



Application for Individual Retail Exemption

TVS Energy Pty Ltd

15 July 2015

1. General Information

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

TVS Energy Pty Limited (ACN 605 257 172) (TVS Energy)

1.2 Your trading name (if different to your legal name).

N/A

1.3 Australian Business Number (ABN) or Australian Company Number (ACN).

605 257 172

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

Unit 8 170-180 Rooks Road, Vermont VIC 3133

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

Tigran Aganesov, General Manager Strategic Projects [confidential information removed]

1.6 Why you are seeking an individual exemption, and why you believe that an exemption (rather than a retailer authorisation) is appropriate to your circumstances.

TVS Energy intends to provide photovoltaic (PV) solutions to customers under a solar Power Purchase Agreement (SPPA) model. Under the SPPA model, TVS Energy will be responsible for installing, operating and maintaining a solar PV system at the individual customer's premise(s). The electricity produced by the PV system will be metered and sold to the customer at an agreed price for an agreed term [confidential information removed].

TVS Energy is seeking an individual exemption, rather than a retail authorisation, for its behind-the-meter SPPA model for the following reasons:

- **No applicable exemptions** - the SPPA model does not fit within any of the existing classes of exemptions (deemed or registrable) in the *AER (Retail) Exempt Selling Guideline - Version 3* (April 2015);
- **Additional sale** - the energy sold through a SPPA model is complimentary and additional to the energy sold to customers by an authorised retailer.

All customers who enter into a SPPA with TVS Energy will be required to maintain a retail contract with an authorised retailer. Customers also acknowledge that the electricity generated by the installed PV system is supplementary to, and does not replace, the electricity supply from its retailer. Consequently our customers will continue to have reliable energy supply from the grid;

- **Undue burden** - given the SPPA is additional to the customers' existing electricity contract, a retail authorisation is not practical or warranted as it would place an undue administrative and financial burden on TVS Energy;
- **Appropriateness of an Individual Exemption** - the individual exemption can be tailored to suit the specifics of the energy sale and are therefore a better regulatory fit in the context of a SPPA model; and
- **Inappropriateness of retail authorisation** - several of the obligations imposed on authorised retailers under the Retail Law are inappropriate for a SPPA model (e.g. requirement to participate in the Retailer of Last Resort scheme).

1.7 **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.**

Not applicable. TVS Energy will be selling electricity at individual customer premise(s) across various National Electricity Market states.

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

The primary business activity of TVS Energy is the sale of solar power generated by solar PV systems installed at the customer's premise(s). TVS Energy's operations also include monitoring, operating and maintaining PV system(s) for the term of a customer's contract.

1.9 **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.**

The form of energy that TVS Energy is seeking an individual exemption for is electricity. This electricity will be generated by the PV system installed at a customer's premise(s).

The PV system installed at the customer's premise(s) will be connected to the main grid. The energy produced by the PV system may be used by the customer at the premise(s) or may be exported by the customer to the electricity grid [confidential information removed].

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

No.

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

[Confidential information removed]

1.12 **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.**

Not applicable.

1.13 **Details of any experience in selling energy, for example:**

- **date/s and location/s of previous operations**
- **form/s of energy sold**

- **scale of operations (that is, the number, size and type of customers)**
- **an explanation of which activities will be conducted in-house and which will be contracted out to third parties.**

Energy selling experience

TVS Energy is a part of the M+W Energy Group (**M+W Group**), and is a related entity of True Value Solar Holdings Pty Ltd (ACN 150 189 138) (**TVS Holdings**). M+W Group and TVS Holdings provide extensive support to all business units of TVS Energy.

[Confidential information removed]

About TVS Holdings

TVS Holdings is Australia's largest solar company, which has, through its subsidiary, installed over 1 million solar panels to more than 100,000 customers nationally. TVS Holdings is a subsidiary of M+W Group.

TVS Holdings will provide assistance and expertise to TVS Energy in relation to compliance matters and its risk management policies and framework.

About M+W Group

M+W Group, a company incorporated in Germany, has been a global market leader in the PV industry for more than 10 years, leading the way in the design and construction of new and upgraded PV fabrication. M+W Group provides a broad spectrum of solutions across the entire value chain of PV solutions, offering consulting, design, manufacturing, EPC, hook-up, upgrading/ retrofitting/ conversion, compliance & validation and facility operations services.

M+W Group also provides design, procurement, supply and construction services for a variety of other energy supply and efficiency technologies, including solar thermal, biomass gasification, waste-to-energy, li-ion battery manufacturing, combined heat and power, and supplying subsystems for nuclear power plants.

TVS Energy leverages and benefits from the widespread international and domestic experience, financial resources, strong reputation and expertise of M+W Group in addition to the local experience and success of TVS Holdings.

Scale of operations

Please see the responses to questions 3.1 and 3.4 in section 3 below.

Explanation of which activities will be conducted in-house and which will be contracted out to third parties

[Confidential information removed]

- 1.14 **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.**

TVS Energy has never held or been subject to an energy selling exemption, retail licence or retail authorisation in any Australian State or Territory.

- 1.15 **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).**

Not applicable.

2. Particulars relating to the nature and scope of the proposed operations

- 2.1 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?**

[Confidential information removed]

- 2.2 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.**

[Confidential information removed]

- 2.3 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).**

Not applicable.

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

Not applicable.

- 2.5 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.**

Not applicable.

- 2.6 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)?**

Not applicable.

- 2.7 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).**

Not applicable.

- 2.8 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.**

Not applicable.

- 2.9 **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)?**

[Confidential information removed]

- 2.10 **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?**

[Confidential information removed]

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

Not applicable. [Confidential information removed]

- 2.12 **How will you determine energy charges if customers are not separately metered?**

Not applicable.

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

[Confidential information removed]

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

TVS Energy has an internal complaint and dispute resolution process that will be utilised by TVS Energy for complaints or disputes with its SPPA customers. The complaint and dispute resolution framework is based on the Australian Standard ISO 10002-2006 (*Customer Satisfaction - Guidelines for complaints handling in organisations*), which has been developed and successfully implemented by TVS Holding's related entities.

Customers will also be entitled to all regulatory protections available to them, including contacting the relevant electricity ombudsman and the relevant consumer protections under the Australian Consumer Law (as applicable).

[Confidential information removed]

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

Not applicable.

- 2.16 **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?**

[Confidential information removed]



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

[Confidential information removed]

3. Particular information required for SPPA applicants

3.1 What is your strategic direction and what are your objectives, for example, please describe your business model in some detail, noting jurisdictions where you will be operating, and customer number forecasts for the first year, and within 3-5 years.

[Confidential information removed]

3.2 What is your pricing structure – will you charge for energy only or are there other fees? Will you charge for all energy generated or only the energy consumed?

[Confidential information removed]

3.3 Are there related companies and what is their function? Do you intend to transfer any functions to any other related companies and, if so, what are they?

[Confidential information removed]

3.4 Do you intend to sell to residential or commercial customers and what size systems will you install?

[Confidential information removed]

3.5 Under what circumstances can the customer terminate the agreement and at what cost?

[Confidential information removed]

3.6 What happens when the contract ends? Who owns the system?

[Confidential information removed]



4. Questions from the Australian Energy Regulator

[Confidential information removed]



[Confidential information removed]



[Confidential information removed]