

Maximum Energy Retail

ACN 632 900 139



Victorian Retail Electricity

Licence Application

JAN 2021

29 January 2021

Manager, Licensing and Standards
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne VIC 3000

Dear Sir / Madam,

Maximum Energy Retail – Electricity Licence Application

Maximum Energy Pty Ltd (Maximum Energy) began operating in 2013 and is an Adelaide based enterprise providing the development, supply and installation of LED Lighting, solar PV and associated energy systems nationally.

Maximum Energy believes that its proven marketing and project delivery expertise in solar and storage combined with an Energy retail licence will provide a unique opportunity to develop a new integrated business model which will position Maximum Energy as a nationally focussed, integrated renewable energy solutions company.

A key element of that integrated business model is the ability to retail electricity. This will allow Maximum Energy to provide a complete end-to-end renewable and sustainable energy solution to its customers, enabling them to reduce their total energy and operational costs. As a result, Maximum Energy Retail Pty Ltd (Maximum Energy Retail) has been incorporated and operating as a separate entity, however, will use many of the resources of Maximum Energy and is being capitalised and resourced to pursue that objective.

Maximum Energy Retail submits this application to the Essential Services Commission (ESC) seeking a licence to operate as an electricity retailer in Victoria. Please note that an application for an Electricity Authorisation has been submitted to the Australian Energy Regulator (AER).

In accordance with the ESC's application guideline requirements, please find enclosed the following:

- 1) General information
- 2) Technical capacity
- 3) Financial viability
- 4) Suitability

If you have any questions, please contact me directly via email [REDACTED] or by phone on [REDACTED] or Brett Harman at Sonne Energy via email [REDACTED] or by phone on [REDACTED]

Rodd Beitmanas
Technical Executive Director
Maximum Energy Retail Pty Ltd

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1 Part 1: General information

1.1 Legal Name

Maximum Energy Retail Pty Ltd (MER)

1.2 Trading Name (if different)

Maximum Energy Retail

1.3 ABN/ACN

ABN 90 632 900 139

ACN 632 900 139

1.4 Registered Address

174-176 Wright Street,

Adelaide SA 5000

1.5 Nominated Contact Persons

Rodd Beitmanas - Technical Executive

Mobile: [REDACTED]

Email: [REDACTED]

Brett Harman – Sonne Energy

Mobile: [REDACTED]

Email: [REDACTED]

1.6 Incorporation Details

Maximum Energy Retail is a proprietary company limited by shares.

See **Public Attachment A**

See **Confidential Attachment B**

1.7 Organisational structure

See part 3

1.8 Summary of experience

See part 3

1.9 Summary of contracts and agreements

See part 3

2 Part 2: The application

2.1 Type of Licence sought

Electricity only with no non-standard conditions

2.2 Date from which licence is sought

Maximum Energy Retail will not commence retailing to electricity customers until it has been provided with an Electricity retail authorisation from the AER and a Retail Electricity Licence from the ESC.

Maximum Energy Retail aims to commence electricity retailing from the date on which all unconditional approvals for retail authorisation are provided by the AER and ESC. We anticipate that this will be mid-2021.

Maximum Energy Retail will have all necessary contractual agreements in place with third party service providers (such as meter data providers, billing and settlement) prior to retailing electricity to customers. Some specific contractual services will not be executed until regulatory approvals have been granted so as to avoid costs being incurred prematurely.

2.3 Nature and scope of Maximum Energy Retail's proposed operations

Maximum Energy Retail intends to retail electricity to residential and small to medium business customers.

2.4 Details of current or former licences or authorisations held in this and/or other jurisdictions

Neither Maximum Energy Retail nor any of its associates currently hold an energy retail authorisation in the ESC or any other jurisdiction.

2.5 Fit and proper person

All details and relevant declarations pertaining to fit and proper person(s) are provided in section 5 of this application.

