



Sustainable Savings

16 JANUARY 2017

Retailer Authorisation
Electricity
Sustainable Savings Pty Ltd

Sustainable Savings Pty Ltd
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ACN: 604 401 103

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Director

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| Details and evidence of your current financial position, for example, interim financial statements | 6 |
| If you are part of a group of related companies, and / or party to a partnership, joint venture or alliance agreement with another company, and you are given financial support by that entity, you should provide: | 6 |
| A written declaration from your Chief Financial Officer, Chief Executive Officer or director/s stating you are a going concern and that the officer is unaware of any factor that would impede your ability to finance your energy retailer activities under the retailer authorisation for the next 12 months. For unincorporated applicants, a written declaration should be provided by the person/s in effective control of the business. | 6 |
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| Details of policies and procedures addressing the probity and competence of officers and any other key management staff. | 9 |
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1. Required information—general particulars

Business name: Sustainable Savings Pty Limited

Business Address: Level 1, 46 Magill Road, Norwood SA 5067

Postal Address: PO Box 193, Fullarton SA 5063

ABN: 21 604 401 103

ACN: 604 401 103

Nominated Contact Person: Matthew Curnow - Managing Director

Form of Energy: Electricity

Date of Commencement: 1/1/2017

Nature and Scope of Operations: Embedded Network implementation and operation

Jurisdictions: All

Type of Customers: All

2. Required information—organisational and technical capacity

2.1. Details of your (or any related party's) previous experience as an energy retailer

NIL. Sustainable Savings does not have experience in the retailing of electricity. However, the directors have significant experience in reviewing retail contracts and network charges for C&I customers via our national engineering consultancy company Pangolin Associates when conducting energy audits services and/or engineering procurement contracts for efficiency upgrades.

2.2. Details of any other relevant retail or energy market experience.

Sustainable Savings key staff have conducted numerous energy audits that involve analysis of clients' energy agreements, pricing and obtaining new retail energy quotes over the past 10 years. Matthew Curnow also set up and ran an unbundled GreenPower offering for Carbon Planet and Pangolin Associates. While with Pangolin Associates Matthew Curnow and David Ross oversaw the implementation of an embedded network for the Aurora on Pirie Community Corporation involving 192 commercial retail meter abolishments, the installation of sub-meters, child meters with 3 separate retailers, wiring out of two tenancies and engaged with the appointed embedded network manager.

2.3. Where you do not have previous energy market experience, how you intend to bring this experience into your business.

Sustainable Savings staff have developed relationships with several retailers and consultants who provide advice on market positioning and trends. As we are only selling to inset networks the current 'market price' for the gate meter contract is easily obtained to ensure that we maintain a market competitive rate.

2.4. An organisation chart showing the structure of your organisation

Please see the attached Business Plan 3.3.2

2.5. The number of employees, broken down by business unit or other relevant classification

While several staff members currently will fill multiple positions, as the business grows dedicated staff with specific industry experience will be employed to fill these positions.

2.6. A summary of qualifications, technical skills and experience of your officers, and the relevance of those skills and experience to meeting the requirements of the retailer authorisation.

Dr David Ross, Director

David has worked in the area of energy efficiency for over 25 years.

He is a Certified Measurement and Verification Professional (CMVP) with the Efficiency Valuation Organisation. He has also completed courses conducted by SAI Global on Implementing and Maintaining an Environmental Management System and Advanced GHG Compliance, Global Footprint Network (GFN) into Ecological Footprinting, and via the Energy Efficiency Council, International Performance Measurement and Verification Protocol (IPMVP).

David holds a PhD and a Bachelor's Degree in Chemical Engineering from The University of Adelaide. Post PhD, the Japanese Society for Promotion of Science (JSPS) awarded him a prestigious Research Fellowship. He is a published author of 14 scientific articles in peer reviewed scientific journals. He has presented his work at 19 international conferences.

