



RETAIL LICENSE EXEMPTION APPLICATION

2<sup>ND</sup> JULY 2018

## 1.0 Application summary

Nomadic Energy (NE) is a provider of solar power purchase agreements (PPAs) to commercial clients. We are a client-focussed company that aims to increase the uptake of renewable energy in the commercial sector via solar PPA's which offer a low risk, cost-effective and environmentally friendly solution to electricity generation.

NE is seeking a license exemption to be able to offer its prospective clients solar PPAs.

## 2.0 Corporate information

### 2.1 Applicant information

Company Name:  
Nomadic Energy Pty Ltd

ABN:  
65622 758 481

ACN:  
622758481

Registered address:  
9 Bishop Street, Jolimont  
WA 6014

Postal address:  
PO Box 445  
Subiaco PO, WA 6904

### 2.2 Contact information

Alexander Blott  
Company Director  
Email: [ab@nomadic-energy.com](mailto:ab@nomadic-energy.com)  
Tel: + 61 466 796 047

Simon James  
Company Director  
Email: [sj@nomadic-energy.com](mailto:sj@nomadic-energy.com)  
Tel: + 61 402 928 991

### 2.3 Company description and business activities

NE supplies renewable solar PV-generated electricity to commercial clients under power purchase agreements.

The company is a private corporation with two directors – Alexander Blott and Simon James. Shares in the company are held by the two directors as trustees for respective family trusts.

NE's business model is to offer solar PPA's to its prospective clients. This gives clients the opportunity to participate in attractive renewable energy prices without the need to provide any upfront capital or bear the risks of operation and ownership of the solar assets.

This approach is highly attractive to clients who would rather commit capital to alternative business activities, who do not wish to own solar assets and who would prefer not to commit cash and staff resources to operating solar equipment, but would still wish to reduce their carbon footprint and benefit from attractive solar PPA pricing.

We offer a bespoke service: under a NE PPA we will design, supply and maintain the solar power system specifically for the clients requirements. NE will typically also maintain ownership of the solar power system. NE may also offer purchase options to its clients from time to time.

NE expects to supply electricity under PPAs to 50 commercial clients over the next three years. NE does not expect to supply any residential clients.

### 3.0 Financial declaration

I, Alexander Blott, declare that, as at the date of this application,

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 applicant's company; and

the applicant is not aware of any other factors that may impede its ability to treasury and service solar PPA clients under the proposed business model

Yours faithfully,



Alexander Blott  
Director – Nomadic Energy Pty Ltd

### 4.0 Product disclosure statement

Please see Appendix 1 for NE's product disclosure statement

### 5.0 Relevant experience

NE has an experienced team with proven success in project engineering and contract delivery in the oil & gas and resource sectors. NE will draw on this experience to ensure that clients' systems are designed, installed and maintained to a satisfactory standard.

Additionally, as part of its business model, NE has established relationships with a number of technically proven suppliers, consultants, electrical engineers and system designers who have extensive experience in designing, installing and managing renewable energy generation assets both in Australia and overseas.

## **6.0 Other equivalent licences, exemptions or authorisations to operate**

NE does not hold, or previously held or been subject to any other energy licences, license exemptions or retailer authorisations in any Australian state or territory, including Western Australia.

## **7.0 Public interest information**

NE is a firm advocate for facilitating wider access to renewable energy for a greater number of commercial users and believes that this will lead to positive social, environmental and economic benefits for Western Australia.

NE sees no evidence to suggest that it would be against public interest to grant the company a license exemption.

### **7.1 Environmental considerations**

Solar PV and other renewable energy sources offer a proven solution to reducing electricity users' carbon footprint. NE's product offering of a solar PPA offers its clients greater access to solar PV-generated electricity and the opportunity to reduce their carbon footprint as well as the opportunity to participate in lower energy costs.

NE's business model is designed to encourage greater promotion and uptake of solar PV as a means of generating clean and emission free energy, which would result in a reduction of carbon emissions in Western Australia.

