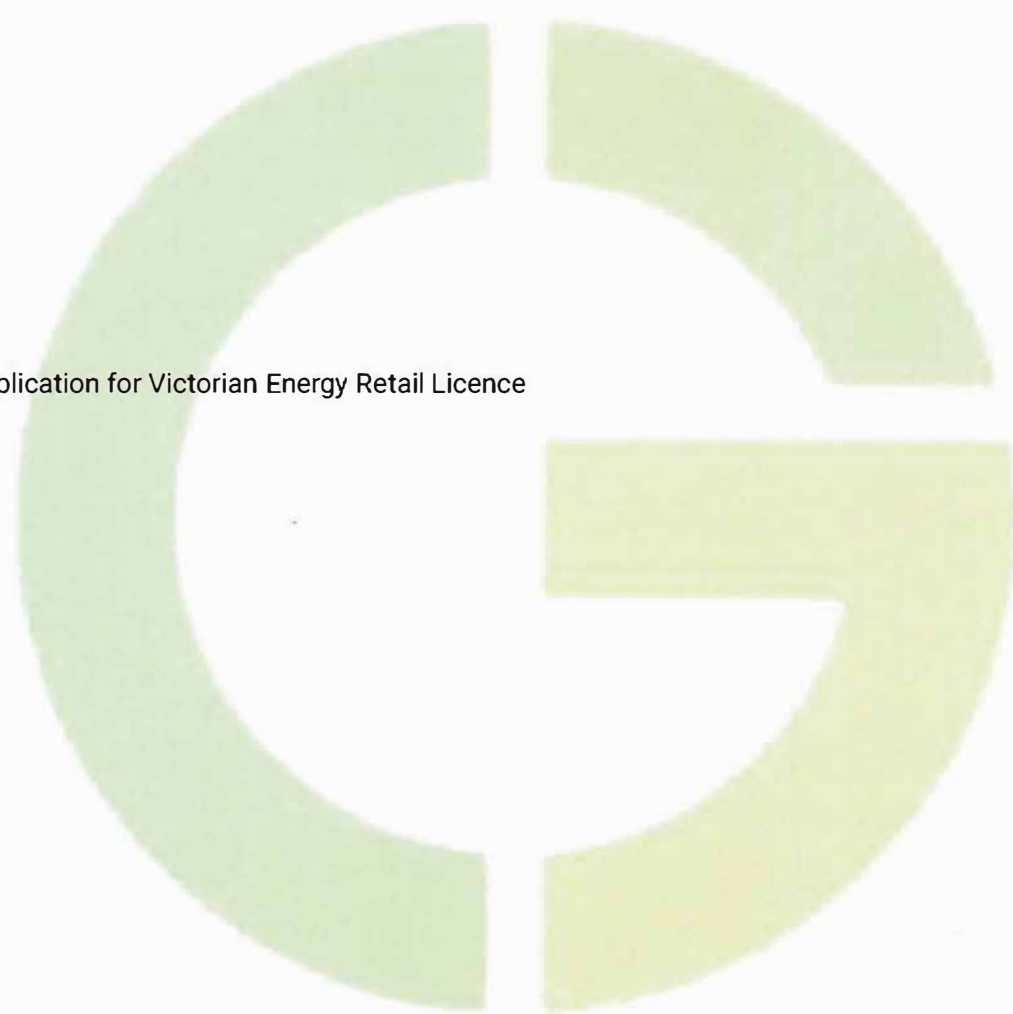




GEE
POWER & GAS

Application for Victorian Energy Retail Licence



Prepared for the Essential Services Commission
Level 2, 35 Spring Street,
Melbourne
Victoria 3000
December 2019

Section 1 -General Information

a. Introduction

Green Energy Experts (GEE) are a successful Australian solar retailer with over 6MW of installations in the 2019 calendar year. Holding an exceptional record of customer satisfaction and high-quality installations, the next phase of growth sees GEE providing electricity and gas to accompany their solar offering.

