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23 October 2018

Mr Sachin Sardana
Head of Business Development
Lightsource Labs Australia Pty Ltd
Level 4, 152 Elizabeth Street
MELBOURNE VIC 3000

By email: sachin.sardana@lightsourcecbp.com

Dear Mr Sardana

Re: Lightsource Labs — application for an individual exemption

I refer to your application of 8 May 2018 for an individual exemption under the National Energy Retail Law (Retail Law) for Lightsource Labs Australia Pty Ltd (LS Labs) / ACN 625 305 295.

I am writing to inform you that on 23 October 2018, the Australian Energy Regulator (AER) considered and approved LS Labs' individual exemption application in accordance with s. 110 of the Retail Law to sell electricity through solar power purchase agreements in New South Wales, South Australia and Queensland.

The AER has considered the policy principles relating to exempt selling in s. 114 of the Retail Law, being:

- regulatory arrangements for exempt sellers should not unnecessarily diverge from those applying to retailers,
- exempt customers, should, as far as practicable, be afforded the right to a choice of retailer in the same way comparable retail customers in the same jurisdiction have that right, and

- exempt customers, should, as far as practicable, not be denied customer protections afforded to retail customers under this Law and Rules.

The AER's decision is guided by the objective of the Retail Law,¹ the exempt seller factors,² the customer related factors,³ and the assessment approach outlined in the AER (Retail) Exempt Selling Guideline.

Having regard to the considerations outlined above, the AER is satisfied that LS Labs should be exempt from the requirement to hold a national retailer authorisation.

If LS Labs decides to change the way it sells electricity, it should contact the AER as it may need to apply for an authorisation or another exemption to do so. Please be aware that selling energy outside of the scope of the present exemption may contravene s. 88 of the Retail Law and we may take enforcement action or otherwise seek to ensure compliance.

Please note that the exemption is subject to your acceptance of the conditions set out in the Instrument of Exemption. LS Labs must advise the AER in writing by 22 November 2018 whether it accepts these conditions.

If you have any further queries, or would like to discuss this further, please contact Susan Faulbaum on (08) 8213 3463.

Yours sincerely



Sarah Proudfoot
General Manager, Retail Markets

¹ The national energy retail objective is to 'promote efficient investment in and efficient operation and use of energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security of supply of energy' (s. 13, National Energy Retail Law (Retail Law)).

² s. 1 15, Retail Law

³ s. 1 16, Retail Law.

Schedule 1: Instrument of Exemption

INDIVIDUAL EXEMPTION FROM THE REQUIREMENT TO
HOLD A RETAILER AUTHORISATION

DATE OF ISSUE: 23 October 2018

FORM OF ENERGY: Electricity

Pursuant to section 110 of the National Energy Retail Law, the Australian Energy Regulator (AER) on 23 October 2018 decided to grant Lightsource Labs Australia Pty Ltd / ACN 625 305 295 an exemption from the requirement to hold a retailer authorisation under section 88 of the National Energy Retail Law, subject to the conditions set out below.

Condition 1 - Information provision for exempt customers of power purchase agreement providers

1. The exempt person must provide the exempt customer in writing a plain English notice explaining that the power purchase agreement is covered by the Australian consumer protection laws and is separate to the exempt customer's contract with their retailer and distributor which are covered under the *National Energy Retail Law*.

Condition 2 - Exemption limited to the sale of electricity through power purchase agreements

1. The exempt person must:
 - a) refrain from registering in the wholesale market for the purposes of purchasing energy and
 - b) not be the financially responsible retailer for the premises (rather, this must be an authorised retailer).