### **7.2 Social welfare and equity considerations, including community service obligations**

By granting an exemption to NE, it will give small to large businesses, which may not have the capital resources available to purchase a solar power system, greater access to emission free energy generated by solar PV.

NE's model is to offer PPAs that incorporate flexible commercial terms which are bespoke to each individual client. This ensures our product can be offered to all clients without any compromise on product delivery.

### **7.3 Economic and regional development, including employment and investment growth**

NE is a Western Australian company and will be servicing clients in regional areas. NE intends to utilise local consultants, electrical engineers and system designers in its operations.

Growth in NE's business will support these parties and see employment generation, local expenditure and further economic advancement throughout the State, in particular in regional areas where NE's prospective client base is located.

#### **7.4 Interests of clients generally or of a class of clients**

The granting of a license exemption is in the interest of clients as it will give them greater access to renewable and more cost-effective electricity generation methods. Client expectations are managed effectively by extensive consultation during the design and contracting stage and the client will be made aware of their and NE's obligations so as to ensure effective operations. NE's business model is to provide a highly tailored and individualised service to clients during all stages of a solar PPA project's operation.

#### **7.5 Interests of any licensee, or applicant for a license, in respect of the area or areas to which the exemption order, if made, would apply**

The granting of a license to NE remains in the interest of licensees as the energy our company intends to sell under PPAs is a secondary means of electricity supply. The client will still rely on grid supplied electricity as their primary source of energy. Additionally, whilst the solar systems are designed to suit the specific load requirements of the client, there may be excess energy generated from time to time which can be fed back into the grid via agreement with electricity retailers. This electricity feed-in is in the interest of licensees as they may wish to redistribute, store or sell the power to their other clients.

#### **7.6 The importance of competition in electricity markets**

Granting a license exemption to NE will generate competition in the electricity market by giving clients an alternative energy source option to the limited number of commercial s via the grid. NE's solar PPA offering gives more clients the option to choose renewables as a source of energy, in particular those who have limited capital or capital allocated to other areas of business operation.

#### **7.7 Policy objectives of government in relation to the supply of electricity**

Granting this license exemption will widen the opportunity for clients to access renewable energy sources, which have a significant positive environmental impact whilst supporting local and regional economic development.

## Appendix 1 – Product Disclosure Statement

This Product Disclosure Statement (PDS) outlines important information about the solar power purchase agreement (PPA) with Nomadic Energy (NE). Please ensure you read this PDS along with the PPA terms and conditions before signing the PPA.

### Solar PPA – an alternative service

A PPA with NE is an alternative service and the electricity generated by the solar power system is not the primary source of electricity supply. You must hold and maintain a separate agreement with your electricity retailer in order to maintain your primary electricity supply.

Unless specifically detailed in the terms and conditions of the PPA you will have no upfront costs for installation of the system. You will be required to pay for the electricity generated by the solar power system that you consume on a per unit basis

The purpose of a PPA with NE is to reduce your electricity bill by supplying electricity at a lower rate than if it was supplied by the grid via your retailer.

Under a PPA with NE you will be obligated to purchase all of your electricity requirements from NE to the extent that the electricity can be supplied by the solar power system. If there is excess electricity requirements that cannot be supplied by the solar power system, then you may purchase this from your retailer.

Unless specifically stated otherwise in the PPA, NE will retain the ownership and rights of any excess electricity generated by the solar power system.

### Licensing and application of Australian Consumer Law (ACL)

NE is exempt from holding a license under the Electricity Industry Act (the Act). NE 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 Ombudsmen Scheme.

The supply of electricity under this PPA with NE is subject to consumer protections under Australian Consumer Law (ACL).

### PPA contract term

The term of the agreement is:

**[ ] years from the date of commencement of the PPA**

### Billing

The rate that you will pay per unit of electricity consumed will be:

**A\$ [ ] / kWh**

The rate that you pay will be subject to an annual escalation that will be **[ ] % per annum**, in line with CPI as well as that required by law.

