



PAE NORTHAM



PERDAMAN ADVANCED ENERGY
(Previously Enigin WA)

Giving power to a clean energy generation

Application for Solar PPA Retail Licence Exemption in Western Australia

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1 APPLICATION FORM

Applicant Details	
Legal name	Perdaman Advanced Energy PTY LTD and its wholly owned subsidiary PAE Northam PTY LTD (Both hereafter referred to as "PAE")
Trading name	Perdaman Advanced Energy
Registered office	L17, 58 Mounts Bay Road, Perth WA 6000
Principal place of business	L17, 58 Mounts Bay Road, Perth WA 6000
Contact Details	
Name of primary contact	Dominic Da Cruz
Postal Address	L17, 58 Mounts Bay Road, Perth WA 6000
Telephone number	94295111
Email	Dominic.dacruz@perdaman-ae.com.au
Company Structure	
ABN or ACN	24611726400
Legal structure	Australian Private Company
Company directors	Confidential
Description of primary business activities	Section 2
Associated entities	Confidential
Business Requirements	
Brief description of the business model, including forecasted type (commercial and residential) and number of customers	Section 4
Details of experience in selling energy products and services	Section 5

2 EXEMPTION APPLICATION CHECK LIST

Information Required	Information Provided	Application Reference
A version of the application suitable for publication on the Department of Finance website	<input checked="" type="checkbox"/>	
An overview of the applicant's corporate structure.	<input checked="" type="checkbox"/>	Section 1
Identity information, including legal and trading name (if relevant) and ABN or ACN.	<input checked="" type="checkbox"/>	Section 1
Registered postal address and contact details of the applicant.	<input checked="" type="checkbox"/>	Section 1
Name and contact details of the applicant's main contact person.	<input checked="" type="checkbox"/>	Section 1
An overview of the applicant company's profile and a description of the company's main business activities.	<input checked="" type="checkbox"/>	Section 3
Description of the company type (public, private, joint venture, other body corporate, partnership, sole trader or other entity).	<input checked="" type="checkbox"/>	Section 1
A list of associated or controlled entities, including the degree of control exercised.	<input checked="" type="checkbox"/>	Section 4
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.	<input checked="" type="checkbox"/>	Section 5
A written declaration from the applicant attesting to the applicant's financial solvency.	<input checked="" type="checkbox"/>	Section 9
A copy of the applicant's proposed solar PPA Product Disclosure Statement.	<input checked="" type="checkbox"/>	Section 10
A description of the applicant's previous experience selling energy or solar PPA products.	<input checked="" type="checkbox"/>	Section 6
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.	<input checked="" type="checkbox"/>	Section 7
Details about any breaches of those licences, exemptions or authorisations, where a penalty or enforcement order was applied.	<input checked="" type="checkbox"/>	Section 7
Details of any current or ongoing investigations about an alleged breach of a licence, exemption or authorisation.	<input checked="" type="checkbox"/>	Section 7
Statements and evidence to enable the Governor to consider whether granting a licence exemption would be contrary to the public interest.	<input checked="" type="checkbox"/>	Section 8

3 DESCRIPTION OF PRIMARY BUSINESS ACTIVITIES

Perdaman Advanced Energy is a consultant, project developer and operator of advanced energy solutions across commercial, industrial, government, not-for-profit and community clients. Our products and services cover energy efficiency solutions, distributed generation and active networks including microgrids.

Directly or through the wholly owned subsidiary, PAE Northam Pty Ltd (whose single purpose is the provision under a PPA to provide renewable energy to the Northam Boulevard Shopping Centre) PAE has an installed capacity of 972 kW under power purchase agreements across four sites including shopping centres, industrial property and an education campus.

