

PowerTex Capital Pty Ltd

Application for Solar PPA Retail
Licence Exemption in Western
Australia

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1 APPLICATION FORM

Applicant Details	
Legal name	Powertex Capital Pty Ltd
Trading name	Powertex Capital Pty Ltd
Registered office	44b Isaacs St Busselton, WA 6280
Principal place of business	44b Isaacs St Busselton, WA 6280
Contact Details	
Name of primary contact	Reuben Ossevoort
Postal Address	79 Chapple Drive, Australind WA 6233
Telephone number	0458 511 449
Email	capital@powertex.net.au
Company Structure	
ABN or CAN	ACN: 621 122 432 ABN: 36 621 122 432
Legal structure	Australian Private Company
Company directors	Reuben Ossevoort Adam Taylor
Description of primary business activities	Section 2
Associated entities	None
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	Application Reference
A version of the application suitable for publication on the Department of Finance website.	
An overview of the applicant's corporate structure.	Section 4
Identity information, including legal and trading name (if relevant) and ABN or ACN.	Section 4
Registered postal address and contact details of the applicant.	Section 4
Name and contact details of the applicant's main contact person.	Section 4
An overview of the applicant company's profile and a description of	Section 3
Description of the company type (public, private, joint venture, other body corporate, partnership, sole trader or other entity).	Section 4
A list of associated or controlled entities, including the degree of control exercised.	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.	Section 5
A written declaration from the applicant attesting to the applicant's financial solvency.	Section 9
A copy of the applicant's proposed solar PPA Product Disclosure Statement.	Section 10
A description of the applicant's previous experience selling energy or solar PPA products.	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.	Section 7
Details about any breaches of those licences, exemptions or authorisations, where a penalty or enforcement order was applied.	Section 7
Details of any current or ongoing investigations about an alleged breach of a licence, exemption or authorisation.	Section 7
Statements and evidence to enable the Governor to consider whether granting a licence exemption would be contrary to the public interest.	Section 8

3 DESCRIPTION OF PRIMARY BUSINESS ACTIVITIES

Powertex Capital Pty Ltd is a new solar installation company founded by Adam Taylor and Reuben Ossevoort. Adam and Reuben have extensive electrical and renewable energy industry experience through running their own separate West Australian based companies, Powertex and Aussie Volts Electrical respectively.

Powertex has grown to become a quality installer and distributor of Solar PV panels, solar inverters, components and complete solar systems. Aussie Volts Electrical specialises in providing domestic, commercial and industrial electrical and renewable services. Both companies have been completing sales, design and installation of both commercial and domestic solar systems, including battery storage and off-grid systems, across Western Australia with a total combined installed capacity of over 500kw of grid and off-grid connected solar.

Powertex Capital has the in-house operational capability, systems, people and funding to provide Solar Power Purchase Agreements (SPPAs) and early stage project financing to the solar market across Western Australia. Powertex Capital understands the solar marketplace intimately and plans to become a leading integrated renewable energy production and retailing company over the next 5 years in the Western Australia residential and commercial market. We are uniquely placed to provide the depth of assurance required to fulfil solar PPA contract obligations.

4 CORPORATE INFORMATION

Corporate Details	
Legal Name	Powertex Capital Pty Ltd
Trading Name	Powertex Capital
Registered office and principal place of business	44b Isaacs St, Busselton WA 6280
Contact Person	
Name of primary contact	Reuben Ossevoort, Director
Postal Address	44b Isaacs St, Busselton WA 6280
Phone	+61 458 511 449
Email	capital@powertex.net.au
Corporate Structure	
ABN or ACN	ABN 36 621 122 432; ACN 621 122 432
Legal structure	Australian Private Company
Company Directors	Reuben Ossevoort – Director Adam Taylor – Director
List of associated or controlled entities, including the degree of control exercised	Not Applicable

5 BUSINESS MODEL AND FORECAST CUSTOMERS

Powertex Capital aims to be a provider of clean renewable energy to clients throughout the southwest region. Powertex Capital can provide lower cost electricity rates compared to current electricity retailers. With no upfront capital costs for the solar system, our clients can continue to reinvest into their own business whilst reducing their carbon foot print and improving public perception of their business.

