

Section A: Applicant Details

All applicants must complete Section A.

| Applicant Details | |
|--|---|
| Name | AER RETAIL PTY LTD <i>Note: Add more space as necessary</i> |
| Registered office (if a Corporation) | 88 TWEEDDALE ROAD APPLECROSS WA 6153 <i>Note: Add more space as necessary</i> |
| Principal Place of Business (if different from Registered Office) | - <i>Note: Add more space as necessary</i> |
| Contact Details | |
| Primary contact name | LUCA CASTELLI <i>Note: Add more space as necessary</i> |
| Mail Address | AS ABOVE <i>Note: Add more space as necessary</i> |
| Email | luca@castelligroup.com.au <i>Note: Add more space as necessary</i> |
| Telephone | (08) 9364 0400 <i>Note: Add more space as necessary</i> |
| Mobile | 0402 554 927 <i>Note: Add more space as necessary</i> |
| Company Structure | |
| ABN or ACN | ACN 160 019 983 <i>Note: Add more space as necessary</i> |
| Legal structure of applicant | PROPRIETARY LIMITED COMPANY <i>Note: Add more space as necessary</i> |

| | |
|--|---|
| Place of incorporation | 6153, WA <i>Note: Add more space as necessary</i> |
| Company Directors or Principals | LUCA CASTELLI (SOLE DIRECTOR) <i>Note: Add more space as necessary</i> |
| A description of the entity's core business | ELECTRICITY RETAILER <i>Note: Add more space as necessary</i> |
| Brief description of the applicant's business structure and key organisational relationships including associated and/or controlled entities | LUCA CASTELLI PTY LTD A.T.F THE LUCA FAMILY TRUST - OWNS 100% OF SHARES IN <i>Note: Add more space as necessary</i> AER RETAIL PTY LTD |

Section C: Amendment of Licence

Applicants applying for the amendment of an existing licence must fill out Section C.

| Licence details | |
|--|---|
| Licence | <p>Electricity</p> <p><input type="checkbox"/> Generation EGL _____</p> <p><input type="checkbox"/> Transmission ETL _____</p> <p><input type="checkbox"/> Distribution EDL _____</p> <p><input checked="" type="checkbox"/> Retail ERL <u>18</u></p> <p><input type="checkbox"/> Integrated Regional EIRL _____</p> <p>Gas</p> <p><input type="checkbox"/> Distribution GDL _____</p> <p><input type="checkbox"/> Trading GTL _____</p> <p>Water</p> <p><input type="checkbox"/> Water Supply (potable) WL _____</p> <p><input type="checkbox"/> Water Supply (non-potable) WL _____</p> <p><input type="checkbox"/> Drainage services WL _____</p> <p><input type="checkbox"/> Irrigation services WL _____</p> <p><input type="checkbox"/> Sewerage services WL _____</p> |
| Amendments details | |
| Reason for and details of the amendment | <p>TO SUPPLY ELECTRICITY TO SMALL USE CUSTOMERS</p> <p><i>Note: Add more space as necessary</i></p> |
| Summary of reasons why it would not be contrary to the public interest to grant the amendment (incl. a summary of any consultation undertaken with stakeholders) | <p>PLEASE SEE SCHEDULE 1 ATTACHED.</p> <p><i>Note: Add more space as necessary</i></p> |

Section F: Certification

All applicants must complete Section F.

Certification – Acknowledgement of commitment

I declare that the information provided in this application is correct to the best of my knowledge and I am aware of the requirements under the *Electricity Industry Act 2004*, *Energy Coordination Act 1994*, or *Water Services Act 2012* for the licence being applied for and that I have the authority to make this application on behalf of the above entity.

Signed by or on behalf of the applicant.

[If the applicant is a company, this certification must be signed by director(s) / company secretary (as applicable) unless a relevant authority to bind the applicant is provided with this application]

Name LUCA CASTELLI

Name /

Position SOLE DIRECTOR

Director

Position N/A

Director / Company Secretary

Signed

Signed /

Date 18 / 6 / 2015

Date / /

Schedule 1

Summary of reasons why it would not be contrary to the public interest to grant the amendment.

Social welfare and equity considerations, including community service obligations

Amendment of AER Retail's current licence will facilitate:

- a electricity price reductions for both large and small end-users via supply taken from the Wholesale Electricity Market. In due course, this supply will be supplemented by generation operated by related parties and 3rd parties;
- b. provision of renewable electricity at competitive prices; and
- c. uptake by end-users of distributed behind-the-meter generating and energy efficiency technologies, such as solar PV.

