

Energy retail licence application form

Purpose of this form

This form must be completed by a person applying to the Essential Services Commission (the commission) for a licence to sell electricity and/or gas by retail in Victoria.

Basis for this form

Section 18 of the *Electricity Industry Act 2000* and section 25 of the *Gas Industry Act 2001* (collectively, the Industry Acts) provides that a licence application must be made in a form approved by the commission. This is the form approved by the commission.

Use of this form and the applicant's responsibilities

A licence application may be made by any legal person including, without limitation, individuals, incorporated associations, unit and other forms of trusts and corporations. Entities that are not a legal person (for example, an unincorporated joint venture or a partnership) cannot apply for a licence.

For the purpose of this application form, reference to the term “officer” includes the directors and secretary, and other persons who make or participate in making decisions that affect a substantial part of the applicant's business (for example, Chief Executive Officer, Chief Financial Officer or General Manager).

The applicant should list the information required in the spaces provided in this form and enclose additional information and documents when required.

The applicant must take all reasonable steps to ensure the information provided in the application form is complete, true and correct.

A director of the applicant (where an applicant is a body corporate) is required to make a declaration to this effect in the application form. Failure to disclose information or misrepresent any matter relevant to such information may result in a licence not being issued or in the revocation of a licence later.

It is a criminal offence under section 61A of the *Essential Services Commission Act 2001* to provide the commission with false or misleading information or documentation.

The applicant is responsible for providing the commission with current, accurate and relevant documentation. It is the applicant's responsibility to make all reasonable inquiries to obtain the information required by this form.

Providing accurate and relevant information and a complete application (answering all questions and providing all information) will assist in timely processing of an application. All applications are assessed on a case-by-case basis. If insufficient information is provided with an application, we will contact the applicant about the requirement for additional information to be submitted before the application is considered further.

Prior reading

It is expected that the applicant has read our [Guideline: Applications for electricity and gas industry licences](#) before completing this form.

It is the applicant's responsibility to ensure its compliance with legal obligations when applying for a licence.

Licence conditions

The Industry Acts authorise the commission to issue licences subject to conditions as decided by the commission. Licences are published on our [website](#). We recommend the applicant familiarise itself with the relevant standard conditions and be confident that they can comply with those conditions and any other regulatory requirements such as Codes of Practice prior to applying for a licence.

Further information

The applicant should note that we may ask for further information, or to clarify the information that the applicant has already provided with the application.

Consultation and confidentiality

We will consult with relevant government, industry and consumer groups on the licence application through a public consultation process. Applications and/or supporting information that is not confidential will be made available on our website.

If the applicant believes that any information provided as part of its application is confidential or commercially sensitive, it is the applicant's responsibility to clearly identify this information on those documents. The applicant should also provide a 'non-confidential' version of the application form and documents for publication on our website and Engage Victoria (where relevant).

How to lodge an application

The applicant may send the completed application form electronically (preferred) or in hard copy to:

Electronically: licences@esc.vic.gov.au
Hard copy: Market Operations, Energy Division
Essential Services Commission
Level 8, 570 Bourke Street
Melbourne VIC 3000

Individual attachments that are clearly titled (consistently with the attachment references specified in the application form) must be provided. Do not bundle attachments into single, large files.

Large files

Applicants generally need to send us large files which is often not suitable via email. Please contact us at licences@esc.vic.gov.au to discuss alternative options to provide an application to the commission.

Application fees and annual licence fees

Application fee

The commission has set a **\$5000** application fee for all energy retail licence applications¹.

Once the payment has been received, the commission will notify the applicant in writing. The assessment process for energy retail licence applications will commence *after* payment has been received.

Electronic payment of the Retail Application Licence Fee is to be made to:

Account name: Department of Treasury and Finance
BSB: 033-222
Account number: 110 505
Reference: RALF and the applicant's legal name (E.g. RALF Energy Pty Ltd)

Annual licence fees

Holding an energy retail licence also incurs annual licence fees.

Refer to the commission's [Guideline: Applications for electricity and gas industry licences](#) for more information regarding annual licence fees.

¹ If the energy retail applicant is dual fuel, a total Retail Application Licence Fee of \$10,000 applies.

1. General Information – The Applicant

The applicant must answer all questions in this section.

1.1 Legal name of applicant

State the full legal name of the applicant. The applicant is the person who will be selling (retail) electricity and/or gas that will be the subject of the licence.

Name: **Flo Energy Australia Pty Ltd**

1.2 Legal identity of applicant

Provide the applicant's ABN and ACN (where relevant) and information about the applicant (for example, whether the applicant is a private limited company, trust, or joint venture).

ABN: **59 664 209 330**

ACN: **664 209 330**

Type of entity: **Proprietary Limited Company**

1.3 Contact details and address of the applicant

The applicant	
Business address: Suite 2, Level 25, 100 Miller Street, North Sydney	
State: NSW	Postcode:
Postal address (if different):	
State:	Postcode:
Full name of contact person:	
Position title: Mike Pucar, Managing Director	
Telephone:	Mobile: [Redacted]
Email: [Redacted]	

1.4 Diagram of corporate and organisational structure

Provide a diagram of the:

- Corporate structure (including any parent and related companies within the meaning of the *Corporations Act 2001 (Cth)*), and

Attachment reference: Corporate structure (including any parent and related companies within the meaning of the Corporations Act 2001 (Cth)) (see **Annexure A1**- ASIC Extract and **Annexure A2** – Flo Energy Group Structure Diagram)

b) organisational chart (including composition of the board, management, and other key personnel responsible for the key functions).

Attachment reference: Organisational chart (including composition of the board, management, and other key personnel responsible for the key functions). (see **Annexure A3** - Flo Energy Australia Organisational Chart)

1.5 The licence

If the applicant is seeking for a licence to be issued by a certain date, identify this date. **Note: we do not undertake to issue the licence by this date.** The applicant should generally allow a minimum of eight to 10 weeks **once we consider the application to be complete.** An application is considered complete once we have all the information needed for the commission to make a decision. In other words, when we have no need to request further information from the applicant. This includes a public consultation period of four weeks (generally) as part of our consideration of licence applications.

Provide details on the following:

Date from which licence is sought: 1 October 2024

Nature and scope of operations:

State whether the applicant intends to retail to customers whose aggregate consumption, per annum, at a supply point is or is likely to be:

- less than 40MWh of electricity or 1,000GJ of gas (small residential and/or business customers)
- 40MWh to 160MWh of electricity or 1,000 to 5,000GJ of gas (medium customers)
- more than 160MWh of electricity or 5,000GJ of gas (large customers).

[Redacted]

The scope and proposed size of the operation is further set out in the attached business plan (**Annexure C1**) and financial model (**Annexure C3**).

1.6 Involvement of third parties with application

Did any third parties, such as consultants, assist the applicant with preparing this licence application? If so, state the name of the third party and describe their involvement with preparing the application.....

