



Smart Energy Group

Application for Retail Authorisation

March 2020

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Introduction

The applicant is Smart Energy Retail Pty Ltd ABN **49 639 060 405** trading as Smart Energy Group (otherwise referred to as ‘SEG’). SEG is a company registered under the Corporations Act 2001 and was registered in Australia on 12/02/2020. The Company's Certificate of Registration and Constitution are Attachment 1. Smart Energy Group is a nationwide Clean energy council approved solar energy retailer. Given its reach across the national energy market SEG is seeking to set up its on market retail brand to provide customers a complete in home energy package around its energy needs. To find out more about what SEG currently provide please visit <https://www.smartenergygroup.com.au/>. Please note Smart Energy Retail Pty Ltd is a separate entity to Smart Energy Group (the parent company ABN **83 615 998 377**) and is set up to be purely the retail energy arm of SEG.

General Particulars

- 1.1 **Legal name:** Smart Energy Retail Pty Ltd
- 1.2 **Trading name:** Smart Energy Group
- 1.3 **ABN:** 49 639 060 405
- 1.4 **Registered address:** 3/10 Brigantine Street, Byron Bay, NSW, 2481
- 1.5 **Contact person:** Elliot Hayes - elliott@smartenergygroup.com.au
- 1.6 **Form of energy:** Electricity
- 1.7 **Type of customers:** SME
- 1.8 **Intended commencement date:** July 1st 2020
- 1.9 **Scope of operation:** Smart Energy group is a startup Entity
- 1.10 **Jurisdiction(s):** Queensland
- 1.11 **Customer segment:** SME residential

Organisational and Technical Capacity

2.1 Previous experience as an energy retailer:

Though the Smart Energy Group boasts no previous experience as a specific energy retailer, the group and its key employees have significant experience in associated markets as outlined in this application.

2.2 Details of relevant retail or energy market experience:

The key employees of the Smart Energy group have come from a background of working in and around retail energy for both major and minor energy retailers both the UK and Australian markets.

Smart Energy Group has operated in solar and green energy sales for the last 3 years; In this time they have also worked with retail energy companies in the NEM to provide cross selling opportunities to their customer base. This interaction has given them the impetus to start its own retail energy brand to provide a retail service and product to its already growing footprint.

Their alignment to the ‘mainstream’ retail energy market has also required them to gain a detailed understanding of the impacts of generation and retail as they communicate with the Australian consumer in an effort to meet their green energy needs while operating within all energy relevant guidelines and legislation.

2.3 How do they intend to bring experience into business (what roles will they contribute to)

While possessing a good ground knowledge in the operating of a retail energy business, SEG acknowledges that it will need to procure additional support and expertise to ensure it can distill its functions as a licensed retail energy business and provide best in industry service to its customers. To this end Smart has initiated discussions and is procuring support services from the following key retail consultancies and software firms aimed at covering the following:

- Assisting SEG’s with the management of its Risk and compliance framework including auditing, reporting and key training of staff on key retail processes;
- Providing expert advice to SEG’s compliance, risk and trading committees
- Meter to cash functions including customer provision, transfers, billing, collection and credit management;
- Assisting SEG with the procurement of any required retail experienced resourcing required
- Advising SEG board on relevant retail issues

