



## *Application for Individual Retail Exemption*

GDY Solar Pty Ltd

13 March 2015

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### **Release Statement**

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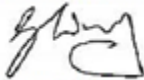

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## Document Revision

Rev	Date	Details	Prepared by	Reviewed by	Approved by
1	11/03/2015	First Issue	Friederike Graser	Gregory Wong	Geoff Ward
2	16/03/2015	Updated with AER Requested Information	Friederike Graser	Gregory Wong	Geoff Ward

## Document Approval

### Prepared, Reviewed and Approval Details

Prepared by: Friederike Graser	Date 16/03/2015	Signature: 
Reviewed by: Gregory Wong	Date: 16/03/2015	Signature: 
Approved by: Geoff Ward	Date: 16/03/2015	Signature: 

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## Company Background

GDY Solar is a specialist Power Purchase Agreement (PPA) and Solar Lease provider, focused on bringing solar power to the Australian commercial market.

GDY Solar is a wholly owned subsidiary of Geodynamics Limited.

## General Information

### Company Information

- Legal Name:** GDY Solar Pty Ltd
- Trading name:** as above
- ACN:** 604 634 737
- Address of Registered Office:** Level 1  
9 Gardner Close, Milton 4064  
**Business office:** Level 1  
9 Gardner Close, Milton 4064
- Nominated Contact:** Geoff Ward  
CEO and Managing Director  
07 3721 7500  
info@geodynamics.com.au

**6. Reason for seeking individual exemption** GDY Solar is seeking to become a supplier of PPA solutions to commercial and industrial customers within Australia, offering companies the opportunity to access green solar power at cheaper rates and no upfront costs.

As such we believe that we do not meet the criteria outlined as deemed or registrable exemption category, we therefore wish to hereby apply for an individual exemption.

### 7. The address of the site

GDY Solar will be installing PV Systems at multiple locations.

Our main focus will be the eastern states, though GDY Solar has ambitions to grow and provide solar solutions across the whole of Australia.

Consistent with the current Retail Exemption regulatory framework, GDY Solar will initially be servicing the NSW, ACT and South Australia markets. GDY Solar will also look at offering PPA's in Victoria, Queensland once these states adopt NECFF. In the interim GDY Solar will ensure it has appropriate approvals and exemptions in those two states. As such we are requesting an exemption to allow the PPA to be established at multiple sites.

### 8. Primary Activity of GDY Solar

GDY Solar has been established to be the owner and operator of solar systems, offering affordable renewable and cheaper energy to business and industry enabling them to realise cost savings on their power bills.

GDY Solar is working to establish relationships with suppliers throughout Australia to deliver the PV Systems required to provide the PPA solution.

GDY Solar will host a website to provide background information on the company and the PPA and Lease Offerings. It is our intention to promote the PPA's solely through direct marketing via the sales representatives of our partnered solar installers and retailers.

## 9. Form of energy

The energy supplied will be electricity generated solely from the solar PV system located at the premises of the individual business.

The business will retain its primary grid connection with an authorised electricity retailer.

## 10. Off grid energy supply

GDY Solar's target market is areas that are currently supplied by the grid, however, should we be asked to offer solutions to an off grid customer we would seek to provide a solution for that customer.

## 11. Date of commencement of operations

Commencement of operations remains subject to approval of this exemption request. Once approval has been granted GDY Solar expects to begin signing PPA's and installing PV systems through its contractors during Q2 2015.

## 12. Mailing address for premises

GDY Solar is seeking an exemption for multiple sites; as such this is not applicable.

## 13. Details of experience in selling energy

GDY Solar is a new business set up for the purpose of delivering PPA's to business and industry. To date GDY Solar has no previous experience in selling energy.

## 14. Previous retail authorisations

GDY Solar holds no current or prior retail exemptions or licences.

## 15. Continuity of supply

The solar power provided by GDY Solar will not be the sole supply of electricity to a customer. Customers will retain their grid connection provided by the customer's electricity retailer of choice. Should supply from the PV system be in any way compromised, the full electricity needs of the property would be fulfilled by the grid connection.

For offgrid power solutions the supply of PV power will form part of a complete solution incorporating supply outside of daylight hours and backup supply.

## Particulars relating to the nature and scope of the proposed operations

### 1. Will the customers be our tenants?

No.

## 2 Provision of other services

GDY Solar will be providing the sale of energy, and the ongoing maintenance and servicing of the system.

## 3 Number of dwellings

GDY Solar is seeking permission for a retail exemption to offer PPA's at multiple sites. As such this is not applicable.

## 4 On selling of energy

No, GDY Solar will only be selling the electricity generated from the PV systems installed on site at each customer's property.

## 5 Bulk purchase of energy

As per question 4, GDY Solar will not be purchasing any electricity from the market place.

## 6 Estimated aggregate annual amount of energy sold

To date GDY Solar has no customer agreements. Our key target market is customers from medium to large enterprises. As guidance for estimated aggregate annual amount of energy sold, should GDY Solar sign 100 customers each with a 20 kW PV system that would equate to an annual energy sale of 3 million kWh pa or 30,000 kWh pa per customer.