This application was prepared by Flo Energy Australia with the assistance of Compliance Quarter. The assistance included:

- comprehensively examining technical and financial capacity to comply with the various regulatory obligations;
- identifying strengths and weaknesses of application and referring to specialist organisations where necessary;
- development and review or drafting of required policies or procedures;
- providing high level overview of business plan; and
- liaising with the ESC and submitting the application on behalf of the applicant.
- Development, build and support for Financial modelling was supported by Deloitte

Payment of fees

Tick this box to confirm you have made the required application fee payment of \$5,000:

2. Technical capacity

The applicant must answer all questions in this section.

2.1 Experience and knowledge of the industry

Energy Australia has recently been granted a retail electricity licence to operate in Victoria and a retailer authorisation for retailing electricity within the NECF jurisdictions. Flo Energy Australia does not have previous experience as a gas retailer (in the gas market).

Flo Energy Australia is part of an international group with significant electricity and gas retail experience and leverages the skills and experience of its related companies and employees (see below), and the Australian Management Team who has extensive experience in the gas market.

Entities/experience within the group (detailed further below) include:

- Flo Energy Singapore Pte Ltd (Singapore)
- Flo Holding Pte Ltd CEO is also the founder of Vandebron Energie B.V (Netherlands) that has ~200k gas customers

For its intended gas retailing operations in Australia, Flo Energy will leverage the significant experience of its Australian-based senior management team in the energy market, consisting of:

- Managing Director Australia,
- Regional Head of Compliance and Risk,
- Head of Customer Operations,
- Head of Market Operations,
- Head of Finance,
- Trading and Portfolio Management Lead,
- Channels and Partnership Lead

Flo employees have extensive backgrounds in retailing gas from their previous roles with energy retailers. This collective expertise ensures the applicant is well-equipped to manage energy compliance and risk management effectively, which are key areas of concern identified by GRO Energy Australia.

Please refer to Annexure A5 for the CVs of all providers and individuals involved in Flo Energy Australia, provided on a commercial in-confidence basis. Other than as provided and explained in this application, other service providers will be engaged on an ad hoc basis, for example to provide specific legal services.

Provide comprehensive details and documentation of the systems, processes and approaches that the applicant will use to:

- a) market to customers

Flo Energy Australia is dedicated to acquiring and retaining customers through a range of marketing and sales strategies, customer service initiatives, and retention programs. To achieve our goal of growing our client base, we utilise a variety of sales channels, including:

- digital,
- partnerships,
- large customer brokers/auctions,
- price comparison websites, and
- other miscellaneous sales channels, including move-home service providers.

Our Business Plan (**Annexure C1**) contains more information on our marketing and sales plan. Please also refer to **Annexure B3**: Standard Retail Contract Terms.

b) bill customers

Flo Energy Australia will utilise the existing energy platform present in the Flo Group. This platform has already shown its competence in the Dutch and Singaporean markets for electricity and gas billing.

For Australia, this platform will manage both electricity and gas billing and is being extended with the required interfaces to communicate with AEMO's system and all relevant regulatory obligations. The Head of Market Operations, Head of Customer Corporations and the Compliance Team, along with the Technology Team is working on the gas billing system implementation.

Please refer to these annexures for more information:

- **Annexure C1** outlines our business plan
- **Annexures A9 to A11** provide more details on the energy platform
- **Annexure A22** provides further details on our billing engine architecture
- **Annexure A23** outlines our customer relationship management
- **Annexure B29** sample bill
- **Annexure B33** outlines the billing and collection system requirements

The billing system used for billing customers will comply with all applicable regulatory obligations (see for example the Obligations Register in **Annexure B10**.)

c) manage connection and disconnection processes

Flo Energy Australia recognises its critical role as an energy provider and the essential nature of gas. We will not disconnect a customer unless strictly in compliance with the regulatory framework and as a last resort.

Flo will ensure adherence to, and recognition and the importance of the ESC's connection and disconnection rules.

Please refer **Annexure B8A**: Retail Customer Hardship Policy. Pursuant to the hardship policy, Flo Energy offers both standard and tailored assistance and the other measures set out in the Act and in the Energy Retail Code of Practice.

Please refer to **Annexure B25** Connections and Disconnections Checklist. Please refer to **Annexure B28** (Life support policy).

[Redacted]

d) manage customer complaints

Please refer to our 'Standard Complaints and Dispute Resolution' (**Annexure B5**). Flo Energy Australia has a systematic approach to managing customer complaints.

Complaint Definition and Channel: Any expression of dissatisfaction related to the company's products, services, agents, contractors, representatives, or the complaint handling process itself is considered a complaint. Complaints can be lodged via telephone or in writing. These could be about failures to observe agreed procedures, product or service failures, involvement or seeking information about a third party or a complaint directed to the company on the customer's behalf by an Energy Ombudsman (Section 2).

Complaint Management: Flo Energy Australia's complaints management program is guided by AS/NZS 10002:2022 (Guidelines for Complaint Management in Organisations).

Promotion of Complaints Management Program: Flo will publish the procedure on its website, make it available free of charge, and arrange for an interpreter for those who need it. We will also ensure our staff are trained to resolve complaints.

Responsiveness: Once a complaint is received, it is immediately acknowledged and prioritised for resolution. High priority is given to complaints related to financial hardship, disconnection of energy supply, and health and safety matters.

Flo will:

- acknowledge the complaint as soon as possible,
- begin an investigations and acknowledge receipt,
- keep the customer updated about the investigation and proposed resolution,
- notify the customer of the investigation's outcome and the proposed resolution, and
- provide an option for internal review if the customer is unsatisfied.

Responsibilities: All staff must comply with this procedure, and any complaints received must be reported to the Customer Support. The senior management is responsible for establishing and implementing the complaint management program, allocating resources,

promoting a customer-centric approach to complaint resolution, and continually reviewing the program's effectiveness.

Recording Complaints: Complaints are recorded in Salesforce, our customer management system, with a unique identifier and details, such as the customer's requested resolution, date of complaint, description, expected response date, and complaint priority.

Monitoring and Improvement: Complaints are tracked at individual and group levels. Any systemic issues identified are addressed by the board and senior management.

Internal and External Escalation: If the customer is not satisfied with the process or response to their complaint, they can request for their complaint to be escalated internally or referred to the Energy Ombudsman in their State.

Commitment to Customers: Flo commits to treating customers with respect, taking their complaints seriously, respecting their privacy, managing their complaints with impartiality, properly investigating and reporting on their complaints, and ensuring equal access to the complaints management program and fair resolutions.

Customer Read Estimates: If a customer's bill is based on an estimate, they have the right to conduct their own meter reading. Complaints regarding customer read estimates are dealt with according to the standard complaints process.

e) **manage dispute resolution**

Flo Energy Australia manages dispute resolution by adhering to a structured Standard Complaints and Dispute Resolution Procedure, which is designed to handle complaints in an accessible, transparent, and efficient manner. Our commitment to continual quality improvement is reflected in our approach to managing complaints, which involves:

Monitoring and Reporting: The Customer Support Team and Head of Customer Operations review complaints monthly to identify systemic issues. The Head of Compliance and Risk reports these matters to the Risk and Compliance Committee and Board who will direct the senior management to address them. The Head of Compliance and Risk monitors third-party compliance and reports any breaches to the Compliance Committee.