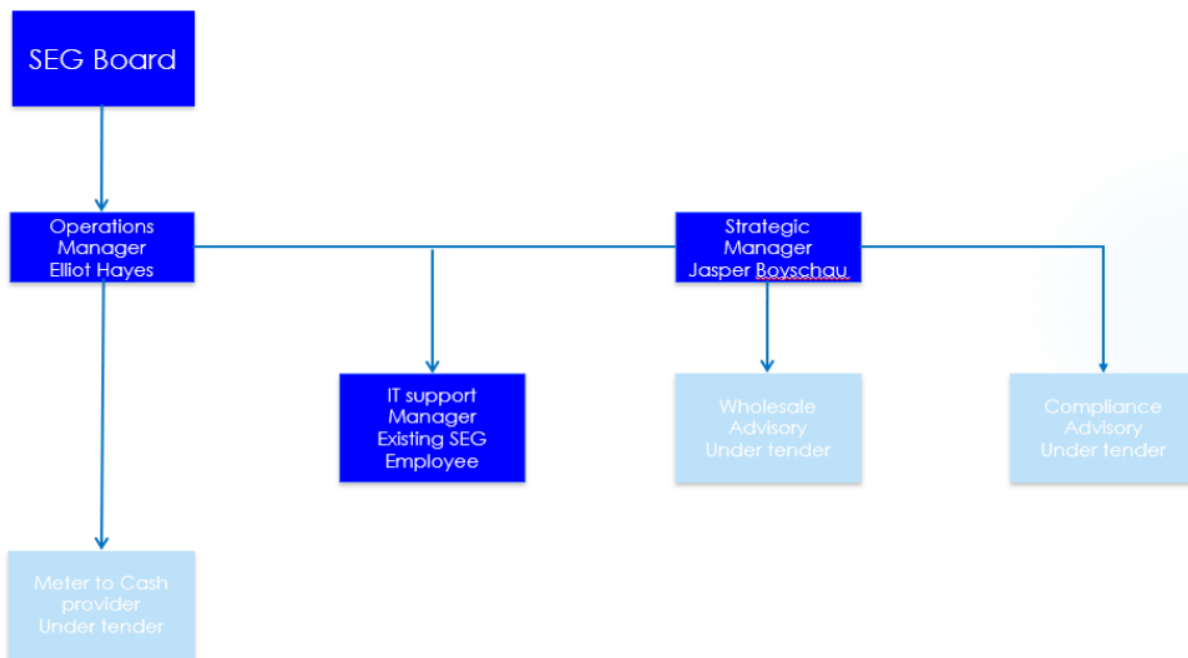
Capability statements have been provided of potential third parties as attachment 2.

Ensuring capacity gaps are filled and compliance with obligations

Under any agreement and in any process that SEG will execute/initiate with its 3rd parties it will ensure that all third parties are:

- Following controls in place to ensure compliance with the NERL and the National Energy Retail Rules (NERR):
- Making available to SEG any technical capacity they may have and which SEG requires to meet its obligations as an authorized retailer;
- Providing all information and reasonable assistance as required in order for SEG to discharge its regulatory obligations;
- Providing any updates to their systems and processes as required by the market whether regulatory or best industry practice to ensure that SEG can always meet its obligations as an authorized retailer.

2.4 Org chart



2.5 Number of employees by business unit

Contained in SEG's financial model and business plan (attachment 10 and 5 respectively). Please see below table for numbers:

Business Unit	Number of Employees
Executive Management and Board	4 – Not in model
Support – IT/Ops	3
Compliance/Wholesale risk	2
Customer service and back office	To be managed by chosen billing provider

2.6 Qualifications, technical skills and experience of officers and relevance

Listed below are the key qualifications and backgrounds of Management.

Key individuals

Elliot Hayes – Director

Elliot Hayes has worked within and around the retail energy sector over the last 7 years, including work with Red Energy as a senior business development consultant who was responsible for Red Energy’s business development state wide in 2015. Elliot is passionate about renewable energy and solar as such has also spent a large amount of his work in solar heading up Solar Arena’s Victorian team across the Residential and SME space. In 2016 Elliot decide to branch out with a couple of business partners and set up Smart Energy Group, which now employs 180 staff with 10 office locations Australia wide.

Beau Savage – Board Member and Director

Beau has worked within and around the retail energy market over the last 12 years in both the UK and in Australia. Beau cut his teeth working as a field Sales Manager with both SSE and Npower, two of the UK’s ‘big six’ before moving into the energy brokerage space with Make it Cheaper UK in 2013. Since coming to Australia Beau worked initially with Red Energy as a senior Sales advisor before taking up a role as the NSW state Manager for Alinta. Like Elliot, Beau branched out to set up Smart Energy Group and has been an integral part of its ongoing success.

Jasper Boyschau – Strategic Manager

Jasper is the entrepreneurial member of the team. Jasper has been a part of start up businesses over the last 8 years, with Smart Energy Group being the latest project he has committed himself to. Between 2012 and 2018 Jasper was a product owner and partner of No Yelling a web platform connecting freelance driving instructor with learner drivers. Jasper became interested in Smart Energy Group in 2017 and has become a key partner in the last 15 months providing strategic direction across the company’s operation.

2.8 Business plan

Please see attached business plan with this application as attachment 3.

