

**Enwave WA PTY LTD**

**ABN 24 634 578 206**

**APPLICATION TO THE ECONOMIC REGULATION AUTHORITY  
FOR A DISTRIBUTION LICENCE AND A RETAIL LICENCE  
(SUMMARY FOR PUBLICATION)**

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## 1. BACKGROUND TO THIS APPLICATION

This application for an electricity distribution licence and an electricity retail licence is submitted by Enwave WA Pty Ltd (ACN 634 578 206) (**Enwave WA**), a wholly owned subsidiary of Enwave Australia Pty Ltd.

Subject to the ERA's grant of a distribution licence Enwave WA will own and operate an electricity micro grid at Lot 600 of the Peel Business Park (**Lot 600 Microgrid**).

Subject to the ERA's grant of a retail licence Enwave WA will also provide retail services to customers on the Lot 600 Microgrid.

The Lot 600 Microgrid will comprise:

- an embedded electricity network and related infrastructure, including metering infrastructure (**Distribution Network**);
- embedded generation and battery storage infrastructure (**Embedded Generation and Storage Assets**);
- commercial and industrial customers.

The Peel Business Park is a greenfield industrial and agribusiness precinct 70km south of Perth, Western Australia and has been identified as a critical component of the Peel Development Commission's "Transform Peel" initiative and part of the WA Government's focus to diversifying the State's economy and create jobs with a particular focus on regional development.

Lot 600 is being developed by DevelopmentWA (previously known as Landcorp) and will be the first development in the Peel Business Park.

Lot 600 is located in the middle of the Peel Business Park industrial zone, with Lakes Road on the southern boundary, Gull Road on the eastern boundary and Readheads Road on the northern boundary. Lot 600 will be developed in multiple stages and serviced by the Lot 600 Microgrid. Lot 600 forms part of the broader 290ha Phase One of the Peel Business Park. Ultimately the Peel Business Park is anticipated to have an overall area of approximately 1,000ha.

Subject to being granted licences Enwave WA will:

- take ownership and be responsible for the distribution network designed and constructed by DevelopmentWA;
- operate the distribution network components of the Lot 600 Microgrid, to which this distribution licence application pertains;
- retail electricity to customers connected to the distribution network;

- provide customers connected to the distribution network with an opportunity to purchase Lot 600 Microgrid sourced electricity from third party retailers by offering third party retailers a Microgrid Electricity Transfer Access Contract; and
- construct, commission, operate and maintain generation and storage infrastructure designed to maximise the consumption of onsite renewable generation.

The deployment of the Lot 600 Microgrid avoids significant Western Power lead-in costs that otherwise would have been prohibitive to DevelopmentWA's activation and development of Lot 600. Instead, two smaller, lower cost feeders are being built to connect the Lot 600 Microgrid to the Western Power network (which is part of the SWIS) via an initial single "parent" meter located within the sub-station (**Grid Connection Point**).

The primary assets of the Lot 600 Microgrid will be: the sub-station, and electrical distribution network (**Distribution Network**); and embedded generation and storage assets (**Embedded Generation and Storage Assets**), including an initial 1.2 MW dc ground mounted solar farm and a 1 MW / 2 MWh battery energy storage system.

With an initial 10 customers in the first 12-18 months of operation (including street lights), when fully developed, the Lot 600 Microgrid will have around 100 customers comprising small to large commercial and industrial customers. There will be no residential customers. Electricity will be supplied to these customers via the Lot 600 Microgrid sourced from a combination of the electricity supplied via the Grid Connection Point and the electricity generated by the Embedded Generation and Storage Assets.

Over time other parts of the Peel Business Park may be developed by neighbouring landowners, at which time a decision may be made to extend the Lot 600 Microgrid to service these developments.

Further detail in relation to the Peel Business Park can be found at [www.DevelopmentWA.com.au/Industrial-and-commercial/Peel-Business-Park/](http://www.DevelopmentWA.com.au/Industrial-and-commercial/Peel-Business-Park/).

