

## Application for Solar PPA Retail Licence Exemption

### **Appendix A: Application Form**

Applicant Details			
Legal Name	Efficient Homes Australia Pty Ltd		
Trading Name	Infinite Energy		
Registered Office	49 Labouchere Road, South Perth WA 6151		
Principal Place of Business	49 Labouchere Road, South Perth WA 6151		
Contact Details			
Name of Primary Contact	Shane Cremin		
Postal Address	49 Labouchere Road, South Perth WA 6151		
Telephone Number	Business: 08 6144 5201		
	Mobile: 0421 585 930		
Email	shane.cremin@infiniteenergy.com.au		
Company Structure			
ABN	36 141 430 328		
Legal Structure	Corporation		
Company Directors	Confidential		
Description of Primary Business Activities	Appendix C-1		
Associated Entities	Appendix C-2		
Business Requirements			
Brief description of the business model, including forecasted type (commercial and residential) and number of customers	Appendix C-3		
Details of experience in selling energy products and services	Appendix C-4		



### Appendix B: Exemption Application Check List

Information Required	Information Provided	Application Reference
A version of the application suitable for publication on the Department of Finance website	Ø	Separate copy provided
An overview of the applicant's corporate structure.	V	Appendix C-5
Identity information, including legal and trading name (if relevant) and ABN or ACN.	Ø	Appendix B
Registered postal address and contact details of the applicant.	V	Appendix B
Name and contact details of the applicant's main contact person.	V	Appendix B
An overview of the applicant company's profile and a description of the company's main business activities.	Ø	Appendix C-1
Description of the company type (public, private, joint venture, other body corporate, partnership, sole trader or other entity).	Ø	Appendix B
A list of associated or controlled entities, including the degree of control exercised.	Ø	Appendix C-2
A description of the applicant's business model, including forecasts for the number of customers expected to be serviced under a solar PPA over the next three (3) years.	Ø	Appendix C-3
A written declaration from the applicant attesting to the applicant's financial solvency.	Ø	Appendix E
A copy of the applicant's proposed solar PPA Product Disclosure Statement.	Ø	Appendix F
A description of the applicant's previous experience selling energy or solar PPA products.	Ø	Appendix C-4
Details of whether the applicant holds, or has previously held or been subject to, an energy selling retail licence, licence exemption or retailer authorisation in any Australian state or territory, including Western Australia.	Ø	Appendix C-6
Details about any breaches of those licences, exemptions or authorisations, where a penalty or enforcement order was applied.	Ø	Appendix C-6
Details of any current or ongoing investigations about an alleged breach of a licence, exemption or authorisation.	Ø	Appendix C-6
Statements and evidence to enable the Governor to consider whether granting a licence exemption would be contrary to the public interest.	V	Appendix D



### **Appendix C: Responses**

### C-1 Description of Primary Business Activities

Infinite Energy is one of the largest solar providers in Australia. Infinite is headquartered in Perth and the majority of its business activities occur in WA. With divisions in Residential and Commercial solar, Infinite Energy has supplied over 8,500 homes, businesses and government departments, totaling over 43 megawatts of solar PV.

Infinite Energy Electricity, is a retailer to large use customers in the WA Wholesale Electricity Market. Infinite offers a range of retail electricity products, spanning pure grid supply through to integrated solar (and solar PPA), metering and 'embedded generation' offerings.

Infinite Energy rounds out its product offering with battery storage solutions to both residential and commercial customers as well as EV charging solutions.

### C-2 Associated Entities

Confidential

### C-3 Brief Description of the Business Model

Infinite Energy directly employs over 40 people around Australia, as well as those employed by our installation subcontractors and other service providers.

Infinite Energy operates as an integrator of quality solar products, delivered via a large dedicated sales and marketing team based in the South Perth head office. Infinite partners with a small number of highend OEMs to optimize the sales and logistics channels. Infinite Energy's retailing and embedded networks business, along with the new EV charging station business, leverages from the solar sales and marketing team to offer complete electricity supply packages and behind-the-meter solutions to commercial businesses.

Infinite Energy already sells solar PPAs to commercial customers. It intends, via the retail licence exemption, to sell these to residential customers also – including the Origin Energy SaaS product. Infinite anticipates selling approximately 3,000 residential solar PPAs over the next three years.

### C-4 Experience Selling Energy Products and Services

Infinite Energy is one of Australia's largest distributed solar PV providers, with over 43MW of sales in around six years. Infinite expects to sell over 15MW of solar PV in 2016.



