture and Structural Engineering.

Connor James, Compliance Lead/ Manager

Connor is a solicitor with a current practising certificate. Connor has worked for a number of organisations in house, including ASX listed entities.

Connor worked as consulting principal and special counsel with Nexus Law Group, partner with Law Quarter and General Manager Legal and Regulatory with Redback Technologies and Urban Group Australia.

Connor's experience extends from commercial and corporate law to work health and safety. Connor's clients include many of Australia's leading businesses and businesses with an international presence such as Sony, Hilton Hotels, Smart Commercial Solar, Apex Energy, Discover Energy, JLL and Jemena.

3.4. Summary of third party providers

Various operational processes have been and will be outsourced to 3rd party suppliers listed below. These services and their suppliers will be overseen by Evergy staff and contractors. Evergy utilises Billbergia's disciplined 3rd party contractor and service provider management process [which is included in the application at Annexure S].

3.4.1. METER PROVIDER

Evergy has appointed Plus ES (Ausgrid) as its Meter Provider.

Evergy sought competitive offers from a number of meter providers and has selected Plus ES (Ausgrid) based on the:

- Breadth and functionality of its product range;
- Extent and responsiveness of local product support;
- Quality of staff, their capability, skills and experience; and
- Product value.

Plus ES (Ausgrid) supply the EDMI metering range which is pattern approved and meets the prescribed NMI requirements. Plus ES (Ausgrid) configure the EDMI meters to suit

Ausgrid's MDA platform and for other specific customer requirements. EDMI is one of the leading smart metering providers in the world.

3.4.2. METER DATA AGENT

Evergy has appointed Plus ES (Ausgrid) as the provider of Meter Data Agency services.

Evergy sought competitive offers from a number of meter providers and has selected Plus ES (Ausgrid) based on the:

- Capability and years of experience providing MDA services;
- Extent and responsiveness of local service support;
- Quality of staff, their capability, skills and experience;
- Value of the service; and
- Ease of integration of Plus ES' (Ausgrid) MDA service with its billing services.

3.4.3. METERING COORDINATOR

Evergy has appointed Plus ES (Ausgrid) to fulfill the role of Metering Coordinator on behalf of Evergy.

3.4.4. EMBEDDED NETWORK MANAGER

As required by Australian Energy Law, Evergy has engaged Plus ES (Ausgrid) as its Embedded Network Manager. Plus ES (Ausgrid) holds an Embedded Network Manager accreditation issued by the Australian Energy Market Operator (AEMO).

3.4.5. BILLING

Evergy has procured billing services from Plus ES (Ausgrid).

In recent years Plus ES (Ausgrid) has rapidly become one of the largest providers of billing services to embedded network operators in Australia.

Large numbers of embedded networks, including those managed under retail licence are now billed through Plus ES' (Ausgrid) billing platform.

3.4.6. CUSTOMER SERVICE

Evergy has appointed Plus ES (Ausgrid) to provide customer account management and customer management solutions. Plus ES (Ausgrid) provides customer services to thousands of residential and commercial energy customers located in embedded networks, some where the embedded network operator is a licenced retailer.

Plus ES (Ausgrid) will provide the following services to Evergy:

- Billing management including:
 - Invoice preparation;
 - Invoice dispatch;
 - Payment collection;
 - Arrears collection;
 - Debtor management;
 - Payment reminders;
 - Customer connections;
 - Customer disconnections and re-connections; and
 - New customer account creation and customer account closure.
- Customer query and customer experience management; and
- Full digital customer engagement and account management.

3.4.7. COMPLIANCE

Compliance Quarter provides both online and offline compliance management services to a number of licensed electricity retailers. Compliance Quarter's clients include a range of energy suppliers including authorised retailers, embedded network operators, and infrastructure operators. Compliance Quarter will be supplying compliance related services and systems to Evergy.

3.4.8. LEGAL SERVICES

Internal legal services will be provided to Evergy by Billbergia. Billbergia's internal legal team have significant experience in construction law and contract administration.

External legal support has been procured through Evergy's appointment of Jennifer Mee (Barrister) and Law Quarter. Both will provide legal services to Evergy on an ongoing basis.

Jennifer Mee is a highly respected and experienced energy barrister. Jennifer was recently a partner of global law firm K&L Gates and has provided legal advice and services to:

- a number of licenced energy retailers;
- regulated energy network companies; and
- energy start-ups.

