

# **Application for Individual Retail Exemption**

Circle Solar

August 2014



Trading Green has been established as an Australian company since 2009 and has been successfully involved in creating certificates in both Federal and State energy saving initiatives. Trading Green's focus has always been on providing excellent customer service, quality installations and stringent self-auditing through our understanding, knowledge and experience of the energy savings industry. Circle Solar is a new addition to Trading Green. Trading Green Pty Ltd T/as Circle Solar will prove to be a sustainable energy company that provides a unique full circle service for SME to benefit from a specifically designed, high quality solar panel system, without the initial cost outlay. With the initial outlay often out of reach of SME's, Circle Solar will bridge the gap to provide renewable clean energy to their customers. The customers benefit from a thorough process, taking them through from energy consultation, design, supply and installation through to the monitoring of their sustainable solution in the long term, specific to their energy needs.

In consultation with the customer and their energy needs, whilst taking into consideration their financial situation, Circle Solar will offer a proposal for providing sustainable energy appropriate to the customer at an affordable rate. Circle Solar will own the high quality product until the end of the contract, with the customer purchasing the electricity generated at a rate around that of the local retailer and fixed for the term of the agreement.

The team at Trading Green brings to Circle Solar varied complimentary backgrounds ranging from energy monitoring and manufacturing of energy efficient technologies, business to business sales of energy efficient technologies, high quality customer service and accurate billing. Trading Green already has a customer base that would benefit from this business model.

**LEGAL NAME:** Trading Green Pty Ltd

**TRADING NAME:** Circle Solar

**ABN:** 29 136 373 558

**REGISTERED ADDRESS:** 435 Nepean Hwy, Frankston Vic 3199

**POSTAL ADDRESS:** PO Box 4112, Mt Eliza, Vic 3930

**CONTACT PERSON:** Belinda Anderson  
Director  
Mob 0414 062 547  
belinda@circlesolar.com.au

## **6 Reason for Seeking Individual Exemption.**

Circle Solar will provide an affordable PV solar energy service to Australian small customers, taking the customer from energy consultation through to final installation and ongoing monitoring and maintenance of equipment. Whilst this type of service has historically been out of reach of many customers, Circle Solar will provide this service to the customer with no initial outlay, making this an affordable and sustainable alternative to their energy options. Circle Solar provides a sustainable energy solution where high quality solar panels are installed on the customer's premises at the expense of Circle Solar. Through a Solar Power Purchase Agreement (SPPA), the customer purchases the electricity produced by the solar panels, at a similar rate than they would ordinarily pay for their energy usage. This provides the customer with an affordable and sustainable outcome, where they are generally paying less for their energy consumption. This

business model sits outside the categories of exemption and does not fit within existing Retail Energy Legislation and therefore requires an Individual Exemption to be granted.

The SPPA, which will be required to be signed by customers, will be written in a clear and concise manner, inline with the requirements of the Retail Energy Legislation and other relevant national and state legislation and regulations.

Customer's entering into a SPPA with Circle Solar, will have their interests protected through the SPPA and retail laws. The customers will still be required to be connected to the grid through an authorised retailer. This will give the customer the ability to benefit from the services offered by Circle Solar whilst still being connected to their existing authorised retailer. The customer is free to choose their preferred authorised retailer.

**7 Address of the Site.**

Not applicable.

**8 The Primary Activity of Circle Solar.**

The primary activity of Circle Solar is to provide a boutique style end-to-end service including energy consultation, design, supply, installation and ongoing maintenance/repairs and monitoring of sustainable energy, which will be produced through solar panels, installed at the site of the customer. This end-to-end service is provided at no upfront cost to the customer. Circle Solar will initially focus on commercial customers only.

**9 Form of Energy.**

Electricity will be generated through high quality solar panel installations installed at the customers address and appropriate to the customers energy needs.

**10 Energy Supply.**

Not applicable.

**11 Date of Intended Commencement of Selling Energy.**

Through Circle Solar's initial market research, it has found considerable demand for its business model. Once Circle Solar's independent lawyers have completed the SPPA contract and the individual exemption has been granted, commercial operations may begin immediately.

**12 Mailing Addresses for Premises at the Site.**

Not Applicable.

**13 Previous Experience as an Energy Retailer**

This is the first time the director and team at Trading Green and Circle Solar has traded in the sale of energy. Circle Solar's style of SPPA is quite new to the Australian market and through initial market research seems to be in demand. The director and senior staff has extensive experience in selling energy efficient solutions in a business-to-business model to SME's. Final design and installations will be conducted by outsourced high quality, long standing and industry approved companies. Circle Solar will maintain initial consultation, billing and ongoing customer management.

**14 Current or Previous Exemptions.**

Not applicable.

**15 Arrangements in the Event that you can no Longer Continue Supplying Energy.**

Not Applicable.

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

**1 Customers.**

Not Applicable.

**2 Other services.**

Circle Solar provides an end-to-end consultation, installation and monitoring and maintenance process. Customers will receive monthly, or in some instances quarterly, reports including monitoring and billing. At this stage this will be the only service offered.

**3 Total Number of Dwellings/Premises.**

Not Applicable

**4 Sale of Energy**

Not Applicable.