Infinite Energy has some of the most extensive knowledge in selling solar PPAs into the WA market. Originally partnered with Sun Edison, who brought one of the first solar PPA products to WA, Infinite has gone on to sell its own solar PPA product to commercial customers, and now is the exclusive agent for the Origin Energy Solar as a Service (SaaS) PPA offering in Western Australia. Under the Solar PPA Retail Licence Exemption, Infinite Energy intends to sell the Origin Energy SaaS product to residential customers, again under an exclusive agency arrangement with Origin Energy.

Infinite Energy Electricity supplies grid electricity to commercial customers in the WEM, which affords Infinite Energy a valuable understanding of the WA electricity market.

C-5 Overview of Corporate Structure

Confidential



C-6 Previous/current Licences and/or Exemptions and any Breaches or Investigations

Current relevant licences and licence exemptions include:

WA Retail Electricity Licence ERL22 – Bluestar Energy Pty Ltd (T/A Infinite Energy Electricity)

AER Individual Retail Exemption (May 2015) - Infinite Energy

There have been no breaches of these licences to date and there are no ongoing investigations into any activities associated with these licences.

The last audit of ERL22 by the Economic Regulation Authority was released in May 2016 and noted:

"The ERA is satisfied that Blue Star has demonstrated a high level of compliance with its licence conditions. The ERA has decided to extend the period of time until the next Audit from 24 to 48 months."



### Appendix D: Statement to Governor – Public Interest

The Minister for Energy has approved a licence exemption framework for solar PPA providers to apply for individual retail electricity licence exemptions. The Minister's decision follows the approach recommended by the Department of Finance, Public Utilities Office and will promote further competition in the WA electricity sector. With the environmental benefits of solar energy clear, a Public Interest Test should focus on the quality and integrity of the party seeking a licence exemption, given they will not be bound by normal customer protection obligations under a retail licence, as well as the benefits the exemption will bring.

Infinite Energy already sells solar PPAs to commercial businesses. Solar PPAs are popular where businesses are capital constrained. With no capital outlay, solar PPAs allow businesses to access low-cost renewable energy, saving them money on monthly energy expenses. Offering this product into the residential sector will provide access to no-money-down, low-priced renewable energy products to some of the most disadvantaged customers in Western Australia, who may otherwise not be able to afford the cost of installing solar on their homes.

Currently, residential electricity customers in WA cannot choose their electricity retailer. The Minister for Energy has committed to a mid-2019 date for Full Retail Contestability (FRC). While not replacing FRC, approving the licence exemption will allow Infinite Energy to offer an alternative and complimentary electricity supply option to Western Australians in the immediate term. Customers are not bound to enter any solar PPA agreement and should do so by choice, where the benefits have been clearly established and articulated. This where Infinite Energy excels.

Infinite Energy boasts one of the highest customer experience rankings of any solar provider in Australia based on independent customer review scores (Google Reviews, Facebook, Solar Quotes). We have built an enviable reputation in the industry as being a no-pressure sales organization that takes the time to explain all aspects of a technology that is often confusing to its customers. Testament to this is the amount of referral business we receive.

Infinite is also a CEC approved Solar Retailer (<u>http://www.solaraccreditation.com.au/retailers.html</u>). This accreditation binds us to a code of ethics authorised by the Australian Competition and Consumer Commission (ACCC), including providing minimum whole-of-system warranties and being accountable for our sub-contractors.

Infinite Energy is accredited under the ISO:9001-2008 Quality Management System and has developed a solar-specific HSE Management System which our sub-contractors adhere to.

Finally, Infinite Energy is domiciled in Western Australia and is an electricity retailer in the WA electricity market. We are invested in the local economy, with the vast majority of our over-40MW of installed solar PV capacity going on WA rooves, providing access to low-cost renewable energy to West Australians. We employ around forty people directly in WA and around the same amount indirectly, through our sub-contractors and service providers.



Appendix E: Written Declaration



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Government of Western Australia Department of Finance Public Utilities Office

14th September 2016

To whom it may concern,

I, Shane Cremin, Efficient Homes Australia Chief Executive Officer, confirm the following;

- an administrator, receiver or insolvency official has not been appointed to control any part of the business or its property;
- no application or resolution has been passed or steps taken to wind up the company; and
- I am not aware of any other factors that may impede the company's ability to finance and service solar PPA customers under the proposed business model.