Jennifer recently went into private practice and has qualified to practise as a barrister.

3.4.9. DESIGN ENGINEERING

All Billbergia's developments require the services of qualified and experienced design engineers to design electrical, mechanical and hydraulic infrastructure.

Each project's development team selects the project specific design engineering consultant.

Evergy works with each project team and the appointed services engineer to ensure that the:

- electrical metering;
- meter data infrastructure;
- electrical distribution;
- renewable generation;
- hot water plant;
- hot water meters;

- air-conditioning plant; and
- air-conditioning meters,

are properly coordinated and reflects the requirements of the energy users and the development's design intent.

3.5. Third-party controls

Evergy understands the importance of ensuring that third-party vendors who provide services which interact with customers, apply the standards required of an authorised energy retailer. Before entering in to a contract with these vendors Evergy has satisfied itself that the contract includes an obligation to be aware of and apply the current energy retailer obligations for dealing with customers. Also refer to Evergy's third-party management process (Annexure S) which sets out details of the controls in place.

3.6. Third party involvement

Please refer to **Annexure A** provided on a commercial in confidence basis for details on all providers and individuals involved in Evergy.

In appointing individuals and third-party suppliers, Evergy has considered the organisational needs of an energy retailer. The combined experience of the individuals and organisations servicing or employed by Evergy will ensure that it is able to meet the organisational criterion.

3.7. Business Plan

Please refer to **Annexure B**, a copy of Evergy's Business Plan, provided on a commercial in confidence basis.

3.8. Compliance strategy

Evergy's compliance strategy has been established in a manner that is consistent with the

relevant Australian standard, ISO 19600:2014. The objective of Evergy's compliance strategy is to ensure that the company adheres to the requirements of laws, industry and organisational standards and codes, the principles of good governance and accepted community and ethical standards.

The chief executive officer, the board, and senior management of Evergy are committed to the operation of a company that is compliant. This commitment will be demonstrated by:

- Active involvement in the design, development, implementation, maintenance and improvement of the Evergy compliance plan;
- the chief executive officer taking responsibility for ensuring that the commitment of the organisation is fully realised;
- a culture in which compliance is actively encouraged and advocated for;
- an independent compliance manager who reports directly to the Evergy board;
- appropriate allocation of resources to develop, implement, maintain and improve the Evergy compliance plan;
- accountability for compliance within all levels of the organisation;
- demonstrated compliance within comprehensive policies, procedures and processes that are accessible and understandable by all levels of the organisation; and
- continual review and improvement of the compliance plan.

Energy retail is a highly regulated business endeavour in which compliance is of the utmost importance. Evergy understands that the operation of an embedded network business as an authorised entity, as opposed to an exempt operator, comes with significant additional regulatory obligations and oversight. The decision to apply for a retail authorisation reflects the importance that Evergy places on a culture of compliance.

Regulatory obligations of an energy retail business are primarily concerned with protecting consumers, particularly vulnerable consumers. Evergy does not see this as a burden, but rather as complimentary to a key objective of its business which is to provide consumer benefit.

Specific ways that Evergy will implement its compliance plan include:

- The Compliance Committee: Responsible for developing and implementing the compliance program via the development of policies, procedures and training programs;
- Compliance Personnel: Responsible for the day to day oversight of the compliance program of Evergy;
- External Advice: Evergy, as part of its compliance program, obtains advice on compliance and legal issues from a number of qualified external providers;
- Information Technology: Evergy implements a range of technological solutions that aid in the Company's compliance and implementation of the compliance program. These include the Compliance HUB, a cloud-based system that tracks regulatory obligations and assigns various controls against obligations;
- Documentation: Evergy has developed procedures and policies related to operational processes in order to ensure regulatory compliance. These documents are provided to employees to ensure implementation of practices in compliance;
- Compliance Risk Assessments: Evergy actively seeks to identify and reduce the likelihood of breaches of regulatory obligations. A Compliance Risk Assessment will be conducted looking at applicable regulatory obligations, the consequences and likelihood of a breach and appropriate controls;
- Training and Assessment: The aim of compliance training and assessment is to reinforce in all staff the understanding that regulatory compliance is core to Evergy's operations. External training providers will be utilised where appropriate;
- Qualified Staff: Appropriately qualified staff will be employed. Position descriptions will reflect the experience or qualifications required for individual positions and compliance will be considered within the recruitment and human resources management.
- Monitoring and Reporting: Any compliance breaches will be monitored, resolved and reported in accordance reporting obligations.

