

# Progressive Green Pty Ltd

ABN 27 130 175 343



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Essential Services Commission  
Application for Registration as a Market Generator

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Public Component

15-03-08



## **Preface**

In accordance with Section 18(1) of the Electricity Industry Act in regard to the application of an electricity license, Progressive Green hereby applies to the Commission for a license in the format as set in Section 18(2).

This license is for the purpose of trading electricity generated from connection points where Progressive Green has been approached by the client to undertake such arrangements.

All enquiries in relation to this application should be directed to the Managing Director, Daniel Bradshaw on 0437 245 510.

## **Terms**

The terms contained herein may draw reference to the set of terms outlined in Chapter 10 of the National Electricity Rules (**Rules**).

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## General Details

### *Company Details*

*Progressive Green Pty Ltd*

ABN 27 130 175 343

ACN: 130 175 343

29 Queen Rd  
Lilydale, Victoria, 3140  
Phone: 0437 245 510  
Fax: 03 9737 6904  
info@progressivegreen.com.au

## Company Structure

Progressive Green is a newly formed Victorian based company established in response to an identified need for accessible and simplified export of electricity directly to the network from small size generators. Progressive Green will operate as the settlement operator for all market transactions from client side generators with the main focus of providing realistic and viable returns from the export of electricity at real time market rates.

The opportunity to deliver alternative, revenue generating solutions to otherwise costly projects has been recognized as a major benefit by many generation site operators. Progressive Green is responding to this need with a managed and secure means of exporting electricity to the grid utilising a combination of Industry experience, client collaboration and demand-side managed generation hardware.

Progressive Green will be operated by a core of key industry experienced personnel. It is expected that rapid increase in market interest and client numbers will see Progressive Green expand to accommodate considerable additional workload in the next 12 months, with a number of clients already interested in the potential benefits of demand-side management hardware. Business will be conducted using proven Electricity Industry specific software for the metering, data logging, data analysis and billing aspects of settlement.

## Key Personnel

### **Director – Daniel Bradshaw**

Diploma of Information Technology (Information Systems). IT support and development background in SMB environments. Experience in Electricity Management Services sector with focus on provision of support to Industry specific management software. Responsible for development of business opportunities, settlement procedures and IT support.

### **National Project Manager – Peter Barley.**

Certificate of Technology (Electrical) Trained as HV Electrical Operator (Incl Zone Sub) 25 Years of experience in the Electrical Industry with SEC, Powercor and Vemtec in positions such as Project manager, Assistant District Manager, Distribution Officer. Responsible for management of developing generation projects, client side project co-ordination and Network connections.

### **Data Services – Senior Data Analyst - Santhosh Kumar**

Masters in Business Administration (MBA) from ENPC Business School of Paris, specialising in Marketing and Business Development. Master of Technology in Web Computing (M.Tech) RMIT. Responsible for Progressive Green's data, metering and billing services.



## *License Details*

### Requested License

In accordance with Section 16(1)(a) of the EIA and in respect to the activities that Progressive Green will be undertaking; including expected ongoing development of further small generation sites, Progressive Green is applying for a Generation License in order to generate electricity for supply or sale as a licensed entity.

### Date of Commencement

The first generating site is expected to be completed and operational late April 2008. Progressive Green seeks that the license commencement date be Monday 21<sup>st</sup> April 2008 or as soon as reasonably possible given the requirements of processing the application.

### Detail of Generation Operations

Progressive Green is undertaking managed Market Participation in all its aspects on behalf of clients that have capacity to export generated energy. Progressive Green has developed an advanced Demand Side Management hardware product that will enable remote control of sites participating directly in the Pool. With the aid of these devices, Progressive Green will be able to provide feasible and realistic Market Participation offers to clients wishing to take advantage of direct Pool Participation.

## *Opportunity in Victoria*

For several years Victoria has been a preferred location to invest. Progressive Green have identified that industries where back up generation is essential, the ability to turn critical and often expensive hardware (back up generators, co-generators) into revenue generating devices has proven of interest to clients. Progressive Green are now seeking to invest in generation markets where it believes it can effectively manage associated risks whilst earning an appropriate return on capital.

Victoria has led the way in the introduction of full retail competition in electricity but a void is present for the true returns that generated export could yield for small scale participants. Our examination and energy management activities indicate that there are opportunities to introduce this new service offering that will provide benefit to Victorian customers and the NEM generally.

Generation management activities will be undertaken by Progressive Green with operations supported by the technical staff and systems required to enable it to:

- Provide service to customers in accordance with the applicable electricity industry and consumer protection codes.
- Establish and maintain contractual relationships and back to back communication with the utilities, NEMMCO and other industry participants.
- Recruit and train additional marketing and operations personnel as required and ensure their ongoing compliance with all applicable industry codes.
- Provide information to the Commission and other industry parties as required under all applicable codes.

Progressive Green intends to commence generation management operations in Victoria during 2008.