The solar power system will include a Class 1 pattern approved meter that is accurate and is compliant with Australian Standards. The meter will monitor electricity generation and consumption and will measure the quantity of electricity units generated and consumed for the purposes of billing.

The billing frequency will be monthly in arrears.

After the end of each calendar month you will be sent a tax invoice for the amount of power you consume in that month. This will be sent via email which will be payable within **[ ] banking days**.

Payment must be made to NE by electronic funds transfer.

### Estimated generation output

Taking into account the information that you provide to NE, it is expected that the system will generate **[ ] kWh annually** costing **A\$ [ ]** in the first 12 months of the contract.

The system will be designed to not produce any excess power.

### Maintenance of the system

NE will install, operate and maintain the solar power system. NE will own the system and you will not have the right to sell, re-locate or alter the system unless specifically agreed.

NE will undertake and bear the cost of any repairs and maintenance to the system. This notwithstanding, you will be liable for the cost of repair or replacement costs should these arise as a result of you acting in breach of the PPA or in a negligent manner.

NE will bear any reasonable costs that are imposed by your retailer or electricity network operator which may arise as a result of the solar power system being installed.

The contact details for the company in respect of maintenance are as follows

*Nomadic Energy Pty Ltd  
Tel: +61 (0) 8 9467 5844*

### PPA termination

#### *Early termination*

If NE has been in breach of its obligations and NE has failed to rectify performance following the dispute resolution procedure then you reserve the right to terminate the PPA without penalty.

You may also terminate the PPA against payment of the termination fees laid out below. Additionally, you may be

obligated to pay for the cost of removal of the system, however, NE will always endeavour to minimise these costs wherever possible.

In the event you are to move premises, and, providing mutually agreed, you may relocate the system to your new premises at your own cost (re-location and installation to be undertaken by NE at your cost). In the event you cannot take the solar power system to your new premises, or NE declines permission to re-locate (which will not be unreasonably withheld), then you must ensure that the incoming tenant or landlord takes over the obligations of the PPA in full. Alternatively, you may terminate the PPA against payment of the appropriate fees.

NE reserves the right to terminate the PPA if you have defaulted under your obligations under the PPA, your premises is vacant, damaged, destroyed and/or is not consuming a sufficient amount of electricity.

*End of contract term*

At the end of the contract a new PPA may be agreed, alternatively NE will remove the solar power system at its own cost. If specified in the PPA, you may have an option to purchase the system at the end of the contract.

**Your obligations (other than in reference to termination as above)**

You have an ongoing obligation to ensure that your electrical infrastructure is maintained in sound working condition and any damage to the infrastructure is rectified immediately so as to enable your premises to take electricity from the solar power system.

Whilst contracted under the NE PPA you must not install or draw electricity from any other source of renewable energy or purchase electricity from parties other than NE and your grid-supplied electricity retailer without mutual written agreement.

You must not damage, tamper with, re-locate or sell (unless purchased from NE) the solar power system and must ensure same is not conducted by any other person. In the event of the aforementioned circumstances, you must notify NE immediately and bear the cost of repair or replacement.

**Applicable fees and charges**

*Rate per unit of electricity*

The rate that you will pay per unit of electricity consumed will be:

**A\$ [ ] / kWh**

*Termination fees*

In the event you wish to terminate the PPA early you will be obligated to pay termination fees equal to [ ] months' worth of system power output measured in kWh at a rate of A\$ [ ] / kWh.

Additionally, you may be obligated to pay for the cost of removal of the system, however, NE will always endeavour to minimise these costs wherever possible.

*Late payment fees*

Fees for late payment will be chargeable at the **Australian interbank lending rate + [ ] % per annum.**

**Dispute resolution**

If you have a dispute with NE under the PPA, you must send us written notice outlining the nature and details of the dispute.

Dispute resolution through negotiation must be sought within 30 days of the original written notice. Should negotiation fail to resolve the dispute, the matter will be referred to mediation. In the event mediation fails to achieve resolution the matter will be referred to arbitration in Perth, WA.