

## Appendix 2

### Alectrona Power Purchase Agreement (APPA)

#### Product Disclosure Statement

An Alectrona Power Purchase Agreement (APPA) is a long-term contract to provide you or your business with the benefits of a solar PV system at no upfront cost. Before entering into a APPA you should read and understand this Product Disclosure Statement (PDS). The PDS contains important information about the long-term contract you are entering into, and the rights, obligations and protections you will be bound to under the APPA.

#### *Advantages of an APPA with Alectrona*

Our APPA allows for your business to experience the benefits of a solar energy system without any upfront capital cost, and without being responsible for any of the normal operational or commercial risks associated with ownership such as maintenance costs or system underperformance. Under the APPA you only pay for the kWh which are actually generated by the system. The kWh charge is structured to allow Alectrona to cover all costs, normal operational and commercial risks over the course of the APPA.

At your option, a battery may be included as part of the APPA. It is important for you to know that batteries are not a cost effective option for most customers. Generally, Alectrona would only recommend the installation of batteries where they were displacing diesel generated electricity, or in the case of special purpose requirements such as an uninterruptible power supply (UPS).

#### *Risks of an APPA*

This APPA is a long-term agreement and your circumstances may change significantly during its term. For example:

- Your consumption of electricity may fall significantly and you will not be able to consume 100% of the electricity produced by the system. Under this agreement you are required to purchase 100% of the electricity produced by the system regardless of your actual consumption;
- We cannot guarantee that your Licensed Electricity Retailer (LEC) will be willing to purchase any electricity you export to the grid or what tariff you will be paid should the LEC be willing to purchase the exported electricity. Non-Primary Source of Energy supplied under this APPA is a supplementary source of electricity and is not an alternative or substitute for a primary supply contract with your Licensed Electricity Retailer. As such, you will need to maintain a primary supply contract with a Licensed Electricity Retailer.

#### *Retail License Exemption*

Alectrona is a non-primary electricity provider and has been granted a retail license exemption under the Electricity Industry Act (2004) and as a result is not bound by the same obligations as a Licensed Electricity Retailer or the Electricity Ombudsman Scheme. This exemption does not affect any of the consumer protections available to you under state or federal consumer laws.

#### *APPA Rate, Term and Estimated Costs*

This APPA is a long-term agreement, running for '??' years from the first full day of system operation. You will be charged a rate of '??' per kWh supplied by the system during the first year, and escalated in line with the inflation rate (consumer price index – CPI).

The system that we will install at your premises is a '??' kW system and is designed to supply approximately '??' kWh per day. We will supply you with a graph which details the estimated output of your system by month which will give you a reasonable indication of the seasonal variation in system performance.

During the first year we estimate your bill from us will be approximately \$??.

If your system is ineligible to apply for small technology credits (STC's) and instead, we are required to create and sell Large Generation Certificates (LGC's) then the price you pay per kWh will be affected by the LGC rise and fall clause. The fluctuation in price you will experience is the net difference between the contract LGC price and the prevailing market price when the LGC's are generated and sold.

All solar PV systems suffer degradation in their performance over their useful working life and the system performance may be slightly lower, on average, each year. We actively track actual output of our systems against expected output and will take appropriate action where there is a material variance between actual and expected performance.

### *Fees and Charges*

The kWh rate and the rise and fall clause (if applicable) outlined above cover the design, construction and normal commercial operation of the solar system installed at your premises. If you elect to receive electronic bills, pay by direct debit, and do not default on your monthly payment you will not have to pay any additional fees and charges to us. The following fees and charges will be passed on to you should they be incurred by us:

- Credit card fees where you elect not to pay by direct debit;
- Dishonour fee on direct debit payments if you default on a payment to us;
- Interest on late payments;
- Early termination fees should you wish to terminate the contract before expiry or we terminate due to your continued breach;
- Account deactivation fee if we have to deactivate your account due to your breach of contract
- Account reactivation fee if we have to reactivate your account after it is deactivated due to your breach of contract

Should changes in government legislation result in additional benefits being payable or additional charges being incurred due to a legislative change related to our ownership of the solar system, this benefit or cost will be passed through to you. We will take all reasonable measures to maximise the value of any such benefit or minimise the cost of any such charge.

### *Billing format and Frequency*

We will bill you monthly in arrears for all electricity supplied our system on 14 day payment terms. We will direct debit the amount payable net of any credit due to you from your nominated account or credit card.

### *Metering Standard*

The meters we use depends on your individual requirements. Ordinarily we would use the EDMI, Mk10A or similar Smart Multi Channel, which operate to Accuracy Class 1 or better. These meters connect to the internet via the mobile phone network or via a wireless network and are read remotely.

### *End of Contract*

Six months prior to the end of our contract with you we will contact you to discuss your options:

1. Contract extension on mutually agreeable terms;
2. You may buy the system from us at a mutually agreed price; or
3. We will organise for the system to be removed and the site remediated at your cost.

### *Early Termination Fees & Changes in Business Ownership*

You may withdraw from this contract within 10 business days of signing the contract for any reason (the cooling off period). You may also exit the contract at any time for any reason after the cooling off period by paying the early exit fee included in the APPA contract. The early exit fee is designed to ensure that we receive a fair return on the investment we made in the system. If you sell or transfer your business during the APPA period and are unable to transfer your obligations under the APPA to the new owner, or the transferee does not meet our minimum eligibility requirements then the early exit fee will be payable by you. We may be able to move the system to your new premises provided we receive reimbursement of all costs related to the move. Either party may terminate the APPA where the other party materially breaches its obligations under the agreement and fails to remedy this breach within a reasonable period of time. Where a Force Majeure event occurs and prevents either party from fulfilling its obligations under the agreement for six (6) months or longer, the other party may terminate the agreement.

### *Dispute Resolution*

We are committed to providing the best service possible and take all complaints seriously. If some part of our service does not meet your expectations, then please contact us as soon as possible. Your complaint will be handled by a senior manager who is empowered to resolve your complaint. If you are still not satisfied with the outcome or then you may invoke the dispute resolution process per the APPA.

### *Maintenance, Repairs and Warranties*

During the term of the PPA we are responsible for all repair and maintenance to the system and will maintain the system in accordance with the individual component's manufacturer specifications and relevant legislation. We are responsible for all normal commercial risks associated with fair wear and tear of the system. Under the terms and conditions of your contract with your Licensed Electricity Retailer you may be liable for the cost of any damage our system causes to the electricity network. If such damage were to occur as a result of our negligence, then we will reimburse you for any charges levied by your Licensed Electricity Retailer or the grid operator.

### *Credit Worthiness and Other Checks*

Before we enter into the APPA with you we will engage a third party such as Dun & Bradstreet or Veda to perform a credit check. If your premises is leased we will require verification of your ability to authorise installation of the system at your premises and may also require consent from the property owner to install the system