Compliance with Laws and Guidelines: All staff must comply with the Energy Retail Code of Practice, the Gas Industry Act, and any guidelines or procedures published by regulatory bodies such as the AER, ESC, or AEMO. We demonstrate our dedication to resolving disputes fairly and efficiently in our Complaints and Dispute Resolution Procedure, while also using the insights gained to drive improvements in service quality and compliance.

References:

- Third Party Management Policy (**Annexure B4**)
- Internal Audit Policy (**Annexure B9**)

- Third Party Supplier or Software Selection Process (**Annexure B24**)
- f) comply with regulatory reporting requirements.

Flo Energy Australia is committed to an effective compliance program designed in accordance with the principles set out in the relevant Standard, AS ISO 19600:2015. Monitoring changes to obligations and compliance breaches is a key component of our compliance program.

Please refer to **Annexure B3A** (Compliance Reporting Procedure) which outlines Flo Energy Australia's reporting requirements in Victoria.

Flo is committed to adhering to the reporting obligations outlined in the Compliance and Performance Reporting Guideline - Version 8, enabling the commission to perform its functions effectively. We understand these obligations apply to us as a licensed Victorian gas, as a statutory condition of licence under section 33 of the Gas Industry Act 2001 (Vic). Flo Energy Australia will:

- promptly report any potential or actual breach that has occurred, or is reasonably likely to occur, in accordance with the guideline
- provide timely reports based on the type of breaches:
 - type one breaches will be reported within two business days of detection
 - type two breaches within 30 calendar days of detection
- report on our performance in accordance with the guideline.
- adhere to the reporting requirements for both type one and type two breaches for energy retailers
- ensure the form and content of reports adhere to the requirements set out in the guideline.
- ensure the accuracy of our reports
- ensure our internal sign-off processes are sufficient to comply with these obligations.
- In the obligations register (Annexure B10) obligations, and measures to monitor compliance are listed.

For each of the above matters, provide details of the relevant systems and processes that the applicant will use. In providing those details include:

- g) the proposed business strategy/plan and functions and how they will be resourced²

Flo Energy Australia's Business Plan (**Annexure C1**) contains details on strategy and analysis and how the above will be resourced.

Please see **Annexure A3** for a copy of the Flo Energy Australia Organisational Chart, which provides a tabulation of the planning resourcing configuration from the initial launch to approximately 24 months of operations.

We have on boarded an experienced senior management team and employees with the inclusion of experienced compliance professionals.

In 2025, we aim to grow our team to an estimated 54 members, in sync with our growth aspirations and business milestones. For an in-depth view of our recruitment approach and expansion phases, please refer to the "Team Structure and Hiring Step-Up Plan" in **Annexure A3**. This growth is driven by our projected expansion until 2025.

For roles we're targeting to fill in the near future, their Job Descriptions can be found in **Annexure A8**.

- h) the experience and qualifications of relevant key employees who will manage those systems and processes

Please see **Annexure A5** for the CV's and a summary of the skills and experience of our team, and the relevance of those skills and experience to meeting the requirements of the retailer authorisation.

- i) if the applicant will engage third parties to assist with the licensed activities, provide the following information in relation to each third party:

- (i) the name of that third party
- (ii) the scope of activities undertaken by the third party
- (iii) details and copies of any agreements for the provision of services
- (iv) details about the experience of the third party in relation to the activities that it will be undertaking, including any accreditations, and
- (v) details of the processes in place to ensure the third party comply with the licensee's regulatory obligations.

² We expect to see a robust business plan supported by a financial plan (as detailed in section 3(g) of this application form), including organisational and technical capacity.

Flo Energy Australia will undertake its functions internally to meet the compliance and technical requirements supported by other entities in the Flo Group. The Flo Energy Australia internal functions include:

- Compliance and Risk
- Market Operations
- Customer Operations
- Finance
- Marketing and Communications
- Sales
- Wholesale risk management; and
- Information Technology

Flo Energy Australia has engaged Compliance Quarter in support of preparing this licence application and on a needs basis for future matters. A copy of the relevant agreement is provided (**Annexure A17**) and capability statement (**Annexure A17.2**).

Flo Energy Australia also has a list of third-party vendors we can engage for any specific business requirements if needed. Refer to (**Annexure A5.2**)

All third-party supplies will be overseen pursuant to the Third Party Management Policy (**Annexure B4**) and Third Party supplier or software selection process (**Annexure B24**).

- j) details about how the applicant will balance service delivery with projected customer growth, and practical steps it will take to meet relevant regulatory obligations.

Flo Energy Australia is committed to scaling its service delivery capabilities in tandem with projected customer growth, ensuring that we maintain our high standards of customer service while meeting all relevant regulatory obligations. Our approach to managing this balance includes the following practical steps:

Scalable Technology Infrastructure: We have invested in a scalable, cloud-based architecture that allows us to process large amounts of data efficiently. This technology supports our ability to offer affordable energy and seamless customer experience, even as our customer base grows

Staff Training and Development: As outlined in our Retail Compliance Policy, we will continue to identify training and development needs during performance reviews. This ensures

that our staff are well-equipped to handle increased workloads and remain informed about statutory obligations and compliance requirements.

Performance and Compliance Monitoring: We will continue to enhance and refine performance and compliance criteria based on regulatory requirements on an ongoing basis. Our Risk Assessment Tool and Regulatory Reporting Tools developed by Compliance Quarter will be instrumental in managing and monitoring compliance as we grow.

Customer Management Systems: Our billing system and customer management platforms are designed to issue invoices, apply payments, and manage customer interactions in accordance with relevant regulations. These systems will be continuously updated to handle the increasing volume of transactions.

Third-Party Management: We will ensure that any third-party vendors engaged to provide services are aware of and comply with our obligations. Our Third-Party Management Policy includes a risk management plan and due diligence process to oversee third-party performance and compliance.

Compliance Policy and Management System: Our Compliance Management System (CMS) is designed to ensure that we meet all regulatory obligations. The CMS covers legislation, regulations, licence conditions, codes, guidelines, rules, and standards that impact our operations.

Customer Service Expansion: We will proactively recruit and train additional customer service staff in anticipation of customer growth. This will ensure that we continue to provide top-of-the-bill customer service without compromising response times or service quality.

Regular Policy Review: Our policies, including the Retail Compliance Policy and Third-Party Management Policy, will be reviewed at least every two years, or more frequently if necessary, to ensure they remain effective and relevant to our operations and regulatory environment.

Stakeholder Engagement: We recognise the importance of engaging with stakeholders, including customers, regulators, government bodies, and the community. We will continue to participate in industry forums and review online information on regulations to contribute to an improved regulatory environment.

With our experienced compliance oversight team (Head of Compliance and Risk role and Compliance Manager) along with our external relationship with Compliance Quarter, Flo is well-positioned to stay up-to-date with the applicable regulatory requirements. Furthermore, Flo has developed a Compliance Policy (**Annexure B2**) that sets out our Compliance

Management System (CMS). We will also utilise the obligations register (**Annexure B10**) to ensure that we comply with all of the relevant regulatory obligations.