To this end, Green Energy experts have created a new company, GEE Power & Gas, to provide retail energy services to their large database of customers. GEE Power & Gas will retail to domestic and small business customers.

Requirement	Information
Legal Name of Applicant	GEE Power & Gas Pty Ltd
Trading Name	GEE Power & Gas
Australian Company Number	636 908 220 (see attachment 1)
Registered business address	16/82 Makland Drive, Derrimut, Victoria 3030
Postal address	As above
Nominated contact	Brett Harman
Contact Details	[REDACTED]
Form of energy sought	Electricity & Gas
States intended to retail in:	Queensland & Victoria
Intention to commence activities	Electricity June 1, 2020, Gas December 1, 2020

b. About GEE Power & Gas

Green Energy Experts (GEE) were formed by Sunit Kumar and Sumit Dhall in 2017 with the purpose of providing installation services to the solar PV industry. Specialising solely in the commercial sector (10-100kW), GEE's quality of work, attention to detail and safety performance quickly attracted a number of blue-chip clients like Origin Energy and Beacon Lighting (who required outsourced installation capability).

Green Energy Experts established offices in South Australia and Victoria in 2018, and targeted small to medium businesses who sought relief from high electricity bills and who valued great service and a quality solar solution.

On the back of strong relationships with suppliers, partners and customers, Green Energy Experts installed over 6MW of commercial solar in the last 12 months (making them one of Australia's fastest growing commercial solar providers) and amassed a database of approximately 4000 SME customers. The team has expanded to over 70 employees with expansion planned across Australia in 2020.

Green Energy Experts are planning to apply their "customer first" philosophy to energy retailing through GEE Power & Gas, providing electricity and gas to their existing customer database using the parent company's successful acquisition channels. This growth will be undertaken in a modest and responsible manner, with the same dedication and care that has seen Green Energy Experts become a leader in the Australian renewable energy market.

c. Nature of the Application

With a focus upon Commercial Solar sales where the majority of clients are small to medium businesses, GEE Power & Gas will focus primarily on acquiring SME customers with a small number of large customers (C&I).

GEE Power & Gas have a significant database of solar customers located largely in Victoria and Queensland. As such, GEE Power & Gas will be pursuing opportunities mostly in these areas, with a view to modest growth into the SA and NSW markets in 2020. Green Energy Experts have had great success with solar PV in rural areas where customers value high quality and good service and will seek to offer retail energy products to this customer segment.

It is important to note that Solar PV will remain the core product of GEE, with retail energy provided as an "add-on" to compliment solar and to provide customers with a "one stop shop". Targets are therefore very modest and the business model totally scalable.

d. Accurate and Complete

Sunit Kumar, a director of GEE Power & Gas, has provided a Statutory Declaration that confirms the accuracy and completeness of all information provided in the application. This can be found at the end of this document as attachment 2.

e. Corporate Structure

GEE Power & Gas's Corporate Structure can be seen Confidential Attachment 3.