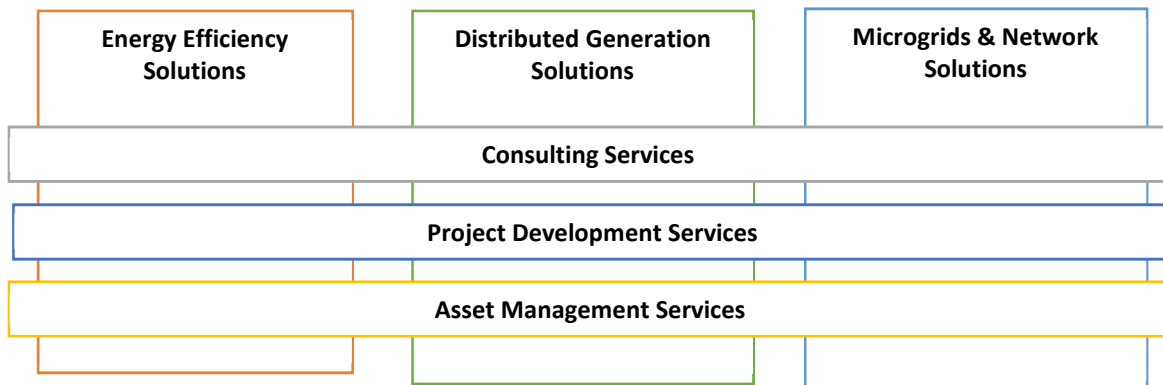
4 ASSOCIATED ENTITIES / COMPANY STRUCTURE

Perdaman Advanced Energy wholly owns a special purpose vehicle PAE Northam Pty Ltd ABN 74614039217 for one of its PPAs on the Northam Boulevard Shopping Centre.

Otherwise there are no other associated entities.

5 BRIEF DESCRIPTION OF THE BUSINESS MODEL

PAE's Solutions and Services business model



PAE are independent experts who design and implement a tailored energy strategy for government, not for profits, commercial and industrial property owners. We ensure clients get more control and profit from current and impending changes in the energy market, employ capital in the most productive manner and shrink their carbon footprint.

PAE expects up to 5 single site commercial and industrial solar PV PPA's to be contracted annually. PAE will also be pursuing the development of microgrids with land developers and Western Power which may result in PPAs with energy users (residential, commercial and industrial) within greenfield estates / districts that if successful would result in PPAs with up to 350 energy users.

6 OUR EXPERIENCE SELLING ENERGY PRODUCTS AND SERVICES

PAE, formerly Enigin WA has since 2008 been selling clean energy products and services in WA. We are only one of a handful of WA Clean Energy Council Approved Solar Retailers.

This means PAE is a signatory to the PV Retailer Code of Conduct, authorised by the Australian Competition and Consumer Commission (ACCC).

Companies that have signed on to the code have committed to provide a higher standard of quality and service, raising the bar in the solar industry. They will also provide a minimum five-year whole of system and installation warranty on solar power systems.

The program is designed to give peace of mind to people who are making the decision to invest in a solar system by helping them purchase the best product available from a company committed to responsible sales and marketing.

Customers can identify businesses that have signed on to the code by a special Clean Energy Council Approved Retailer logo. A full list of approved retailers can be found at approvedsolarretailer.com.au

PAE is proud to be a CEC Approved Retailer and signatory to the Solar PV Retailer Code of Conduct, and looks forward to continue to help improve standards in the Australian solar industry.



PAE is also a WALGA preferred supplier of sustainable energy infrastructure and contestable energy.

Historically, PAE formerly Enigin WA has generated PV sales averaging 3 MW per year.

Our solar PPA experience includes:

- 2015, Bateman Western Australia (WA) 167 kW
- Q1 2017 commissioning Northam WA 665 kW
- Q1 2017 commissioning Port Coogee WA 100 kW

7 PREVIOUS/CURRENT LICENCES AND/OR EXEMPTIONS AND ANY BREACHES OR INVESTIGATIONS

PAE has not breached any energy licence or under any investigation.

8 STATEMENT TO GOVERNOR – PUBLIC INTEREST

The Minister for Energy has authorized a licence exemption framework for solar PPA providers to apply for individual retail electricity licence exemptions. This choice comes with a view of promoting further competition in the West Australian electricity sector. The use of PPAs under the Retail Licence exemption will facilitate PAE building and operating a distributed clean energy network that fast tracks WA's transition to a better energy market – a market that is local, clean and low cost. A market that unlocks new and sustainable value for energy users in the government, business, not-for-profit and community sectors.

For our government clients, our PPAs:

- Facilitate private investment in communities by lowering development costs,
- Stimulate growth and jobs by lowering energy costs and reliability, and
- Reduce carbon emissions.

For our business clients including the legacy electricity networks business our PPAs:

- Generate new long-term recurring revenue,
- Increase asset values, and
- Optimise business assets and operations.

For our community and Not for Profit clients our PPAs:

- Increase the financial viability of communities through sustainable reduced energy costs,
- Decrease a community's impact on the environment, and
- Create a built environment to attract and retain people.