To measure performance and growth, Flo will utilise sales forecasts along with regular performance reporting to ensure resources are adequate to ensure service delivery and meet relevant regulatory compliance. To ensure that high standards of service delivery are maintained, we have policies and procedures addressing the probity and competence of officers and other key management staff, which can be found in our Flo Employee Handbook (Australia) (**Annexure B19**), Code of Conduct (**Annexure B15**), WHS Policy (**Annexure B16**), and Internal Audit Policy (**Annexure B9**).

Our staff will also be an integral part of ensuring compliance with regulatory obligations and maintaining high quality service delivery. In this regard, external training providers will be utilised where appropriate.

Risk management will also be an important part of balancing growth with compliance and service delivery and our comprehensive risk management strategy and policy (**Annexure B6**) includes operational risk, regulatory compliance, and risk identification and response planning. Flo Energy Australia has also developed a comprehensive Wholesale Risk Management Policy to manage its wholesale risk (**Annexure B26**).

2.2 Risk management

- a) Provide confirmation and evidence that the applicant has identified the risks associated with energy retail operations – this includes identifying the risks that are inherent in the applicant’s proposed business and determining the likelihood of occurrence and impact to produce a ‘risk map’.

Flo Energy Australia has conducted a comprehensive risk assessment as part of our commitment to maintaining the highest standards of compliance and operational integrity in the energy retail market. This assessment is detailed in our Retail Risk Management Policy and Business Plan documents, which outline the various risks associated with energy retail operations and the controls we have implemented to mitigate these risks.

Our Risk Appetite Statement, as stated in the Business Plan, reflects a cautious attitude towards risk, particularly in the wholesale electricity market, and demonstrates our zero tolerance for consumer risks, including disconnection and hardship, as well as non-compliance with regulatory requirements.

The Risk Assessment Summary identifies key risk factors such as competition from established players and slow adoption of renewable energy. To address these, we have focused on

differentiating our brand through a commitment to renewable energy and have developed robust policies to build a strong reputation and customer base.

Furthermore, our Third Party Management Policy ensures that all third party vendors engaged by Flo Energy Australia are aware of and comply with our obligations under the Energy Retail Code of Practice (ERCOP). This includes conducting due diligence before entering into contracts and ongoing monitoring of third-party performance.

Evidence of our risk identification and management processes includes:

Retail Risk Management Policy: This document outlines our approach to managing risks, including the establishment of a Compliance Committee and the appointment of a Compliance Officer responsible for monitoring and reporting on compliance matters.

Wholesale Risk Management Policy: This document outlines Flo Energy Australia's approach to risk management.

Business Plan: Our Business Plan includes a Risk Assessment Summary that sets out broad risks to the business and the controls that are being implemented.

Third Party Management Policy: This policy details our third-party risk management plan, due diligence process, and ongoing monitoring and reporting requirements.

Retail Compliance Policy: This policy demonstrates our commitment to regulatory compliance and outlines the training and development of staff in relation to statutory obligations and risk minimisation.

Standard Complaints and Dispute Resolution Procedure: This procedure ensures that we handle complaints in accordance with the ERCOP, and it reflects our commitment to transparent and efficient dispute resolution.

Documentation and Certifications: We have included references to our certifications, such as the ISO/IEC 27001:2013 standard for information security management (**Annexure A11**), which supports our risk management in relation to data protection and privacy.

- b) Additionally, provide evidence that the applicant has established, utilised and relied upon risk management systems and processes which are adequate, accurate and current to address those risks.

Flo Energy Australia Pty Ltd has established a comprehensive and systematic approach to risk management, ensuring that our systems and processes are not only adequate and accurate but also current and aligned with industry best practices. Our commitment to risk management is evidenced by the following key elements:

Adherence to International Standards: Flo Energy Australia Pty Ltd follows the Compliance Standard ISO 37301:2021 and the risk management guidelines of ISO 31000, demonstrating our dedication to international best practices in managing compliance obligations and risk.

Retail Risk Management Policy: Our policy, as detailed in the Retail Risk Management Policy document, provides a framework for identifying, assessing, controlling, monitoring, and reviewing risks. This policy is regularly updated to reflect the latest risk management strategies and industry developments.

Comprehensive Risk Assessment: As outlined in our Business Plan, we have conducted a thorough risk assessment, which includes a Risk Appetite Statement and a Risk Assessment Summary. These documents articulate our cautious approach to risk, particularly in the wholesale gas market, and our zero tolerance for consumer risks and non-compliance.

Third Party Management Policy: This policy ensures that third-party vendors are managed in accordance with our risk management framework, including due diligence and ongoing performance monitoring, to mitigate risks associated with external partnerships.

Compliance Software Tools: We utilise advanced compliance software developed by Compliance Quarter, including Compliance HUB, Risk Assessment Tool, and Regulatory Reporting Tool, to manage and monitor compliance effectively (Annexure A17).

Regular Policy Review and Updates: Our policies, including the Retail Compliance Policy and Third-Party Management Policy, are reviewed at least every two years or more frequently if necessary, ensuring they remain current and effective.

Documentation and Reporting: We maintain rigorous documentation and reporting practices, as evidenced by our detailed reports to the Compliance Committee and Board, which facilitate accountability and continuous risk management improvement.

Certifications and Audits: Our commitment to risk management is further supported by our ISO/IEC 27001:2013 certification for information security management and independent audits, such as the detailed report from Deloitte on our security measures.

Training and Development: We ensure that our staff receive ongoing training in risk management and compliance, as part of our Retail Compliance Policy, to maintain a high level of awareness and expertise in managing risks.

Insurance and Liability Management: Our approach to insurance and liability management, as stated in the Retail Risk Management Policy, ensures that we maintain appropriate coverage for insurable risks, reflecting prudent risk management practices.

- c) Provide a copy of the applicant's risk management strategy/framework. A statement should also be provided (or supporting document must make it clear) whether the strategy/framework has been developed in line with any Australian or International Standard (for example, ISO 31000:2018).³

Flo Energy Australia's Retail Risk Management Policy (Annexure B6) states that "Flo Energy Australia Pty Ltd has adopted ISO 31000:2018 as its base guidance document for addressing risks".

- d) Provide a copy of a risk register that identifies risks, controls and mitigations.

Please see (**Annexure B7**) 'Risk Register'

- e) Provide a copy of a detailed risk appetite statement articulating how much risk is acceptable to the applicant across key risk areas.

Flo Energy Australia's detailed Risk Appetite Statement is as follows:

Flo Energy Australia maintains a cautious approach to risk, particularly in the wholesale electricity market. Our risk appetite is carefully calibrated to ensure that we operate within the bounds of prudent financial management while pursuing our strategic objectives. The key risk areas and our corresponding appetite are outlined below:

Market and Credit Risk: We have a low appetite for market and credit risk. We employ stringent credit assessment procedures and hedging strategies to mitigate the volatility of the wholesale gas market and the risk of counterparty default.

Operational Risk: Our appetite for operational risk is moderate, acknowledging that while operational efficiency is critical, we must balance this with the need for robust controls and procedures to ensure service continuity and compliance with regulatory requirements.