Fig 1. GEE Power & Gas Organisational Chart

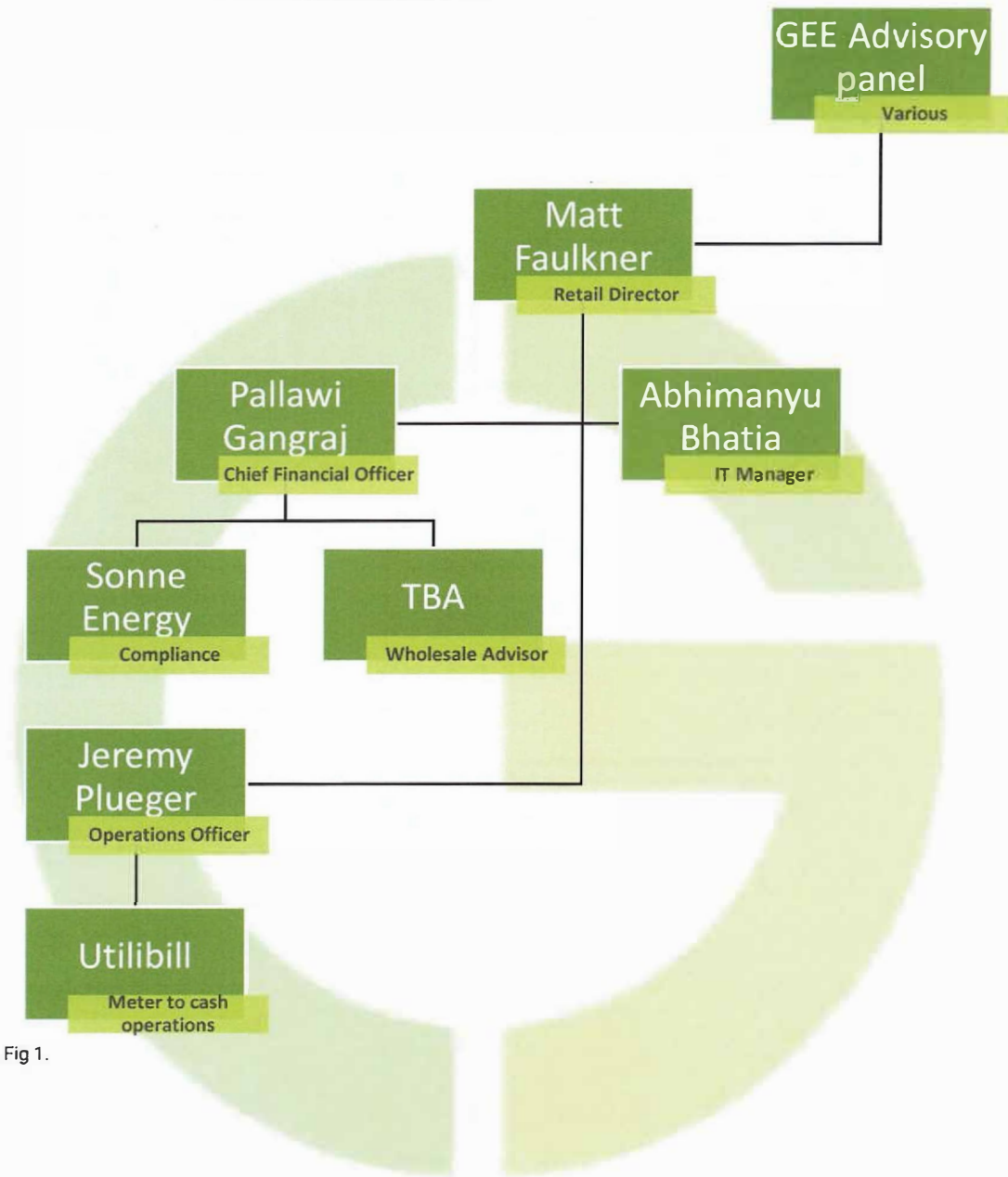


Fig 1.

f. Summary of Experience of Key Personnel

GEE Power & Gas have a team of passionate, highly skilled and experienced professionals that bring the critical capability required to deliver requirements of the retail business plan as set out in confidential attachment 4.

g. Primary Directors- Sunit Kumar and Sumit Dhall

Sunit spent 6 years in the finance industry before commencing in retail energy with TRUenergy/ Energy Australia, where he met his future business partner, Sumit. Prior to this meeting, Sumit worked as an engineer and with Red Energy and Sun Current (a solar retailer).

Their friendship led to the creation of a solar business in 2017 which quickly became successful, due largely to the delivery of high-quality products with exceptional customer service.

The two remain the owners of Green Energy Experts, with Sunit managing the Finance and Administration functions and Sumit handling Sales and Operations across the country.

