



PERDAMAN

E N E R G Y

22nd November 2021

Paul Reid

Manager Projects

Economic Regulation Authority

Level 4, Albert Facey House

469 Wellington Street

Perth WA 6000

PERDAMAN ENERGY
LEVEL 17, 58 MOUNTS BAY ROAD,
PERTH WA 6000
(08) 9429 5111
INFO@PERDAMANENERGY.COM.AU

Perdaman Energy acknowledges the traditional custodians of lands throughout Australia and their continuing connection to the land, waters, and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders past, present, and emerging.

ELECTRICITY RETAIL LICENCE APPLICATION – PERDAMAN ENERGY

To Paul and the ERA licencing team,

Per section 10 of the *Electricity Industry Act 2004 (WA)*, please find herewith an application for an electricity retail licence to allow Perdaman Energy (**Perdaman**) to supply electricity to small and large-use business customers connected to the South-West Interconnected System (SWIS).

Perdaman requests that the Economic Regulation Authority approve this application as it will create jobs and increase competition in the WEM, and lead to improved grid stability. Perdaman already has a handful of customers who are keen to purchase grid electricity from us, and we are progressing discussions with them and their rooftop solar installers so that we can further improve their energy emissions intensity and costs.

Granting this licence will allow Perdaman to assist energy customers by decreasing their energy consumption costs, and to progress discussions with key industry groups such as Western Power, AEMO, and Energy Policy WA, as well as a selection of key commercial partners. These discussions are aimed at improving the network's ability to allow more, localised renewable energy, which provides

positive externalities to the entire SWIS in line with the DER Roadmap. Further to this, it will promote greater competition in the WA energy market which will ultimately decrease costs to the end-user, improve on the grid's emission intensity and promote the uptake of innovative renewable energy solutions, as this is a key focus of Perdaman.

Once this licence is granted, it will also allow us to increase the number of permanently employed staff. We expect to be able to create at least five full-time roles within five years following the approval of this licence.

Some of the information provided in this submission is commercial in confidence. Where this is the case, appendixes have been labelled **CONFIDENTIAL** in the *List of Appendices* below, and with 'Confidential' at the end of the soft-copy file name. As this document also contains some confidential information, the confidential information has been highlighted as such in the official version for viewing by the ERA only, and has been redacted in a separate public version as follows: [REDACTED]

If you have any questions or requests for more information, please contact me on 08 9429 5100 or shannon@perdamanenergy.com.au

Best Regards,

Shannon Hewitt
Perdaman Energy
General Manager
08 9429 5100
shannon@perdamanenergy.com.au

Table of Contents

List of Appendices	3
4.1 Application Summary	4
4.2 Corporate Information	5
4.3 Financial Information	7
4.4 Technical information	11
4.5 Public interest information	16
4.6 Licence Supply and Operating Areas	17
Works Cited	17

List of Appendices

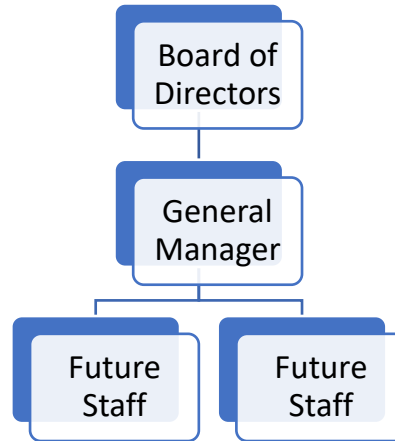
Appendix 1 - Statement as per 4.2.4
Appendix 2 - Licence Application Checklist
Appendix A - Standard Form Contract V2110
Appendix B - Small-Use Customer Pack V2110
Appendix C - Certificate of Registration
Appendix D - Declaration - Vikas Rambal
Appendix E - Declaration - Sarojni Dhar Rambal
Appendix F - Bank Statement - CONFIDENTIAL
Appendix G - Statement from Financial Institution
Appendix H - Statement from Accountant
Appendix I - [Not included]
Appendix J - Perdaman Risk Management Plan - CONFIDENTIAL
Appendix K - 5-year Working Financial Model - CONFIDENTIAL
Appendix L - 5-year Financial Summary - CONFIDENTIAL
Appendix M - Perdaman Finance Policy and Procedure - CONFIDENTIAL
Appendix N - Map of the SWIS
Appendix O - Receipt of Application to Ombudsman Scheme
Appendix P - Business Name Registration
Appendix Q - [REDACTED] - CONFIDENTIAL
Appendix R - [REDACTED] - CONFIDENTIAL

In addition to the Appendixes listed above, this application includes the following documents:

- _Perdaman ERL Application **CONFIDENTIAL**; and
- _Perdaman ERL Application – Public (*this document*)

4.1 Application Summary

4.1.1 Identification of the applicant and a description of the applicant's structure and key organisational relationships.