## 2. APPLICATION SUMMARY

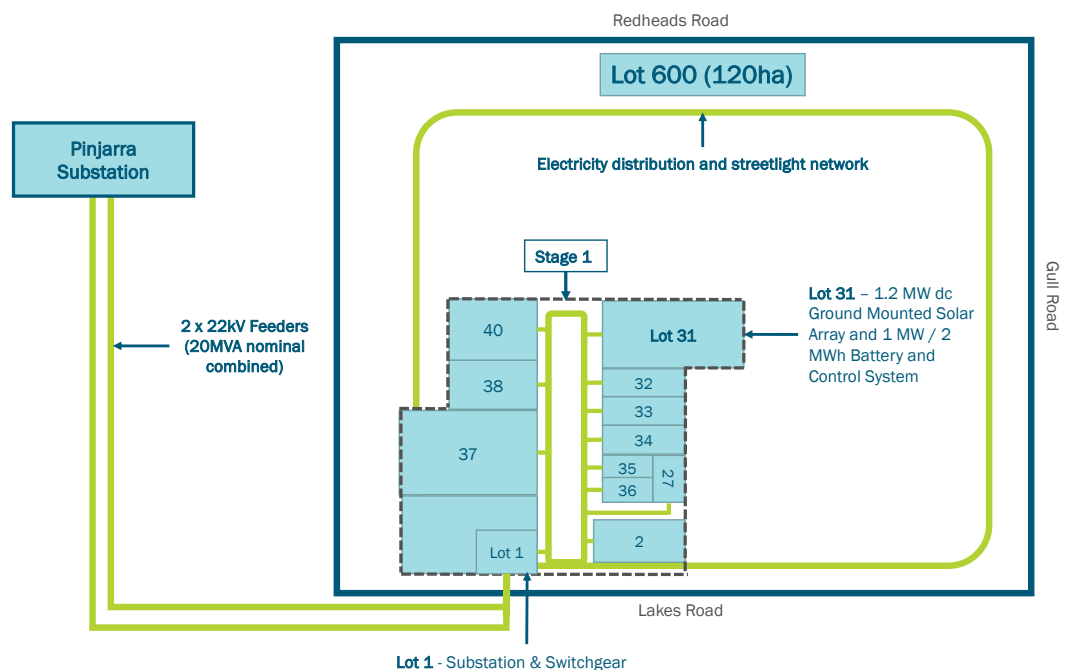
### 2.1 Applicant Details

Enwave WA Pty Ltd, ACN 634 578 206, incorporated in New South Wales (**Enwave WA**).

Enwave WA is owned by Enwave Australia and is part of the Enwave Australia group of companies.

### 2.2 Proposed Services

Enwave WA will own and operate the Lot 600 Microgrid to supply electricity to an estimated 100 small to large commercial and industrial customers at Lot 600 of the Peel Business Park. A plan showing the location and layout of the Lot 600 Microgrid is shown below.



### 2.3 Service Infrastructure / works

The following infrastructure (together the Lot 600 Microgrid) and works will be undertaken and utilised to deliver the proposed electrical distribution services to customers at Lot 600 of the Peel Business Park:

- Distribution Network downstream of the Grid Connection Point (designed by the Western Power design services team and constructed by DevelopmentWA), consistent with Enwave's Asset Management Strategy;

- Switchgear, protection and communication equipment to be installed concurrent with the substation by DevelopmentWA, consistent with Enwave's Asset Management Strategy;
- Embedded Generation and Storage Assets and control system (initially 1.2 MW dc ground mounted solar farm and 1MW / 2 MWh battery energy storage system). Designed and constructed by Enwave WA Genco Pty Ltd (ACN 634 577 852), another wholly owned subsidiary of Enwave Australia.

## 2.4 Supply Area

The distribution and retail licence applications are in respect of Lot 600 Microgrid located at the Peel Business Park.

The Peel Business Park is located within the defined supply area of the South West Interconnected System (SWIS).

Lot 600 is situated on Lakes Road (with nearest street being Gull Road) in the suburb of Stake Hill with WAPC reference Plan No 57701 Certificate of Title Vol No 2753 Folio 559.

## 2.5 Other Regulatory Approvals

Enwave WA will submit an application to become a member of the WA Energy Ombudsman Scheme.

## 2.6 Public Interest

Granting Enwave WA a distribution licence would not be contrary to the public interest because the Lot 600 Microgrid:

- will deliver savings in infrastructure costs to the State and to DevelopmentWA by enabling DevelopmentWA to develop the Lot 600 site with significantly lower electricity lead-in costs than the traditional lead-in electrical infrastructure costs that otherwise would have applied and would have made the development uneconomic and prevented activation of the Peel Business Park;
- enables activation of the Peel Business Park which is a strategic economic development important to both local and State government and is:-
  - a critical component of the Peel Development Commission's "Transform Peel" initiative, which is designed to promote the economic development of the region;

- part of the WA Government's focus on diversifying the State's economy with a particular focus on regional development it has been met with strong support from the WA Government Ministers for enabling an industrial park to be established:
  - in an area with high youth unemployment. Enwave WA has local content obligations and is expected to result in local economic activity and employment as a result of the Lot 600 Microgrid;
  - in a semi-rural setting that can focus on agri-business innovation, an emerging industry which has the potential to be a significant growth industry in WA due to land, weather, water and proximity to market.
- ensures customers of Lot 600 Microgrid will be equal or better off that if they were connected directly to the Western Power distribution network with respect to:
  - reliability and safety of supply;
  - lower cost and higher renewable content of supply<sup>1</sup>;
  - the ability to choose alternate retailers<sup>1</sup>.
- is in line with WA's state development strategy to build sustainable renewable energy sources and as such is in the interest of all WA citizens;
- is a new development and as such there is no additional cost or loss of revenue to the existing electricity distributors in WA and therefore no additional cost burden on tax payers or existing consumers. As a result of the Grid Connection Point the Lot 600 Microgrid will be a new customer generating revenue for Western Power, Synergy and AEMO.<sup>2</sup>

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<sup>1</sup> Enwave WA will be the initial sole retailer for the Lot 600 Microgrid, but customers will have the choice of using other WA licensed electricity retailers.