2.6 ESC's Objectives

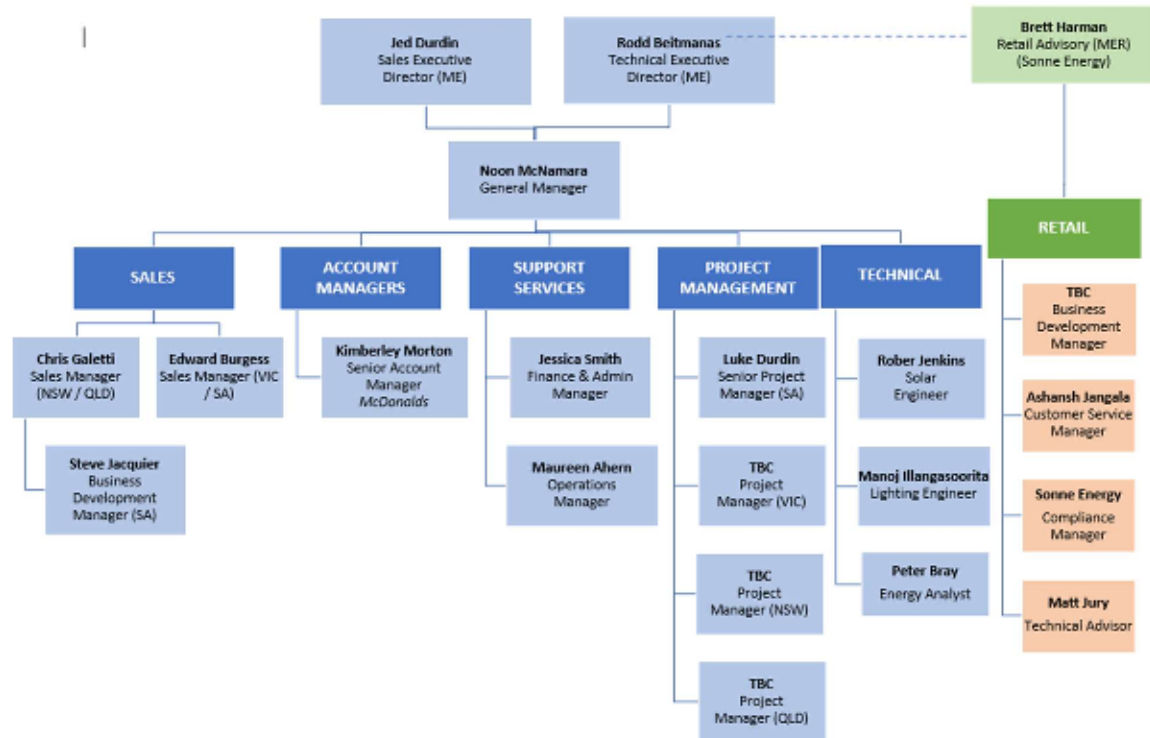
Section 8 of the Essential Services Commission Act 2001 (VIC) sets out the objectives of the Commission to promote the long-term interests of Victorian consumers, and in seeking to achieve this objective have regard to the price, quality and reliability of essential services.

Granting Maximum Energy Retail a retail license is consistent with the Commission's objectives. MER will retail electricity to mostly SME customers and progressively C&I customers, offering fixed and floating rate electricity retail products, progressive purchasing and Corporate Power Purchase Agreements. MER will offer customers an alternative to their incumbent electricity retailer, helping them reduce their energy costs and, in turn, their operational costs thereby becoming more competitive in their own markets.

A core goal of the business model of MER is to provide Victorian Businesses with a reliable pathway to achieve higher renewably sourced generation where possible.

3 Part 3: Technical capacity

3.1 Maximum Energy Retail Organisation Chart



Maximum Energy Retail has sufficient staff and management resources, both in terms of expertise and capacity, to meet its initial retail business needs. These resources will be added to organically as the need arises in order to meet growth projections, licence obligations and customer expectations.

The Maximum Energy Retail senior management team is highlighted in section 3.2 below including their professional qualifications, positions held and relevant experience. In addition, the Maximum Energy management team will provide Corporate and back office support to Maximum Energy Retail.

3.2 Summary of skills of key personnel and related parties

3.2.1 Energy Market Experience

Maximum Energy was incorporated in 2013 and has been delivering renewable energy power generation systems and energy efficient products including lighting to the Australian market. It is now in the process of expanding its business and operations through a strategic partnership with Enerven which will include retailing of electricity to small off market commercial customers.

Since its inception in 2013 and then as a move toward energy generation, Maximum Energy has installed in the order of 5 MW of solar PV panels and battery storage systems across Australia. These renewable energy generation systems provide customers with the ability to reduce their electricity consumption when installed behind the meter, creating alternative retail solutions for large industrial customers.

Maximum Energy Retail will use market opportunities created through its parent company Maximum Energy (that will supply and install renewable generation assets and develop embedded

networks) to provide long term competitive electricity retail contracts to customers.

Maximum Energy Retail is in the process of recruiting staff and engaging with consultant resources with extensive retail energy experience covering wholesale risk management, operations, sales and customer service functions.

Maximum Energy Retail has an experienced advisory board and executive team with extensive experience in the energy industry as well as considerable experience and expertise in operational management, business development, policy and governance.

The Advisory Board and Third-Party Capability statement is provided attached.