David is a Registered Greenhouse and Energy Auditor (Category 1) under section 75A of the National Greenhouse and Energy Reporting Act 2007 through the Australian Government's Clean Energy Regulator. He is also a member of the Australian Institute of Environmental Accounting (AIEA), IChemE and the Efficiency Valuation Organisation (EVO).

David's skills and experience in auditing, verifying and analysing energy loads is utilised to model embedded network opportunities and profitability from the expected consumption, energy efficiency and production opportunities (such as solar).

Based on his extensive energy auditing experience and M&V credentials, using a detailed energy model Sustainable Savings are able to accurately model the demand and consumption profiles by load type and thus confidently estimate related energy conservation measures (ECMs). This reduces our risk exposure on the gate meter. The model incorporates NMI interval data alongside various modelled profiles for residential or SME customers. Sustainable Savings then applies multiple ECMs including but not limited to, lighting upgrades and/or controls, power factor correction, active harmonic filtration (AHF), voltage regulation, HVAC demand response management (DRM), VSDs or SS controls to motors, renewable energy (PV, solar hot water) to actively reduce the risks associated with building performance in an embedded network when taking over the gate meter.

Matthew Curnow, Managing Director

Matthew has managed companies since 2010 and undertaken several courses on management and business. Most recently completing BSBSMB401 - Plan small business finances, and BSBSMB401A - Establish legal and risk management requirements of small business.

He has worked in the energy and sustainability field since 2006. His knowledge and experience in sustainable business practices, and particularly his specialisation in the area of energy efficiency and project deployment is key to the company's offerings. He has successfully developed new products and

services that assist clients in their requirements for a sustainable workplace, including newly designed solutions for small and medium organisations and embedded networks in South Australia.

Currently he is the Chairman of the Adelaide Hills Council Sustainability Advisory Group, the Joint Energy Chair for the Conservation Council of South Australia's Environmental Standing Committee.

Matthew's experience in the embedded network process, project management and deployment will be utilised for Sustainable Savings offerings.

2.7. Where you may be relying on a third party to provide staff and resources to meet the technical requirements of your retailer authorisation or to perform retail roles (such as operating phone centres or billing), you must:

2.7.1.State all functions and activities you propose to outsource.

2.7.2.Provide a summary of the third party's experience in, and knowledge of, the relevant area.
Supplier will not be finalised until Authorisation is approved.

2.7.3.Provide evidence of the third party's technical capacity to meet relevant obligations.
Supplier will not be finalised until Authorisation is approved.

2.7.4.Provide evidence of controls in place to ensure the third party's compliance with the Retail Law and Retail Rules.

Sustainable Savings will request copies of insurance and any licensing or procedures required by the Retail Law and Retail Rules. Sustainable Savings short list of suppliers have been active in the energy retail market for many years and have extensive experience and knowledge.

2.8. A business plan, including but not limited to, strategic direction and objectives, forecast results and detailed assumptions on how you calculated these forecasts.

Please see the attached Business Plan.

2.9. Details of your compliance strategy:

2.9.1.Demonstrating your knowledge and understanding of the obligations imposed on authorised retailers under the Retail Law and Retail Rules and applicable statutory, industry and technical requirements of the jurisdictions in which you intend to operate.

Sustainable Savings understands the importance of complying with Energy Laws and the terms of our licence and has implemented a compliance policy consistent with Australian Standard AS3806 and its core principles of commitment, implementation, monitoring, measurement and continuous improvement.

Sustainable Savings have a detailed set of Policies and Procedures to ensure that we can manage our retail operations and remain compliant with all relevant obligations. These include complying with the National Electricity Retail Law, National Electricity Retail Rules, AER Guidelines and authorisation conditions (pending approval) and jurisdiction specific energy obligations for each state that Sustainable Savings intends to provide electricity. Sustainable Savings has also considered its obligations under National Electricity Customer Framework (NECF), Competition and Consumer act 2010, Australian Consumer Law, Privacy Act 1988 and other relevant legal or regulatory requirements to ensure appropriate interactions with customers. The internal

compliance and risk management team, with assistance of its legal and compliance service providers, ensure identification and compliance with relevant obligations on an ongoing basis.