<sup>2</sup> As a large commercial customer Enwave WA will pay to its retailer: network charges in respect of Western Power's charges; electricity supply tariffs; Market Fees and Capacity Charges and will also purchase renewable energy certificates or surrender certificates to ensure a target of 50% renewable energy usage is met

### 3. CORPORATE INFORMATION

#### 3.1 Company Detail

<b>Name:</b>	Enwave WA Pty Ltd, ACN 634 578 206 (Enwave WA)
<b>Registered Office:</b>	Level 22, 135 King Street SYDNEY NSW 2000
<b>Head Office Tel:</b>	03 6336 9350
<b>Business Address:</b>	65 Hay Street SUBIACO WA 6008
<b>Primary Contact Person:</b>	Rob Breden rob.breden@enwave.com.au

Enwave WA was registered in July 2019 to own and operate the electricity distribution network, including the provision of electricity retail services, and to design, construct, own and operate the electricity generation and storage infrastructure which all together comprise the Lot 600 Microgrid.

Enwave WA has a General Manager, who reports directly to the CEO of Enwave Australia, and will deploy staff from its related corporate entities and its strategic partners on an as required basis.

Enwave WA has also appointed a Project General Manager (Neil Canby, Executive Director, Sunrise Energy Group Pty Ltd) to oversee the overall development and execution of the Lot 600 Microgrid (including design, service and equipment procurement and construction management). In performing this role, Neil Canby will report to the Enwave General Manager.

Enwave's GM Retail and Energy Procurement, Kate Daley, will oversee the retail operations.

#### 3.2 Type of Company

Enwave WA is a private limited company

#### 3.3 Directors

- Cameron Renwick Evans
- Adam Michael McCall

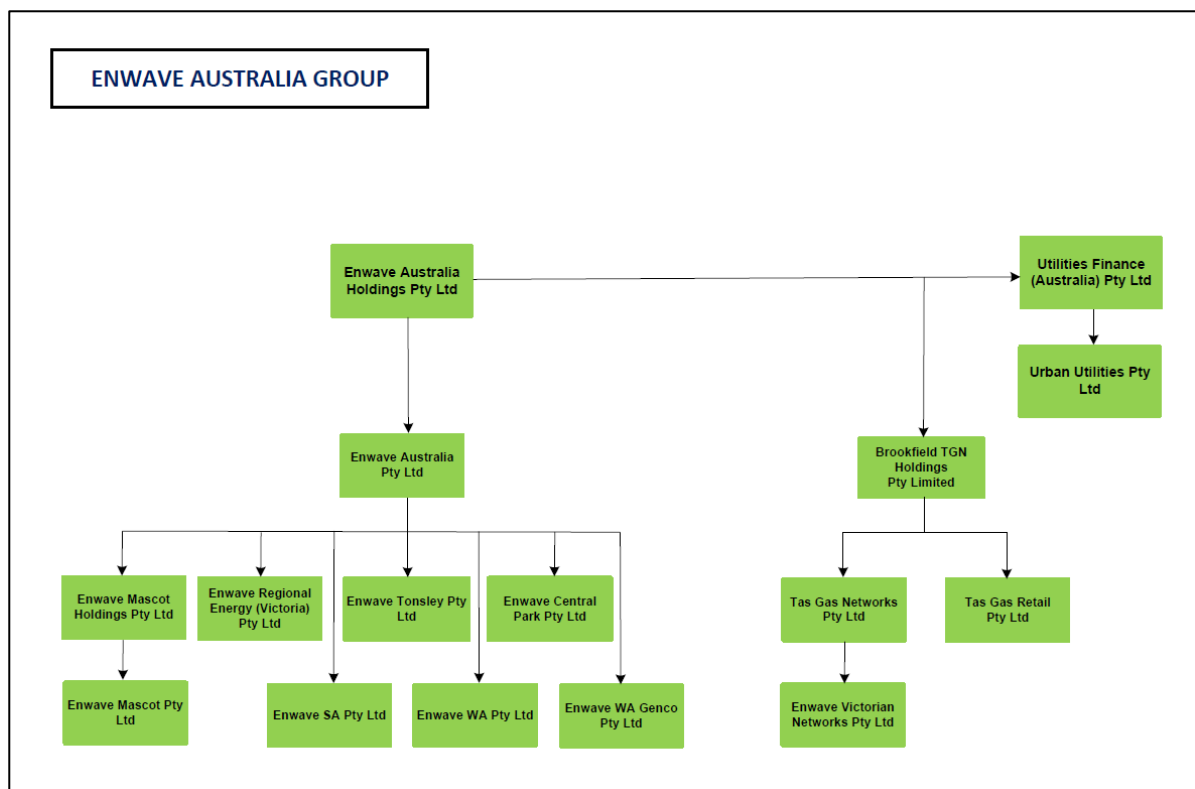
### 3.4 Ownership

Enwave WA is a wholly owned subsidiary of Enwave Australia Pty Ltd (ACN 147 370 527) (Enwave Australia) which, in turn, is wholly owned by Enwave Australia Holdings Pty Ltd (ACN 133 427 022) (EAH).