GDY Solar's main target market is PPA's for customers with systems from 20kW to 5MW. We expect that most systems will fall in the 70 -500kW bracket.

The solar PV market is competitive and GDY Solar will need to offer competitive tariffs to meet customer needs. Tariff rates will be determined by a number of factors including, system size, solar irradiance, location, duration of agreement and the customer's existing tariffs.

In order to meet customer needs, in addition to offering competitive tariffs, GDY Solar will also offer flexibility with respect to contract terms, offering 10 year agreements, longer 15 year agreements, and also willing to negotiate shorter duration contracts depending on the customer's situation.

GDY Solar will aim to provide greater than 20% savings through the solar PPA, relative to a customer's existing tariff, which generally will result in a tariff below \$0.20/kWh.

## 7 Customers contained to a controlled site?

GDY Solar is seeking exemption to allow PPA's for multiple sites. None of the sites will be owned, controlled or operated by GDY Solar.

## 8 Metering of premises

Each customer's premises will be fitted with a meter for both grid power and solar.

## 9 Type of meters to be used

GDY Solar will use meters which are compliant with National Electricity Law and National Electricity Market rules.

## 10 Accuracy and standards of metering

The meters will comply with Australian Standards and with the National Measurement Act 1960 (Cth).

The Meter Class Accuracy will be Class 0.2.

## 11 Meter reading frequency

The meters used will be capable of remote monitoring and reading, GDY Solar will collate meter data daily with meter readings for billing purposes to occur monthly.

## 12 Determining Energy Charges if not Separately Metered

As GDY Solar is metering separately this is not applicable.

## 13 Billing

It is GDY Solar intends to manage billing internally. Customers will be billed monthly for the energy produced by the system. Any feed in tariffs that the customer may receive for excess energy fed into the grid will be the customers earnings as per any agreement they have with their authorised electricity retailer. GDY Solar, through our retail and installation partners will work with our customers to optimally size a system based, on their electricity consumption profile, what they desire to achieve with the installation of the solar PV system, and their existing retail tariff structure including the per unit charges, demand charges, daily charges and the feed in tariffs.

In general, any LGC's will be owned by GDY Solar as per the PPA contracts. As GDY Solar is the owner of the system STC's will be credited to GDY Solar, though depending on the customer's requirements alternative renewable energy certificate ownership arrangements can be agreed.

Invoices will be issued electronically via email and/or hard copy via Australia Post as per the customer's request. GDY may elect to use the services of a third party billing provider should these services be required.

## 14 Dispute Resolutions

Customers may make a query or complaint to GDY Solar via email, phone or in person at our office.

GDY Solar will acknowledge the query or complaint within 5 working days and should it be required GDY Solar will request the customer provide a written notice setting out the material particulars of the dispute and the position which the customer considers to be correct.

Representatives of both parties will then meet in person or by telephone within 10 business days of the date of receipt of the notice and each use reasonable endeavours to resolve the complaint or dispute.

If the dispute is not resolved within 20 business days of the notice then either party may refer the complaint or dispute to a mediator or such other person or entity having the jurisdiction and power to resolve the dispute.

We will keep a record of all complaints and the time taken to conclusion.

## 15 Rebates and Concessions

GDY Solar will not offer any rebates or concessions

## 16 Energy Efficiency & Renewable options

GDY Solar will be offering PPA's for solar power. GDY Solar may directly or through its contracted solar retailers and installers offer services for the management of customers' power consumption and offer solutions on how to best maximise the benefits of PV power consumption.



## 17 Further information

### 17.1 Retail and Installation Partners

GDY Solar will during the course of this exemption application and following be engaging with solar installers and retailers to partner with. It is GDY Solar's intention to have leading solar installers, deliver and install a turn-key PV system, with GDY Solar being purely responsible for the costs of installation and subsequent billing of generated power to the customer.

### 17.2 System Ownership

During the term of the agreement GDY Solar will own the solar PV system, including being responsible for its maintenance and operations.

GDY Solar will offer PPA's to both building owners and tenants. Whether our customer is a building owner or tenant can impact their preferences on asset ownership at the end of the agreement. Hence GDY Solar has designed flexible arrangements to meet customer's needs with respect to asset ownership at the end of the agreement.

Where customer's preference is to own the system at the end of the PPA agreement, the PPA contract will have a buyout provision in which the building owner may at any time during or at end of the agreement elect to purchase the system. The buyout schedule will be broadly based on the depreciated value of the system, which will be pre determined and form part of the PPA contract. Where a customer's preference is not to own a system at the end of the PPA agreement, GDY Solar will retain ownership of the system at the end of the agreement.

In order to service customer's requirements, in particular building tenants who have uncertain tenure over the property lease, GDY Solar has also designed low exit cost arrangements such that a customer is not overly penalised should they no longer be the property lease holder and vacate the premises and hence must terminate their solar PPA contract. In this scenario GDY Solar will retain ownership of the solar PV system and allow the customer to terminate the agreement at a low cost broadly based on a fraction of the depreciated value of the system.