Under the solar PPA model, Powertex Capital will enter into an agreement with the customer and will design a solar system for our customer, procure the equipment and engage a licenced third-party contractor to install the system at the customer's premises, all at Powertex Capital's cost. Powertex Capital will continue to own the solar PV system and retains responsibility for the ongoing maintenance and monitoring for a specified term. The customer agrees to purchase the energy produced by the system at a specified kWh rate (the rate may be linked to an inflation index). The customer must maintain at all times an appropriate contract with an authorized energy retailer.

Powertex Capital will design the solar system taking into consideration customer's load requirements, available roof space and roof pitch specifications. Excess solar energy that is not consumed by the customer may be exported back into the electrical grid, subject to an appropriate agreement with the relevant distribution service provider.

Powertex Capital expects to enter into 8 – 10 small-scale commercial and industrial solar PV PPA agreements each year. Our forecast total volume of commercial sales is expected to be 300kW in our first three years. Subject to additional market research, we may offer solar PPA services to medium-scale commercial and industrial enterprises. The typical length of each solar PV PPA agreement is expected to last between 5 and 10 years.

6 RELEVANT EXPERIENCE SELLING ENERGY PRODUCTS AND SERVICES

Powertex Capital Pty Ltd is a new solar installation company founded by Adam Taylor and Reuben Ossevoort to provide the marketplace with solar PPA services.

Adam and Reuben have extensive electrical and renewable energy industry experience through running their own separate West Australian based companies, Powertex and Aussie Volts Electrical respectively. Powertex has grown to become a quality installer and distributor of Solar PV panels, solar inverters, components and complete solar systems. Aussie Volts Electrical specialises in providing domestic, commercial and industrial electrical and renewable services.

Powertex and Aussie Volts Electrical have completed sales, design and installation of commercial and domestic solar systems, including battery storage and off-grid systems, across Western Australia. Together, they have installed a combined capacity of over 500kw of grid and off-grid connected solar. Past and current customers include the Department of Biodiversity, Conservation and Attractions, the City of Busselton, Com-AI Windows. Recent projects include a 30kW solar PV ground mount solar system in Narrogin which operates compressors and pumps at Lake Toolibin, a 20kW solar PV roof mount system at the City of Busselton Surf Club and Youth Centre and a 32kW solar PV system install at commercial factory in Maddington.

Based on the experience that Adam and Reuben bring to their company Powertex Capital, they have the operational capability, systems, people and funding to provide solar PPAs and early stage project financing to the solar market across Western Australia. They are accredited by the Clean Energy Council and have membership at Engineers Australia.

Powertex Capital understands the solar marketplace intimately and plans to become a leading integrated renewable energy production and retailing company over the next 5 years in the Western Australia residential and commercial market. We are uniquely placed to provide the depth of assurance required to fulfil solar PPA contract obligations.

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

Powerdex Capital has not breached any energy licence and is not under any investigation.

8 STATEMENT TO GOVERNOR – PUBLIC INTEREST

There is no evidence to suggest the Governor granting a licence exemption would be contrary to the public interest.

Environmental Consideration: Renewable energy solutions are a cost-effective way to produce energy whilst having minimal impact on the environment. Solar systems are typically installed on an area which has little other use.

Social Welfare/Economic Development: Solar PPA agreements will allow our customers to reduce the cost of their electrical bills. This means businesses will have extra capital to invest in other parts of their business directly and non-directly. Overall this results in increased employment and an expanding reach and reinvestment of equipment. Further, by minimizing customer upfront costs, solar PPAs will allow businesses with limited excess capital to benefit from access to alternative energy.