PAE have delivered energy services including high quality solar projects to WA local governments with the recognition of being a preferred supplier of retail contestable electricity to the WA local governments (through WALGA). PAE's mission is to build and operate a distributed clean energy market that fast tracks the transition to a local, lower cost and renewables supplied energy market. PAE PPA products will enable consumers to have more choice when making decisions regarding their electricity supply. This will enhance competition in the market and provide a greater choice for all energy users.

9 WRITTEN DECLARATION OF FINANCIAL SOLVENCY

Government of Western Australia

Department of Finance Public Utilities Office

5 December 2016-12-05

To Whom it may concern,

I Dominic Da Cruz, Perdaman Advanced Energy Managing Director and 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

Dominic Da Cruz

Managing Director and Chief Executive Officer

10 PRODUCT DISCLOSURE STATEMENT

Introduction

This Product Disclosure Statement (PDS) outlines information pertaining to Perdaman Advanced Energy's (PAE) solar Purchase Power Agreement (PPA). A solar PPA is an agreement between PAE and the client where PAE agrees to build, own and operate a solar PV system from which electricity is generated and sold to the client at a pre-determined rate. Benefits from our solar PPA include but are not limited to:

- A no-cost method of increasing NABERS points & reducing the carbon footprint of the built environment.
- No capital or operational cost, meaning no allocation of limited resources, debt or risk for a non-core asset.
- Flexibility to buy & own at any time at the ATO depreciated value.

This PPA provided by PAE is an alternative purchasing a solar PV system or being 100% dependent on the electricity network for electricity supply. The electricity generated by the solar PV system may not be the sole electricity source at the site and can be combined with the existing grid connection to provide a portion of the client's electricity supply needs. The option exists for PAE to provide all of the client's electricity from a solar PV system if desired. The solar PPA is separate but can be concurrent with the customer's electricity grid supply contract with an electricity retailer.

Licence

PAE is not licensed, and 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 Ombudsman Scheme.

Australian Consumer Law (ACL)

The supply of electricity under this Solar PPA is subject to the Australian Consumer Law (ACL). You have a range of rights that are outlined on the ACL website: <http://consumerlaw.gov.au/>.

Contract Term and Options at end of contract

A Contract Term is negotiable. Typical terms range from 5 to 20 years with an option for the client to purchase the system after a pre-determined time.

At the end of the contract terms of this PPA, PAE provides you with options to either:

- a) Renew the contract term – renew another set of contract terms with a new PPA and T&Cs in place.
- b) Take ownership of the system — Purchase the system outright at the agreed rate as outlined in the PPA T&Cs.
- c) Have the solar power system removed – A fee will be applicable to remove the system.

If you choose to purchase the solar PV system all electricity generated from the system belongs to you and is free of charge. Furthermore, you will become responsible for the maintenance, cleaning, repair and removal of the solar PV system if required.

Applicable Fees and Charges

A monthly generation charge will be invoiced which accounts for all electricity generated by the solar system at the contract rate (plus any relevant fees and taxes) excluding any electricity which is not consumed by the client. This is calculated by multiplying electricity rate by the quantity of solar electricity consumed by the client. A minimum charge may be applied if the client uses less than the minimum take agreed.

Other fees that may apply include:

- A cancellation fee if you wish to cancel the PPA before the final installation.
- An exit fee if you wish to end the PPA before its contractual term.
- A system removal fee to cover removal of the Solar PV system if you request us to do so before the contractual term.
- Late payment fees if you are late in bill payment.
- Payment processing fee if the payment methods results in PAE incurring any charges. These charges will be itemized and pass through at cost.
- A reactivation fee for the costs incurred if PAE is required to reactivate the solar generation system.
- Paper bill fee for having paper bills sent through the mail.

- Meter check fee to check the accuracy of the system. If the system is found to be accurate the cost of the check will be passed onto you. If found faulty we will cover replacement costs.

In the case where a change in law affects the agreement PAE reserve the right to recoup costs where the impacts on PAE result in reasonable costs incurred. In the case that we seek to introduce a new fee you will have 2 weeks to decide on agreement or rejection of the fee and terminate the agreement without penalty.

Billing Frequency and Format

PAE will invoice by email within 10 days of the last day of the billing period as listed out in the terms and conditions. Each invoice will specify the consumed electricity or minimum electricity amount and corresponding electricity charge. Payment must be made via EFT.