Perdaman is a new entity. The General Manager reports directly to the Board, and new staff will report directly to the General Manager. The Board have the final say in decisions, as they own 100% of Perdaman.

4.1.2 A description of the proposed licensed service(s).

Perdaman will service contestable business energy users within the SWIS through bespoke electricity solutions, including:

- the purchase of electricity generated by large scale renewable energy power stations incorporating energy storage technologies to then be sold onto the Wholesale Electricity Market (WEM);
- the purchase of electricity generated by customers who own and operate small scale, behind-the-meter power plants, to then be sold onto the WEM;
- the export of electricity from the WEM as required by our customers; and
- assistance with managing the electricity consumption profiles of customers to align with the supply and demand factors affecting the WEM.

4.1.3 A description of any service infrastructure/works involved.

Perdaman will utilise infrastructure owned and operated by Western Power, and Perdaman's suppliers and customers. Perdaman does not have any specific projects planned to develop, own, or operate at this stage. Were this to change, Perdaman will engage the ERA to support the acquisition of the relevant licences.

4.1.4 A description of the supply area(s) for the proposed licensed services.

Supply will be available to all contestable business customers on the SWIS.

4.1.5 Information about the status of other essential regulatory approvals required to commence operation under the licence.

Perdaman does not currently hold any licences relevant to this application. However:

- We have commenced the process with Western Power relating to an Electricity Transfer Access Contract; and
- We have commenced the process with AEMO to register as a market participant.

4.1.6 Information about why grant of a licence would not be contrary to the public interest

The granting of an electricity retail licence to Perdaman will serve to benefit the public interest by decreasing costs to the consumer by increasing competition in the WEM, and by decreasing the overall carbon intensity of the WEM by actively encouraging and seeking out renewable energy generation projects.

There is no reason why the grant of a licence would be contrary to the public interest.

4.2 Corporate Information

4.2.1 A description of the licence applicant, including:

a) The legal name and the trading name of the applicant, and the ABN or ACN.

Applicant:	Perdaman Energy Retail Pty Ltd
Trading Name:	Perdaman Energy
ACN:	654 317 665
ABN:	57 654 317 665

b) The applicant's registered office address, contact details, principal place of business (if different from the registered office), and the name and contact details of the primary contact person whom the ERA can contact about the application.

Address:	Level 17, 58 Mounts Bay Road, Perth WA 6000
Postal Address:	(as above)
Phone:	08 9429 5111
Fax:	08 9429 5100
Primary Contact:	Shannon Hewitt

General Manager

shannon@perdamanenergy.com.au

- c) *The applicant's profile, including the date it was founded, its history, the number of employee and a description of the applicant's core activities.*

Perdaman was incorporated on 7th October 2021.

Perdaman currently has 1 full-time employee plus the Board.

The core activities are to service contestable electricity customers within the SWIS through bespoke electricity solutions, and to provide energy efficiency and emissions intensity consultancy.

- d) *Type of company.*

Perdaman is a private company limited by share capital, incorporated in Australia.

- e) *A list of all company directors, partners or principals.*

Directors:

- Vikas Rambal [REDACTED]
- Sarojni Dhar Rambal [REDACTED]

- f) *A description of company ownership such as the proportions of equity held by the individuals involved in the company.*

Vikas Rambal and Sarojni Dhar Rambal each own 50% of Perdaman.

- g) *Copies of any relevant articles of association and company registration details for the applicant and any associated or controlled entities.*

A copy of the certificate of company registration for Perdaman is included as *Appendix C*, and the business name registration is *Appendix P*.

- 4.2.2 *A list of any associated and/or controlled entities including, where relevant, any parent companies and a description of the degree of control exercised by any associated entity, and how the associated entity exercises that control.*

Perdaman has established an independent Board of Directors comprising of Vikas Rambal and Sarojni Dhar Rambal.