Until our customer base grows significantly, Sustainable Savings do not intend employing a dedicated compliance officer. In the interim this will be managed by the Risk Committee. Matthew Curnow has experience in this area, having completed BSBSMB401A - Establish legal and risk management requirements of small business. Thus this course entails training in relation to compliance and risk management.

The Risk Committee will ensure that our employees are appropriately trained in the regulatory obligations. Any training requirements will be determined and coordinated by the Committee.

2.9.2. Outlining how applicable retailer authorisation obligations and statutory, industry and technical requirements will be met (including how compliance breaches will be identified and remedied).

Sustainable Savings has implemented a compliance policy consistent with Australian Standard AS3806. Please find a copy of this policy attached.

2.9.3. Including complaint and dispute resolution procedures, developed in accordance with Australian Standard AS ISO 10002-2006 (Customer satisfaction— Guidelines for complaints handling in organisations).

Sustainable Savings has implemented a Complaints Handling Policy consistent with ISO1002 standard for the handling of customer complaints. The policy recognises the complaints definition under the AER Guideline. Please refer to Utility Shop (a Sustainable Savings brand) Complaints Handling Policy and Utility Shop Guide to complaint handling. Please find a copy of these attached.

2.9.4. Demonstrating that any gaps in the skills and / or knowledge of staff have been identified and that appropriate steps have been taken to fill those gaps (for example, through recruitment or training).

Sustainable Savings have identified additional training for staff in Identified Risk #1 (see attached Identified Risks document) and have included the investigation of appropriate training as an action.

Part of Sustainable Savings Compliance Policy includes the development of a compliance program that involves a constant review and analysis of any gaps (see attached Compliance Policy).

2.10. A copy of your risk management strategy covering both operational and financial risks.

Sustainable Savings is registered for WorkCover in South Australia and maintains the following insurance:
Public liability insurance: \$20,000,000

Professional indemnity: \$5,000,000 with an aggregate of \$10,000,000

Product liability: \$20,000,000

Sustainable Savings has implemented a risk management framework consistent with ISO 31000:2009 and AS4360:2004. The key risks associated with operating an electricity retail business have been identified and the Board has endorsed an Energy Risk Management Policy. The Board has ultimate responsibility for energy risk management with primary oversight provided by the Risk Management Committee and management processes and responsibilities delegated to executive management and staff.

Sustainable Savings Risk Management Policy and Identified Risks documents are attached.

2.11. Evidence that your risk management and compliance strategies have been subject to an external assurance process (for example, an external audit).

Please see the copy provided of our Limited Assurance Report: Risk Management and Compliance Strategies related to AER Retailer Authorisation conducted by Worthwhile Projects.

2.12. Any additional information which demonstrates your ability to manage risk and operate in accordance with the Retail Law objective, particularly the long term interests of consumers (for example, copies of any retail contracts that you have developed).

Please see the copy provided of our Supply Agreement and the Definitions and Supplementary Terms.

2.13. Evidence of any membership, or steps taken to obtain membership, of a recognised energy industry ombudsman scheme in the jurisdiction/s in which you intend to retail energy to small customers.

Building Work Contractor Licence - South Australia

Sustainable Savings will obtain membership of the Energy and Water Ombudsman SA, subject to the approval of this application by the AER. We have made contact with the Energy and Water Ombudsman SA who informed us that at the moment we are not able to join as voluntary members.

2.14. Evidence of any agreements / arrangements in place with key market players within the jurisdictions in which you intend to operate. This includes, but is not limited to, distribution businesses and AEMO. Where agreements / arrangements have not been finalised, you should provide details of any negotiations or steps that have occurred to date and when you expect agreements / arrangements to be completed. If you are intending only to onsell energy you should provide details of the back-up arrangements you have made in case your business fails.

In the event the business fails, the embedded network ownership and any energy efficiency equipment installed become the property of the building owners. There are numerous embedded network operators who can be engaged to manage this for them.