SECTION 2 – Essential Services Commission’s objectives

Granting an electricity licence to GEE Power & Gas would be entirely consistent with the objectives of the Commission under section 10 of the Electricity Industry Act 2000 and section 8 of the Essential Services Commission Act 2011.

The rationale for this is outlined below:

2.1 Section 10 Electricity Industry Act 2000

a. To promote a consistent regulatory approach within the electricity industry:

GEE Power & Gas understands that the supply of energy is as an essential service and as such needs to uphold the performance and compliance requirements of the Regulator.

b. To promote the development of full retail competition:

GEE Power & Gas will provide another choice for customers in the Victorian SME & C&I energy market.

As an “add-on” product that compliments GEE’s cornerstone of commercial solar PV, GEE Power & Gas will be able to offer customers a “one-stop-shop” for their energy needs. Understanding that energy consumers are largely focussed upon price for the commodities of gas and electricity, being able to bundle energy with other products will enable GEE to accept lower margins on energy and thus be able to compete actively in the market.

2.2 Section 8 Essential Services Commission Act 2001

a. To protect the long-term interests of Victorian consumers with regard to the price, quality and reliability of essential services:

As previously stated, GEE Power & Gas will bring bundled products (e.g. electricity, gas, solar, LED Lighting, storage etc) to Victorian consumers. Whilst there are many standalone solar companies and energy retailers in the market (particularly in residential), there are not many retailers who can offer both with exceptional service and delivery.

The parent company, Green Energy Experts, already has a strong customer-centric culture with remarkably low complaint rates (with no referrals to the Ombudsman in any jurisdiction). Common ownership and shared values will ensure this commitment to service and compliance will transfer to the new entity.

b. To facilitate efficiency in regulated industries and the incentive for efficient long-term investment:

GEE Power & Gas has the benefit of common ownership with one of Australia’s fastest growing Commercial Solar companies, with experienced staff using established systems

and the latest technology. Understanding how to efficiently manage a business is critical in the crowded solar industry, as is the requirement to entrench a culture of compliance to ensure installations are performed in accordance with the relevant codes.

c. To facilitate the financial viability of regulated industries

GEE Power & Gas believes that the Company's entry into the Victorian retail electricity market will benefit customers, with its strong focus on bundling energy products, competitive pricing and market-leading service. Pricing will be backed by professionally risk managed wholesale derivative positions. This will provide appropriately priced and risk balanced returns that will ensure a strong and viable retailer into the future.

d. To ensure that the misuse of monopoly or non-transitory market power is prevented:

GEE Power & Gas, being a relative minnow in the energy sector, will be competing against both smaller retailers and indeed tier one retailers (though not necessarily through targeted campaigns). This entry will give customers yet another choice in Victoria and will lead to increased competition preventing the misuse of market power.

e. To facilitate effective competition and promote competitive market conduct:

Providing energy as essentially an "add-on" product to a core of solar PV gives GEE Power & Gas the advantage of not relying upon the margin yielded from energy sales to survive. This in turn allows lower margins which enables GEE to compete even with the larger tier one retailers in the SME and C&I segments.

f. To ensure that users and consumers (including low income or vulnerable customers) benefit from the gains from competition and efficiency:

GEE Power & Gas's customers will be provided not just with energy, but with a suite of energy products designed to either help manage their energy usage or reduce their overall energy spend. Innovative solutions such as Virtual Power Plants (VPP's) and Power Purchase Agreements (bundled with grid electricity) have been shown to deliver cheaper power to lower income consumers (see South Australia's VPP to housing trust tenants).

g. To promote consistency in regulation between states and on a National basis:

GEE Power & Gas is planning to be operational across the NEM and potentially into WA in the future and is aware of the regulatory requirements of both the AER and the ESC.

SECTION 3 – FINANCIAL VIABILITY

a. Financials

GEE Power & Gas confirms that it can meet and address the financial viability requirements of a licenced energy retailer in Victoria. GEE Power & Gas is not aware of any factor which would affect the ability of GEE Power & Gas to securely finance and fund the activities to be performed under the licence.