## *Progressive Green Compliance with Objectives of the Commission*

In accordance with sub-sections 8(1) and 8(2) of the ESC Act, Progressive Green will undertake all prudent measures to ensure that activities undertaken will be within the terms of the applied license and consistent with the Objectives of the ESC.

### **Standards of service**

In recognition of the need to provide a centrally managed and financially viable access to energy trade on the national energy grid, Progressive Green is proposing to provide clients with the ability to export excess load under controlled conditions with Progressive Green managing the settlement aspects of such transactions.

By doing so Progressive Green believe that significant benefit can be found; for both clients and the NEM in general, by utilising the investment in generation devices required for onsite functions.

Progressive Green encourages the investment in “green energy” oriented projects/products and foresees that a majority of future assets will comply with the requirements of “green energy” production.

## *The Objectives*

Progressive Green believes that granting a licence as requested is consistent with the objectives set out in the Electricity Industry Act 2000 and the Essential Services Commission Act 2001.

Progressive Green believes that our role within the Electricity Industry will provide a competitive avenue for small capacity generators. The following points outline how Progressive Green will work within the objectives of the Commission.

- Through the opening of a niche market to further promote competition in the Victorian Electricity Industry
- Our commitment to energy generation as a logical opening for our business activity
- Our commitment to participate successfully in managed demand-side spot market trading
- Our technical capacity to integrate and build the systems required to support a significant generation operation
- Our ability to comply with comprehensive regulatory codes

Section 10 of the Electricity Act 2000 talks about promoting the development of full retail competition; we believe that the introduction of a managed generation service to the Victorian market will increase consumer choice in this niche market.

Section 8 of the Essential Services Commission Act 2001 promotes protection of long-term interests of Victorian consumers with regard to price, quality and reliability of essential services. The long term interests of Victorian consumers will be best served by robust and stable competition encouraged by Market Participants with a long term commitment to the energy market.

In recognition of the need for centrally managed and financially viable access to trading energy on the NEM National energy grid, Progressive Green is proposing to provide clients with the ability to export excess load under controlled conditions with centralized management of the settlement aspects of such transactions.

By doing so Progressive Green believe that significant benefit can be found; for both clients and the NEM in general, by utilising the investment in generation devices to provide a competitive solution to required onsite functions. We believe that through our market offering, Progressive Green will enable small generators to achieve a greater return from generated electricity than what is currently available in the market. This should encourage further development and investment in small generators.



Progressive Green encourages the investment in “green energy” oriented projects/products and foresees that a majority of future assets will comply with the requirements of “green energy” production.

## *Technical Capacity*

The skills and experience available within Progressive Green are directly relevant to the establishment and operation of generation activities in Victoria. Progressive Green is well positioned to make use of this knowledge and introduce it into all aspects associated with generating electricity for supply to the Victorian electricity market.

Progressive Green is constantly reviewing changes and developments in the Electricity Industry to ensure that in house technical systems and training is in line with the current rules, regulations and requirements of the Industry.

The organizational structure, director and management team, entity structure, systems and training systems of the company is established to comply with the licence conditions expected of it.

## *Financial Information*

As Progressive Greens primary role will be the administration of settlement for transactions from client generators, the expected overheads will be from administration duties and costs associated with maintaining the systems required to perform the transactions.

Progressive Green is adequately financed to meet its obligations to associated financial parties in the operation of generation activities. Progressive Green is privately backed by the company owners with sufficient capital available to operate within the expected boundaries of initial operations.

## *Incorporation Details*

A copy of Progressive Green certificate of incorporation is included in Appendix A

## *NEMMCO Registration*

Progressive Green intends to apply for full NEMMCO registration as a “Market Generator” and we have initiated talks with administering agents at NEMMCO to begin this process. When the generation license is granted, Progressive Green will finalise agreements with NEMMCO to ensure that any additional requirements for retail activities are met. Progressive Green will not undertake any generation export until the Generation Authority has been approved and issued.

## *Regulatory Compliance*

Progressive Green is aware of the obligations through regulatory and legislative instruments that apply to electricity generation in Victoria and intends to be fully compliant with all relevant obligations as prescribed.



## SCHEDULE 3 STATUTORY DECLARATION

### Statutory Declaration

I, *Daniel Bradshaw of 29 Queen Rd, Lilydale* being the *Director* of the Applicant, *Progressive Green* **Hereby DECLARE** that the information contained in this application, and attachments thereto upon which I have placed my signature, for the grant of a *generation license* licence under the Electricity Industry Act 2001 is true and correct and that I make this declaration conscientiously believing the same to be true and in the belief that a person making a false declaration is liable to the penalties of perjury<sup>6</sup>

Declared at ..... in the State of Victoria

*Signature of Declarant*

This day of ..... day of ..... 200

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Before me

*(A person authorised by section 107A of the Evidence Act 1958 (Vic))*

6 Refer to section 107 of the Evidence Act

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<sup>6</sup> Refer to section 107 of the Evidence Act