Vikas Rambal, *Chairman* (Director) and *General Manager Operations*, has full control and responsibilities for the business's operations.

No other entity has any control or influence over Perdaman.

4.2.3 A statutory declaration from the company directors, partners or principals of the company declaring that they have not been or would not be disqualified from managing corporations by any provision of the Corporations Act 2001 (Cwlth).

Statutory declarations are included as *Appendix D* and *Appendix E*.

4.2.4 A declaration certifying that the information provided in the application is correct (included in Appendix 1 of this guideline).

Included as *Appendix 1*.

4.3 Financial Information

4.3.1 The most recent audited general purpose financial report for the applicant (with accounts) that complies with the applicable Australian Accounting Standards Board Standards, including the auditor's report.

Perdaman does not have a requirement to have general purpose financial reports audited.

Perdaman is a new entity and does not have historic financial reports.

4.3.2 New companies that cannot provide financial reports should provide financial information (such as interim accounts) to demonstrate that they have sufficient financial resources to cover its' potential financial exposure.

A confidential bank statement is attached as *Appendix F (Confidential)*.

4.3.3 If the applicant is a subsidiary company, audited general purpose financial reports for the parent company(s), covering the past three years.

Not Applicable

4.3.4 A copy of any other document, record or information that the applicant has been required to submit to ASIC under chapter 2M of the Corporations Act 2001 (Cwlth) during the three years prior to the date the application is lodged with the ERA.

No document, record or information has been submitted to ASIC under chapter 2M of the Corporations Act 2001 (Cwlth) by Perdaman or its Directors.

4.3.5 A written declaration from an independent auditor, or the applicant's principal financial institution.

A written declaration from Perdaman's principal financial institution is included as *Appendix G*, and a statement from our accountant is *Appendix H*.

4.3.6 Information about any risks to the applicant's financial position (such as any potential contingent liabilities, or any pending litigation).

There are no significant risks to Perdaman's financial position, other than what is stated in *Appendix J – Perdaman Risk Management Plan (Confidential)*.

Perdaman does not have any contingent liabilities, nor is it involved in any litigation as a plaintiff or defendant.

Financing

4.3.7 Evidence that the applicant is able to finance the assets and investment necessary to undertake the activities to which the licence relates, including:

- a) Details of the type of funding or financial support, including any secured funding, mezzanine debt, vendor finance, venture capital or bank guarantees.*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b) A description of the relevant facility(s), including supporting evidence of credit lines and terms (to maturity), repayment schedules and any financial covenants associated with the facility(s).

There are no facilities providing credit to Perdaman.

c) A description and copies of any contractual arrangements that define relationships between the licence applicant and any related entities including in relation to shared resources, guarantees, revenue flows, obligations and/or responsibilities

[REDACTED]

[REDACTED]

Financial projections

4.3.8 A description of the intended services, related business activities and the market(s) for the proposed licensed services.

Our electricity retail offerings are servicing contestable business customers on the SWIS through bespoke electricity offerings, which include:

- The purchase of electricity from the WEM for consumption by our customers;
- The purchase of electricity from our customers who own and operate generation assets behind their meter, for on-sale onto the WEM;
- Assisting customers with their load management, particularly load smoothing and demand-side management to lower their energy costs and improve grid stability (although we will not be participating in the DSM market); and
- Behind-the-meter renewable energy generation and storage solutions.

Our wholesale services include:

- Build and operation of grid-connected renewable energy generators less than 10MW and energy storage systems connected in areas of high energy demand;
- Grid stability services using the generators mentioned above; and
- Trading electricity to and from the WEM, including participation in the balancing market, short-term energy market (STEM), and bilateral contracts.

4.3.9 A detailed financial model in a working spreadsheet with projected revenue and expenditure for each of the proposed services for at least five years, or over the life of the project to demonstrate the financial security and feasibility for the proposed licensed activities.

A detailed financial model in a working spreadsheet is included as *Appendix K (CONFIDENTIAL)*.

A 5-year financial summary is included as a pdf as *Appendix L (CONFIDENTIAL)*.

4.3.10 Supporting evidence for all key assumptions, and identification of key risks, and relevant risk management strategies or measures.