The following documents and information provide the evidence that GEE Power & Gas has sufficient financial resources (or access to such resources) to sustain a viable business:

- Certificate of Registration - Attachment 1;
- Breakeven analysis and cash flow projections – Confidential Attachment 5.

b. AEMO Prudentials

GEE Power & Gas can confirm that it will have sufficient financial resources to support its operations including all prudential requirements set by AEMO including its MCL requirements and trading risk margin. GEE Power & Gas is aware of the requirements of the Credit Limits Methodology.

c. Network Engagement

GEE Power & Gas has made contact with the Victorian Distributors, the evidence of which can be found in the following attachments:

- Attachment 6.1
- Attachment 6.2
- Attachment 6.3
- Attachment 6.4

Contact has also been made with Energy Safe Victoria which can be seen as Attachment 7. GEE Power & Gas understands relevant credit support requirements set out in default Use of System Agreements with each network company.

d. Australian Financial Services Licence

As GEE Power & Gas grows and looks to secure specific OTC wholesale products it will either lease an AFSL or apply for one of its own. This will allow it to secure ISDA arrangements with a wider number of counterparties. GEE has already begun to investigate both options and has engaged Sonne Energy Australia to assist it in this capacity.

e. Business Plan

GEE Power & Gas have supplied a detailed business plan that highlights targets and strategies for modest growth over 5 years. This plan forms the foundation of the financial model.

The financial model is supplied as confidential attachment 5.
The business plan is found in confidential attachment 4.

SECTION 4 – TECHNICAL CAPACITY

a. Key Personnel

GEE Power & Gas is fully aware of the technical competency required to effectively operate an energy retail business in Australia. To this end, GEE Power & Gas have:

- recruited an experienced retail director;
- established relationships with industry specialists to assist in procuring and maintaining an energy authorisation, and;
- commenced activities to attract high quality, experienced resources with retail experience to further strengthen the team.

b. Management and Compliance Systems

GEE Power & Gas have engaged specialists to provide advice and guidance on operating an energy retailer in Australia. GEE Power & Gas is now equipped with a thorough understanding of the industry, including a working knowledge of the Energy Retail Code, Customer Transfer Code, Marketing Code of Conduct and all relevant Guidelines that govern the performance of its duties as an on-market retailer.

c. Intellectual Property

GEE Power & Gas's employment contracts and agreements with external service providers will include irrevocable assignments of any relevant IP to GEE Power & Gas. All dealings with external parties where confidential commercial information is (or may be) exchanged are covered by confidentiality agreements.

d. Compliance Framework

GEE Power & Gas understands the retailing of essential services is subject to wide ranging laws, requirements and regulatory overview. A framework has been created which ensures GEE Power & Gas will manage and comply with all its obligations under the Retail Law and retail rules. It outlines the processes for systematic testing, reporting and process improvement required to identify and remedy breaches, which have been independently audited. GEE Power & Gas have also created a complaint resolution policy that aligns with all relevant regulatory guidelines.

GEE Power & Gas's Compliance Policy can be found as confidential attachment 8.

GEE Power & Gas's Complaint Resolution Policy can be found as confidential attachment 11.

e. Legal Services / Regulatory and Compliance

The basic roles of the Compliance Committee include legal risk management, and legal and regulatory compliance. The two areas overlap and cannot be viewed separately.

