RF Industries Pty Ltd
ABN 11 001 695 512

SYDNEY
99 Station Road, Seven Hills
NSW 2147 Australia
Locked Bag 2007
Seven Hills NSW 1730
Ph: 02 8838 0900
Fax: 02 9630 0844

MELBOURNE
46 Corporate Boulevard
PO Box 265
Bayswater VIC 3153
Ph: 03 9751 7500
Fax: 03 9761 6288

BRISBANE
Unit 1 Northlands Business Centre
30 Raubers Rd
PO Box 340
Banyo QLD 4014
Ph: 07 3621 9400
Fax: 07 3252 5505

PERTH
4/45 Tomlinson Rd
Welshpool WA 6106
Ph: 08 9311 0600
Fax: 08 9311 0688

ADELAIDE
89 Grange Rd,
Allenby Gardens SA 5009
PO Box 5
Welland SA 5007
Ph: 08 8245 1900
Fax: 08 8346 2244

Susan Faulbaum
Director,
Retails Market Branch,
Australian Energy Regulator,
Adelaide-5001

20th May 2014

Dear Ms Faulbaum,

RF Industries is pleased to present our response for:

Application for Retail Exemption

RFI is Australia's leading distributor of renewable energy products and has extensive experience in the design and delivery of solar PV systems.

RFI is well known in the renewables industry for its professionalism in product and systems design through to project integration. This extends to our solar business where we have been designing, supplying and installing solar PV systems around Australia for well over thirty years. We have an unmatched reputation for expertise, reliability and value for money. We focus on simple, elegant solutions that function seamlessly and with minimal on-going maintenance.

RFI's objective is to be the leading photovoltaic systems wholesaler & integrator in Oceania.

Our business model till date has been of design, supply and construct for business and industrial clients seeking systems above 100KW.

With the trend, for these commercial systems, moving towards having a PPA offer, RFI would like to apply for retail exemption to be able to sell solar energy to their clients.

We hope the response to your attached questionnaire would take us to the next step of obtaining a retail exemption.

Yours Sincerely,
RF Industries Pty Ltd

Govind Kant
Business Development Manager-Solar

General Information Requirements

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

RF Industries Pty Ltd

2. **Your trading name if different to your legal name.**

Our trading name is RF Industries Pty Ltd

3. **Australian Business Number (ABN) or Australian Company Number (ACN).**

ABN: 11 001 695 512

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

99, Station Road, Seven Hills, NSW-2147

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

Name: Govind Kant
Position: Sr. BDM-Solar
Mobile: 0410436087
Office: 02-88142331
Email: govind.kant@rfi.com.au

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.**

RFI's business model would be to provide solar power systems to businesses/end users. We seek exemption on the basis that we don't fall into the definition of 'retailer' of electricity. The solar systems we sell are sold on the basis of kWh produced per kW installed.
The customers have the option of buying these systems outright, which has been our business model till date. We do not influence the contractual agreements that the client has with their energy retailer. We only offset part of the energy being supplied by their energy retailer. The rest of the energy is still supplied by the existing energy retailer.
The end user will have the following options:

- Buy the system outright from RFI
- Chattel Mortgage: end user owns the system but through the involvement of a third party financier who has interest in that asset
- Leasing: The solar system is rented out by a third party financier to the end user for a period of time, at the end of which the end user has the option of buying the system
- PPA: The system is supplied free of cost to the end user. The end user needs to have an existing authorised retailer agreement, which remains unaffected, and based on the kWh generated by the solar system, they will be charged a rate for their solar electricity.

Our business model is to provide power to the site of installation as against providing energy retail services to whole communities.

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.**

Australia Wide

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

RFI is Australia's leading distributor of renewable energy products and has extensive experience in the design and delivery of solar PV systems.

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.**

N/A- We generate electricity from solar

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

The model cannot operate without an existing retail and network system. Our main business is grid-connected solar systems.

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

As soon as possible

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

13. **Previous experience in selling energy**

This is the first time RFI will engage in a PPA model, although we have designed and constructed systems for customers up to 264KW. Solar systems sold by us till dates have been bought outright.