Meter reading

PAE will utilize 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). We will monitor the energy (kWh) output of the solar system and the amount of solar energy being consumed or exported to the grid. The meter reading will be accessed remotely through a wired or wireless data connection.

Specific details about the Agreement

Estimated annual output: (xx kWh)

Estimated first year payments: (\$\$ xx)

Tariff - Price per unit of solar Energy: (xx c) per kWh

Solar PV System Capacity: (xx kW)

One unit of electricity equals one kilowatt-hour (kWh). The tariff has been determined by a number of factors, including the length of the contract, the size of the solar PV system, the location of the site for the PV system and any other factors that are site specific and might impact the cost of installing the system.

At the customer's discretion, the solar PV PPA price will either be floating – tied to a mutually agreed gazetted tariff or fixed with CPI increases (based on the September quarter CPI figure released by the Australian Bureau of Statistics). Also, if any new taxes or charges emerge from a change in law which requires us to incur new costs then these will be passed-through to the customer.

Termination rights and Obligations of the Customer

The Customer may terminate this agreement at any time, subject to notifying PAE in writing of such termination not less than 30 Business Days before the termination is to take effect.

If the customer wishes to end the Agreement before its expiry (including if the client wants to move out of the property), the client has a number of options including:

- To purchase the Renewable Electricity Equipment at the applicable Depreciated Equipment Value, on terms and conditions to be negotiated between the Parties;
- Not to purchase the Renewable Electricity Equipment and pay PAE an exit fee as negotiated in the contract, in which case PAE will disconnect and remove the Renewable Electricity Equipment from your property. The Customer must provide all reasonable assistance to the PAE in such disconnection and removal.
- Arrange for the new owner of the property to take up the service (provided that they meet our credit requirements and enter into an agreement with PAE).
- To move the system to another property and pay PAE a fee for completing the re-installation in accordance with CEC guidelines.

You also have rights to terminate the Agreement including if PAE breach's the agreement as detailed in T&C's and do not correct it within 10 days of written notice.

Our Termination Rights

PAE may terminate the agreement at any time, subject to notifying the Customer in writing of such termination not less than 30 Business Days before the termination is to take effect.

We may terminate the PPA at any time by giving the customer 30 days of written notice if:

- The PPA agreement causes PAE to incur significant on going financial losses.
- The connection point to the grid is disconnected.
- The customer has supplied False or misleading information for the PPA.

In these cases the customer has no claim against PAE in respect to any costs or liabilities acquired as a result of or in association with the termination.

Damage to Network

PAE will take necessary safety measures and include all required engineering safeguards as stipulated by the network in their approval of the solar power system. You do not have any direct obligations to the network provider (Western Power) but under your supply agreement with your grid retailer, you may be liable for any damages caused by the solar power system.

Dispute resolution procedures

If you have any disputes at all you must let us know in written form and include:

- the matter in question;
- if an invoice, the amount disputed; and
- the grounds on which your dispute is raised.

If the issue is still not resolved, senior representatives from both parties should use their best endeavours in in good faith to negotiate a resolution of the dispute within 10 Business Days after the initial written notification of the dispute from one Party to the other.

If the dispute is still not resolved mediation is to be conducted:

(i) by an independent mediator appointed by agreement of the Parties or, if the Parties fail to agree on a mediator within 10 Business Days after the expiry of the period specified in T&C, by the Chair of the Perth Chapter of the LEADR Association of Dispute Resolvers, or the Chair's designated representative; and

(ii) in accordance with the LEADR Mediation Rules. For the avoidance of doubt, the mediator appointed should have the experience and technical skills dealing with the subject matter of the dispute.

If you are not satisfied with how a dispute has been resolved, you may refer the dispute 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 approaches 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#consumer-rights-for-solar-power>.

Maintenance and Repair

PAE is responsible for maintenance and repair of the solar power system throughout the contract term as detailed in the PPA T&Cs. You will be required to allow reasonable access to PAE and its sub-contractors in order to maintain the system and repair faults. You are obligated not to interfere with the solar power system as detailed in the PPA T&Cs.

Warranty

Warranties on the equipment used in the solar PV system are outlined in their corresponding product specification sheets. The output of a solar power system will vary depending on a range of variables, including weather conditions, orientation and the maturity of the system. PAE does not guarantee any minimum yield from the solar power system. However, the essence of a Solar PPA insures that it is in both party's interest that the solar power system performs at operational capacity over the length of the contract.