

## Applicant Details

Applicant Details	
Name	Blair Fox Energy Retail Pty Ltd
Registered Office (if a Corporation)	37 Clarkson Road Maylands WA 6051
Principal Place of Business (if different from Registered Office)	

Contact Details	
Primary Contact Name	Tim Rosser
Mail Address	PO Box 8374 Perth BC WA 6849
Email	trosser@blairfox.com.au
Telephone	08 6460 7437
Mobile	0407 382 752
Fax	

Company Structure	
ABN or ACN	167 286 026
Legal Nature of applicant	Company
Place of Incorporation	Maylands WA
Company Directors or Principals	Matthew Rosser Timothy Rosser Debra Rosser
Entity's Core business profile	Electricity retail to large use customers

Associated and/ or Controlled entities	Blair Fox Pty Ltd Karakin Wind Pty Ltd

## Water Licence(s)

Classification of the Water Operating Licence Application		
Type of Licence Application	Water Supply (Potable) <input type="checkbox"/> Water Supply (Non-Potable) <input type="checkbox"/> Drainage Services <input type="checkbox"/> Irrigation Services <input type="checkbox"/> Sewerage Services <input type="checkbox"/>	
For all Water Services Operating Licence Classifications	Water System Length	_____ metres/kilometres (delete as applicable)
For all Water Operating Licence Classifications	Number of standard agreement customers	_____
For all Water Operating Licence Classifications	Number of non - standard agreement customers	_____

## Electricity Licences

Classification of the Electricity Licence Application		
Type of Licence Application	Generation <input type="checkbox"/> Transmission <input type="checkbox"/> Distribution <input type="checkbox"/> Retail <input checked="" type="checkbox"/> Integrated Regional <input type="checkbox"/>	
For Generation and Integrated Regional Licences	Installed Capacity	_____ megawatts
For Transmission and Integrated Regional Licences	Transmission System Length	_____ kilometres
For Distribution and Integrated Regional Licences	Distribution System Length	_____ kilometres
For Retail and Integrated Regional Licences	Number of large use customers	<100 _____
For Retail and Integrated Regional Licences	Number of small use customers	Nil _____

## Gas Licences

Classification of the Gas Licence Application		
Type of Licence Application	Distribution <input type="checkbox"/> Trading <input type="checkbox"/>	
For Distribution Licences	Distribution System Length	_____ kilometres
For Trading Licences	Number of small use customers	_____

## Areas to be covered by the licence

Designated area of the Licence Application	
Electricity licence Area(s) and/or address to be covered by this licence.	Licence Area name: <u>SWIS</u> Address/location: <u>South West Interconnected System</u>
Gas Supply Area(s) to be covered by this licence	1 Kimberley <input type="checkbox"/> 2 Pilbara <input type="checkbox"/> 3 Gascoyne <input type="checkbox"/> 4 Mid-West <input type="checkbox"/> 5 Wheatbelt <input type="checkbox"/> 6 Goldfields-Esperance <input type="checkbox"/> 7 Great Southern <input type="checkbox"/> 8 Coastal <input type="checkbox"/>
Water Services Operating Area(s) and/or address to be covered by this licence.	Operating Area name: _____ Address/location: _____

**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 Act 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<sup>7</sup>.

Name: Tim Rosser

Position: Director

Signed: *Timothy Rosser*

Date: 23 December 2013

<sup>7</sup> If signed on behalf of the applicant, please attach the relevant authority to bind the applicant.



## Summary Description of Licence Activity

Corporate Structure	
Brief description of the applicant's structure and key organisational relationships	Blair Fox Energy Retail Pty Ltd is an incorporated proprietary company. Blair Fox Energy Retail is associated with Blair Fox Pty Ltd and Karakin Wind Pty Ltd.
Services/service model	
Brief description of service(s) or service model intended	Provide sustainably cost-effective electricity retail solutions that encourage the uptake of renewable energy by optimising the benefits of behind-the-meter wind farm generation systems in combination with balance of supply from Wholesale Electricity Market.
Service infrastructure/works	
Brief description of service infrastructure/works	Not applicable.
Other regulatory approvals	
Provide summary information on status of other essential regulatory approvals required	Blair Fox Pty Ltd already holds a regulated Electricity Transfer Access Contract (ETAC). In the event Blair Fox Energy Retail not being able to utilise this, a separate ETAC will be applied for. It is understood that this will not be granted until after the Electricity Retail Licence is granted IMO Market Participant.

# Blair Fox Energy Retail Pty Ltd

## Summary of Electricity Retail Licence Application

### Applicant Details

Applicant:	Blair Fox Energy Retail Pty Ltd
ACN:	167 286 026
Contact:	Timothy Rosser
Position:	Director
Mobile:	0407 382 752
Email:	trosser@blairfox.com.au
Registered Office	37 Clarkson Road, Maylands WA 6051

### Initiative

Blair Fox Energy Retail Pty Ltd is an associate company of Blair Fox Pty Ltd, which is a renewable energy developer specialising in Wind Farms.