List of few of the systems installed by RFI with dates are listed below:

Description of Work	RFI designs, supplies, and constructs the 264kW ground mounting solar farm in Doomadgee Queensland for Ergon Energy.
Work Undertaken on Behalf of	Ergon Energy
Supervising Project Manager	Wally Nguyen
Date Project Completed	Commenced on Nov 2012, and completed on 2013.
$ Value of the Respondent's Participation in the Project	$1, 197,000.00

Description of Work	RFI has already completed design, supply and installation of 12 roof mounting Solar Schools in ACT with a total capacity of 120kW. RFI were awarded a further 36 ACT Solar Schools in round 3 with a total capacity of 630kW
Work Undertaken on Behalf of	ACT Department of Education & Training
Supervising Project Manager	Wally Nguyen
Date Project Completed	Completed on 2013
$ Value of the Respondent's Participation in the Project	$700,000.00 (Round 1) + 1,586,000.00 (Round 3)

Description of Work	RFI has already completed design, supply and installation of 190 roof mounted solar PV systems for 150 schools in WA with a total

	capacity of more than 1MW.
Work Undertaken on Behalf of	WA Department of Treasury & Finance
Supervising Project Manager	Wally Nguyen
Date Project Completed	March 2012 + 3 years more
$ Value of the Respondent's Participation in the Project	$4,000,000.00

Description of Work	RFI designs, supplies, and installs stand-alone solar power systems on about 22 communication radio sites for NSW Police.
Work Undertaken on Behalf of	NSW Police Force
Supervising Project Manager	Wally Nguyen
Date Project Completed	Commenced on Jan 2012 and still in progress.
$ Value of the Respondent's Participation in the Project	$760,000.00+

Description of Work	RFI designed, supplied & installed a 100kW ground mounted grid-connected solar power system in University of Western Sydney
Work Undertaken on Behalf of	University of Western Sydney
Supervising Project Manager	Hamid Naderi/Govind Kant
Date Project Completed	June 2011
$ Value of the Respondent's Participation in the Project	$870,000.00

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

N/A

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 as the customer's primary supply is their existing or chosen retailer/network and not solar energy.

Particulars relating to the nature and scope of the proposed operations

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. **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.**

No. We only sell solar power systems.

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).**

N/A

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

N/A

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

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

7. **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).**

N/A

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.**

Each dwelling will have their own network meter and in addition if monitoring of output is required (for systems greater than 100KW to claim LGCs) then a Class 1 meter will be installed otherwise Web based maters supplied by the inverter manufacturers will be installed.

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 installed by us will have no impact in the customers wanting to change retailers. We would install web based meters for collection of data of the generated output. These meters are supplied by the inverter manufacturers e.g. SMA Webbox or Schneider's EGX300. So remotely read interval meters will be used, the data output of which can be read on a web based portals.

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?**

The power meters will comply with standards set for grid-tied operation, safety and comply with AS4777, AS3100.

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

They are constantly monitored over the internet and reports sent via email provide daily, monthly and quarterly data of the kWh production and billed either quarterly or monthly to conform to their regular supplier / retailer of electricity.

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

N/A

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

We will issue the client either a monthly or quarterly billing which ties in with their current arrangement with their energy retailer.

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

The customer may raise a complaint with RFI either via email (Solar@rfi.com.au) or via our national helpline number "1300 000 RFI". RFI will respond to the dispute promptly. The dispute at first instance would be handled by our fully qualified Customer Care Team. In case the customer is not happy with the outcome the matter would then be escalated up the hierarchy till a resolution is achieved.
If the customer is still not happy with the outcome of the dispute, then they may refer the complaint to the relevant fair trading office or ombudsman in its state or territory.

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

N/A

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?**

N/A

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

RFI will not be the primary supplier of the client's energy nor would we interfere with the arrangement that they have with their current energy retailer. We will only be offsetting part of their energy need and charge them as a kWh rate depending upon the produced output from the installed solar PV system.