See **Confidential Attachment C**

3.2.2 Retail Executive – Brett Harman

An accomplished accountant specialising in energy finance and operations, Brett has worked in corporate and small business environments for 15 years, including being the co-founder of a successful start-up energy retailer in the complicated VIC energy market. Brett possesses deep expertise in electricity retail, embedded networks, distribution networks and industry regulations, and brings an entrepreneurial spirit to developing strategies, solutions and financial models for clients.

3.2.3 Technical Executive – Rodd Beitmanas

Qualifications and Relevant Experience

- Rodd holds a Bachelor Degree in Commerce for Marketing and Management
- Rodd is the Founder and a Director of Maximum Energy and has over 20 years' experience in the Energy and Lighting Industry. Rodd has extensive experience in International and Australian business management in Operations, Commercial, Marketing and Sales as well as Human Resources. Rodd has developed comprehensive knowledge and experience across a variety of disciplines and the delivery of major projects which have presented a range of challenges, solutions and opportunities.
- Rodd, in his role of Technical Executive of Maximum Energy will be responsible for driving the growth of the business whilst safeguarding the strict compliance to regulatory requirements. Rodd has developed a network of highly capable personnel within the industry to support and drive his key goal of bringing innovation to the energy industry to overall reduce energy costs.

3.2.4 Sales Executive – Jed Durdin

Qualifications and Relevant Experience

- Jed holds Diplomas in both Business and Leadership.
- Jed is a Director of Maximum Energy and has over 7 years' experience in the Renewable Energy industry specialising in project management, construction, marketing and sales of solar power generation systems, commercial and residential energy efficiency systems and energy efficient lighting.
- Jed in his role as Sales Executive of Maximum Energy Retail will drive Sales and Revenue using existing Maximum Energy sales and marketing resources. Maximum Energy and Maximum Energy Retail have a similar overarching purpose and goal with Maximum Energy Retail offering an added benefit to Maximum Energy's sales approach.

3.2.5 General Manager – Noon McNamara

Qualifications and Relevant Experience

- Noon is a Graduate of the Australian Institute of Company Director (GAICD), holds a Masters in

Business Administration (MBA) from the University of Adelaide & Aarhus Business School (Denmark) and a Bachelor of Mathematical Science (Honours) from the University of Adelaide

- Prior to joining Maximum Energy, Noon has worked in the role of General Manager with Suntrix (solar & battery), Energy Exemplar (global energy simulation software), Centralian Controls (valves and systems automation), Lagrou Partners (professional services) and SCF Group (national shipping and rail freight containers). Noon also has an extensive experience in delivering large scale rail, infrastructure & transport projects, having worked for over 12 years with Pacific National/Asciano and as a consultant for the South Australian Department of Planning, Transport and Infrastructure (DPTI)
- As the General Manager of Maximum Energy, Noon is responsible for the execution of the company's operational plan, governance and compliance, reporting systems and staff management.

3.3 Details of Other Relevant Retail Experience

Maximum Energy Retail will also be able to rely on the relevant retail expertise and experience available internally and where appropriate the use of experienced external consultants. Such expertise includes:

- Electricity portfolio management to ensure that the retail load is managed within the confines of variable price and volume risk;
- Compliance and risk management
- Retailing systems, including settlements and billing systems;
- HSE&Q and compliance frameworks.

3.4 Business model plans

Maximum Energy sees an opportunity to bring a more compliant and regulated retail product to residential and commercial customers within newly constructed embedded networks and enabling customers to move towards a smarter energy management systems and product.

The ability to retail electricity to these customers is intended to create synergies between the on-site generation capability of the plant equipment that Maximum Energy provides and the delivery of competitively priced electricity to customers via the Maximum Energy Retail business.

Maximum Energy Retail has outlined a business plan contingent on receiving the energy retailer authorisation that will focus initially on the provision of competitive retail electricity supply to residential and commercial customers within hardwired embedded (micro grid) networks and expanding to other opportunities in line with its parent Maximum Energy's renewables growth strategy.

Maximum Energy Retail has commenced discussions with AEMO to register as a Market Customer. Due to our proposed slow growth rate we plan on trading directly through the spot market as a market customer. Maximum will have in place a set of reports to monitor its wholesale risk on the spot market and when it reaches a certain level of exposure previously agreed, will then begin to enter into a number of wholesale products with a range of different generation and financial counterparties.

The Maximum Energy Retail business plan documents the following:

- Market analysis;
- Maximum Energy Retail business model;

- How Maximum Energy Retail intends to operationalise the business plan;
- Growth Forecasts
- Forecast Revenue and Expenditure and financial modelling;

The Maximum Energy Retail business plan and retail revenue forecasts are attached as **Confidential Attachments D and E**.