Blair Fox Pty Ltd currently operates under a retail licence exemption for the purpose of supplying its electricity to joint venture partners. The shareholders of Blair Fox are establishing Blair Fox Energy Retail in recognition of the opportunities afforded by the Wholesale Electricity Market (WEM) for Blair Fox to integrate its Wind Farms and supply their surplus energy to arms-length customers.

Blair Fox Energy Retail's mission is to integrate the operation of behind-the-meter Wind Farms with an electricity supply from the WEM in order to provide a fully reliable environmentally friendly electricity supply at sustainably lower cost over the long term.

As described more fully in the Application documentation, we submit that grant of the licence will better serve achievement of Government Policy objectives by encouraging competition and uptake of distributed renewable energy production without need of a State subsidy. It will also better serve social equity objectives through broadening direct participation in the benefits of the Wholesale Electricity Market.

Blair Fox has also outsourced its retail function to Community Electricity Pty Ltd, which holds retail licence ERL 19.

### Public Interest

#### **Environmental considerations**

Grant of the licence will facilitate the development of Wind Farms and thereby increase the proportion of renewable energy consumed in the SWIS. It will also reduce the need to develop new fossil-fuelled power stations.

# Blair Fox Energy Retail Pty Ltd

## **Social welfare and equity considerations, including community service obligations**

Grant of the licence will facilitate:

- a uptake of renewable energy
- b electricity price reductions for end-users relative to gazetted tariffs.
- c price stability over the long term through reduced exposure to network and wholesale energy charges;

## **Economic and regional development factors, including employment and investment growth**

Grant of the licence will:

- d facilitate the development and uptake of privately owned distributed Wind Farms;

## **The interests of customers generally or of a class of customers**

Grant of the licence will:

- e especially benefit the relatively small R3-style business/commercial clients with consumptions down to around 200MWh per year (\$50,000 per year). This segment represents around 12,000 clients which consume around 2,200GWh per year; that is, 13% of the total market by energy and 65% by client number. ERA client churn data indicates that between 50% and 75% of these clients 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;
- f benefit Large Use Clients in the S1 and T1 categories comprising some 2,000 clients consuming 4,300GWh.

## **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**

Grant of the licence will:

- g increase competition for clients in the retail domain and thereby be contrary to the interests of all existing retailers;
- h facilitate the uptake of on-site privately owned Wind Farm generation and thereby reduce energy consumption and dependence on large-scale fossil-fuelled power stations.

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

Grant of the licence will:

- i increase competition in the electricity retail domain;
- j facilitate the uptake of on-site privately owned on-site Wind Farm generation;



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## **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**

Grant of the licence will:

- k** 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 would lead to the take-up of on-site Wind Farms, this would be in accordance with the Technical Rules and Wholesale Market Rules.
- l** reduce network congestion and the need for augmentation through the development of distributed on-site Wind Farms;
- m** support government policy of reducing end-user electricity prices through increasing client choice through retail competition,
- n** support government policy of increasing the uptake of renewable energy;
- o** diminish the need for government subsidies to increase the uptake of distributed renewable energy;
- p** improve market efficiency by facilitating the production of electricity where it is to be consumed with the need for transportation through the electricity network and the associated losses.

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

Grant of the licence will promote the Wholesale Electricity Market Objectives as follows:

- q** *Market Objective a) “to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the SWIS”.* Grant of the licence will support this by:
  - i)** Increasing the uptake of behind-the-meter on-site distributed generation, thereby improving economic efficiency through avoidance of losses and reducing the use of network infrastructure (producing electricity where it is to be consumed);
- r** *Market Objective b) “to encourage competition among generators and retailers in the SWIS, including by facilitating efficient entry of new competitors”.* Grant of the licence will support this by:
  - ii)** facilitating on-site privately owned distributed generation as an alternative to retailers and fossil-fuelled power stations;
- s** *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”.* Grant of the licence will support this by:
  - a.** promoting the development and uptake of on-site renewable distributed generation, enabling the production of energy where it is used;

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- b. minimising greenhouse gas emissions by producing energy where it is used and avoiding network transportation losses;

† *Market Objective d) “to minimise the long-term cost of electricity supplied to clients from the SWIS”.* Grant of the licence will promote this by:

- a. reducing the need for network investment and transportation losses by facilitating the production of energy where it is consumed;
- b. stabilising long term prices by reducing the customer’s exposure to network and energy price increases;

U *Market Objective e) “to encourage the taking of measures to manage the amount of electricity used and when it is used.”* Grant of the licence will promote this by facilitating end-user direct access to:

- a. Providing financial motivation to customers to link their consumption to the production from their on-site Wind Farm;