### 3.5 Declarations

A statutory declaration from each of Enwave WA's directors declaring that they have not been or would not be disqualified from managing corporations by any provision of the Corporations Act 2001 (cth) together with a declaration, in the prescribed format, certifying that the information provided in this application is correct have been submitted to the ERA.

### 3.6 Company Structure



## **4. FINANCIAL INFORMATION**

### **4.1 Current Financial Position**

Enwave WA is a newly incorporated company and has not been required to prepare and lodge audited financial statement with the Australian Securities and Investments Commission (ASIC). Copies of Enwave Australia's and EAH's management accounts and audited financial statements for the years ended 31 December 2016, 31 December 2017 and 31 December 2018, together with the auditor reports have been submitted to the ERA.

A letter from Enwave's financial auditors Deloitte confirming that they are unaware of any factors that would impede Enwave WA's ability to finance the activities required by the licence have been submitted to the ERA.

## **5. TECHNICAL INFORMATION**

### **Assets**

#### **5.1 Physical Environment**

The Peel Business Park is a greenfield industrial and agribusiness precinct 70km south of Perth, Western Australia and has been identified as a critical component of the Peel Development Commission's "Transform Peel" initiative and part of the WA Government's focus to diversifying the State's economy and create jobs with a particular focus on regional development.

The deployment of the micro grid avoids significant Western Power lead-in costs that otherwise would have been prohibitive to the activation and development of the site. Instead, smaller, lower cost feeders are being built to connect the microgrid to the SWIS grid via an initial single "parent" meter at the boundary.

Peel Business Park will have an overall area of approximately 1,000ha and will be developed in stages. Phase One of the development project comprises 290ha and the first part of Phase One is a 120ha sub division known as Lot 600.

Lot 600 is situated in the middle of the Peel Business Park industrial zone on Lakes Road (with nearest street being Gull Road) in the suburb of Stake Hill (WAPC reference Plan No DP57701 Certificate of Title Vol No 2753 Folio 559). Lakes Road is on the southern boundary, Gull Road on the eastern boundary and Readheads Road on the northern boundary.

Development of Lot 600 Stage 1 is already underway, including construction of lead-in infrastructure services and civil works. Lot 600 Stage 1 will comprise an initial 12 lots. When fully developed, Lot 600 will comprise around 100 lots occupied by small to large commercial and industrial customers. There will be no residential customers.

## 5.2 Infrastructure

The Distribution Network of Lot 600 Microgrid, when constructed and commissioned, will comply with all aspects of all applicable Western Power schemes and policies, including the Underground Distribution Schemes manual version 11 issued by Western Power (**UDS**) and AS/NZS 3000, AS 2067 and other applicable standards.

The site substation and switching gear has been designed and will be constructed so as to meet or exceed the applicable Western Power standards at the relevant time as outlined in the Distribution Substation Manual and associated Standards.

The Grid Connection Point has been designed for the interconnecting feeds to be capable of transferring 20MVA. Under conventional electricity service assumptions this is likely to be sufficient to supply Lot 600.

The Distribution Network will commence from the Grid Connection Point which is situated on Enwave WA's side section of the sub-station (one section of the sub-station is controlled and secured by Western Power and the other section by Enwave WA).

### 5.3.1 Handover Process

When construction of the Lot 600 Microgrid Distribution Network and the Grid Connection Point, has been completed there will be pre-handover inspection in accordance with section 6.2.2.9 of the UDS.

On completion of a satisfactory handover inspection, DevelopmentWA will provide Enwave WA with a certificate consistent with that prescribed in clause 6.2.2.11 of the UDS (**Handover Certificate**) and all records, plans, documents in the possession or under the control of DevelopmentWA that relate to the design, construction or testing of the Lot 600 Microgrid consistent with the requirements of the UDS together with any other relevant information.

DevelopmentWA will then hand over the Lot 600 Microgrid Distribution Network and the Grid Connection Point to Enwave WA who will assume ownership.

### 5.3.2 Embedded Generation and Storage Assets

Under the Project Deed, the design, capital expenditure, delivery, ownership and operation of the Embedded Generation and Storage Infrastructure assets will be the responsibility of Enwave WA.

These assets will be built, owned and operated by Enwave WA Genco, an associated entity of Enwave WA and wholly owned by Enwave Australia.