3.5 Capacity to comply with licence conditions, laws, codes and relevant guidelines

Maximum Energy was established in 2013 and is a growing renewable energy company, providing energy and lighting solutions to residential, business and government sectors. Maximum Energy has undertaken many solar PV installations, including roof mounted, ground mounted and solar tracked systems.

Maximum Energy adheres to the highest OHS and WHS standards and abides by all retail law and other applicable laws, codes and guidelines in the solar industry. Maximum Energy Retail will draw on this experience and track record to comply to the relevant conditions, laws, codes and guidelines pertaining to a retail electricity authorisation.

Maximum Energy Retail intends to utilise the services of qualified third parties that are already active in the NEM, including Sonne Energy. As a result, Maximum Energy Retail will ensure that these parties have sufficient technical capacity to meet relevant obligations as well as relevant accreditations.

Where evidence of the technical and/or accreditation is found to be insufficient, then Maximum Energy Retail will work with the third-party service provider to provide the necessary skills and capability.

3.6 Third party arrangements or contracts

3.6.1 Functions and activities outsourced

In an initial period, expected to last between 6-12 months, a third-party retail operations expert, Sonne Energy Australia, will be engaged as an external expert to provide technical expertise and aid in the transition.

Sonne will provide guidance on the development of risk management framework and policy documentation, assist in development of an 'earnings at risk' model, provide assistance in the application to obtain an AFSL, provide a recommendation on system requirements and aid the organisation in the transition into retailing.

Sonne Energy will perform the following advisory functions for maximum Energy

- Business planning
- Regulatory compliance
- Energy retail services
- Sales and marketing
- Engineering Services
- Resourcing
- Energy products
- Billing services

As the internal organisational capability increases, it is expected that all activities are eventually

conducted in- house.

3.6.2 Provide details of any formal agreement/s to provide services, including confirmation that the third party possesses relevant technical competencies to conduct the proposed activities

Maximum Energy Retail will be undertaking a review of suitable billing systems as well as determining appropriate meter data agency agreements. Maximum Energy Retail will identify reputable, established system providers and a Meter Data Agent (and Billing and Settlements consultant, IT and IS setup consultants) and undertake a thorough comparison of offerings relative to the market and other key providers.

Maximum Energy Retail intends to have arrangements in place with suitable service providers prior to retailing to any customers. It is currently utilising this period leading up to full retail authorisation to review its requirements relative to the business plan.

3.6.3 Provide a summary of the third party's experience in and knowledge of the relevant area

Maximum Energy Retail will be utilising the skills, experience, expertise and knowledge of Sonne Energy to provide guidance on the development of risk management framework and policy documentation, assist in development of an 'earnings at risk' model, provide assistance in the application to obtain an AFSL, provide a recommendation on system requirements and aid the organisation in the transition into retailing.

Maximum Energy Retail intends to utilise the services of a qualified meter data agent/agents that are already active in the NEM as well as utilising market systems for billing and settlements, should these prove more suitable than custom development.

3.7 Internal frameworks, policies and procedures

Maximum Energy Retail has provided details of internal frameworks and policies as listed below.

3.7.1 Human Resources Policy

Maximum Energy has a comprehensive Human Resources Policy document that outlines all the necessary requirements for effectively managing the business.

Maximum Energy Retail will utilise the existing Maximum Energy Human Resources Policy for staff selection, recruitment, training and development. Specifically, within the policy there are procedures and policies for

- Recruitment and Selection
- Training and Development

This Recruitment and Selection Procedure sets out the process by which Maximum Energy Retail will recruit new staff. The Procedure is clear in its intent and provides a detailed process for defining, advertising, interviewing and selecting human resources to the company. The Procedure is heavily weighted to recruiting individuals with the appropriate skills and experience while at the same time ensuring that they possess the attitude and aptitude to observe and enhance the company's safety, governance and quality standards and culture.

The Training and Development Policy outlines how the company and employee are able to identify training requirements and ensure that personnel remain up to date and appropriately prepared for their roles and the company's needs.

The Maximum Energy Human Resources Policy Manual is attached as **Confidential Attachment F**.

3.7.2 Training Programs and Policies

Specific retail business related skills required include contract negotiations, facilitation of

settlements, market trading and payments and customer queries. Existing personnel with capability and experience in these areas include the Retail Executive, Sales Executive, Technical Executive and General Manager with the whole executive team working together for large complex transactions.

The Maximum Energy Retail customer facing team includes staff members with retail experience covering customer service, sales, system development and process improvement functions.

Maximum Energy Retail will also engage a suitable retail operations consultant to assist with the transition and ongoing requirements for retailing electricity. The consultant engaged will be chosen with due regard for having significant experience in retail transactions as well as with the policies, procedures and processes required to underpin retail activities and meeting regulatory requirements.