Economic and regional development factors, including employment and investment growth

Amendment of AER Retail's current licence will facilitate the development and uptake of new technologies such as solar PV, electric cars and fuel cells. It will also provide funding, through savings, which can be used to finance energy efficiency investment such as LED lighting and Variable Speed Drives.

The interests of customers generally or of a class of customers

Amendment of AER Retail's current licence will:

- a especially benefit the relatively small R3 style business / commercial customers with consumptions down to 50MWh per year (\$15,000). Customer churn data indicates that between 50% and 75% of these customers have remained with the legacy retailer despite the R3 tariff being approximately 10% above cost reflectivity. This is presumably because of a combination of perceived-risk aversion, lack of education and their relative financial unattractiveness (being small) to the existing retailers;
- b benefit any style of load that wishes to utilise new technology or the services of any preferred consultant or service provider; for example, carbon footprint specialists, renewable energy technology and on-site generation.
- c benefit the small use customers which are currently only serviced by retailers in an incidental fashion. The Applicant aims to build the business into a business focused on delivering a high standard of service to Small Use Customers.

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

Amendment of AER Retail's current licence will:

- a increase competition for customers in the retail domain and thereby be contrary to the interests of all existing retailers.
- b facilitate the uptake of new generating technologies and thereby reduce energy consumption and dependence on large-scale fossil-fuelled power

stations. This would diminish the prospects of new fossil-fuelled developments.

The importance of competition in electricity, gas or water supply markets

Amendment of AER Retail's current licence would increase competition in the electricity retail domain and facilitate the uptake of distributed behind-the-meter on-site generating and energy-efficiency technologies, such as solar PV.

The policy objectives of government in relation to the supply of electricity, gas or water services including that which is not limited to providing safe reliable services

Amendment of AER Retail's current licence will:

- a have no bearing on the safety and reliability of the power system as it will primarily facilitate the reallocation of existing resources. Insofar as the grant of the license amendment would lead to the take-up of new and emerging technologies, these would be in accordance with the Technical Rules and wholesale Market Rules.
- b support the government policy of reducing end-user electricity prices through increasing customer choice through retail competition,
- c support the government policy of increasing the uptake of renewable energy and energy efficiency technologies.
- d diminish the need for government subsidies to increase the uptake of distributed of renewable energy and energy efficiency technologies.

Any other matters considered appropriate and relevant which may impact on the public interest

Amendment of AER Retail's current licence will promote the Wholesale Electricity Market Objectives as follows:

- Market Objective a) "to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the SWIS". Amendment of AER Retail's current licence will support this by:
 - i. increase the uptake of behind-the-meter on-site distributed generation, thereby improving economic efficiency through avoidance of losses and decreasing use of network infrastructure (producing electricity where it is to be consumed).
 - ii. facilitate the uptake of 3rd party electricity related services by giving end-users direct exposure to wholesale market price signals together with the ability to engage any service provider of their choice for whatever reason.
- Market Objective b) "to encourage competition among generators and retailers in the SWIS, including by facilitating efficient entry of new competitors". Amendment of AER Retail's current licence will support this by:
 - i. facilitating behind-the-meter on-site distributed generation;
 - ii. inducing traditional retailers to minimise price offerings in competition with alternatives.

- Market Objective c) “avoid discrimination against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions”. Amendment of AER Retail’s current licence will support this by:
 - i. promoting the development and uptake of behind-the-meter on-site distributed generation enabling the production of energy where it is used. Users are free to adopt their own criteria and utilise the technology of their choice (subject to compliance with the Technical Rules), be it renewable, financially focussed, or utilising production waste.
 - ii. minimise greenhouse gas emissions by producing energy where it is used.
 - iii. promote sustainability by facilitating use of production waste as fuel.
- Market Objective d) “to minimise the long-term cost of electricity supplied to customers from the SWIS”. Amendment of AER Retail’s current licence will support this by:
 - i. offering electricity products based on taking supply from the Wholesale Electricity Market;
 - ii. reducing the need for network investment by facilitating the production of energy where it is consumed.
- Market Objective e) “to encourage the taking of measures to manage the amount of electricity used and when it is used.” Amendment of AER Retail’s current licence will promote this by facilitating end-user direct access to:
 - i. Customer tariffs which are designed with price signals enabling customers to estimate the benefits of shifting consumption to periods of cheaper pricing.

The public health considerations in relation to the provision of a safe drinking water supply

Not applicable