Yours faithfully,

Shane Cremin Chief Executive Officer



**Appendix F: Product Disclosure Statement** 



#### 1. What is a Solar PPA?

A Solar PPA is a method of purchasing a solar generation system without any upfront costs. Rather than pay outright for the system and its installation, you pay for each unit of electricity it uses for a contracted period.

When you enter into a Solar PPA with Infinite Energy, you are agreeing to buy electricity produced by a solar generation system located on your roof (or other part of your premises, as agreed).

This agreement will typically be an addition to your contracted grid supply, which will in most cases, be the primary source of electricity supply to your premises. A solar PPA will typically produce electricity at a lower rate than electricity supplied from the grid. It should be seen as a way to reduce your electricity bill, rather than completely replace it.

You will receive a monthly bill for the energy consumed from the solar facility, as well as your periodic bill from your grid supplier for electricity consumed from the grid and associated charges.

#### 2. Who can provide you with a Solar PPA?

An electricity retailer requires a licence to sell you electricity. If you consume less than 50MWh per year, only Synergy currently has a licence to sell electricity to you as a non-contestable customer. Otherwise, any appropriately licenced retailer can offer a grid supply or a Solar PPA. Retail licences generally contain obligations under legislation for services and protections that must be provided to the customer, including an obligation to be a member of the Electricity Ombudsman Scheme. Infinite Energy has applied for and received an exemption from obtaining a retail licence in order to offer Solar PPAs to non-contestable customers. If you are a noncontestable customer, then apart from Synergy, only companies that have received this licence exemption are allowed to offer you a Solar PPA.

#### 2. Who can provide you with a Solar PPA? cont.

You should be aware that under the exemption, Infinite Energy is not bound by the obligations under the *Electricity Industry Act 2004* or its subsidiary legislation relevant to licensees, including the obligation to be a member of the Electricity Ombudsman Scheme.

#### 3. What protections do I have?

In addition to the warranties outlined in this document, the supply of electricity services to consumers under a Solar PPA is subject to consumer protections under the Australian Consumer Law.

You can find out more about these protections on the Australian Consumer Law website: http://consumerlaw.gov.au/

#### 4. How long is the Contract I am entering?

The term of this solar PPA agreement is [\_\_\_] years. We will provide you with an indicative Buyout Schedule which will provide a guide each year over the contracted period of the likely price of the system if you choose to offer to buy the system outright from us.

While we are not obliged to sell the system to you, typically we will do so if offered an acceptable price in line with the schedule.

#### 5. What happens at the end of my contract?

The solar generation system will have a useful lifespan well in excess of the contract period. Quality solar generation systems, properly maintained, should last between 20 to 25 years. Under the rules of a Solar PPA, at the end of your contract period, the solar generation system still belongs to Infinite Energy. At this time, we provide you with a number of options.





#### 5. What happens at the end of my contract? cont.

You may offer to purchase the solar generation system from us for as little as \$1. While it is not permitted to set a price as part of the contract, Infinite Energy expects this to be a common option.

Once you own the system, all electricity generation belongs to you and is free of charge.

Alternatively, you may enter into a new contract with Infinite Energy. We will continue to charge you an agreed price for each unit of electricity produced over the term of the new contract and be responsible for maintaining the solar generation system.

Lastly, you may request Infinite Energy to remove the system from your premises at our cost.

#### 6. Can I exit the contract early?

The contract ends at the expiry of the contract term entered into. Prior to the expiry of the term, you may exit the contract by paying an Exit Fee. The Exit Fee will be equal to the value of the solar generation system specified in the Buyout Schedule and upon paying the Exit Fee, the ownership of the solar generation system will pass to you.

Should you like Infinite Energy to remove the solar generation system under this circumstance, we will charge you the reasonable cost of removing and disposing of the system.

You can also end the contract early at any time before the commencement of the solar generation system installation. You must pay Infinite Energy the reasonable costs which we have incurred, in relation to facilitating the contract and installation, up to the point of notification of termination. Infinite Energy will itemise these costs.

#### 6. Can I exit the contract early? cont.

You can exit the contract early if any of the following applies:

- Infinite Energy proposes additional fees that are not agreed to by you (and not contemplated in the contract);
- Infinite Energy is in breach of the contract and fails to remedy the breach within 4 weeks after the breach has been established; and
- Force Majeure prevents the Infinite Energy from meeting or performing its obligations under the contract (fully or in part) for more than 9 months.