The Compliance Hub serves as both a historical record of Evergy's compliance program and as a tool to ensure the continual improvement, development, and implementation of the program. The Compliance Hub achieves this by *inter alia* storing all key documentation, i.e. all policies and procedures, publishing key regulatory updates written by experts, identifying version control and changes, delivering and storing records of

training completed, and by maintaining records of access and use of the Compliance Hub.

Please find attached (provided on a commercial in confidence basis):

- **Annexure C:** Evergy Compliance Policy;
- **Annexure D:** Evergy Code of Ethics;
- **Annexure E:** Evergy Compliance Reporting Procedure;
- **Annexure F:** Evergy Hardship Policy;
- **Annexure G:** Evergy Risk Management Policy;
- **Annexure H:** Evergy Complaints Policy;
- **Annexure I:** Evergy Rights Summary for NSW and Qld customers.
- **Annexure P:** Evergy Recruitment and Termination Policy
- **Annexure Q:** Evergy Privacy Policy; and
- **Annexure R:** Evergy Website Notices
- **Annexure S:** Evergy Third-Party Vendor Management Process

3.9. Complaints Management

Evergy has developed an extensive complaints management program. Broadly, Evergy seeks to resolve individual complaints and identify opportunities to make systemic improvements to its customer experience.

The guiding principles for Evergy's complaints management program are contained in AS/ISO 10002-2014. Evergy's complaints management program confirms that complaints will be accepted via a variety of channels. Evergy aims to make the process of lodging a complaint as easy as possible. Evergy seeks to resolve complaints as quickly as possible.

Evergy's complaints management program is connected to its compliance program in that complaints are often indicators of potential areas of non-compliance or areas for improvement. Statistics on the number and type of complaints will be collated and reported to the Australian Energy Regulator in accordance with the Performance Reporting Procedures and Guidelines – June 2012 and the Retail Market Performance Reporting template – Sch A.2 – version 3.0.

3.10. Risk Management Strategy

Evergy ensures that risks to the business are well understood and managed. Risk management aims to achieve an appropriate balance between realising opportunities for gain whilst minimising losses. Evergy has adopted AS/ISO 31000:2009 as a base guidance document for addressing risks and in the development of a risk management policy.

In the context of an energy retailing business, risks are typically categorised into one of three broad areas. These are: operational risk, regulatory risk, and financial risk. For energy retailers that have an exposure to the wholesale market, there are key financial risks within such exposure. For Evergy, as an embedded network-based retailer, there is no exposure to the wholesale market.

Evergy has invested time and resources into a quantitative method of assessing the likelihood and consequence of identified risks. In the identification of potential risks, Evergy has consulted with industry experts and reviewed publicly available material.

The Compliance Hub provides Evergy with a snapshot of its risk management policy and key risk within the business. The Compliance Hub ensures that the risk management program is reviewed on a regular basis and that individuals are assigned particular categories of risk to review.

AS/ISO 31000:2009 states that the aim of a risk management plan should be to embed risk management in all the organisation's important practices and business processes so that it is relevant, effective, efficient and sustained. In particular, risk management should be embedded into the policy development, business and strategic planning and change management processes. It is also likely to be embedded in other plans and processes such as those for asset management, audit, business continuity, environmental management, fraud control, human resources, investment and project management.

AS/ISO 31000:2009 also stresses that a commitment to risk management at senior management levels is also important. An organisation's board or executive should define and document its policy for managing risk, including the objectives for and its commitment to risk management. The board of Evergy has overall responsibility for ensuring that there is a sound system of risk management across the business.

3.11. Details of external audit of compliance and risk strategy

Evergy's Compliance Plan and Risk Management Policy have undergone external review. The results of that review are attached and marked '**Annexure J**' provided on a commercial in confidence basis.

3.12. Additional information which demonstrates ability to manage risk and operate in accordance with the Retail Law objective, particularly the long-term interests of consumers

The AER will be provided with a login or demonstration of the Compliance Hub for Evergy.

3.13. Memberships or steps taken to obtain memberships of a recognised energy industry ombudsman scheme in the relevant jurisdiction:

Evergy has noted that it will apply to the Energy and Water Ombudsman New South Wales (**EWON**) for membership of the scheme. Please find attached and marked 'Annexure K2 a copy of the letter sent to EWON.