In the event of an insolvency this has been covered in our proposed contract between Sustainable Savings (Tenant) and the building (Landlord) in the section addressing Termination:

2.15. Any additional information that will help us assess your organisational and technical capacity.

N/A

3. Required information—financial resources

3.1. Copies of your audited financial reports for the past 12 months (note, we may ask for the previous two years' reports, if necessary). This information should include:

3.1.1. All financial statements required by the accounting standards.

3.1.2. Notes to financial statements (disclosure required by the regulations, notes required by the accounting standards, and any other information necessary to give a true and fair view).

Sustainable Savings are not required to have our accounts audited.

See attachment 1 and 5.

3.2. Evidence of long and / or short term credit rating/s (if available).

N/A

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

Please See attached Profit and Loss and Balance Sheet year to date.

3.4. If you are part of a group of related companies, and / or party to a partnership, joint venture or alliance agreement with another company, and you are given financial support by that entity, you should provide:

N/A

3.4.1. Details of the ownership structure of the group.

3.4.2. The contractual arrangements (e.g. alliance contracts, associate contracts, establishment contracts) that define relationships within the group—including shared resources, guarantees, revenue flows, obligations and/or responsibilities.

3.4.3. Consolidated audited financial statements for the group.

3.5. A written declaration from your Chief Financial Officer, Chief Executive Officer or director/s stating you are a going concern and that the officer is unaware of any factor that would impede your ability to finance your energy retailer activities under the retailer authorisation for the next 12 months. For unincorporated applicants, a written declaration should be provided by the person/s in effective control of the business.

Please See attachment 2

3.6.A written declaration from an independent auditor or your principal financial institution stating that:

3.6.1. An insolvency official has not been appointed in respect of the business or any property of the business.

3.6.2. No application or order has been made, resolution passed or steps taken to pass a resolution for the winding up or dissolution of the business.

3.6.3. They are unaware of any other factor that would impede your ability to finance your energy retail activities under the authorisation.

Please See attachment 1

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

3.8. Forecast revenue and expenses to the point where your business is cash-flow positive. This forecast should be consistent with your business plan and highlight all key assumptions and risks.

Sustainable Savings consulting work and energy efficiency projects means it does not rely on the embedded network revenue to maintain profitability. Please see attached business plan for further details.

3.9. Any additional information that will help us assess your financial capacity to operate as an energy retailer.

N/A

4. Required information—suitability

4.1. For you and your associates, any other business where your officers have held an officer position and any other entity that exerts control over your business activities – details of:

4.1.1. *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.*

NIL

4.1.2. *any previously revoked authorisations, authorities or licences held in any industry and the reason/s for the revocation.*

NIL

4.1.3. *any failed authorisation, authority or licence applications in any industry and the reason/s the application was unsuccessful.*

NIL

4.1.4. *any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry.*

NIL

4.1.5. *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 authorisation or licence in circumstances where if not done, triggering a RoLR event would have been likely.*

NIL

4.2. Details of any offences 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 your capacity as an energy retailer, or written confirmation that no offences have been committed against, or been prosecuted under, any such legislation. This information must be provided for:

4.2.1. *your current director/s (or shadow / de facto director/s), and any other person that exerts control over your business activities*

NIL

4.2.2. *if your business is unincorporated, the person/s with effective control of the business*

NIL

4.2.3. *all persons who are responsible for significant operating decisions for your business.*

NIL

4.3. Upon request, a criminal history check conducted within the past 12 months for persons listed under information requirement 2.

Please see attachment 3

4.4. Written declarations from your Chief Financial Officer (or Chief Executive Officer):

4.4.1. *that members of your management team have not been disqualified from the management of corporations;*

4.4.2. *about the record of bankruptcy of your management team (including in any overseas jurisdiction).*

Please see attachment 4

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

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

Nil

4.7. Any additional information that will assist us in our consideration of the character and past performance of your officers.

Nil