

PERTH**POWER**SUPPLY

SOLAR POWER PURCHASE AGREEMENT
LICENCE EXEMPTION APPLICATION

DECEMBER 2016



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APPLICATION FOR SOLAR POWER PURCHASE AGREEMENT LICENCE EXEMPTION

1. APPLICANT DETAILS

1.1. Legal name

Wesglo Pty Ltd

1.2. Trading name

Perth Power Supply

1.3. Registered office

85 Camberwarra Drive, Craigie WA 6025

1.4. Principle place of business

85 Camberwarra Drive, Craigie WA 6025

2. CONTACT DETAILS

2.1. Name of primary contact

Amanda Sachse (Business Manager)

2.2. Postal address

PO Box 909, Hillarys WA 6923

2.3. Telephone number

Office: (08) 6406 1095

Mobile: 0402 041 413

2.4. Email

amanda@wesglo.com.au

3. COMPANY STRUCTURE

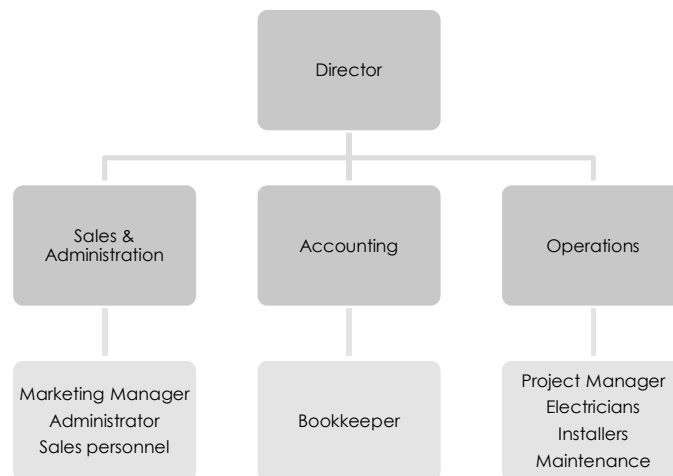
3.1. ACN or ABN

ACN: 144 784 850
ABN: 85 144 784 850

3.2. Legal Structure

Private corporation.

Organisation Chart:



3.3. Company Director(s)

Jason Sachse

3.4. Description of primary business activities

Perth Power Supply is a new arm of Wesglo Pty Ltd which specialises in retailing solar power systems, dominantly via Solar Power Purchase Agreements. The brand "Perth Power Supply" was established so as to distinguish itself from Wesglo Pty Ltd's electrical contracting business, Wesglo Electric. Installation and maintenance of Perth Power Supply's solar power systems will be conducted by Wesglo Electric.

Background on Wesglo Electric:

Wesglo Electric (Wesglo) is a boutique solar power system supplier and installer operating dominantly in Perth, Western Australia. Since being incorporated in 2010, Wesglo has offered its domestic and commercial clientele grid-connected, battery storage and stand alone power systems, as well as all general electrical services offered by electrical contractors.

Whilst solar installations total less than ten megawatts, the company prides itself in offering high-end solar power equipment and installations and impeccable customer

service. Clients have opted for the service of Wesglo due to the company's expertise in solar energy, upfront approach with the expectations of the systems it installs, and quality of the overall installation. The company takes the time to understand the client's needs and offers a diverse and adaptable approach to servicing and equipment. Wesglo has also developed an in-depth understanding of how equipment performs in the market as well as having exposure to various installation standards (both good and bad) through the company's solar power maintenance service.

Wesglo is a member of the Clean Energy Council, Australian Solar Council and the National Electrical and Communications Association of Western Australia. Company Director, Jason Sachse, has further designation as an Australian Solar Council Master Installer.

3.5. Associated entities

Wesglo Pty Ltd trades under the following names:

- Perth Power Supply
- Perth Solar Supply
- Wesglo Electric
- Electrical District

4. BUSINESS REQUIREMENTS

4.1. Brief description of the business model, including forecasted type (commercial and residential) and number of customers

4.1.1. Business model and three year forecast

Perth Power Supply is proposing to offer commercial and residential clients solar power systems by way of a Solar Power Purchase Agreement (SPPA), which will incur no upfront costs to clients where clients will agree to a contract term and rate of power generated. Clients will also have the opportunity to purchase the system upfront if they wish.

The SPPA will be designed as a solution for the purchase of solar energy for those clients who:

- do not have the upfront capital to purchase the system outright;
- would like the benefits of renewable energy but are unable to come to an agreement with commercial landlords or property owners for the cost of solar power; or,
- those clients who simply want a reduced rate for a percentage of their power consumption with no upfront costs.