Onsite renewable generation will be the primary means by which the Enwave WA will meet the 50% renewable content obligation required to be delivered under the Project Deed as well as to help ensure reliability of supply and also avoid or delay further augmentation (and related costs) of the Western Power network.

Stage 1 Embedded Generation and Storage Infrastructure assets will be located on sub-lot 31 and comprise:

- a 1.2 MW dc single axis ground-mounted PV array solar farm
- a 1 MW / 2 MWhr Battery (2 hours storage for full PV array output)

Concept design, costing, delivery planning and development approval of the Stage 1 Embedded Generation and Storage Infrastructure assets has commenced, with detailed design, procurement and construction expected to commence in November 2019 with completion and commissioning expected in September/October 2020.

As further development and customer growth occurs at Lot 600, the Microgrid will look to add future additional generation and storage infrastructure assets to meet its renewable energy supply targets under the Project Deed. The Microgrid will have the ability to lease roof space and unused land throughout Lot 600 for this purpose.

#### **5.4 Metering Arrangements and Forecast Demand**

It is expected that Synergy will supply electricity under an electricity sales agreement with Enwave WA and will have an Electricity Transfer Access Contract (ETAC) with Western Power. Under the ETAC Enwave WA will be the Network Controller and will put in place a connection agreement with Western Power.

Initially there will be 10 commercial and industrial customers as part of the Stage 1 development of Lot 600 and when fully developed there will be approximately 100 commercial customers. The Shire of Murray will also be a customer for street light services.

A suitably qualified company will provide metering services under a services contract on behalf of Enwave WA.

Account applications, queries and complaints will be handled directly by the in-house customer representative team.

#### **5.5 Asset Management System**

Enwave WA's Asset Management Plan (AMP) has been prepared specifically for the Lot 600 Microgrid and covers the management of safety, reliability, maintenance and technical aspects of the Lot 600 Microgrid. It has been developed to meet the requirements of the Western Australian legislation. The overriding objective of the AMP is to describe how Enwave WA ensures safe, reliable and compliant operation of the Lot 600 Microgrid.

Enwave WA Pty Ltd is committed to the safe and efficient operation of the Network in compliance with all statutory legislation. This is achieved through adherence to the AMP to achieve best practice for operations of a similar purpose, size and technology.

The key matters covered by the AMP include:

- the preparation and maintenance of an Electricity Network Safety Management System in accordance with the requirements of AS 5577
- the maintenance of a supply of electricity of the quality required under the Electricity Act, regulations and our electricity distribution licence
- monitoring compliance with safety and technical requirements imposed by or under the Electricity Act, regulations and our electricity distribution licence
- the preparation and maintenance of a High voltage microgrid operations manual
- monitoring and inspecting aerial lines owned or operated by Enwave WA in bushfire risk areas for the purpose of identifying associated risks relating to bushfires
- the communication of information to the public for the purpose of reducing the risk of death or injury, or damage to property, arising out of the operation of our electricity infrastructure
- the communication of information to existing and potential customers about the facilities that customers must provide for connection to our network and procedures that customers must follow in order to prevent damage to or interference with our network.

#### **5.5.1 Key Documentation**

The following documents have been drafted and submitted to the ERA:

- Project Execution Plan
- Occupational Health, Safety and Environment Management System
- Emergency Management Plan
- Customer Connection and Contribution Guidelines
- Customer Self-Supply Guidelines
- Commissioning Plans
- Operations Manual for the Microgrid
- Asset Management Plans
- Standard Form Contract

An ISO 19600:2015 compliant Compliance Management System is currently being drafted. More information about this document is provided at 5.7.1.

#### **5.6 Customer Contracts**

A copy of the proposed standard form contract has been submitted to the ERA.

## 5.7 Customer information & Retail Activities

### 5.7.1 Proposed approach to the management of customer accounts

Enwave WA will manage customer accounts in accordance with the Code Of Conduct For The Supply Of Electricity To Small Use Customers 2018 (Code of Conduct) issued under Part 6 of the *Electricity Act 2004*, together with obligations including but not limited to: the *Fair Trading Act 2010* (WA), the *Spam Act 2003* (Cth), the *Spam Regulations 2004* (Cth), the *Do Not Call Register Act 2006* (Cth), the *Telecommunications (Do Not Call Register) (Telemarketing and Research Calls) Industry Standard 2007* (Cth) and the *Privacy Act 1988* (Cth), and the Australian Privacy Principles; and the Australian Consumer Laws (as set out in Schedule 2 to the *Competition and Consumers Act 2010* (Cth)).

Enwave WA will set out how it will comply with the above regulations in a compliance management systems (CMS) in accordance with Australian standard, ISO 19600:2015. The objective of the CMS is to ensure that the company adheres to the requirements of laws, industry and organisational standards and codes, the principles of good governance and accepted community and ethical standards.