Evidence for all key assumptions is included on the *Assumptions* and *Further info* tabs in our confidential 5-year financial forecast spreadsheet as *Appendix K (CONFIDENTIAL)*.

Identification of key risks and relevant risk management strategies are included in the Risk Register in our Risk Management Plan as *Appendix J (CONFIDENTIAL)*.

Financial policies

4.3.11 Copies of the applicant's financial policies, including accounting policies, internal and external auditing policies, risk management policies and internal control procedures.

See: *Appendix M – Financial Policy and Procedure (CONFIDENTIAL)*

Appendix J – Risk Management Plan (CONFIDENTIAL)

4.3.12 The pricing policies, methods, procedures or principles that the applicant proposes to apply in determining its prices or charges.

Pricing policies, methods and procedures will be updated regularly to meet the specific requirements of each retail customer.

All 'bundled' prices will be based on our analysis of all regulatory charges and wholesale energy price forecasts based on the customer's historical and forecasted electricity consumption and demand.

Two years of historical interval consumption will be analysed, accounting for trends and forecasts, our requirements and our customer's requirements, and any other relevant information to provide a bespoke offering for each customer.

The *General Manager* must approve an energy proposal before sending it to a customer.

The *General Manager* must sign the Electricity Supply Agreement before committing to supply electricity to a customer at the stated price.

The *Chairman* must approve all significant commercial transactions.

4.4 Technical information

Assets

4.4.1 A description of the physical environment of the proposed activity including all land and areas affected by the proposed application.

We plan to retail electricity to contestable business customers on the SWIS. A map of the SWIS is included as *Appendix N*.

4.4.2 A description of any infrastructure and interconnected infrastructure systems used for the delivery of licensed services. Where applicable, information about supply connection to networks or customers, including details of the network connection and actual or estimated number of customers by type.

Perdaman has initiated the process of obtaining an Electricity Transfer Access Contract with Western Power. We do not intend to supply electricity to any customer outside of the SWIS where we would need a retail licence.

4.4.3 A detailed construction schedule of any proposed construction activities including proposed commencement and completion dates of the construction activities and commissioning of works. Construction activities must specify the location of any areas temporarily or permanently affected by the activities.

Not Applicable.

4.4.4 A description of any actual or proposed metering arrangements for the proposed service(s), including:

a) Forecasts of annual maximum demand for each of the next five years

Year	2022	2023	2024	2025	2026
Peak Demand (MVA)	3.80	8.36	9.09	11.86	18.03

b) Agreements with network service providers.

We have initiated the process with Western Power to obtain an Electricity Transfer Access Contract (ETAC)

c) Agreements with metering agents.

We have initiated the process with Western Power to obtain an ETAC.

d) Arrangements for dealing with metering complaints and queries.

Complaints are immediately escalated to the *General Manager*. We advertise our metering complaints process to our customers via our Standard Form Contract and Non-Standard Form Contract per the *Code of Conduct for the Supply of Electricity to Small Use Customers 2018*.

4.4.5 A detailed description of the asset management system, including:

a) The measures to be taken for the proper maintenance of assets used in the provision of the electricity supply, gas supply or water services, and for undertaking maintenance and operation of any works.

Not applicable, as we do not presently have any assets concerning this licence application.

We advise all customers on the measures they must take to ensure the proper maintenance and operation of any relevant assets.

We understand and will follow the guidelines outlined in the ETAC with Western Power.

b) The existing or proposed asset registers, risk assessments, asset management plans, quality management systems, construction standards, maintenance manuals/plans/schedules, asset management information systems and data management.

Not applicable, as we do not presently have any assets concerning this licence application.

Sections 4.4.6, 4.4.7 and 4.4.8 have been omitted from this application, as it relates to gas and water licence applications.

Customer Contracts - Electricity

4.4.9 Electricity retail licence applicants (electricity retail licence or integrated regional licence for retail services) proposing to sell electricity to small use customers are required to submit a copy of the proposed standard form contract.

Perdaman's Standard Form Contract is included in this submission as *Appendix A*.

Sections 4.4.10, 4.4.11, 4.4.12 and 4.4.13 have been omitted from this application, as it relates to gas and water licence applications.

Customer Information

4.4.14 Evidence of compliance with relevant supply industry methods, quality standards and codes such as compliance with relevant consumer protection arrangements including:

a) A description of how the applicant will manage customer accounts.