As part of this agreement, Perth Power Supply will design, install, operate, maintain and retain ownership of the solar power system. All aspects of the agreement will be managed by Perth Power Supply, offering clients one point of contact throughout the entirety of the contractual period. This also maintains a boutique approach to the business and to ensure excellent customer service.

Perth Power Supply does not have any large-scale investment in equipment and utilises a supply on demand approach, thereby limiting financial risk. The purchase and use of solar power equipment from reputable suppliers and manufacturers (e.g. Tier 1 solar panels) is a key component in offering clients a sustainable and reliable energy source over the long term.

Perth Power Supply is anticipating that the uptake of the SPPA will be 150 clients over the next three years, ninety percent of which will be residential customers.

4.1.2. Financial Solvency

Appendix 1 includes a declaration of financial solvency.

4.1.3. Copy of proposed SPPA Product Disclosure Statement

Appendix 2 includes the proposed Product Disclosure Statement (PDS).

4.2. Details of experience in selling energy products and services

4.2.1. Details of whether the applicant holds, or has previously held or been subjected to, an energy selling retail licence, licence exemption or retailer authorisation in any Australian State or Territory, including Western Australia.

Perth Power Supply or its associated entities has never held any energy selling retail licence or licence exemption in any State or Territory.

4.2.2. Details about any breaches of those licences, exemptions or authorisations, where a penalty or enforcement order was applied.

N/A – no licence or exemption held.

4.2.3. Details of any current or ongoing investigations about an alleged breach of a licence, exemption or authorisation.

N/A – no licence or exemption held.

5. PUBLIC INTEREST STATEMENT

5.1. Environmental considerations

Renewable energy systems are widely known to be an effective solution in reducing carbon footprints and contributing towards the green star energy ratings of buildings. Granting a licence exemption to Perth Power Supply will assist in targeting zero carbon emissions in Western Australia by offering affordable solutions for residential and commercial clients who wish to adopt renewable energy solutions.

5.2. Social welfare and equity considerations, including community service obligations

Perth Power Supply intends on offering solar power systems to residential and commercial clients with flexible solutions in terms of rates and contracts to suit the customer's needs. This flexibility means that Perth Power Supply's products and services will be available and affordable for all clients.

5.3. Economic and regional development, including employment and investment growth

Potential customers who register for a SPPA with Perth Power Supply will have the benefit of choosing a Western Australian owned and operated company, supporting and encouraging the growth and sustainability of small to medium size business in the State. Granting a licence to Perth Power Supply will assist in job creation and local expenditure in Western Australia.

5.4. The interests of customers generally or of a class of customers

The decision to opt for solar power as an alternative source of energy is open and available to all customers as outlined in the previous statement on social welfare considerations. Perth Power Supply has adopted an upfront approach with SPPAs by way of ensuring clients are aware and have full understanding of solar production estimates and expectations as well as contractual rights and obligations. Our experience offering a very personalised service for clients via Wesglo Electric has shown that our in-depth support and knowledge often goes above and beyond that of some of Australia's larger solar companies; a trait which we expect to continue.

5.5. The interests of any licensee, or applicant for a licence in respect of the area or areas to which the exemption order, if made, would apply

SPPAs offered by Perth Power Supply are intended as an alternative source of electricity for clients. Clients will be required to maintain a grid connection as a primary electricity supply.

5.6. The importance of competition in the electricity industry markets

Granting an exemption to Perth Power Supply will offer clients choice in a market where there is currently, in the case of residential consumers, only one electricity retailer. Perth Power Supply is again an alternative solar power system supplier who clients can opt for as opposed to dealing with larger, national organisations.

5.7. Policy objective of government in relation to the supply of electricity

Granting this licence exemption will broaden public access to alternative energy providers and energy sources that have proven environmental and financial benefits.

APPENDIX 1 – Declaration of Financial Solvency

PERTH SOLAR SUPPLY

Government of Western Australia
Department of Finance
Public Utilities Office

1 December 2016

Dear Sir or Madam

I, Jason Sachse, declare that:

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

Yours sincerely



Jason Sachse
Director – Wesglo Pty Ltd

WESGLO PTY LTD | ABN 85 144 784 850 | wesglo.com.au
p. 08 6406 1095 | e. info@wesglo.com.au | a. PO Box 909, Hillarys WA 6923

APPENDIX 2 – Draft Product Disclosure Statement

ABOUT THE SYSTEM

Alternative source of electricity

The Perth Power Supply Solar Power Purchase Agreement scheme is an alternative service and the electricity generated by the solar power system is not the primary source of your electricity supply. You must hold a separate agreement with your electricity retailer to maintain your primary electricity supply.