Regular reinforcement of the processes mandated in the process manual is necessary to mitigate against compliance breaches in contractual arrangements.

f. GEE Power & Gas's Risk Policy

GEE Power & Gas have established a risk policy that has been externally reviewed by an independent auditor. GEE recognises that risk cannot be totally eliminated, and a framework has been established to guide the team on how to best mitigate risk and minimise the severity and impact. A Risk Assessment is used to review the major compliance areas in the retail electricity market. The assessment provides details of the control mechanisms in place to ensure that staff and sales agents act in accordance with relevant legislation, Codes, Guidelines and Retail Licence conditions. These mechanisms include reporting, monitoring, supervision, training, service agreements, operational procedures and business systems

The Risk Management Plan is found as confidential attachment 9.

g. Acquisition

Terms and Conditions have been drafted for GEE Power & Gas's customers. This can be found as confidential attachment 10. Explicit Informed Consent scripts, contract templates and consent audit scripting will be drafted and reviewed. This will ensure that the all customer-facing functions, including sales & marketing, external third parties and internal account managers adhere to the latest regulatory Codes and Guidelines.

GEE Power & Gas will ensure that all above-the-line sales collateral is reviewed by members of the Compliance Committee, and all advertising material legally reviewed before go-live. GEE Power & Gas's sales staff, third party brokerages and sales agents will receive thorough compliance training to work under GEE Power & Gas's brand, which will be scheduled on an ongoing basis (including frequent refresher training) and fully documented.

h. Complaint handling

A complaint handling process has been established and is found as confidential attachment 11. This policy incorporates best practice for managing disputes, and all frontline team members will be fully trained on the process, including the customer's rights for escalation to external bodies.

i. Internal Audits

GEE Power & Gas will be proactive in managing compliance, and the Compliance Officer's KPI's will include regular and thorough internal audits of retail processes and procedures. These will be scheduled in a Compliance Calendar and be discussed in

frequent Compliance Committee meetings that also include previous meeting minutes, audit results and breach register reporting.

These audits will be carried out on a regular basis (one retail process monthly) and will add a level of control and supervision to compliance risk areas arising out of GEE Power & Gas's market entry.

j. Customer Consent

GEE Power & Gas is aware of incidents where customers have been subject to questionable sales tactics resulting in transferring from one retailer to another, often without the full consent (or understanding) of the customer. These typically arise from third party sales channels with high pressure sales tactics. Aside from the unethical nature of this conduct and impact upon the consumer, GEE Power & Gas understands the reputational damage that this causes both the retailer and the energy industry as a whole.

GEE Power & Gas knows that it must not initiate the transfer of a mass market or large market customer without the explicit informed consent of the customer.

To ensure this is the case, the Compliance Officer will conduct regular auditing of a selection of customers to verify that they have knowingly given their explicit informed consent to being transferred to GEE Power & Gas (and that they understand that they have entered into a retail supply contract with GEE Power & Gas). This selection will contain customers from a variety of geographical areas to ensure a reflective sample group, and the findings will be reported at the next scheduled compliance meeting.

Customers who indicate that they did not understand that they had entered into a contract will have their agreement cancelled immediately (without cost) and will be transferred back to their previous retailer.

k. Training & Competency

GEE Power & Gas understands the importance of scheduled training and regular refresher programs. As such, all staff members and external third parties will be trained and assessed on their compliance/regulatory obligations before they can commence acquisition activities. The Compliance Officer will manage this function and will personally have training compliance as a KPI.

A training register will be created which will contain results, staff progress, status updates and training gaps. This program will be reviewed frequently by the Compliance Committee to ensure processes are up to date and that all training documentation is aligned with the latest version of codes and guidelines.

SECTION 5: Provision of Information to Customers

a. Customer Charter

GEE Power & Gas has created a Customer Charter which outlines the service offerings to its customers. This can be found as Confidential Attachment 12 and is aligned with the Victorian Energy Retail Code. The Charter covers the following:

- Customer obligations
- Retailer obligations
- Pricing information and options
- Contract terms (terms and conditions of contract, termination provisions)
- Meter reading schedule and/or estimation arrangements
- Details of billing (billing period, how bills are issued, contents of bills, basis of bills)
- Bill error handling
- Payment (terms of payment, methods of payment, advance payment, late payment, instalments, concessions)
- Complaint handling and dispute resolution processes (retailer's obligations, customer's rights, procedure, access to the Energy and Water Ombudsman Scheme)
- Termination of supply (procedure)
- Reconnection of supply (supplier and customer obligations, time to reconnect, charges).