Class of Customer: Powertex Capital aims to target small to medium scale businesses in the agriculture and manufacturing industries. In particular, enterprises with large electricity bills that will benefit most from paying a reduced price for energy.

Interest of Any Other Energy Licences: Powertex Capital provides solar energy created during daylight hours. Customers will still be required to maintain their grid connection with an authorized distributor. Solar PPAs will provide Powertex Capital with a source of income and a chance to expand its customer base.

Competition of Electricity Market: Powertex Capital will help increase Western Australia's businesses' access to solar PPAs. This provides an alternative to the larger scale retail electricity suppliers at a reduced cost for our clients and will boost the availability of renewable energy.

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

9 WRITTEN DECLARATION OF FINANCIAL SOLVENCY

Department of Finance Public Utilities Office
Government of Western Australia

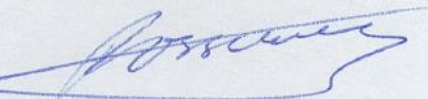
31 August 2017

To whom it may concern,

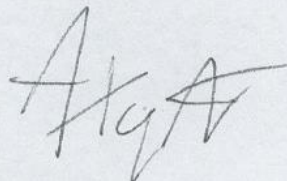
We, Reuben Ossevoort and Adam Taylor, as Directors of Powertex Capital Pty Ltd, confirm the following:

- 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
- we are 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.

Signed by:



Reuben Ossevoort
Director



Adam Taylor
Director

Date: 5/09/2017

04/09/2017

10 PRODUCT DISCLOSURE STATEMENT

Before you sign the Powertex Solar Power Purchase Agreement, you should read this Product Disclosure Statement (PDS), together with the agreement. The PDS and the agreement contain important information about the service.

Introduction

This PDS outlines information pertaining to Powertex Capital's (PC) solar Purchase Power Agreement (PPA). A solar PPA is an agreement between PC and the client where PC agrees to build, own and operate a solar photovoltaic (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 upfront cost of reducing the carbon footprint of the built environment.
- No upfront capital or on-going operational costs. This means no allocation of limited resources, debt or risk for a non-core asset.

System Design

PC will perform a consumption study based on your current electricity use and will use this to design a solar system specific to your needs. It is important that you consider any limitations of the system for future electricity needs, for example, if your consumption patterns are likely to change or overall consumption is likely to increase.

This Solar PPA is Not For Your Primary Energy Supply

This solar PPA provided by PC is an alternative to purchasing a solar PV system and supplements your primary source of electricity supply. The solar PPA is separate to your supply contract with your electricity retailer. We do not control the quality, frequency and continuity of energy supply to your premises other than the solar energy generated by the solar PV system. You should contact your primary retailer for any issues with the quality, frequency and continuity of energy supply (other than solar energy) to your premises.

Licence

PC is not licenced, and is not bound by the obligations under the Electricity Industry Act 2004 or its subsidiary legislation relevant to licencees, including the obligation to be a member of Ombudsman Scheme.

Australian Consumer Law (ACL) Protections Apply

The supply of electricity under this solar PPA is subject to the Australian Consumer Law (ACL).

Contract Term and Options at End of Contract

The term of the solar PPA is negotiable. Typical terms range from 5 to 10 years with an option for you to purchase the solar PV system after a set time. At the end of the term of this PPA, PC provides you with options to either:

- a) Renew another set of contract terms with a new solar PPA.
- b) Take ownership of the system.

If you choose to take ownership of the solar PV system all electricity generated from the system belongs to you and you will become responsible for the maintenance, cleaning, repair and removal of the solar PV system if required.

Applicable Fees and Charges

Your invoice will cover a “billing period” set out in the schedule to the solar PPA. The invoice will account for all the electricity generated by the solar system at the contract rate (plus any relevant fees and taxes) that is consumed by you. PC will not charge you for any electricity that the solar PV generates that is not consumed by you, unless you have agreed to a minimum charge where you use less than the agreed minimum take of electricity generated by the solar PV.