A receptionist [REDACTED], is present to immediately answer all inbound enquiries if the *General Manager* is unable to immediately answer the call, which are then directed to the *General Manager*.

The *General Manager* will manage all customer accounts until a full-time *Customer Relationship Manager* has been employed, which we plan to do per our financial forecast.

Following the appointment of the *Customer Relationship Manager*, any customer who we identify as representing a significant commercial transaction, or where there are any other issues, will continue to be managed by the *General Manager*. The remaining customers will be managed by the *Customer Relationship Manager*. They will have the responsibility of addressing all queries and complaints, and immediately escalating all complaints to the *General Manager*.

All Perdaman staff will have training on the regulatory requirements relating to customers, with particular attention to small-use customers as per the *Code*.

At the time of submitting an energy proposal, each small-use customer will receive a copy of our *Small-Use Customer Information Pack* (included as *Appendix B*) which outlines their rights, and our responsibilities. They will also receive the contract and the terms and conditions.

All communications are noted in a CRM system, and each customer has a specific folder on our server for all paperwork, record keeping and regulatory requirements (Verifiable Consent, etc).

b) A description of customer information policies (e.g. tariffs, fees and charges), customer consultation processes, account enquiries processes, payment arrangements and hardship policies and procedures, complaints and dispute resolution processes, account termination procedures and customer performance measures.

All this information is stated in the Standard Form Contract and Non-Standard Form Contract in conjunction with our Small-Use Customer Information Pack.

All rates are clearly stated on the Customer Schedule (standard form contract) which will be available on our website, and the Electricity Supply Agreement (non-standard form contract).

c) A description of the customer information management systems used by the applicant, including any billing systems.

We will use Salesforce as our Customer Information Management System to record communication and to store soft copies of paperwork, including invoices and consent to access the customer's interval data. We also use an internal server as our primary information storage system, with weekly backup on an external server. The management of the IT system, server, and backup process is outsourced to [REDACTED].

We currently use MYOB as an accounting system, with data fed in from an excel based software.

Sections 4.4.14(d) and 4.4.14(e) have been omitted from this application, as it relates to gas and water licence applications.

4.4.15 Evidence of a commitment to remain or become a member of an approved Energy and Water Ombudsman Scheme and adhere to any decisions of an Energy and Water Ombudsman Scheme, where the applicant applies for:

a) an electricity retail, distribution or integrated regional (for retail or distribution services) licence who intend to supply electricity to small use customers

Perdaman commits to become a member of the energy and water ombudsman scheme (WA) upon the approval of this electricity retail licence. The receipt of our application to join the scheme is attached as *Appendix O*.

Relevant experience

4.4.16 A description of the applicant's prior experience and/or appropriate training related to the nature of the proposed activity, including a list of the key personnel used to install and/or operate and/or maintain the supply of electricity, gas or water services with a summary of the key qualifications of the key personnel.

Shannon Hewitt is the *General Manager* of Perdaman. He has previously worked for three electricity retailers (Perth Energy, AER Retail, and CleanTech Energy) who hold licenses to supply electricity to large and small-use customers on the SWIS. He has completed ongoing training relating to the WA energy market and the supply of electricity to small-use customers, has participated in (and will continue to do so) industry meetings such as TDOWG and WRIG held by AEMO and Energy Policy WA. Shannon has a science degree in Sustainable Energy Management. Shannon was the General Manager at CleanTech Energy and personally created and implemented the policies and procedures so that the

ERA could amend their electricity retail licence to allow them to supply electricity to small-use business customers, and implemented processes that ensured favourable audit results.

As General Manager, it was his responsibility to ensure his staff had the required training, and ensure they follow his guidelines, as well as all aspects of ongoing regulatory and compliance obligations, contract creation and analysis, customer management, and all other aspects of the business. Furthermore, Shannon has an excellent track record with compliance obligations in the WA energy regulatory space. Shannon has over ten years of experience in key account management and has the innovative mindset required to ensure the success of bespoke renewable energy projects, and of Perdaman.

Vikas Rambal is the *Chairman and Managing Director Operations* at Perdaman and is the Chairman of other companies bearing the *Perdaman* name (although those entities are not in the same corporate chain as Perdaman Energy). Vikas has experience running large and complex companies with strict regulatory requirements, including within the chemical and fertilisers, pharmaceuticals, commercial and residential property, and financing sectors.