3.7.3 Quality Assurance

Maximum Energy has established Safety, Environment and Quality and Customer service policies.

These policies and a comprehensive Health, Safety, Environment and Quality Management (HSE&Q) System and standards underpin and assure that operations are undertaken in a safe and sustainable manner with a focus on quality and customer service.

Maximum Energy Retail will utilise these Maximum Energy policies within its business.

The HSE&Q Policies are attached as **Confidential Attachment G**.

The HSE&Q Management standard is attached as **Confidential Attachment H**.

3.7.4 Compliance Strategy

Maximum Energy Retail understands the compliance requirements for the provision of retail services in the NEM. Maximum Energy Retail has implemented a compliance policy that is consistent with Australian Standard AS3806-2006 that represents the core principles of commitment, implementation, monitoring and measuring and continuous improvement.

Maximum Energy Retail has compiled a compliance monitoring framework detailing all applicable regulatory requirements. Maximum Energy Retail's compliance strategy will also ensure compliance with and adherence to the following (including but not limited to):

- National Energy Retail Law (including any jurisdictional amendments)
- National Energy Retail Regulation
- National Energy Retail Rules
- National Electricity Law
- National Electricity Rules
- AER Retail Pricing Information Guideline

The Maximum Energy Retail business plan provides for the appropriate resourcing of its middle office functionality, which will have responsibility for the oversight of regulatory compliance. In the meantime, the Maximum Energy Retail Executive, Technical Executive, Sales Executive and General Manager will be responsible for the necessary advice and compliance support.

Maximum Energy Retail engaged NEM Australasia to conduct an independent audit of its Compliance Strategy which has been found fit for purpose. Please find a copy of the letter outlining this as **Confidential Attachment I**

The Maximum Energy Retail Compliance Management strategy is attached as **Confidential Attachment J**.

3.7.5 Risk Management Strategy

Maximum Energy ensures that risks to the business are well understood and managed.

Risk management aims to achieve an appropriate balance between realising opportunities for gain whilst minimising losses. Maximum Energy has developed its Risk Management Policy and Framework using AS/ISO 31000:2009 as the base guidance document for addressing risks and in the development of a risk management policy.

Maximum Energy Retail has invested time and resources into methods of assessing the likelihood and consequence of identified retail operations risks. In the identification of potential risks, Maximum Energy Retail has consulted with industry experts and reviewed publicly available material.

The Maximum Energy Retail CEO and the Board have overall responsibility for ensuring that there is a sound system of risk management across the business.

The main risk factors inherent in retailing and energy contracting which have been identified are;

- Unpaid debt;
- Small customer billing;
- Disruption of supply;
- Financial risks from exposure to the wholesale energy market;
- NEM retailer of choice ceases trading
- De-energisation; and
- NEM retailer of choice billing cycle.

Maximum Energy Retail intends to have no exposure to the wholesale electricity market as any supplied energy will be through a Bid/tender contract for forward purchased market rate energy. Maximum Energy Retail intends to focus primarily on providing an energy pass through product and it is not expected that this exposure will be material.

All risk surrounding 'wholesale' energy is associated only with the ability to service accounts (capital and credit) to suppliers, provide effective services (Operational) and billing (compliance) of 'on-sold' energy to small customers.

Maximum Energy Retail has developed a Risk Management Strategy which adopts this philosophy. The Risk Management Strategy framework describes;

- The risks inherent in retailing and energy contracting
- How these risks will be quantified and measured
- The responsibilities for managing and reporting risk.

Maximum Energy Retail engaged NEM Australasia to conduct an independent audit of its Risk Management Strategy which has been found fit for purpose. Please find a copy of the letter outlining this as **Confidential Attachment I**.

A copy of the Risk Management Policy and Framework is attached as **Confidential Attachment K**.

3.7.6 Customer Hardship Policy

Maximum Energy Retail has established a Customer Hardship Policy. The aim of this policy and the associated procedures is to identify customers experiencing payment difficulties due to hardship and assist those customers to better manage their energy bills on an ongoing basis.

Maximum Energy Retail's Customer Hardship Policy has been reviewed against the requirements of the National Energy Retail Law and the Guidance on AER approval of customer hardship policies and Maximum Energy Retail is satisfied that it complies.

A copy of the Customer Hardship Policy referenced above is attached.

See **Confidential Attachment L**.

3.7.7 Life Support Process

MER Life Support information will be available on the MER website and in the standard terms and conditions to ensure that anyone who requires Life Support Equipment who is residing at a customer's premises knows that they are required to advise us, how to advise us and their distributor and steps to register with links to the appropriate forms as required under the *National Energy Retail Rules – Part 7 Life Support Equipment*.