From a practical point of view, Enwave WA's retail functions will be managed by Enwave's GM Retail and Energy Procurement who centrally manages Enwave's retail services in Tasmania, Victoria, New South Wales and Adelaide. Policies, procedures, resources and information will be drawn and modified from this centralised function to provide dedicated support to the delivery of effective and compliant retail services in WA.

As part of Enwave's central retail function, effective customer account management will be delivered by:

- **Utilising Qualified Staff:** adopting a rigorous and detailed recruitment program to ensure appropriately qualified and suitable staff are be employed.
- **Providing Continuous Training and Assessment:** a program of training and assessment, including annual refresher training, with the aim of the building a culture of compliance and ensuring that all staff understand that regulatory compliance is core to Enwave's operations. External training providers will be utilised where appropriate.
- **Safety and Compliance:** In accordance with AS/ISO 19600:2015 Compliance Management – Guidelines, the Safety and Compliance Team are an independent and authorised compliance function who are responsible for developing and implementing a safety and compliance program via the development of policies, procedures and training programs and for the day to day oversight of the safety and compliance program of Enwave.
- **External Advice & Audits:** Enwave, as part of its compliance program, obtains advice on compliance and legal issues from a number of qualified external providers. From time to time Enwave also conducts its own internal audits.
- **Information Technology:** Enwave uses a range of systems, including Share Point, to assist in the company's compliance and implementation of the compliance program. These include the storage and maintenance of the comprehensive suite of centrally held compliance documents; document version control and retention; formal review and sign off procedures and an annual program of audit and inspections. The in-house IT Support team provide support

and guidance on IT related issues and also ensure the ongoing security of our IT systems.

- **Documentation:** Enwave has developed procedures and policies related to operational processes in order to ensure regulatory compliance. These documents are provided to employees to ensure implementation of practices in compliance.
- **Regular Reviews:** Enwave actively seeks to identify and reduce the likelihood of breaches of regulatory obligations. Regular reviews will be conducted looking at applicable regulatory obligations, the consequences and likelihood of a breach and appropriate controls.
- **Monitoring and Reporting:** Any compliance breaches will be assessed, resolved and reported in accordance with Enwave's reporting obligations.
- **Complaints Handling:** Complaints will be recorded and promptly responded to in accordance with Enwave's Complaints and Dispute Resolution Policy which is compliant with ISO 10003:2018 – Quality management – Customer Satisfaction – Guidelines for dispute resolution external to organisations. This policy will be available to customers online and by request.
- **Hardship Policy and Program:** While Enwave WA only expects to retail to business customers, if at any point in time Enwave WA does retail to residential customers, it will provide services in accordance the Code of Conduct. This would be achieved by adapting Enwave's existing Hardship Policy to be specific to the WA jurisdiction. We are happy to provide a copy of our existing Hardship Policies (we have two compliant with: the AER National Energy Retail Law jurisdiction; and with the Victorian jurisdictional requirements)
- **Ombudsman:** Enwave WA have contacted the Energy and Water Ombudsman Western Australia and will submit an application for membership to their scheme in conjunction with obtaining retail and distribution licences in accordance with clause 101 of the Electricity Act. Noting that the Ombudsman requires Enwave WA to hold a licence to be eligible to join their scheme.

### 5.7.2 Customer consultation process

A website will be established where customers can access (but not limited to): connection guidelines, pricing, terms and conditions, privacy policy, complaints and dispute resolution policy, payment services, information on the ombudsman scheme, application forms, disconnection forms, contact information including contact information for people with a disability or with low English literacy, connection information, emergency contact information and after hours enquiries form. If at some point in the future Enwave WA retails to residential customers, information on our hardship service and information on the process for registering life support equipment will also be provided.

Enwave WA will employ a customer service resource who will be available to answer customer queries during regular business hours. It is anticipated that this resource will be the primary contact for all new connections and will assist customers with pricing and information about how to connect to our distribution network.

Enwave currently outsources electricity billing and account management for customers in NSW and SA and will do the same for customers on the Lot 600 Microgrid. The company who currently provides these services is WinConnect Pty Ltd (ACN 112 175 710) who have extensive experience in utility customer account management and electricity billing and are authorised electricity retailers in jurisdictions where the National Energy Retail Law applies as well as holding a retail licence in Victoria and being an embedded network manager (more information may be found on their website <https://www.winconnect.com.au/> ).

Disconnection for non-payment will be a last resort. Enwave WA will follow the general requirements for disconnection in the Code of Conduct and the customer terms and conditions. If a billing system is used, all dates and timeframes relevant to the disconnection cycle will be programmed to assist with compliance. If billing is undertaken manually, a procedure and form will be used to record steps taken to engage with the customer to ensure compliance.

Customer performance measures will be recorded monthly and will include at a minimum all relevant metrics required for the purposes of reporting to the Economic Regulation Authority.

