

# Progressive Green Pty Ltd

ABN 27 130 175 343



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Essential Services Commission  
Application for Registration as a Market Customer

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Public Component

31-10-08



## **Preface**

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

Progressive Green is applying to expand current market generation operations to offer risk-managed wholesale electricity purchasing to the Victorian market. To such extent, this license is for the purpose and intention of trading and supplying electricity to large market connection points in the National Electricity Market directly from the Spot Market.

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 has been operating since March 2008 in the provision of market generation pass-through for small scale generators in Victoria. Our operations enable otherwise limited generators access to the benefits of wholesale market fluctuations. Progressive Green manages settlement operations for client side generators with the main focus of providing realistic returns for the export of electricity and access to viable associated government accredited programs.

Progressive Green desires to expand its current operations to provide direct wholesale market access to the Victorian contestable client market. We recognize a great opportunity to provide managed access to the Spot Market for customers with the ability to respond to the fluctuations in wholesale rates.

Progressive Green will be operated by a core of key industry experienced personnel. Billing and client management services 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. Daniel has extensive experience in the regulated workings of the NEM and has been heavily involved with the development and support of tailored Energy Management systems and consultation services for market participants. Daniel will be responsible for development of business opportunities, settlement procedures and IT support.

### Data Services – 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. Santhosh is responsible for all back office duties at Progressive Green and is key in maintaining in house market systems to ensure accuracy of analysis and billing tools. Santhosh will be responsible for Progressive Green's data, metering and billing services.



## Client Administration and Development– Bill van der Linden

30 years Senior Management experience with small to medium manufacturing businesses. Previously General Manager at Wilson Industries Pty Ltd. Senior Operations Manager at Creeks Metal Industries and Stramit Industries. Will be responsible for the overall management of customer administration and relations with a primary role in developing new business avenues for Progressive Green.

## Administration and Settlement Officer – Samantha Gannaway

Samantha has previous experience in accounting and financial administration roles and will be responsible for regular accounting and settlement duties with respect to weekly responsibilities to NEMMCO and client billing.

## *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, Progressive Green is applying for an Electricity Retail License in order to provide electricity to connection points as a licensed entity.

### Date of Commencement

Progressive Green seeks that the license commencement date be effective January 1 2009 or as soon as reasonably possible given the requirements of processing the application.

### Detail of Electricity Sale Operations

Progressive Green is undertaking managed Market Participation in all its aspects on behalf of clients that have proven capacity to respond to Spot Market activity.

## *Opportunity in Victoria*

For several years Victoria has been a preferred location to invest. The evolution of the National Electricity Market as well as environmental, operational, supply and financial constraints have seen increases in the wholesale market rate over the past three years.

Victoria has led the way in the introduction of full retail competition in electricity but a void is present for the true savings that direct Spot Market participation could yield for suitable operations. 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.

Spot Market Purchasing 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 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 Retail Energy Sale operations in Victoria during 2009.



## *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 purchase electricity at Wholesale Market rates under managed conditions with Progressive Green providing Pool monitoring and notification services as well as managing the settlement aspects of such transactions.

By doing so Progressive Green believes that significant benefit can be found; for both clients and the NEM in general, by providing managed access to the Spot Market with monitoring services likely to result in demand reduction through load shedding from managed clients.

## *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 electricity purchasing for load managed sites. The following points outline how Progressive Green will work within the objectives of the Commission.

- Working within a particular niche market to further promote competition in the Victorian Electricity Industry
- Our commitment to participate in managed demand-side spot market trading
- Our technical capacity to integrate and build the systems required to support a managed and monitored Spot Market purchasing 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 to the Victorian market of a managed Spot Market purchasing product will increase consumer choice for 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 purchase at Spot Market rates and shed excess load during times of high market rates under managed conditions with centralized management of the settlement aspects of such transactions.

Progressive Green actively encourages competition in the Electricity Market and as such we offer a product that directly targets a deficit in the availability of managed Spot Market trading. Large capacity customers will gain the benefits of generally lower market rates with Progressive Green's managed Pool Purchasing product.



## *Technical Capacity*

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

Progressive Green, in managing both market customers and generators, will have a balance of financial market settlement responsibilities.

In order to reduce the potential risks involved in direct Spot Market participation, Progressive Green will provide clients with monitoring and notification services in response to market fluctuations.

Progressive Green is adequately financed to meet its obligations to associated financial parties in the operation of electricity retailer activities. Progressive Green is privately backed by the company owners with sufficient capital available to operate within the expected boundaries of Retail 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 Customer" and we have initiated talks with administering agents at NEMMCO to begin this process. When the retail 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 direct electricity sales until the Retail Authority has been approved and issued by the Essential Services Commission.

## *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 *retail 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 Lilydale in the State of Victoria

Signature of Declarant

This day of 28<sup>th</sup> day of November 2008

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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Essential Services Commission Victoria

**MICHAEL PETER MAYES**

434 Maroondah Highway, Lilydale 3140

An Australian Legal Practitioner within  
the meaning of the Legal Profession Act 2004