SECTION 6: Information Technology Systems

a. Customer Management & Billing System

Section 7 (Contracts and Agreements for Outsourced Services) highlights that negotiations have commenced with a number of providers for a fit-for-purpose service/billing solution. One of the key criteria for this system is scalability to appropriately facilitate the modest growth forecast that GEE Power & Gas have outlined in their business plan.

b. Website

GEE Power & Gas recognises that websites are the “shopfronts” of the modern age and must contain all the information that customers may require. It should also be easily navigable and presented in such a way that it is easy and clear on how to contact GEE for any enquiries.

GEE Power & Gas has already engaged with a marketing organisation for the creation of this website and has purchased the domain “geepowerandgas.com.au”. The brief was to include all relevant regulatory information in a clear, easy to follow format.

c. Telephony

GEE Power & Gas will train team members in both the Adelaide and Melbourne offices to respond to phone calls, and to promote a “first call resolution” wherever possible. Having two separate call centres will provide insurance in the event of an outage at one site (blackout, fire drills, IT outages etc), ensuring that customers can still contact GEE Power & Gas within the prescribed opening hours.

These customer services will be handled in house by GEE's current staff. GEE Power & Gas will receive some resource support in IT, HR and finance from its affiliated company Green Energy Experts

SECTION 7: Other Licences, Registrations & Agreements

Contracts and Agreements for Outsourced Services

Below are the details of all contracts that are (or will be) created for the provision of outsourced management and advisory services that are either under negotiation, entered into or to be entered into by GEE Power & Gas to facilitate the operation of the retail electricity business:

a. Sales channel agreement.

The business plan highlights that acquisition activities will be initially undertaken by GEE's existing internal sales team. As energy will be an "add-on" product to GEE's commercial solar offering, there will not be a need to engage third party sales channels initially. This add-on will be to existing solar leads and sales

However, GEE Power & Gas recognise that if the existing resources are not successful in achieving the required volume, then there may be a need to engage with third party sales channels. As such, GEE Power & Gas will create a standard agreement for the engagement of external brokerage sales agents if/when these agents are required. This will impose strict compliance obligations, as GEE Power & Gas understand that it is responsible for the actions of its external sales agents. Service agreements with external sales agents will contain stringent performance criteria in the areas of code compliance and consumer protection laws

GEE Power & Gas's Legal & Compliance group is responsible for ensuring that compliance, capabilities and performance are factored into contracts with external suppliers. This includes overseeing outsourcing arrangements to ensure they take account of compliance obligations.

b. Billing Services agreement

GEE Power & Gas have opened discussions with a number of third-party providers who can provide the following services:

- Billing
- Transfer management, on-boarding, operation functions and credit management
- Call centre capability and dispute resolution services

GEE Power & Gas have shortlisted providers who are experienced and fully versed in the latest retail laws and guidelines in all contestable jurisdictions across Australia. A rigorous selection process will be in place to ensure that the third party, as a representative of GEE Power & Gas, is a fully capable and competent of managing the customer relationship effectively.

The following firms are currently under review to provide this meter-to-cash service:

- Utilibill
- Brave Energy Systems
- Tally IT
- Agility CIS

GEE Power & Gas will have awarded a contract to one of these providers prior to retail activities commencing, and after successfully obtaining a retail authorisation. Evidence of these interactions can be found as:

- attachment 13.1
- attachment 13.2

c. Software Hosting Agreement

GEE Power & Gas will initially implement a hosted solution for its software. A tender process will be initiated and completed before retail operations commence.

d. AEMO Registration

GEE Power & Gas is currently finalising documentation required for an application to AEMO for registration as a Market Participant. The processing and subsequent approval of the registration application cannot be completed until AEMO has evidence of the granting of the retail licence.