#### 7. What if I move house or sell my house?

If you move house, you must notify Infinite Energy within 4 weeks of vacating. In this instance we will provide the following options: You can request Infinite Energy to relocate the solar generation system to another property owned by you (or if you have the permission of the owner). If we agree to the request, you must pay the reasonable costs incurred by Infinite Energy in relocating and reinstalling the system. You must then enter into a new contract for the balance of the term of the original contract on such terms as the Infinite Energy specifies. Additionally, you may exit the contract by paying the Exit Fee, or buy the solar generation system by paying the remaining value in the buyout schedule.

If you sell your house (and the incoming purchaser does not agree to buy out the solar generation system according to the buyout schedule), you may agree with the incoming purchaser that they enter into a new Solar PPA agreement with Infinite Energy based on the same terms as your original agreement. We will require a security from you, which must remain in place until the incoming purchaser enters the new agreement. If the new agreement is not entered into after 12 months, we may draw on the security.



#### 8. What fees and charges apply under the contract?

There are no up-front charges for the installation of the solar generation facility. Infinite Energy will invoice you a monthly amount and you will be able to select your preferred billing method. Infinite Energy prefers electronic billing, however you may select to receive a paper bill via the post for a small fee.

## Monthly invoices may include the following fees and charges

- A Generation Charge a charge for the electricity generated by the solar generation system. This charge is calculated by multiplying the applicable electricity rate by the quantity of solar electricity generated in that billing period. The quantity of solar electricity generated will be measured by an appropriate meter, as described in this document.
- Taxes any taxes (including CST), duties, imposts, levies, regulated charges, costs, fees and charges that Infinite Energy has to pay (directly or indirectly) in association with the sale and supply of solar electricity and which may be applied to Infinite Energy from time to time. These charges will be itemised and passed through to you at cost.
- A one-off charge may be applicable if Infinite Energy is required to change your grid-supply electricity meter. This charge will be passed through to you at cost.
- Card payment fee Infinite Energy charges a 1% surcharge on Mastercard and Visa payments; and a 1.5% surcharge on American Express payments.
- Paper bill fee for receiving a paper bill in the mail. This will be set out in the contract.
- Reactivation fee to cover the costs the incurred by Infinite Energy to reactivate the solar generation system if the system has been deactivated due to a customer breach or failure to pay the contract charges.

- Removal fee to cover the removal of the solar generation system if you request us to do so prior to the end of the contract term. This fee won't apply if you do not request us to remove system.
- Exit Fee as described in this document (for exiting the contract early).
- Payment processing fee for paying by any payment method where the Infinite Energy incurs a cost to receive or process that payment (other than the cost covered by the card payment fee). This fee will be itemised and passed through at cost.
- Late payment fee for payment (or part-payment) of invoices after the due date. This will be specified in the contract.
- Other payment fees any additional costs incurred by Infinite Energy relating to payments that are dishonoured or reversed. These fees will be itemised and passed through at cost.
- Meter check fee If you request Infinite Energy to check the accuracy of your solar electricity meter; and that check finds the meter is accurate, we will pass through the reasonable cost of the test. If the meter is found to be faulty, we will cover the cost of the test and of repairing or replacing the meter.





## 9. What is the per unit price of the solar electricity over the term of the contract?

The price per unit of solar electricity is [\_\_\_\_] cents per kWh.

One unit of electricity equals one kilowatt-hour (kWh). This price has been determined by a number of factors, including the term of the contract, the size of the solar generation system, the location of the site for the system and any other factors specific to your site that might impact the cost of installing the system. This price will not be changed over the term of the contract, except for the regular annual indexation of the price with CPI (based on the September quarter CPI figure released by the Australian Bureau of Statistics), or if any new taxes or charges resulting from a change in law which requires us to incur new costs.

Prior to entering a contract, Infinite Energy is required to provide you with an estimate of the quantity of electricity produced by the solar generation system in the first year, as well as the first year's cost of supply based on this estimate. Based on the configuration of your system:

The expected annual output of the solar generation system in year 1 is [\_\_\_\_] kWhs.

The expected annual cost of the output of the solar generation system in year 1 is [\$\_\_\_\_].

## 10. How will you measure electricity generation from my solar generation system?

Infinite Energy will install a separate solar electricity smart meter to measure the amount of electricity generated from your solar energy system. We will only use meters that are approved under the National Measurement Institute (NMI) and are considered suitable for billing requirements in terms of their accuracy (Class 1 or better). Meters will also comply with the National Measurement Act 1960 (Cth) requirements for electricity meters.