By being a member of EWON, Evergy will ensure that its customers have a greater degree of comfort in the resolution of complaints than would otherwise be the case for an embedded network customer. This is consistent with Evergy's unique selling position, which is focused on customers.

3.14. Agreements in place with key market players within the relevant jurisdictions (distribution businesses and AEMO) If agreements not finalised provide information as to negotiations

As Evergy is not an on-market energy seller, it will not need to be a market participant nor register with AEMO. All contracts with external parties will undergo legal review and be assessed in accordance with Evergy's third-party process management document.

4. PART THREE: REQUIRED INFORMATION – FINANCIAL RESOURCES

Evergy has access to sufficient financial resources to ensure the success of the business. In determining what financial resources are required, Evergy has consulted with industry experts to develop a detailed financial plan.

The financial resources needed by Evergy will be different from those required by a traditional energy retailer. As noted above, without exposure to the wholesale market Evergy's financial exposure is limited. Energy purchased at the gate meter will be contracted and then on sold to Evergy customers.

Evergy has access to capital that is in excess of the amount forecast to be required. Additional capital is available to meet any unknown financial requirements.

Billbergia Group Pty Ltd will support Evergy financially through a Deed of Guarantee and operationally through the provision of services and staff via its trading subsidiary Billbergia Pty Ltd.

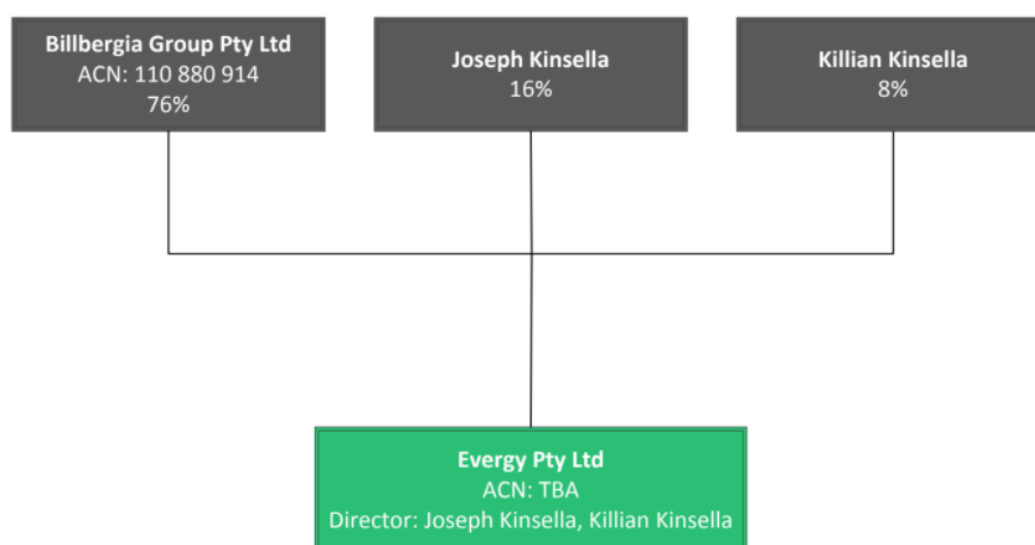
Please refer to the **Business Plan (Annexure B)**, provided on a commercial in confidence basis, for a more detailed discussion of the financial resources available to Evergy.

4.1. Details and evidence of current financial position, for example, interim financial statements.

Please find attached documentation confirming Evergy's current financial position marked '**Annexure L1**' and provided on a commercial in confidence basis.

4.2. Group structure

Evergy is a majority owned subsidiary of Billbergia Group Pty Limited. The Evergy's ownership is illustrated below:



Billbergia's primary business is the development of residential apartments, commercial and retail properties and investment in property.

Billbergia also provides professional engineering services and project management services to the residential and commercial sectors of the construction industry, as well as to local government.

Billbergia was established in 1988 and is in its 30th year of operation.

Billbergia is privately owned by its two principals, brothers John and Bill Kinsella.

More detail on the Billbergia group can be found at <http://www.billbergia.com.au/>.

4.3. Declaration from CFO (or CEO or director)

Please find attached declaration from Evergy's CFO confirming the company's current financial position marked '**Annexure L2**' and provided on a commercial in confidence basis.

Please find attached declaration from Evergy's CEO concerning the solvency of officers marked '**Annexure M**' and provided on a commercial in confidence basis.