Further information on our business model:

1. **What is your strategic direction and what are your objectives?**

RFI has a long standing association with Solar technology, stemming from our sales to industrial communication companies more than 30 years ago. The Solar industry has changed a great deal however RFI's goal is to bring quality solar solutions to market for our industrial and commercial customers. We see that the ability to sell the output power rather than the system is an important way to reach many customers who might otherwise not consider using solar to lower their electricity costs. It is our intention to offer this type of arrangement nationally.

2. **What are your projected customer number forecasts?**

It is envisaged that we will have 15-20 customers per year to sell the power from installed solar systems per year.

3. **What are your projected annual aggregate energy sales (in kilowatt hours or megawatt hours)?**

80-140 MWh per year

4. **What financial resources do you have to support your business?**

RFI is a proudly Australian company with over 35 years' experience with Solar and RF Communications. With revenues over $100m and a diversified business reaching more than 8000 customers globally RFI is in a strong financial position.

5. **Are you intending to sell to business customers, residential customers, or both?**

We intend to sell to business customers

6. **How will your pricing structure work – is the customer charged only for their consumption or are there other fees?**

The customer will only be charged a fixed rate for the kWh produced from their installed solar system on the premises.

7. **In which jurisdictions do you intend to sell energy?**

We intend to sell it Australia wide

8. **Under what circumstances can the customer contract be terminated (for example, what happens if the customer moves house)?**

The customer can either choose to transfer the agreement and their monthly/quarterly payments to the new owner or they can buy the system outright ending the PPA arrangement. They can do this at any time of the contract.

9. **What happens to the solar panels at the end of the contract? Who owns them?**

The ownership of the asset (here being the solar system) transfers from RFI to the customer.

RFI-About Us

RFI is unrivalled in the Australian solar power industry in terms of our capacity to effectively deliver projects. A synopsis of our business:

Employees	200+
Turnover 11/12	>AUD100M
Qualifications	4 CEC accredited designers 3 PV & electrical engineers 1 mechanical engineer
Accreditation	ISO14001:2005;AS/NZS 4801:2001 OHSAS 18001:2007

OUR COMMITMENT

We make the following commitments to all our clients.

Safety	We will make safety our first priority at all times
Quality	We will deliver quality both parties will be proud of We will use only the highest quality components throughout
Design	Our designs are done only by qualified engineers
Project Management	The highest standards of project management will be maintained
Consultation	We will consult and communicate, regularly, fully and openly

CERTIFICATE OF APPROVAL

This is to certify that the Occupational Health & Safety Management & Environmental Management System of:

RF Industries Pty Ltd
North Rocks, New South Wales
Bayswater, Victoria
Australia

has been approved by Lloyd's Register Quality Assurance Limited to the following Occupational Health & Safety Management & Environmental Management System Standard:

AS/NZS ISO 14001:2004
AS/NZS 4801:2001
OHSAS 18001:2007

The Occupational Health & Safety Management & Environmental Management System is applicable to:

Design, manufacture and distribution of base station antennas and associated spare parts and accessories. Design, manufacture and assembly of multicoupling and project management of RF coverage systems. Distribution of solar modules, batteries and associated spare parts and assessories.

Approval Certificate No: MEL 4000422

Original ISO14001 Approval: 13 September 2005
Original 4801 Approval: 6 August 2007
Original 18001 Approval: 6 August 2010
Current Certificate: 6 August 2010
Certificate Expiry: 6 August 2013

Issued by: Lloyd's Register Quality Assurance Limited

JAS-ANZ

This document is subject to the provision on the reverse
71 Fenchurch Street, London EC3M 4BS United Kingdom. Registration number 1879370

CERTIFICATE OF APPROVAL

This is to certify that the Quality Management System of:

RF Industries Pty Ltd
North Rocks, New South Wales
Australia

has been approved by Lloyd's Register Quality Assurance Limited to the following Quality Management System Standards:

AS/NZS ISO 9001:2008

The Quality Management System is applicable to:

Design, manufacture and distribution of base station and mobile antennas and associated spare parts and accessories. Design, manufacturing and assembly of multicoupling. Project management of RF coverage systems. Distribution of solar modules, batteries and associated parts and accessories.