³ The risk management strategy/framework must include proactive and reactive strategies for managing risk events, systems, reports and business controls, ensuring transparency of risk positions and management activities. The risk management strategy/framework must also set out the roles of responsible officers, and include documentation on the policies and procedures providing guidance for day-to-day risk management activities. The risk management framework should be proportionate to the size, operating model and complexity of the applicant's proposed retail operations.

Compliance and Regulatory Risk: We have zero tolerance for non-compliance with regulatory obligations. We are committed to adhering to all laws, regulations, and industry codes of practice, and we expect the same from our third-party vendors.

Consumer Risks: We have no tolerance for risks that negatively impact consumers or their safety, including disconnection, hardship, and poor customer service. We are dedicated to providing reliable service and support to all customers, particularly those experiencing vulnerability.

Technology and Cybersecurity Risk: We have a low appetite for technology and cybersecurity risk. We invest in secure, scalable technology infrastructure and adhere to international standards such as ISO/IEC 27001:2013 to protect our data and systems.

Reputational Risk: We have a low appetite for reputational risk. We strive to maintain a strong brand reputation by delivering high-quality energy solutions and by acting ethically and transparently in all our business dealings.

Strategic Risk: Our appetite for strategic risk is moderate, recognising that to achieve our vision of becoming a leading energy retailer in Australia, we must make informed strategic decisions that may involve calculated risks.

Environmental and Social Risk: We have a low appetite for environmental and social risk. As an energy provider, we are committed to sustainable practices and positive social impact, aligning with our corporate values and customer expectations.

This Risk Appetite Statement is integral to our risk management and guides our decision-making processes. It ensures that all risks are identified, assessed, and managed in line with our strategic objectives and within our defined risk appetite. Refer to our Risk Management Policy on our approach to risk management (**Annexure B6**)

2.3 Wholesale price risk management

Applicants must clearly outline their approach to managing wholesale market risks.

Using the forecast customer acquisition numbers and expected customer load for the following five years presented in the baseline business plan, describe how the applicant plans to manage wholesale price risk.

In responding to this question, applicants must include to the following:

- a) For gas, does the applicant have a plan to hedge all or part of the load?⁴ Describe the applicant's intended strategy in detail.⁵

Flo Energy Australia will procure natural gas in accordance with our Wholesale Markets Risk Management Policy. Future retail customer load will be informed by sales forecasts. This load forecast will inform our natural gas procurement strategy. Energy and capacity risks in the gas portfolio will be managed by physical gas supply that covers the seasonal retail load. The commercial terms in the gas supply agreement related to the nominations of gas from the supplier will include a maximum daily quantity that covers the seasonal peak demand at a daily interval level.

The annual contract quantity will not exceed +/-20% on our average net position over a rolling 12-month period and in the subsequent two years. The minimum take obligations will be 80 percent of the annual contract quantity. The physical injection of gas into the transmission system will be through the gas supply contract. Gas derivatives, such as Caps designed to pay out on all instances where the spot price is greater than a strike price, may be used as an additional tool to manage capacity risks.

- b) What proportion of the applicant's customer load is anticipated to be purchased from the electricity or gas spot markets?⁶ If the applicant is intending to purchase from the spot market, it must specify the forecast spot prices being used, the basis on which spot prices are forecast and scenario analysis showing the impact of high, mid and low spot prices.

Portfolio management will prepare a Gas Bidding strategy to operate the gas portfolio which is compliant with the Wholesale Markets Risk Management Policy. We will settle the net quantities of injections and withdrawals at the gas hub at the gas spot market price. This may occur for a long deviation quantity in withdrawals from the hub (i.e. lower withdrawal than expected) or for a short deviation quantity (i.e. higher withdrawal than expected) on the gas day. Also, this may occur for a long deviation quantity in gas supplied to the hub (i.e. higher supply than expected) or for a short deviation quantity in gas supplied to the hub (i.e. lower supply than expected) on the gas day. The conditions for deviations include updated

⁴ For gas, if the applicant intends to purchase from the spot market, the risk assessment and mitigation approach must include the possibility that the time between the purchase of gas and customer payment is 60 days or more, and the administered price may apply during this period.

⁵ For electricity, specify the hedging methods the applicant intends to use (for example, does Australian Securities Exchange (ASX) Energy Futures, purchase over the counter (OTC) products, power purchase agreements, or generation ownership)? For gas, specify the hedging methods such as physical supply or storage contracts.

⁶ The applicant must ensure the wholesale price risk incurred through spot market trading is addressed in the risk management framework.

temperatures which impact on gas demand, curtailment of gas supply and forecast error or process error.

Any gas spot market exposure will be measured for energy risk and capacity risk. Energy risk is extended periods of low or high prices. To constrain exposure to energy risks, the minimum take (or maximum take, in the case of high prices) is nominated from the gas supplier. Capacity risk is periods of high price and high demand. These risks can be mitigated by nominating maximum daily quantities from the gas supplier and we may use gas derivatives such as Caps if our analysis of market conditions indicates gas supply shortfalls may occur.

Gas trading will be monitored within a day for demand changes and injection nominations. Gas risk measurement will include demand forecasts, injection volumes and comparing to policy requirements. Any breaches of limits will be immediately corrected and reported to the Risk function and at the monthly Risk Management Committee with remedial action in place. Finally, our risk management framework and gas bidding strategy will be regularly reviewed and updated to reflect changing market conditions

- c) Has the applicant made any preliminary arrangements or sought to obtain quotes to purchase hedging products? Provide details and evidence.

[Redacted]

- d) Describe how far in advance the applicant intends to hedge its wholesale risk, including information about hedging six months, 12 months, 18 months and 24 months ahead of anticipated need to supply customers. Also outline what amount of forecast load it plans to hedge and what level of residual wholesale risk the applicant will take.

Flo Energy Australia will manage its wholesale gas portfolio and risk within the Board-approved position. We will commit to firm gas supply up to 36 months ahead of the supply period to our customers. Flo intends to use a bandwidth for their hedging ratio between 80- and 120% (max 20% short or long at a daily interval level). Please refer to **Annexure B26 - Wholesale Market Risk Management Policy**

- e) Describe how residual wholesale price risks will be mitigated.

Residual wholesale price risks will be managed as follows. On a spot basis, our net gas position will be settled at the price at the hub. On a forward basis, our net gas position will be traded at forward contract prices for buying additional gas if our load is above contracted supply or to sell excess gas if our load is below contracted supply.

- f) Which personnel in the applicant's business will be responsible for managing wholesale price risk? Outline their relevant experience in managing wholesale risks (including managing wholesale electricity and gas contracts and hedge products, where applicable).

Attachment reference:

Chris Doyle the Trading and Portfolio Lead will be responsible for purchasing contracts and support of Matthijs Begeer, the Flo Singapore Director of Trading and Portfolio Management . Please refer to **Annexure A5** which outlines all relevant experience of Chris Doyle and Matthijs Begeer in managing wholesale risk and purchasing wholesale gas contracts.