3.7.8 Privacy and Confidentiality Management

MER will comply with all privacy legislation and retail codes relating to customer privacy and confidentiality. See MER Privacy Policy - **Confidential Attachment M**.

3.7.9 Customer Information Management System

MER is completing the final stages in establishing the appropriate financial, operational and administrative systems to ensure that the company is fully compliant with the Electricity Retail Code and other obligations and license conditions.

MER management team will ensure that satisfactory governance and compliance systems are established to support an effective Retail Energy Business, in particular, the Compliance Manager and the Board.

3.7.10 Management and Compliance Systems

To ensure that MER is operating and meeting regulatory compliance obligations, the following activities will be performed:

- Upfront and ongoing compliance training;
- Regularly up-skilling staff on regulations and electricity codes;
- Internal quality call monitoring and transaction monitoring;
- Incident and breach reporting;
- Compliance to Business Process mapping – “Compliance Matrix”; and
- Internal risk management review forms a part of management reports.

With respect to compliance with regulatory requirements in the Australian energy markets, MER will ensure the depth of experience and knowledge of the retail electricity codes and regulatory guidelines within its own management team which will help the company to meet its compliance obligations. A position within MER has been explicitly established for this purpose and an appointment to be made for the Compliance Manager. MER will provide all relevant policies for approval to the Board and will ensure the establishment of associated procedures particularly those required to meet the regulatory codes and guidelines.

3.7.11 Appropriate Management Systems

MER is aware of its responsibilities in respect to data and information security and will ensure that the company and its Back-Office functions at Maximum Energy have established procedures and policies to effectively and appropriately address this important aspect. The existing CRM system has the appropriate level of security and authorisation to cover cyber security.

MER will complete the final steps to establish the appropriate financial, operational and administrative systems to ensure that the company is fully compliant with the Electricity Retail Code and other obligations and license conditions upon the licence being granted.

MER's management team will ensure that satisfactory governance and compliance systems are established to support an effective retail energy business, in particular, the Compliance Manager, Retail Executive and the Board.

The summary details of the financial, operational and administrative management systems and supporting governance are provided in the various attachments.

3.8 Evidence of liaison with Energy Safe Victoria

Confidential **Attachment N**.

3.9 Evidence of any arrangements with AEMO

MER has been in contact with AEMO and as such they have confirmed that a retail licence is one of the requirements for registration as a Market Customer, so as and when a Vic Energy Licence is granted we will take the necessary steps to be registered as a Market Customer.

3.10 Evidence of any membership of a recognised energy industry ombudsman scheme

Once the retail authorisation has been granted Maximum Energy Retail will become a member of the appropriate industry schemes, such as the industry ombudsman scheme in the relevant jurisdictions.

MER will make the application to the Energy and Water Ombudsman Victoria (EWOV) as soon as it has been granted a retail licence, as applicable. Contact has already been made with EWOV.

3.11 AFSL

Under the financial structure and processes used, MER does not need an AFSL.

3.12 Capacity to operate a business

3.12.1 Manage Supplier Contracts

MER has appointed an experienced individual to the position of Retail Executive (Brett Harman from Sonne Energy) and is supported by the Maximum Energy Corporate Support Services (Finance & Admin Manager). MER has engaged the services of an energy industry specialist from the retained legal firm Thomson Geer. This group will ensure that:

- Effective and robust commercial arrangements are established with all suppliers;
- The contracts and commercial arrangements incorporate clear expectations, deliverables and accountabilities/responsibilities for the respective suppliers;
- In regards to the outsourced customer service provider contract, that clear customer service level agreements (SLA's) are established, monitored, measured and managed;
- The contracts and commercial arrangements incorporate appropriate remedies for any breaches in performance;
- Regular performance and operational reviews are set up with each of the suppliers;
- Robust dispute resolution processes are established; and
- Where performance does not meet Maximum Energy Retail expectations that issues are addressed and remedied quickly.

3.12.2 Manage Customer Contracts

MER understands the importance of on-boarding customers and ensuring that customer details are accurately captured in the customer information and billing systems. MER will leverage the customer on-boarding processes, tools and practices provided by and already in use by its Back-Office function within Maximum Energy. This approach will help to ensure that data is accurately captured upfront, reducing the requirement for costly post establishment exception and data quality management. Maximum Energy will ensure that the account establishment process for customers is seamless and efficient.

3.12.3 Customer Service Provision

MER will utilise its Back-Office function in Maximum Energy to provide its customers with high quality and expert customer service delivery at least to the standards specified in the relevant codes and guidelines. Maximum Energy is a provider of a range of energy solutions operating across competitive and non-competitive markets throughout Australia, so a thorough understanding and knowledge of the industry already exists.