4.4. Declaration from independent auditor

Please find attached declaration from an independent auditor confirming the company's current financial position and capability marked '**Annexure N**' and provided on a commercial in confidence basis.

4.5. Details of any bank guarantees or arrangements or process to access additional capital.

Billbergia Group Pty Ltd will support Evergy financially through a Deed of Guarantee and operationally through the provision of services and staff via its trading subsidiary Billbergia Pty Ltd.

The financial statements for Billbergia Pty Limited are attached to **Annexure B, Business Plan**, and demonstrate its financial capacity. The parent company guarantee from Billbergia to Evergy is also attached to **Annexure B, Business Plan**.

4.6. Revenue and expenses forecast

Please find attached a financial plan included in the Business Plan for Evergy marked '**Annexure B**' and provided on a commercial in confidence basis.

5. PART FOUR: REQUIRED INFORMATION – SUITABILITY

Evergy is a fit and proper entity to hold a retail authorisation. Neither itself, its related body corporates, its officers or associates have had any criminal or civil convictions.

5.1. There have been no regulatory failures by either entity.

There has not been (by Evergy, its associates, officers, businesses where officers have held an officer position, or other entity that exerts control over Evergy) any material failure to comply with regulatory requirements, laws or other obligations over the previous 10 years, including infringement notices or other enforcement action (including voluntary administrative undertakings) being taken by a regulatory body.

5.2. There have been no revocations of authorisations, authorities or licences by either entity.

Evergy, its associates, officers, businesses where officers have held an officer position, and other entities that exert control over Evergy have not held authorisations, authorities or licences that have been revoked.

5.3. There has been no legal action taken in relation to any regulatory breaches.

Evergy, its associates, officers, businesses where officers have held an officer position, or other entities that exert control over Evergy have not been a party to legal action taken in relation to any regulatory breaches.

5.4. Neither entity has triggered the RoLR provisions or any equivalent provisions.

Evergy, its associates, officers, businesses where officers have held an officer position, or other entities that exert control over Evergy have not triggered the RoLR or equivalent provisions.

5.5. There have been no offences found nor successful prosecutions under any territory, state, Commonwealth or foreign legislation against either entity.

There have been no offences found nor successful prosecutions under any territory, state, Commonwealth or foreign legislation against Evergy, its associates, officers, businesses where officers have held an officer position, and other entities that exert control over Evergy.

5.6. There have been no offences found nor successful prosecutions under any territory, state, Commonwealth or foreign legislation against any current director of either entity.

There have been no offences found nor successful prosecutions under any territory, state, Commonwealth or foreign legislation against any current director of Evergy.

5.7. Written declaration from Chief Financial Officer (or CEO)

Please find attached declaration from Evergy's CEO marked '**Annexure M**' and provided on a commercial in confidence basis, confirming:

- that members of the Evergy management team have not been disqualified from the management of corporations;
- the record of bankruptcy of the Evergy management team (including in any overseas jurisdiction).
-

5.8. Full names and current residential addresses of all your officers.

Please find attached details of the Evergy officers marked '**Annexure O**' and provided on a commercial in confidence basis.

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

Please find attached documents which are relevant to this component of the application:

- **Annexure C:** Evergy Compliance Plan;
- **Annexure D:** Evergy Code of Ethics; and
- **Annexure P:** Evergy Recruitment and Termination Policy.

6. LIST OF DOCUMENTS

Commercial in confidence attachments

Please note that the following Annexures are confidential and do not form part of the public component of our application.

Annexure	Document
A	Provider details
B	Business Plan
C	Compliance Policy
E	Compliance Reporting Procedure

G	Risk Management Policy
J	External audit of compliance and risk strategy
K	Letter sent to EWON
L1	Current financial position documents
L2	CFO declaration
M	CEO declaration
N	Declaration from independent auditor
O	Details of officers
P	Recruitment and Termination Policy
S	Third- Party Vendor Management Process.

Public Documents

Annexure Number	Document
D	Code of Ethics
F	Hardship Policy
H	Complaints Policy
I	Rights Summary for NSW and Qld Customers
Q	Privacy Policy
R	Website Notice NECF

Version Control

Version	Amendment	Author and Date
Version 1		CJ 13 December 2017
Version 2	Inserted additional information from Business Plan	AW 20 December 2017
Version 3	Updated from business plan, updated formatting	Billbergia, PD, JK and CJ 22 December 2017
Version 4	Formatting	JK 1 February 2018