**5 Purchase of Energy.**

Not Applicable.

**6 Estimated aggregate annual amount of energy you are likely to be Sold and the average expected consumption.**

Not Applicable.

**7 Customers.**

Not Applicable

**8 Metering of Premises.**

Not Applicable.

**9 Types of Meters.**

The customer will have their traditional meter, which is used by their chosen energy retailer. In addition, Circle Solar will provide and use a remotely read internal metering from the solar inverter. Information will be monitored remotely and provided to the customer through the reporting and billing system. Other meters may be used, as required. These meters will also comply with Australian standards.

**10 Accuracy Standards Applicable to the Meters.**

The inverter incorporates the meter. The meters comply with Australian standards including AS4777, AS3100 and products are installed as per AS5033 and AS3000. As part of the SPPA the customer agrees to be billed based on the inverter readings. If other meters are used they will also comply with Australian accuracy standards.

**11 Frequency of Meter Reading.**

Not Applicable.

**12 Charges.**

Not Applicable.

**13 Billing Customers.**

Customer will be billed monthly, or quarterly as required by the customer. Payment will be due 14 days from billing date.

**14 Dispute Resolution Procedures.**

Circle Solar has an experienced customer service team, which would be the first point of contact for a customer complaint either by email or phone. If the complaint was unable to be resolved within 48 hours the complaint would be escalated to the Director, and a written reply would be provided including reasons as to any decision made. If the complaint were still unable to be resolved, Circle Solar would provide the relevant state fair trading or ombudsman service to assist in the dispute resolution.

Considering Circle Solar business style and importance of word of mouth, it is within Circle Solar best interest to overcome any complaints swiftly and amicably.

The SPPA would clearly state warranties on product and quality of installation and building works. Installations and building works will be compliant with state regulations.

**15 Energy Rebates.**

Not Applicable.

**16 Energy Efficiency/Renewable Energy Options**

Not Applicable.

**17 Additional Information for Assessment**

An Individual Exemption is the most appropriate outcome for Circle Solar. The SPPA through solar installed on the customer's premises is a reasonably new business model in the Australian market and falls outside of the current Retails Energy Legislation or categories of exemption. An Individual Exemption would provide the ability for Circle Solar to develop this business model and provide its customers with a sustainable energy system for their energy needs. Circle Solar is a boutique business focusing on customer needs and ensuring the right solution for the customer.

For any further information please email [belinda@circlesolar.com.au](mailto:belinda@circlesolar.com.au)

## **Further information**

### **Outline of Business Model and objectives**

Circle Solar intends to create a sustainable business through marketing and selling SPPA's to SME commercial customers. It is not anticipated at this time that Circle Solar will sell to residential customers. Circle Solar's objective is to provide SME's an otherwise out of reach opportunity to benefit from affordable renewable energy, in both the short and long term.

The entity selling the SPPA will be Trading Green Pty Ltd T/as Circle Solar. Circle Solar is the trading name. Trading Green is the Pty Ltd Company. Circle Solar will outsource to CEC accredited and insured installer partners for the supply and installation, monitoring, maintenance and repairs of the solar panels. Circle Solar will manage sales, financing, billing and ongoing customer service.

Circle Solar intends to sell within Victoria, Queensland, New South Wales, Australian Capital Territory and South Australia.

It is difficult to predict customer numbers and aggregate energy sales, as there are many factors to consider.

Redacted – Commercial in confidence.

### **Customer Pricing Structure**

The system will be designed specifically to the customer's energy needs. The customer will pay for the energy that is produced by the panels at an agreed c/Kwh rate. This rate will increase inline with inflation annually. The only fees incurred would be due to late payments or specific individual agreed requirements. Maintenance and monitoring is included in the rate. Customers will usually be billed monthly, however quarterly billing may be agreed upon, if required.

### **Details of the SPPA**

The SPPA is expected to be up to 20-year terms, depending on the requirements of the customer. Circle Solar owns the solar generating asset during the agreement, funding the initial costs and the ongoing costs of maintenance and monitoring the units during the term of the SPPA. Any applicable renewable certificates will be calculated into the costing of the SPPA and handled by Circle Solar. On the completion of the contract the ownership of the equipment is automatically transferred to the customer.

### **If the Business Moves Premises**

In the event the customer sells the premises or terminates their lease, the customer may either:

- Purchase the units at the agreed depreciated rate as set out in the SPPA. The customer would become the owner of the system and would benefit from any additional sales value or as negotiated with the owner, in a lease situation. Early termination fees may apply and would be set out in the SPPA.
- Transfer the Agreement to the new owner or tenant, subject to the approval of the new owner or tenant. The new owner or tenant would equally have the right to either purchase the units at the depreciated value or benefit from the original SPPA.

### **Early Termination of Contract**

The contract may be terminated early as follows:

- If Circle Solar commits a material breach of the agreement. The agreement may be terminated.
- If the customer is moving premises or selling, see above 'If the Business Moves Premises' section.
- The customer may cancel the agreement at any stage, with required notice and purchase the units at the depreciated rate, as set out in the SPPA. Early termination fees may apply and will be set out in the SPPA.