3.12.4 Managing and undertaking customer billing and collection

MER through its Back-Office function in Maximum Energy has established a comprehensive billing, payment and credit & collections service including the provision of:

- End to end sales management services and operational resources to assist with all billing and collection activities;
- Proven automated collections tools using a CRM, sms messaging and email communications which will help to lift collection rates and reduce outstanding debt;
- A range of billing and payment options including monthly billing;
- Bill cycle management;
- Bill design and presentation;
- Coordination of bill printing and dispatch;
- Payment set up and processing;
- Billing and payments exceptions management;
- Refunds management;
- Management of uncollectable debt; and
- Business processes for managing billing, payments and collections.
- Utilising a market proven platform for timely, effective and accurate billing of customers and the management of sales

3.12.5 Provision of Information to Customers

MER will provide customers with the following information:

- Welcome pack;
- Customer contract including pricing and payment terms;
- Customer obligations;
- Pricing information;
- Billing information;
- Payment terms, methods of payment and payment channels;
- MER code of conduct;
- Complaints management and dispute resolution procedures;
- Customer electricity usage and billing history
- Termination of supply procedures;
- Reconnection of supply procedures;

3.12.6 Billing and Settlements Systems

Maximum Energy Retail have been in discussion with a Billing provider who will manage all customer accounts, billing and payments, metering and standing data and settlement. Once the

retail licence authorisation has been received, MER will utilise the expertise of our retail operations consultant to;

- Detail the required functions, evaluation and procurement process for these systems
- Conduct a formal review process which will inform the choice of systems
- Support the implementation of the chosen systems

Maximum Energy Retail is currently investigating billing and settlement system providers. A decision will be made and contracts signed prior to go live.

3.12.7 Meter Data Agent (MDA)

Maximum Energy Retail will employ the services of suitable meter data agents within each of the jurisdictions in which it will retail to customers. Maximum Energy Retail will commence discussions with the relevant Distributors in relation to meter type provision and the services surrounding meter data collection and dissemination. We are discussing with several MDA service providers as approved with the AEMO register.

3.12.8 Call Centre Activities

Maximum Energy Retail will utilise the services of internal Maximum Energy staff initially to deal with customer calls and enquiries. As the retail business model plan is to grow organically and focus upon a manageable number of large customers, existing Maximum Energy resources will assist in the management of customer interface and contact. As the number of customers and demand for this function increases, Maximum Energy Retail will appoint further resources as required.

3.13 Details of insurance arrangements

The required insurance coverage is already in place for Maximum Energy and coverage has been extended to include the retail business being conducted by it upon receipt of conditional retail authorisation.

3.14 Distribution Arrangements

MER has contacted all distribution networks and has completed Network Use of Systems agreements with some and expects to conclude with the balance by the end of Q2 2020

3.15 Industry Submissions

MER has undertaken market research using internal resources over a significant period of time. The objectives of the research were to establish the appeal of a commercial offering to assist customers to transition to lower energy costs and an increased renewable generation model.

3.16 Probity and competence of officers and other key management staff

Various policies and procedures outlined above and included in various attachments contain detailed information covering the probity and competence of officers and key staff including Code of Conduct, Training, Risk and Compliance Management.

The Code of Conduct is provided as **Confidential Attachment O**.

The Dispute Resolution Policy is provided as **Confidential Attachment P**.

4 Part 4: Financial viability

4.1 Financial resources available

Maximum Energy Retail has access to sufficient financial resources to ensure the success of the business.

In determining what financial resources are required, Maximum Energy Retail has consulted with industry experts to develop a detailed financial plan.

The financial resources needed by Maximum Energy Retail will be different from those required by a traditional energy retailer. As noted above, without exposure to the wholesale market Maximum Energy Retail's financial exposure is limited. Energy purchased at the gate meter will be contracted and then on sold to Maximum Energy Retail customers.

Maximum Energy Retail has access to capital that is in excess of the amount forecast to be required.

Maximum Energy Retail is a new company and has no operating history.

See financial 2018-19 documents as **Confidential Attachment Q**.

4.2 Independent Auditor Appointed

Maximum Energy has engaged Basso Newman, an independent firm engaged to audit, and to have the role to express an opinion on whether Maximum Energy and its company's financial statements are free of material misstatements, whether due to fraud or error. As the external auditor, Basso Newman will also be engaged to perform other agreed-upon procedures, related or unrelated to financial statements.