Other fees that may apply include:

Type of Fee	Fee Amount
A cancellation fee if you cancel the PPA before the final installation	\$x
A system removal fee to cover removal of the solar PV system if you request us to do so before the expiry of the PPA term	\$x
Interest on late payments	x% pa on the outstanding amount
Payment processing fee if the payment methods results in PC incurring any charges. These charges will be itemized and passed through at cost	At cost
A reactivation fee for the costs incurred if PC is required to reactivate the solar system after is has been deactivated due to your breach of the solar PPA	\$x
Paper bill fee for having paper bills sent through the mail	\$x per bill
If a meter check is requested by you, a 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 not charge you the meter check fee and will replace the faulty meter	\$x

If you wish to end the PPA before its contractual term the following fees will apply:

Early Termination Occurs in Year	Early Termination Payment
1	\$x
2	\$x
3	\$x
4	\$x
5	\$x

6	\$x
7	\$x
8	\$x
9	\$x
10	\$x

One each anniversary of the commencement date of this agreement during the Term, all the fees listed above will increase by CPI (All Groups) published by the Australian Bureau of Statistics for the quarter immediately prior to the latest anniversary of the commencement date.

In the case where a change in relevant laws or regulations affects the agreement, any additional benefits payable or additional charges being incurred by PC will be passed through to you. We will do what we can to reasonably minimise any costs.

Billing Frequency and Format

PC will invoice you in arrears for all electricity supplied by our system by email within 10 days of the last day of the billing period as listed in the PPA. Each invoice will specify the consumed electricity or minimum electricity amount and corresponding electricity charge. Payment must be made via EFT on 14 day payment terms.

Meter Reading

PC will utilise 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. Where possible, 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 is calculated by several 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.

Termination Rights and Obligations of the Customer and Changes in Business Ownership

You may terminate this agreement at any time by providing PC notice in writing of such termination at least 30 business days before termination is to take effect and by paying the early exit fee as specified in the agreement. The early exit fee is designed to ensure we receive a fair return on our investment in the solar PV system. If the agreement is terminated for whatever reason, and unless you have agreed to purchase the system from

us, you must provide us with reasonable assistance and access to the system so we can remove it from the premises.

If you sell or transfer your business during the term of the agreement, the agreement can be transferred to a new owner subject to the new owner meeting our minimum eligibility requirements including credit requirements. Where the system cannot be transferred, you will need to pay the early exit fees as outlined in the agreement.

You also have rights to terminate the agreement including if PC is in material breach of the agreement and fails to remedy this breach within a reasonable period of time.

Our Termination Rights

PC may terminate the agreement at any time, subject to us notifying you in writing of such termination not less than 30 business days before the termination is to take effect, if:

- The agreement causes PC to incur significant ongoing 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 PC in respect to any costs or liabilities acquired as a result of or in association with the termination.

Damage to Network

PC 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 but under your supply agreement with your grid retailer, you may be liable for any damages caused by the solar power system.

Dispute Resolution

We are committed to providing the best possible service and will work with you to resolve any complaints. 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 invoice number; 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 you are still not satisfied with the outcome, you may invoke the dispute resolution process detailed in the agreement.

Maintenance, Repairs and Warranty

PC is responsible for maintenance and repair of the solar PV system for the duration of the agreement. We will maintain the system in accordance with the individual component's manufacturer specifications and any relevant legislation. You are required to provide

reasonable assistance and access to PC and its representatives in order to maintain and repair the system. You are obligated not to interfere with the solar power system as detailed in the agreement.

The output of your solar PV system will vary depending on a range of variables including weather conditions, orientation and the age of the system. PC does not guarantee any minimum yield from the system. However, it is in PC's and your interest that the system performs at operational capacity over the length of the agreement.