This certificate is valid only in association with the certificate schedule bearing the same number on which the locations applicable to this approval are listed.

Approval Certificate No: MEL 0930239

Original Approval: 17 June 1993
Current Certificate: 3 November 2010
Certificate Expiry: 31 October 2013

Issued by: Lloyd's Register Quality Assurance Limited

JAS-ANZ

This document is subject to the provision on the reverse
71 Fenchurch Street, London EC3M 4BS United Kingdom. Registration number 1879370

Our Project Team

RFI recognizes that our most valuable asset is our people. With over 200 employees across Australia we invest heavily in retention training and development of employees. We also recruit highly qualified people to help us to grow the business and provide even greater levels of customer satisfaction.

Govind Kant – Senior Business Development Manager

Master of Business Administration
Bachelor of Engineering - Electrical & Communication
Govind has been in the solar industry for more than 9 years. He used to work in the low voltage switchgear industry for 6 years in subsidiary companies of Schneider Electric, Crompton and General Electric before joining the solar industry. Govind has been CEC accredited for design and supervision of both stand-alone and grid-connected PV systems since 2003.

Namantha Gayan – Systems Engineer

Bachelor of Science (Hons.) in Mechanical Engineering
CEC Accreditation A9625862
Namantha has extensive experience in the design and project management of commercial scale solar PV systems. He has worked in both Australia and Sri Lanka on systems over 100kW. Namantha has devised various mounted solar systems over 1MW for project and proposal purposes.

Wally Nguyen – Projects Manager

Bachelor of Engineering – PV and Renewable Energy
CEC Accreditation A1689976
Wally brings to RFI a wealth of experience in the project management of Solar PV systems having worked for Australian and global companies in this field. Wally has been managing multi-projects since joined in RFI and he performed excellent skills of liaising, communicating, and coordinating with RFI's clients.

Lois Li – Solar Engineer

Master of Engineering - Photovoltaics and Solar Energy.
Master of Technology Management
Bachelor of Electronics Engineering
CEC Accreditation A8773962
Lois graduated from the faculty of Renewable and Solar Energy in University of New South Wales. She is qualified to design and project manage commercial-scale PV systems. As a solar engineer, she has knowledge of both PV system design and solar products.

Response to Questions dated 26/05/2014

Please see our responses to the queries as per your email dated 26/05/2014 as below:

- Section 6 refers to a leasing arrangement with a third party. Can you please clarify how this would work? Would the third party sell electricity to the customer?

The reference to third party in Section 6 is in relation to financial products whereby energy is not being sold to the consumer and hence outside the scope of this application. The third part referred is a financing company which leases the solar asset to the customer This information was provided to simply put our options in context. The third party will not sell electricity to the customer.

- Please provide an indication of the size of the systems that you are planning to install. Who will install the systems?

Size of the systems would be between 100KW to 1MW. The systems would be installed by our subcontractors who are all CEC accredited and have been successfully qualified through our OH & S and installation procedures.

- Please provide additional information around the arrangements for customers who choose to exit the contract early. There is currently the option of transferring the agreement to the new owner of the premises. However what if a customer no longer wants the system on their roof? How does the customer exit the contract? What costs will they incur?

Should a customer wish to exit the agreement, the provisions of agreement termination would come into play, being generally as follows:

- *Customer has to formally request agreement end and there would be a minimum notice period of 30 days*
- *The customer will be advised of the remaining value to be paid against the agreement for power purchase, with the option to purchase the system or to have the system removed.*
- *The process of handing title for the system over to the customer would be a sales transaction with warranty position reflective of the "as used" state.*
- *Should the customer wish to have the system removed, access would be negotiated at a mutually agreed time and approach.*

- Please indicate the length of the customer contracts

The standard length of the customer contracts will be flexible with options of 5, 10, 15 years with an option to roll over for a further 5 or 10 years. The PPA value will depend upon the length of the contract.