## 10. How will you measure electricity generation from my solar generation system? cont.

The smart meter will be able to be read remotely, so no meter readers will be required to enter your premises. This also allows us to monitor the output of the solar generation system to ensure it is operating correctly. While Infinite Energy will use high quality meters, if any meters are found to be faulty, we will replace or repair them at our cost. The solar electricity smart meter will only measure the quantity of electricity produced by the solar generation system. Any electricity consumed from the grid will be metered separately by your grid retailer. Your grid retailer will also meter any solar electricity that is not consumed by you (or stored if you have a battery storage system) and is injected into the grid. If you are a non-contestable customer, this unused solar electricity may receive the Synergy REBS feed in tariff rate. Any REBS feed in tariff agreement is between you and Synergy.

## 11. What do I need to do to connect my solar generation system to the grid?

Infinite Energy will organise approval from Western Power to connect the solar generation system to the grid. We simply request you to provide us with the authority to deal with the Western Power on your behalf and providing the necessary information for the purposes of obtaining this approval. This typically means assisting us with filling out forms and signing application forms. Any costs relating to the connection to Western Power's grid will already be included in the solar PPA contract price.

## 12. Am I liable for any damage to the grid caused by the solar generation system?

Your network connection agreement (with Western Power) is managed through your grid electricity retailer. You do not have any direct obligations to Western Power but under your supply agreement with your grid retailer, you may be liable for any damages caused by the solar generation system.



## 12. Am I liable for any damage to the grid caused by the solar generation system? cont.

However, Western Power's Technical Rules govern the type of solar equipment, such as inverters, that can be connected to their grid. Infinite Energy, like all solar providers, are only permitted to use compliant equipment. The risk of damage to the grid from compliant solar equipment is small.

### 13. What if I don't agree with an invoice or I have a dispute or complaint?

If you dispute any part of an invoice or the contract, you may make a complaint to the Infinite Energy via email, phone or in person at our office.

Upon receipt of a written complaint, the Infinite Energy will acknowledge the query or complaint within 10 business days and respond to the query or complaint by addressing the matters in the query or complaint within 20 business days. The time the company spends investigating a complaint is determined by its seriousness and complexity.

While most queries or complaints should be able to be rectified quickly and easily, such as establishing meter data and invoice amounts, when responding to a complaint Infinite Energy will advise you that you have the right to have the complaint considered by a senior employee. Infinite Energy will keep a record of all complaints and correspondence, as well as the time taken to resolution.

If you are not happy with how a complaint has been resolved, you may refer the complaint to the WA Consumer Conciliation Service, within the customer protection division of the Department of Commerce: https://www.commerce.wa.gov.au/consumer-protection/ making-complaint. Further avenues exist to make complaints about a service provider or seek advice on your rights from the Australian Competition and Consumer Commission (ACCC): https://www.accc.gov. au/consumers/health-home-car/solar-power#consumerrights-for-solar-power.

## 14. Who is responsible for the maintenance and repair of my solar generation system?

Infinite Energy is the provider of maintenance and repair services for the solar generation system. A solar PPA works on the principle that you as the customer only pays for the electricity produced by the solar generation system. If, for whatever reason, the system stops producing or under-produces, Infinite Energy, as the owner of the system, does not get paid as it would if the system were working properly.

This relationship incentivises Infinite Energy to monitor and maintain the solar generation system to keep it in good working order. While it is in our interests to ensure the system is working properly. Infinite Energy is not liable for any losses or higher electricity supply costs due to nonperformance of the system.

Your only obligation to us is to promptly inform us if you believe there is an issue with the solar generation system; as well as to allow reasonable access to Infinite Energy and its sub-contractors in order to maintain the system and repair and faults.

# 15. What is covered and not covered under warranty?

The output of a solar generation system will vary according to a range of factors, including weather conditions, orientation and the age of the system. Infinite Energy does not guarantee any minimum output from the solar generation system. However, the nature of a Solar PPA ensures that it is in both party's interests that the system produces to its operational capacity over the term of the contract.

While the solar generation system is owned by Infinite Energy for the term of the agreement, it should have a considerable amount of useful life remaining after the Solar PPA expires. Depending on the system configuration

System product warranties can be found here; www.infiniteenergy.com.au/support/warrantyinformation