### **5.7.3 Information Management Systems**

For the provision of retail services by Enwave WA, the following information systems will be utilised:

- Sharepoint which houses the Controlled Document Store (CDS) where all policies, procedures, process documents and customer facing documents such as terms and conditions will be housed that relate to operations in WA. The CDS houses the original documents and records all version changes made to documents.
- Microsoft Exchange is used to manage after hours and online customer enquiries.
- Contract Insight is a contract management database where all Enwave WA's key contracts with any third party providers and upstream energy providers will be housed.
- Enwave utilises Gentrack Velocity to manage its gas and water accounts. It is not currently set up to manage electricity accounts. At present a small number of electricity accounts for Enwave Mascot's NSW business park are processed manually via Excel spreadsheets and databases within finance. All other electricity accounts are outsourced to 3rd party providers. Enwave is currently working on a project which is looking at the feasibility of bring all account management in-house.
- Enwave has robust IT systems that are established to protect unauthorised 3rd party access to systems. Cybersecurity is a high priority area of focus by Enwave's executive. Enwave's IT systems are backed up regularly.
- A 3rd party provider will be utilised to host Enwave WA's customer facing website.

## 5.8 Relevant experience

### 5.8.1 Enwave Entities

As a recently established company, Enwave WA has no direct experience in electricity distribution or retail services. However, as part of the Enwave Australia group of companies it is able to draw on the expertise and knowledge from related entities who have many years' experience in the design, construction and operation of electricity networks and microgrids and the provision of utility distribution and retail services.

The following entities are wholly owned by Enwave Australia and therefore are related entities of Enwave WA. As has happened with other projects, subject matter experts from these entities will be seconded to provide support to Enwave WA during the design, construction and commissioning phases of the project. The asset, safety and compliance and network operations teams as well as retail, corporate services and finance teams will also provide ongoing support to the long-term operation of the Lot 600 Microgrid.

#### Enwave Tonsley

Enwave Tonsley is a licensed gas, electricity and non- drinking water distributor with embedded networks at the Tonsley Innovation District, 1284 South Road, Clovelly Park, South Australia (**Tonsley**).

The company is also a licensed electricity generator for the purposes of generating electricity via a PV solar array and licensed non-drinking water retailer.

The Enwave Tonsley project team managed the design, construction and commissioning of the gas, water and electricity embedded networks at Tonsley. The team also produced the management plans, manuals, standard operating procedures and work instructions for Tonsley and this documentation will be used as the basis for the asset management and safety management systems for the Lot 600 Microgrid. The Enwave Tonsley Plant Operations Manager and Project Director, Ray Egan, will be a key contributor to the Lot 600 Microgrid project.

#### Tas Gas Networks (TGN)

Licensed since 2003, TGN owns and operates the gas distribution network in Tasmania. Two licensed retailers operate on the distribution network, including TGR, and TGN acts as the allocation agent on the network to ensure retail contestability and customer choice. TGN was initially incorporated to design, construct and commission the network before commencing as the network distributor. Engineering Manager, Andy Bambridge, together with Madawa Jayawardana, Electrical Engineer, will be key contributors to the Lot 600 Microgrid project.

#### Enwave Victorian Networks (EVN)

A wholly owned entity of TGN, EVN was licenced in 2016 to design, construct and commission 10 discrete gas networks in rural Victoria and then go onto provide network distribution services to the same. Natural gas is taken from the Victorian Transmission

Pipeline, compressed and trucked to the 10 towns where it is stored, decompressed and injected into traditional reticulated natural gas networks. The EVN distribution networks pass 12,500 premises.

#### Enwave Mascot (ACN 100 209 354) (**Mascot**)

An AER authorised electricity retailer since July 2012 Enwave Mascot retails electricity at Mascot, NSW to 1 large commercial customer and around 20 small retail customers. Enwave Mascot is also the incumbent authorised electricity retailer at Tonsley supplying electricity to small retail customers and large commercial customers.

Enwave Mascot was incorporated in 2002 and the project team designed, constructed and commissioned the district energy plant at Mascot. As well as being the retailer at Mascot, Enwave Mascot is also the owner operator of the district energy plant and provides network services on the AER exempt embedded electricity network.

#### Enwave Central Park (ACN 601 611 330) (**Central Park**)

Enwave Central Park is an exempt retailer for an embedded network in NSW with around 500 customers.

Enwave Central Park was incorporated in 2014 and the project team designed, constructed and commissioned the district energy plant at Central Park. As well as being the exempt retailer at Central Park, Enwave Central Park is also the owner operator of the district energy plant and provides network services on the AER exempt embedded electricity network.

The Operations Manager of EVN, Mascot and Central Park, Fraser Kirkpatrick, will be a key contributor to the Lot 600 Microgrid project.

#### Tas Gas Retail (**TGR**)

TGR is a licensed natural gas retailer since 2003 in Tasmania with small retail customers and large commercial and industrial customers and, since 2016, in Victoria. TGR has recently become an AER authorised natural gas retailer and has commenced providing retail services at Tonsley, SA (from July 10<sup>th</sup> 2019).