Vikas has led the success of multi-million dollar companies for over 25 years and led projects with an annual turnover of over one billion dollars. Vikas has a Chemical Engineering degree with a specialisation in petrochemicals, and has worked, and managed companies, in the energy sector for over 25 years.

Vikas has managed a solar installation company, Perdaman Advanced Energy Pty Ltd, successfully and within the guidelines of the *Electricity Industry (Solar Power Purchase Agreements) Exemption Order 2016*, of which they are included.

Vikas has an excellent knowledge of the regulatory and compliance requirements of the WA energy industry and Western Power's processes and requirements, as well as all the knowledge and experience required for a successful company.

Vikas Rambal is a Fellow of the Australian Institute of Management.

4.4.17 Where the applicant relies on contractors, please provide evidence of agreements to provide services, please provide:

Perdaman does not, and is not, planning to rely on subcontractors.

Other equivalent licences

4.4.18 A description of any licences or approvals held by the applicant, its' associated or controlled entities under the law of another State or Territory, to supply electricity, gas or water, including a signed statutory declaration detailing any:

a) Interstate licence(s).

Perdaman does not have any interstate licences.

b) Regulatory action taken by a regulator in another jurisdiction in relation to the applicant, or its associated or controlled entities, including (i, ii, & iii):

Not Applicable, as Perdaman does not have any interstate licences.

Other regulatory approvals

4.4.19 A description and written evidence of the status of applications for environmental, planning and health approvals, permits or licences.

Not Applicable. Perdaman does not hold, and has not applied for, any such licences.

4.5 Public interest information

4.5.1 Information about relevant factors to support that grant of licence would not be contrary to the public interest

Perdaman is not aware of any information which could suggest that the granting of this licence would be contrary to the public interest.

Following the allocation of this electricity retail licence, Perdaman will benefit the public's interest by:

- *increasing competition in the WEM* will help to push retail electricity prices down across the board, therefore, saving WA businesses money;
- *increasing the amount of renewable energy* in the WA energy market will decrease pollution and greenhouse gas emissions. The combination of this will improve the natural environment, leading to improvements in health, ecosystem conservation and regeneration, and climate change mitigation;
- *assist Australia's legislated goal to reduce total greenhouse gas emissions* of between 26 and 28 per cent on 2005 levels by 2030 (Australian Government, 2015) by increasing the demand for renewable energy (from a market participant perspective);

- assist in the *WA Government's commitment* to achieving net zero greenhouse gas emissions by 2050;
- *assist in the Federal Government's recent announcement* to achieve net zero emissions by 2050;
- *create jobs in the renewable energy industry* and assist workers in the fossil fuel industry to transition to the next booming sector. Renewable energy investment creates more jobs than fossil fuel investment (Dr Graham Sinden and Zoë Leffler, 2016);
- *ensuring that investors* in the renewable energy industry have a relatively easier pathway when applying for grid connection and financial closure for their projects. The pure fact that we are willing to speak with new investors, and offer free advice to them, will assist them with their plans to connect reliable renewable energy with energy storage capacity; and
- *assisting rural communities* in bringing more localised, clean energy with storage helps protect them against blackouts, particularly during extreme weather events (fire, wind, etc), and supports the local community through job creation and improved energy supply.

The granting of an electricity retail licence to Perdaman will serve to benefit the public interest by decreasing costs to the consumer by increasing competition in the WEM, and by decreasing the overall carbon intensity of the WEM by actively encouraging, and seeking out, renewable energy generation and energy storage projects.

4.6 Licence Supply and Operating Areas

4.6.1 A description of the proposed supply or operating area detailed enough to develop a licence supply or operating area. Any map(s) should:

a) Identify the location of any infrastructure and cadastral boundaries

We intend to sell electricity to contestable business customers on the SWIS. A map of the area is included as *Appendix N*.

Works Cited

Australian Government. (2015). *Australia's 2030 climate change target*. Canberra: Commonwealth of Australia.

Dr Graham Sinden and Zoë Leffler. (2016). *Renewable Energy Jobs: Future Growth in Australia by Ernst & Young and the Climate Council of Australia*. Potts Point: Climate Council of Australia Ltd.