All trades will be overseen by Mike Pucar, the Managing Director. Mike has significant experience in the area of wholesale risk, including serving on the Risk Management Committee for four years in Momentum Energy. In addition, Louizanne Diaz, Head of Compliance and Risk and previously responsible for AGL's compliance in physical and Financial trading under the Australian Financial Services Licence will oversee risk management.

The Risk Management Committee is responsible for Flo Australia's Risk Management.

2.4 Dispute resolution

Applicants will need to provide documentation to demonstrate they are a member of the Energy and Water Ombudsman (Victoria) (**EWOV**) or have approached EWOV about [joining the scheme](#).

Attachment reference:

Please see (**Annexure A6A**) and (**Annexure A6B**) for correspondence with EWOV.

2.5 Registration with the Australian Energy Market Operator

Advise if the applicant has or intend to register with the Australian Energy Market Operator (**AEMO**). If so, provide evidence of registration or exemption, or intending registration or exemption (for example, correspondence between the applicant and AEMO). If the applicant is not registering with AEMO, describe why that is the case.

Please see (**Annexure C12A**) for the copy of communications with AEMO. Please refer to **Annexure C18** for a copy of our B2B accreditation.

2.6 Licences held in other jurisdictions

If the applicant holds, or has previously held, electricity and/or gas licences or authorisations in other jurisdictions provide details. If a licence or authorisation previously held has been suspended or cancelled, provide details.

Flo Energy Australia holds a retail licence to sell electricity in both Victoria and the NECF jurisdictions and will also be applying to the AER for authorisation to become a gas retailer in the NECF jurisdictions. There have been no instances of a licence or authorisation being previously held or cancelled.

2.7 Previous unsuccessful licence applications in other jurisdictions

Confirm whether the applicant has applied for an electricity or gas licence or authorisation in another jurisdiction and not been issued with a licence or authorisation, provide details.

There have been no instances of Flo Energy Australia applying for a licence in another Australian jurisdiction where such an application was unsuccessful.

2.8 Licences held by associates of the applicant

If an associate (within the meaning of the *Corporations Act 2001* (Cth)) holds an electricity or gas licence in Victoria or in another Australian jurisdiction, provide details.

No associate of Flo Energy Australia within the meaning of the *Corporations Act 2001* (Cth) holds an electricity or gas licence in Victoria or in another Australian jurisdiction.

2.9 Compliance management

- a) Provide evidence of compliance management which demonstrates how the compliance systems the applicant has (or will have) in place will ensure compliance with all the relevant regulatory obligations required by the retail licence.

Flo Energy Australia has two very experienced compliance professionals which reflects the commitment we have to ensuring regulatory compliance with all regulatory obligations including licence conditions. We intend to further bolster this team with additional appointments which are outlined in the Financial Model (**Annexure C3**).

Furthermore, to support the internal team on an ad-hoc basis, we are proposing to engage Compliance Quarter to provide external compliance support and advice on regulatory changes. Refer to (**Annexure A17.2**) for Compliance Quarters Capability statement. Compliance Quarter will assist the business on an 'as needs' basis along with other qualified third-parties including law firms and auditors. Refer to (**Annexure A5.2**) for the Third Party Vendor List.

We also intend to utilise Compliance Quarter's Compliance HUB technology, which will streamline our compliance program and ensure that we remain up-to-date with any changes to regulatory requirements.

- b) Provide a copy of the applicant's compliance management strategy. A statement should also be provided (or supporting document must make it clear) whether the strategy has been

developed in line with any Australian or International Standard (for example, AS ISO 19600:2015).

Attachment reference: Flo Energy Australia is committed to complying with all relevant regulations impacting our operations. We have a Compliance Policy (**Annexure B2**) aligned with ISO 37301:2021. For more information, please see Business Plan (**Annexure C1**) and obligation registers (**Annexure B10**)

- c) Provide a comprehensive and detailed compliance register which outlines the applicant's:
- i. regulatory obligations;
 - ii. source of each obligation;
 - iii. key actions for ensuring compliance with each obligation; and the personnel responsible for monitoring compliance.

Please find attached to this application an Obligations Register (**Annexure B10**) that has been developed by Compliance Quarter, to be used by Flo Energy Australia in understanding and complying with the obligations imposed on authorised retailers. This contains the individual obligations, including specific to Victoria, and the source of each obligation.

2.10 Material agreements

Provide copies of agreements entered into, or intended to be entered into, by the applicant that are material to the undertaking of the energy retail activity.

Agreements that are material to the undertaking of the energy retail activity may include, but are not limited to:

- a) customer service and dispute resolution activities
- b) billing services
- c) metering data services
- d) compliance functions
- e) wholesale market management
- f) risk management services
- g) inter-company services.

Attachment reference: As noted above, Flo Energy Australia will be undertaking the majority of key services internally. However please see **Annexure A17** for Flo Energy Australia's agreement with Compliance Quarter for Compliance Hub services.

2.11 Policies

Applicants proposing to retail energy to residential customers must provide a copy of a:

- a) Victorian financial hardship policy
- b) family violence policy

c) life support policy.

Attachment reference:

Please find the following policies attached as Annexures to this application:

- Victorian Hardship Policy (**Annexure B8A**)
- Family Violence Policy (**Annexure B22**)
- Life Support Policy (**Annexure B28**)

2.12 Engagement with Energy Safe Victoria (gas retail applications only)

For gas retail applications, provide details about the applicant's engagement with Energy Safe Victoria with respect to a gas safety case and any copies of correspondence.

Attachment reference: Please see **Annexure A18** for Flo Energy Australia's correspondence with Energy Safe Victoria

2.13 Additional information

Provide any additional information the applicant considers relevant to the commission's assessment of the applicant's technical capacity.

Flo Energy Australia, as a subsidiary of Flo Holding, has the financial resources provided by its parent company and the benefit of the Flo Group's significant energy market experience.

Flo Energy Singapore, a subsidiary of Flo Holding, has a proven track record of market participation, including making sustainable returns during the global energy crisis and managing market reforms. There have been times in the market when Flo Energy Singapore was the only retailer offering fixed-priced plans to C&I customers. With access to people, software platforms and systems, and a governance framework that has allowed Flo Energy Singapore to operate successfully, Flo Energy Australia is set up for sustainable success.

3. Financial viability

The applicant must answer all questions in this section.

3.1 Financial resources

The applicant must provide a statement, which will be made available to the public during the consultation period, that the applicant has the financial resources to commence and sustainably perform the relevant licensable activities and meet the service standards for small customers (if applicable).

Provide a statement to confirm that:

- a) the applicant is financially viable and has the financial resources to commence and sustainably operate the retail business; and
- b) the applicant will be a registered market participant with the Australian Energy Market Operator for its retail business and subject to prudential requirements under the National Electricity Rules or National Gas Rules (as applicable).

Flo Energy Australia confirms that:

- a) the applicant is financially viable and has the financial resources to commence and sustainably operate the retail business; and
- b) the applicant will be a registered market participant with the Australian Energy Market Operator for its retail business and subject to prudential requirements under the National Gas Rules.