2.9 Compliance strategy

SEGs compliance strategy has been outlined as found in [attachment 4](#) This outline demonstrates SEGs knowledge and understanding of their obligations under Retail Law and Retail Rules and other processes and systems that must be in place to ensure its obligations are met and reported on to provide transparency and ongoing confidence in the retail energy sector. In addition to this strategy SEG has provided a copy of its draft complaints handling policy for review as attachment 5.

2.10 Risk management strategy

SEGs risk management strategy identifies key risks as well as its process it is putting in place across the organization to manage key identified risks. This strategy can be found as attachment 6.

2.11 External assurance process

The following documents have been submitted for external review:

- SEG Compliance strategy
- SEG Risk strategy
- SEG Complaints handling policy

A copy of this review has been attached as attachment 7.

2.13 Memberships

As part of its retail energy set up SEG understands that it must reach out to the following key participants:

- AEMO
- ASX – Austraclear
- Key networks
- Relevant Ombudsman

To this end SEG has begun to reach out to some of these participants. Evidence of this can be found as attachment 8. Please note that SEG understands that the process of completing the set up of some of these relationships cannot be commenced or completed until it is granted a retail authorization. SEG will not retail energy until these relationships are set up.

2.4 Additional information

A draft Terms and conditions has been attached as attachment 14.

Financial Resources

3.1 Sufficient financial resources to operate as a retailer

SEG can confirm that it has a financial capacity to operate as a regulated retail entity. To this end please see the following attached:

- P&L statements as attachment 9
- Financial model forecast as attachment 10
- A copy of SEG's bank statement as attachment 11
- A written declaration, executed from the designated Director as attachment 12. This states Smart Energy Retail Pty Ltd is a going concern and that our Director is unaware of any factor that would impede SEG's ability to finance its energy retailer activities under the retailer authorisation for the next 12 months.
- A written declaration, executed from our independent institution as attachment 13.

Suitability

4.1 SEG as the applicant can confirm that we and none of our associates, any other business where our officers have held an officer position and any other entity that exerts control over our business activities have previously:

- 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 administration undertakings) being taken by regulatory body.
- Any previously revoked authorisations, authorities or licenses held in any industry and the reason/s for the revocation.
- Any failed authorisations, authority or licence applications in any industry and the reason/s the application was unsuccessful.
- Any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry
- Any situation/s where you (or an associate) have previously triggered the RoLR provisions of the Retail Law or equivalent state/territory/foreign legislation, or have transferred or surrendered an authorization or licence in circumstances where if not done, triggering a RoLR event would have been likely.

A written and executed declaration outlining this has been attached as attachment 12.

4.2 SEG can confirm that no directors or any other person that exerts control over SEG's business activities, including all persons who are responsible for significant operating decisions have committed or been subject to any offence or successful prosecutions under any territory, state, Commonwealth or foreign legislation (including, but not limited to, the Australian Securities and

Investments Commission Act 2001 (Cth), Competition and Consumer Act 2010 (Cth)²⁵ and the Corporations Act 2001 (Cth)) Relevant to SEGs capacity as an energy retailer.

A written and executed declaration outlining this has been attached as attachment 12.

4.3 All Employees, directors and board members are happy to provide a criminal history check upon request.

4.4 A written and executed declaration, which contains the addresses of key staff and officers has been provided as attachment 12.

4.4 Probity – SEG has developed or is developing the following procedures, policies and processes to address and ensure the probity and competence of its staff:

- Code of Conduct
- Compliance Policy
- SEG Recruitment Policy
- SEG training program
- SEG Retail breach reporting program
- SEG Equal opportunity policy

SEG will continue to add to these procedures and documents as it moves towards retail go live of its business.

Appendix

Public Attachments

SER Application – Published (application for retailer authorization)

Confidential attachments

Attachment 1 – Certificate of Registration and constitution

Attachment 2 – Capability Statements – Key third parties

Attachment 3 - Business Plan

Attachment 4 – Compliance Policy

Attachment 5 – Draft Complaints Policy

Attachment 6 – Risk Policy

Attachment 7 – Compliance review letter

Attachment 8 – Evidence of contacts (email records)

Attachment 9 – P&L Statements

Attachment 10 – Financial forecast model

Attachment 11 – Bank statement evidence

Attachment 12 – Smart Energy Retail Declarations

Attachment 13 – Financial institution declaration

Attachment 14 – Draft standard terms and Conditions