GEE Power & Gas is familiar with to the rules and conditions governing market participation including settlement and reconciliation of electricity purchases and network service charges, prudential requirements, processes and interfaces.

e. Financial Markets

GEE Power & Gas will enter into ISDAs with a number of generators, and negotiations with one or more generators for associated appropriate commercial hedges will be completed after the retail licence has been granted.

f. Distribution Use of System Agreements

Contact has been made with each distribution business to ascertain their Use of System Agreements. Evidence of these interactions can be found in attachments 6.1, 6.2, 6.3 and 6.4.

These agreements will be executed upon successful receipt of an energy authorisation from the ESC.

g. Energy and Water Ombudsman (Victoria) Scheme Membership

Contact has been made with EWOV around membership timing and application. Evidence of this can be found as Attachment 15. Upon advice from EWOV, GEE Power & Gas will apply for membership once a retail licence is issued by the ESC,

and before any above-the-line marketing activities commence. GEE Power & Gas is aware of the need to engage the Department of Health and Human Services regarding concessions, and will do so once a licence is received.

h. Specialist Third parties

Sonne Energy Australia is an energy retail specialist consultancy and management advisory group. With experienced consultants that have actively run energy retailers at an operational level and worked for a wide spectrum of energy retailers with deep networks in the industry, GEE Power & Gas have identified Sonne as a critical partner to assist its retail market entry.

GEE Power & Gas have engaged Sonne Energy to:

- assist with the documentation of the license application;
- advise on a suitable business structure to ensure it can retail energy responsibly and sustainably;
- introduce GEE Power & Gas to key specialist staff and third parties that it may/will hire before commencement of its retail operations;
- provide gap analysis and assist with fulfilment of any outstanding retail capacity requirements as identified;
- establishing relationships with key stakeholders (AEMO, networks, industry bodies);
- assist with setting up processes and training energy staff, and;
- provide ongoing advisory support (wholesale, compliance and financial) to ensure that GEE Power & Gas retains the necessary technical capability for retailing energy products.

For a full review of Sonne Energy's offering and capability, please visit www.sonneenergy.com.au

SECTION 8: Additional policies and processes

Additional Policies

Whilst a number of policies and processes are still in development, GEE Power & Gas has provided the following additional draft documents for review to illustrate its understanding of its obligations as an on-market retail business.

These documents can be found as

- Privacy Policy confidential attachment 15.
- Hardship Policy confidential attachment 16.

SECTION 9: Key Declarations

Fit and proper person

- a. GEE Power & Gas confirms that none of its directors or any entity that could exert control over GEE Power & Gas or any person with significant managerial responsibility or influence on the applicant have been involved in any material breaches of obligations regulated by the Essential Services Commission.
- b. GEE Power & Gas confirms that none of its directors or any entity that could exert control over GEE Power & Gas or any person with significant managerial responsibility or influence on the applicant have been prosecuted for any offences or had enforcement action taken under any state, territory, Commonwealth or foreign legislation (including, but not limited to, the Competition and Consumer Act 2010 (Cth), Corporations Act 2001 (Cth), or the Australian Securities and Investments Commission Act 2001 (Cth)).
- c. GEE Power & Gas confirms that none of its directors or any entity that could exert control over GEE Power & Gas or any person with significant managerial responsibility or influence on the applicant have been refused a licence or authorisation, or had restricted, suspended or revoked any such licence.

Attachments

Public

Attachment 1: Company Registration

Attachment 2: Statutory Declaration

Confidential

Attachment 3: Corporate Structure

Attachment 4: Business Plan

Attachment 5: Financial Model

Attachments 6.1, 6.2, 6.3, 6.4, 7, 13.1, 13.2, 14: Contact with relevant stakeholders

Attachment 8: Compliance Policy

Attachment 9: Risk Management Framework

Attachment 10: Terms & Conditions

Attachment 11: Complaint Resolution Policy

Attachment 12: Customer Charter

Attachment 15: Privacy Policy

Attachment 16: Hardship Policy