After reviewing the experience of Basso Newman in audit, taxation and business services (including business structuring), financial analysis, and tax planning, Maximum Energy and Maximum Energy Retail has engaged them to ensure the ongoing solvency of Maximum Energy and Maximum Energy Retail now and in the future.

4.3 Evidence of Credit Ratings

Maximum Energy Retail is a new entity and a private company however the company hasn't traded yet.

The Credit Reports attached show that Maximum Energy and Maximum Energy Retail are both in very good standing.

See Confidential **Attachments S**.

4.4 Forecast revenues and expenditure

Refer to Maximum Energy Retail Business Plan (which includes revenue forecasts and financial modelling) attached as **Confidential Attachment D** and Financial Model as **Confidential Attachment E**.

4.5 Related companies

See **Confidential Attachment T** for Maximum Energy and Maximum Energy Retail Shareholders and associates.

4.6 Written Declaration

Maximum Energy Retail's Technical Executive Director has provided a statutory declaration regarding the company's financial viability.

See Confidential **Attachment U**.

4.7 Retained Accounting Firm Statement

Maximum Energy Retail has retained the services of Moore Stephens who provide a service that extends beyond the completion of taxation returns. Moore Stephens possess skills in a wide range of areas and professional fields and these skills can be applied collectively to assist businesses in their development, growth and ongoing viability. Moore Stephens can combine this knowledge and skill in investigative teams that will review financial information and provide effective valuable reports back to Maximum Energy. Moore Stephens will provide consultancy services for corporate and compliancy on financial components of the Maximum Energy Retail business.

The Retained Accounting Firm Statement is attached as **Confidential Attachment R**.

4.8 Retained Legal Firm Statement

Maximum Energy Retail has retained the services of Thomson Geer who are a law firm providing commercial and personal legal services across a wide range of disciplines. Thomson Geer will provide the necessary support and assurance so that the Maximum Energy Retail business meets the highest standards in the way it is operated.

Thomson Geer has the appropriate experience in the legal industry and will be retained to ensure that Maximum Energy Retail:

- Has the legal resources to operate as a retailer; and
- Is represented with respect to all legal requirements necessary to meet legal obligations under the AER (Retail Law) Performance Reporting Procedures and Guidelines.

The Retained Legal Firm Statement is attached as **Confidential Attachment V**.

5 Schedule 4: Fit & Proper Person

5.1 Declaration 1

Have any directors of the applicant or of any entity that can exert control over the applicant:

- (a) been declared bankrupt
- (b) had their affairs placed under administration
- (c) been disqualified from managing a company.

No

5.2 Declaration 2

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 been subject to:

- (m) any debt judgments, or
- (n) insolvency proceedings (including any administration, liquidation or receivership in connection with the affairs of a company)?

No

5.3 Declaration 3

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 been charged with fraud, theft or any other criminal offence?

No

5.4 Declaration 4

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 Essential Services Commission?

No

5.5 Declaration 5

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 limited to, the Competition and Consumer Act 2010 (Cth), Corporations Act 2001 (Cth), or the Australian Securities and Investments Commission Act 2001 (Cth))?

No

5.6 Declaration 6

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?

No

After all due enquiries, none of the directors or officers of the applicant, Maximum Energy Pty Ltd and Maximum Energy Retail Pty Ltd, have been found to have committed any offences or been the subject of successful prosecutions in relation to the matters outlined in any of the items covered above or otherwise related to their capacity as a director or officer of any organization.

6 Documentation – Commercial in Confidence

Please see the following documents attached:

- Public Attachment A – Incorporation Details
- Confidential Attachment B – ME and MER Group Registration Information
- Confidential Attachment C – Executive Capability Statement
- Confidential Attachment D – Maximum Energy Retail Business Plan
- Confidential Attachment E – MER Finance Model
- Confidential Attachment F – HR Policy Manual
- Confidential Attachment G – HSE&Q Management Standard
- Confidential Attachment H – HSE&Q Policies
- Confidential Attachment I – Risk / Compliance Audit Letter
- Confidential Attachment J – Compliance Management Strategy
- Confidential Attachment K – Risk Management Strategy
- Confidential Attachment L – Customer Hardship Policy
- Confidential Attachment M – Privacy Policy
- Confidential Attachment N – Evidence of correspondence with Energy Safe Vic
- Confidential Attachment O – Code of Conduct
- Confidential Attachment P – Complaints and Dispute Resolution Policy
- Confidential Attachment Q – 2018-19 Financials
- Confidential Attachment R – Retained Accounting Firm Statement
- Confidential Attachment S – Credit report
- Confidential Attachment T – Related Companies & Shareholders
- Confidential Attachment U – Directors Declaration
- Confidential Attachment V – Retained Legal Firm Statement