TGR is committed to providing retailer services to customers connected to Enwave networks throughout Australia including managing third party service providers for billing and account management where it is economically desirable.

At Tonsley, where TGR is the natural gas retailer, Enwave Tonsley the non-drinking water retailer and Enwave Mascot the electricity authorised retailer, all billing and customer enquiries including onboarding and offboarding of accounts are managed by TGR. There will be around 850 residential customers connected to electricity and non-drinking water embedded networks and 400 natural gas connections. Customers for natural gas and non-drinking water are managed internally by the TGR customer service representatives and TGR has contracted WinConnect Pty Ltd, an experienced provider of electricity retail services and an authorised retailer, to manage the electricity customers.

TGR also manage the electricity retailer services on behalf of Enwave Mascot and Enwave Central Park using a third party service provider.

The GM Retail and Energy Procurement, Kate Daley, will be a key contributor to the Lot 600 Microgrid project.

## 5.9 Summary of Other Equivalent Licences and Approvals

The Enwave Australia group of companies include the following entities that are either authorised, licensed or exempt retailers or distributors:

**Enwave Mascot Pty Ltd (ACN 100 209 354):** AER authorised electricity retailer and an exempt network distributor since 2010; operating in NSW (Mascot) and South Australia (Tonsley – retail only).

**Enwave Central Park Pty Ltd (ACN 601 611 330):** Exempt electricity embedded network retailer and distributor (since 2014 & 2017 respectively); operating in NSW (Central Park, Chippendale, Sydney).

**Enwave Tonsley Pty Ltd (ACN 623 288 175):** licensed natural gas and electricity distributor (2018) and licensed water retailer and distributor (2019); operating in SA (Tonsley Innovation District, Adelaide)

**Tas Gas Networks Pty Ltd (ACN 104 499 569):** Licensed natural gas distributor; operating in Tasmania since 2003

**Tas Gas Retail Pty Ltd (ACN 110 370 726):** Licensed natural gas retailer Tasmania (2003), and Victoria (2016) and AER authorised gas retailer (2019); operating in Tasmania, Victoria and South Australia

**Enwave Victorian Networks Pty Ltd (ACN 163 231 696):** Licensed natural gas distributor; operating in Victoria since 2016

A statutory declaration confirming there is no regulatory action being taken by any regulators in any other jurisdiction in relation to Enwave Australia or its subsidiaries with regard to any licence breaches or any investigation of alleged breaches has been submitted to the ERA. The statutory declaration also confirms Enwave Australia authorises the ERA to seek information in relation to these licensed activities from the relevant regulatory bodies in the other jurisdictions.

## **PUBLIC INTEREST INFORMATION**

The Lot 600 Microgrid has received WA Government, Ministerial and local government support.

In summary, Lot 600 Microgrid is not contrary to the public interest and provides the following:

### **Environmental Benefits**

- provides for a minimum 50% renewable energy content for all electricity consumed within Lot 600 of the Peel Business Park;

### **Social welfare and equity benefits**

- enables the establishment of an industrial park in an area with high youth unemployment;
- enables the use of Distributed Energy Resources in a model that does not result in “cost shifting” to customers outside of the industrial park;

### **Economic and regional benefits**

- allows an industrial park to be established in a semi-rural setting that can focus on agri-business innovation, an emerging industry which has the potential to be a significant growth industry in WA due to land, weather, water and proximity to market;
- Enwave WA will source goods and services locally which is expected to result in local economic activity and employment as a result of the Lot 600 Microgrid;

### **Customer benefits**

- ensures the cost of electricity will be lower than if the customer was directly connected to the Western Power network
- offers security and reliability of supply including through on-site embedded solar generation;
- provides customers with a comparable or better choice of retailer
- provides customers with a comparable level of consumer protection

### **Competitive benefits**

- ensures a comparable level of retail competition and consumer protection;
- promotes growth, competition and the efficient use of the Western Power Network;

### **Policy objectives met**

- enables activation of a strategic economic development important to both local and State government. The Peel Business Park is a critical component of the Peel Development Commission's "Transform Peel" initiative, which is designed to promote the economic development of the region;
- part of the WA Government's focus on diversifying the State's economy with a particular focus on regional development;
- delivers savings in lead-in infrastructure costs to the State and to DevelopmentWA, underwriting the activation and success of the Peel Business Park through the avoidance of lead-in augmentation costs that would otherwise render the activation of Lot 600, and the establishment of the Peel Business Park, uneconomic.

### **LICENCE SUPPLY AND OPERATING AREAS**

This distribution licence application is for a licence applicable to the Lot 600 Microgrid located at the Peel Business Park, Nambeelup, WA.

Located 70km south of Perth in the Shire of Murray, the Peel Business Park is located within the defined supply area of the South West Interconnected System (SWIS).

Lot 600 is situated on Lakes Road (with nearest street being Gull Road) in the suburb of Stake Hill with WAPC reference Plan No 57701 Certificate of Title Vol No 2753 Folio 559.