You will have no upfront costs for the installation of the system and you will pay for each unit of electricity the system produces. The SPPA is designed to reduce your electricity bill by offering the supply of electricity at a lower rate than if it was supplied by the grid.

Estimated generation

Solar power system generation is dependent on the system size, orientation and tilt of the solar panels, as well as environmental conditions. The system installed at your home is expected to generate [] kilowatt hours (kWh) of electricity annually, costing \$[] in the first year of the contract. The size of the system installed has been specifically designed for your home and your power needs.

Energy buy-back agreements

You will receive the benefit of any energy buy-back agreements your primary electricity supplier may offer. This will be a separate agreement to the SPPA with your primary electricity supplier. Currently, Synergy offer the Renewable Energy Buy-back Scheme (REBS) which is available to residential customers. Please contact Synergy for further information on the REBS.

Licence exemption and consumer protection

Perth Power Supply is exempt from licence under the Electricity Industry Act 2004 (Act). Perth Power Supply is not bound by the obligations under the Act or its subsidiary legislation relevant to licensees, including the obligation to be a member of the Electricity Ombudsman Scheme.

The supply of electricity under this SPPA is subject to consumer protections under the Australian Consumer Law (ACL). For more information on the ACL please visit <http://consumerlaw.gov.au>.

CUSTOMER OBLIGATIONS

You may be required to replace or reprogram your existing electricity meter prior to the installation of the solar power system. This will be at your cost and will be billed through your primary electricity account. Refer to your primary electricity provider for fees and charges.

You are required to maintain your property so that the system can operate in a functional and safe manner at all times. Perth Power Supply will perform all required maintenance and repairs to the solar power system as outline in the Maintenance section of this document. Under the terms of your electricity supply contract or any other contract you may have with your primary electricity retailer, you may be liable for any damage the solar power system causes to the electricity gird that you are connected to.

LENGTH OF CONTRACT

The agreed length of this contract is [] years.

BILLING

How energy production is measured

Energy produced by the solar power system will be measured by a remotely-monitored kWh meter installed by Perth Power Supply. This is a requirement of the SPPA so that power production can be measured accurately. The meter will be a Schneider Electric Model iEM3350 Class 1 Electricity Meter or similar, with Class 1 Accuracy of +/- 1.5% as approved by the National Measurement Institute.

Billing frequency

Billing will occur on a calendar month cycle. Invoice will be delivered electronically. Paper invoices will be available at your request and will incur a small fee.

FEES AND CHARGES

Rates per unit and rate increases

You will pay Perth Power Supply for all electricity generated by the system at a rate of [] cents per kWh, plus any applicable fees, charges and taxes. The rate will be adjusted annually for CPI or as required by law.

Late payments

Late payment fees will be charged if you pay your bill after the due date.

Processing fees

A 1% fee will apply to all credit card transactions.

Reactivation fees

A reactivation fee will apply if the system has been shut off due to non-payment of a bill or if the system has been deactivated due to a customer breach.

TERMINATION OF CONTRACT

Early termination

- By Perth Power Supply: Perth Power Supply may terminate the contract if you are found to be in breach of the SPPA agreement. Fees may apply to cover the cost of the removal of the system and any outstanding amounts due in relation to the SPPA.
- By the home owner: termination of the contract is possible within the terms and conditions of your SPPA at the agreed rate. You also have the right to terminate the contract.

End of contract

At the end of the contract period, you will have the option to:

- Purchase the system at an agreed price. The agreed price will vary depending on the length of the contractual period.
- You can enter a new SPPA with Perth Power Supply.
- The system can be removed at no cost to you.

Moving house

If you move house you will have the option to:

- Purchase the solar power system and terminate the contract. Early exit fees may apply.
- Transfer the contract to the new owner (if agreed to by both Perth Power Supply and new owner).
- Make an application to relocate your system to your new home. Costs for relocating the system may apply.

MAINTENANCE AND REPAIR

Perth Power Supply will be responsible for maintenance and repairs of the system and access to the property will be granted by you when scheduled or unscheduled maintenance of the system is required at an agreed day and time. As the home owner, you will be responsible for management of trees or other objects that are identified to cause shading over the array to the same level they were upon the commencement date of the contract. Access to the components of the solar power system will be limited to only Perth Power Supply or its approved contractors at all times.

COMPLAINT HANDLING

Complaints and any other issues can be directed to (08) 6406 1095, email to feedback@perthsolarsupply.com.au or written notice to Perth Power Supply, PO Box 909, Hillarys WA 6923. All complaints will be responded to within two business days and resolved within 14 business days. If you are not satisfied with the outcome you will be able to exercise your rights under the ACL.