3.2 Supporting documentation

The applicant must provide documentation listed below to demonstrate the applicant has access to sufficient financial resources to sustainably operate a viable retail business in the electricity and/or gas industry. This includes operating cost considerations, demonstrating the applicant can meet significantly increased costs – detailed, itemised costs must be provided.

The applicant must provide evidence that it has sufficient financial resources to meet higher costs, including adequate liquid financial reserves to meet higher unforeseen costs, such as higher wholesale costs and increased AEMO prudential requirements.

The applicant must demonstrate a clear understanding of the wide-ranging effects of the identified risks and potential changes on its business and set out appropriate risk mitigation measures.

Risk mitigation measures may include evidence of available cash reserves, including bank balances, loan guarantees and the like to ensure the business is able to continue as an active participant by servicing all existing customers and continuing to grow its customer base.

Applicants should also consider whether other risk mitigation measures may be necessary to manage risks to the business, such as changes to the organisational and technical capacity of the business.

Provide the attachment reference for each document listed below and mark commercial-in-confidence where applicable:

- a) audited financial statements for the previous financial year or the past 12 months

Attachment reference: Not applicable – Flo Energy Australia is a start up company

- b) annual report

Attachment reference: Not applicable – Flo Energy Australia is a start up company

- c) guarantees in place

Attachment reference:

Attachment reference: **(Annexure C7)** – Cross Company Deed of Guarantee between Flo Energy Australia and parent company Flo Holding Pte Ltd.

Attachment **(Annexure C16)** [Redacted]

- d) shareholder register

Attachment reference: Please refer to (Annexure A1) – ASIC extract

- e) statements from banks/financiers, shareholders, the board or parent company

Attachment reference:

(Annexure C8) – Flo Energy Singapore bank statement 01 May to 31 May 2024

(Annexure C4) – Audited Financial Reports of Flo Energy Singapore Pte Ltd FY2022

Annexure C5A – Audited Management Reports of Flo Energy Singapore Pte Ltd FY2022

[Redacted]

This financial strength empowers us to optimize and expand our operations to cater to a growing customer base effectively.

- f) Provide a statutory declaration by an officer of the company, disclosing:

- i. any material change in the financial position of the applicant that has occurred since the end of last financial year for which audited accounts are provided; and
- ii. any likely changes in the structure, operation or financing of the applicant or the licensed activity that could materially affect the applicant's financial viability.

Attachment reference:

Not applicable – Flo Energy Australia is a start up company so does not have audited accounts for calendar year 2022. Financial accounts from calendar year 2023 are currently being audited by EY

g) Provide a five-year business plan. The business plan must demonstrate that the applicant meets the financial viability criterion. For example, it should provide information on (as applicable):

- i. current valuations of the assets that will be used in undertaking the licensed activity
- ii. all sources of revenues from the licensed activity
- iii. all costs involved in undertaking the licensed activity, including:
 - A. the cost of meeting any prudential requirements
 - B. the cost of capital/debt
 - C. the cost to acquire customers
 - D. the cost to serve customers
 - E. the cost of meeting all relevant regulatory obligations, including environmental and green energy schemes (for example, Victorian Energy Upgrades).
 - F. the cost of procuring assets
 - G. wholesale costs.

Where revenues and/or costs are not fixed by contract, the business plan must include an explanation of the basis of the figures used and include appropriate stress testing and sensitivity analysis for such variables.

Please see Flo Energy Australia's Business Plan at **(Annexure C1)**

Baseline business plan – financial model

- h) Present financial information: profit and loss, cash flow and balance sheet statements, including five years of forecast data, shown in monthly increments. The information must correspond to the applicant's business plan, and organisational and technical capacity.
- i) In presenting this information the applicant must also clearly set out the assumptions underlying the data, including customer acquisition numbers (shown in monthly increments), associated customer load under POE50 demand conditions, and assumptions about the cost

of debt.⁷ Customer load should be shown as forecast demand for each month, in Megawatt hours (**MWh**) for electricity and Gigajoules (**GJ**) for gas.

Please refer to (Annexure C3) – Financial Model

Stress test scenarios – financial model

- j) Present the same financial information provided in the baseline business plan (profit and loss, cash flow and balance sheet statements) for five years, presented in monthly increments, for each of the scenarios listed below.
- i. The customer acquisition path is 50% lower than that specified in the baseline business plan. Hold all else equal.
 - ii. The customer acquisition path is 200% higher than that specified in the baseline business plan. Hold all else equal.
 - iii. Present financial information for the scenario where:
 - A. the customer acquisition path is 200% higher than that specified in the baseline scenario; and
 - B. for electricity, the wholesale electricity cost equals the Annual Average Volume Weighted Price (**AAVWP**) for the preceding 12 months for the most expensive region
 - C. for gas, the wholesale gas cost equals the highest financial year average cost in the preceding five years in the Declared Wholesale Gas Market (**DWGM**) or Short Term Trading Markets (**STTM**).

Stress Test Scenario a): Customer acquisition path is 50% lower than that specified baseline business plan (all else equal).

The primary risk associated with this scenario is a decrease in revenue which could negatively impact the profitability and cash flow of the business making it more challenging to meet financial obligations such as loan repayments or interest payments.

We will mitigate this risk through prudent management of operating costs, including having the appropriate resources in place to support the size of the business and meet compliance obligations.

[Redacted].

⁷ POE50 demand conditions refers to 'mid-range' demand outcomes, that is, a demand outcome with a 50 percent probability of exceedance.

To mitigate or minimise the risk of a drop in customer acquisition, we will continuously review and monitor our acquisition and retention performance and diversify our marketing and acquisition channels as required.

For more information please refer to **Annexure C3** – Financial Model.

Stress Test Scenario b): Customer acquisition path is 200% higher than that specified baseline scenario.

While this scenario implies faster revenue growth, it could also present a few risks. If the business is not prepared to handle such an increase in customers, it could lead to operational issues, such as a lack of capacity to deliver products or services to new customers. This could lead to customer dissatisfaction and negatively impact Flo Energy Australia's reputation. Additionally, the increased pressure on Flo's infrastructure could lead to higher expenses, which could impact the profitability of the business.

In this scenario, the risk is primarily related to increased operating expenses due to higher customer numbers. Higher expenses could impact the profitability of the business and make it more challenging to meet financial obligations. Additionally, the increase in operating expenses could lead to reduced cash flows, which could impact Flo Energy Australia's ability to invest in future growth opportunities. Flo will mitigate this risk through regular acquisition and retention forecasting, adjusting marketing and acquisition activity and drive system and process improvements through automation.

Stress Test Scenario c) iii): Customer acquisition path is 200% higher than that specified baseline scenario, and the wholesale gas cost equals the highest financial year average cost in the preceding five years in the Declared Wholesale Gas Market (DWGM) or Short Term Trading Markets (STTM). If an applicant has applied or intends to apply for a retailer authorisation with the AER, or holds a retailer authorisation with the AER, then it should use the most expensive region (STTM or DWGM). If the applicant intends to solely retail gas in Victoria, then the DWGM should be used. In this scenario, the risk is primarily related to increased operating expenses due to higher gas costs. Higher expenses could impact the profitability of the business and make it more challenging to meet financial obligations. Additionally, the increase in operating expenses could lead to reduced cash flows, which could impact Flo Energy Australia's ability to invest in future growth opportunities.

Please refer to section 2.4 Wholesale price risk management above. Flo will closely monitor acquisition and retention performance to ensure there is sufficient lead time to prudently hedge wholesale risks.

In preparing for the application, Flo Energy Australia has considered these various scenarios and potential impact on the business, and incorporated them into the business model.

For more information please refer to **Annexure C3 – Financial Model**.

k) Present financial information for the scenario where:

- i. the customer acquisition path is 200% higher than that specified in the baseline business plan; and
- ii. for electricity, the average wholesale electricity cost equals the ASX-traded Base Future Contract Price for contracts that are available over the next 12-month period (from the time the licence application is submitted to the commission).

i) please refer to the above

ii) N/A

Notes regarding financial inputs

- **Electricity:** The AAVWP for each region is published following the close of the calendar year and financial year in the Australian Energy Regulator (**AER**)’s Wholesale markets quarterly report. Note: If an applicant has applied or intends to apply for a retailer authorisation with the AER, or holds a retailer authorisation with the AER, then it should use the most expensive region. If the applicant intends to solely retail electricity in Victoria, then the Victorian region should be used.
- **Gas:** The financial year average gas price for the DWGM and STTM are published on the AER website in the wholesale statistics subsection of the wholesale markets section.⁸ If an applicant has applied or intends to apply for a retailer authorisation with the AER, or holds a retailer authorisation with the AER, then it should use the most expensive region (STTM or DWGM). If the applicant intends to solely retail gas in Victoria, then the DWGM should be used.
- **Futures:** The Average ASX-traded Base Future Contract Price (ASXFC) are published on the ASX Energy website.

4. Fit and proper person

The applicant must answer all questions in this section.

In deciding whether to grant or refuse a licence application, the commission will consider whether the applicant is a fit and proper person to hold a licence in Victoria.

⁸ <https://www.aer.gov.au/wholesale-markets/wholesale-statistics/gas-market-prices>

The concept of a 'fit and proper person' is established by common law and takes its meaning from its context, from the activities in which the person is or will be engaged, and the ends to be served by those activities.

In considering whether an applicant is a fit and proper person, we will have regard to the applicant's honesty, integrity and reputation. These are relevant factors as they can inform an assessment of the likelihood of future conduct.

We will also consider the conduct of officers. We will also consider the conduct of related bodies corporate or entities that can exert control over the applicant.

- a) Have any directors of the applicant, directors of any entity that can exert control over the applicant, or any person with significant managerial responsibility or influence on the applicant:
- (i) been declared bankrupt,
 - (ii) had their affairs placed under administration,
 - (iii) been disqualified from managing a company,
 - (iv) been subject to debt judgements, or
 - (v) insolvency proceedings (including any administration, liquidation or receivership in connection with the affairs of a company)?

If yes, provide details:

No – not applicable

b) Has the applicant, any directors of the applicant, directors of any entity that can exert control over the applicant or any person with significant managerial responsibility or influence on the applicant been prosecuted for any offences or had any enforcement action taken under any state, territory, Commonwealth or foreign legislation (including, but not limited to, the *Competition and Consumer Act 2010* (Cth), *Corporations Act 2001* (Cth), or the *Australian Securities and Investments Commission Act 2001* (Cth))?

If yes, provide details:

No – not applicable

c) Has the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility or influence on the applicant been involved in any material breaches of obligations regulated by the commission or any other regulator?

If yes, provide details:

No – not applicable

d) Has the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility been under investigation in relation to its regulatory obligations or is currently bound by an enforceable undertaking?

If yes, provide details:

No – not applicable

e) Has the applicant, any related body corporate or any person with significant managerial responsibility or influence on the applicant, been refused a licence or authorisation, or had restricted, suspended or revoked any such licence or authorisation (in any jurisdiction)?

If yes, provide details:

No – not applicable

f) Is the applicant a resident of, or does it have permanent establishment in, Australia?

If no, provide details:

Please refer to Annexure A1 – ASIC Extract

g) If any of the following apply, please provide details:

- i. the applicant is external administration (as defined in the *Corporations Act 2001* (Cth)) or under a similar form of administration under any laws applicable to it in any jurisdiction; or
- ii. the applicant is not capable of being sued in its own name in a court of Australia.

No – not applicable

Additional information

- h) Provide any other information the applicant considers is relevant to the commission's fit and proper person assessment.

N/A

5. Commission objectives

The applicant must answer all questions in this section.

In deciding whether to grant or refuse an electricity or gas retail licence application, the commission must consider its objectives under the *Electricity Industry Act 2000* and/or *Gas Industry Act 2001* and the *Essential Services Commission Act 2001* (**ESC Act**).

Our primary objective under the ESC Act, when performing our functions and exercising our powers, is to promote the long-term interests of Victorian consumers. In seeking to achieve this objective, we must have regard to the price, quality, and reliability of essential services and the matters set out in section 8A to the extent they are relevant.

An applicant must clearly demonstrate how its proposed retail business model or project, such as an electricity transmission or generation project, is consistent with the commission's statutory objectives.

Applicants must provide a statement regarding why granting a licence would address the objectives outlined in:

- Section 8 of the ESC Act (also see section 8A of the ESC Act),
- Section 10 of the *Electricity Industry Act 2000*, and/or
- Section 18 of the *Gas Industry Act 2001*.

Specifically, the applicant must positively satisfy the commission that the entry of the applicant into the retail market will promote the long-term interests of Victorian energy consumers with respect to the price, reliability and quality of energy.

As a wholly owned subsidiary of Flo Holding Pte Ltd, Flo Energy Australia has extensive experience in the energy sector and as such, firmly believes that its entry into the Victorian retail market will contribute significantly to the promotion of the long-term interests of Victorian energy consumers in terms of price, reliability, and quality of energy.

6. Statutory declaration

All the information provided in this application and attached documents for the issue of an electricity or gas retail licence must be true and correct and must be verified by a statutory declaration. This statutory declaration must be made by the applicant (where the applicant is an individual) or a director of the applicant (where the applicant is a corporation) and must be made in accordance with the requirements of the *Oaths and Affirmations Act 2018*.

An example of a statutory declaration form can be found [here](#). Information for authorised witnesses can be found [here](#).

The statutory declaration must address the following:

- a) identification of the declarant's position and/or role with the applicant
- b) that the declarant believes the information provided in the application to be true and correct
- c) that the declarant believes the applicant has the financial resources to commence and operate the activities the subject of the licence. Further, that the applicant intends to be/is registered as a market participant with the Australian Energy Market Operator in relation to the activity of selling electricity or gas (if applicable).

The following statutory declaration template should be amended as appropriate, including for the purpose of complying with the *Oaths and Affirmations Act 2018* (for example, if the statutory declaration was made via audio visual link under section 30A of that Act, additional information must be included in the statutory declaration).

Please see **Annexure C17** for Statutory Declaration