



Retail License Application

## Executive Summary

This is an application by Elysian Energy for an electricity retail license. Elysian Energy is an Australian owned independent start-up retail business focused on providing competitive pricing for residential and business customers.

**Our mission is:**

*Saving on power made easy*



Therefore, we are focused on making sure our customers are always on the best plan for them and that our prices are always competitive. This is achieved using systems and processes which automate the review of our available offers and ongoing analysis to ensure our tariffs are competitive.

In addition, we ensure that the transfer and connection process are as simple as possible for our customers. We are investing in systems to ensure that market transactions occur efficiently, so our customer receives a cost-competitive, reliable and hassle-free experience.

We are approachable and will give customers a “fair go”. Switching to and using our service will be simple and will provide the best value monthly bills.

We have developed robust compliance systems and governance oversight to ensure that our compliance and reporting obligations are met.

Our business plan and model have been stress tested to ensure that our business is sustainable, and we have engaged a highly reputable marketing firm to assist with our market offering.

We are excited to join the Victorian electricity market, and our future customers will benefit from our innovative tariffs and customer service.



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2	Constitution
3	Compliance and Risk Charter
4	Market retail contract terms and conditions
5	Privacy policy
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7	Complaints and dispute resolution



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## Introduction

Elysian Energy Pty Ltd (Elysian Energy) is a privately owned Australian proprietary company with the aim to offer retail electricity services in Victoria.

The founders of Elysian Energy have invested significant time and resources in the analysis of the current state of the Victorian electricity market and opportunities within it. Elysian Energy will pursue the opportunity presented by the current state of dissatisfaction amongst energy consumers, particularly those who are on standard retail contracts and are not receiving the best rate available. The Australian energy market is currently characterised by the dominance of vertically integrated retailers who enjoy the vast majority of residential and business customers, to the disadvantage of those seeking a better deal. Introduction of a new competitor to the existing retail businesses, will be of benefit to Victorian consumers.



Elysian Energy will be a positive addition to the Victorian Electricity market, adding another choice for Victorian consumers. This licence application outlines the knowledge, skills and capability of the Elysian Energy team and its partners as well as providing information in relation to its financial backing.

## 1. Details of the applicant and application

### 1.1. Applicant details

<b>Name:</b>	Elysian Energy Pty Ltd
<b>ABN:</b>	85 617 526 333
<b>Registered Address:</b>	Level 10, Tower 4, 611 Flinders Street, Docklands, Victoria
<b>Principal place of business:</b>	Level 10, Tower 4, 611 Flinders Street, Docklands, Victoria
<b>Registration:</b>	Victoria 21 February 2017
<b>Certificate of registration:</b>	Attachment 1
<b>Constitution:</b>	Attachment 2
<b>Corporate structure:</b>	Confidential Attachment 8

## 1.2. Nominated contact

**Name:** Scott Wells  
**Title:** Managing Director  
**Telephone:**  
**Email:**

## 1.3. Application details

**Date:** 6 September 2018  
**Licence sought:** Electricity Retail Licence in Victoria  
**Licence conditions:** No non-standard conditions  
**Timing:** Elysian Energy intends on providing services in June 2018

## 1.4. Nature and scope of operations

Elysian Energy proposes to retail electricity to residential and small to medium sized non-residential customers (< 160MWh pa) in Victoria.

As a low-cost entrant into the Victorian Electricity Market Elysian Energy will focus on winning mass market customers with its competitive pricing and service offer.

## 1.5. Previous applications and other licences

Elysian Energy has not previously applied for a licence to sell electricity in Victoria or any other jurisdiction and therefore does not hold any other licences.



## 2. The Commission's Objectives

### 2.1. General

The approval of Elysian Energy's retail licence application will be consistent with the Commission's objectives set out in Section 8 of the *Essential Services Commission Act 2001*.

The objective of the commission is to promote the long-term interests of Victorian consumers and to exercise its powers having regard to price, quality, and reliability. Elysian Energy's business is focused on fair pricing and excellent customer service.

At Elysian Energy, our aim is "Saving on power made easy" as such we have constructed a tariff model that is competitive and will ensure that the Victorian electricity customers are able to access fair prices. Further information on the Elysian Energy tariff model is included **Confidential Attachment 9**.

Elysian energy's tariff model includes the following features that benefit Victorian electricity consumers:

- **Zero percent discount:** Elysian Energy offers competitive prices to all its customers regardless if they are new customers, shopping around or existing customers. Therefore, loyal customers do not get penalized.
- **Zero tricky terms:** Customers do not get caught out at the end of a contract term and lose discounts.
- **Competitively priced:** Elysian Energy plans offer prices that are competitive in the market.
- **Energy target's to control costs:** Customers are provided with information on consumption to help them control costs via email or SMS.
- **Only pay for what you use.** Customers are in control of more information to help control usage and costs.

Elysian Energy will not be charging the "lazy tax" to the customer as every customer will be moved to the best available plan for them. This will be achieved by continual analysis of the our offers available to our customers, and continuously review of the Victorian electricity market offers to ensure that our tariffs are competitive. Elysian Energy's customers will never end up in a situation where they are supplied a standard retail contract at a rate that is higher than an otherwise available market offer from Elysian Energy. This will be our unique selling position, a promise to customers that is currently unmatched in the marketplace.

This move away from charging customers different rates based on how engaged they are with the retail market will not only benefit Elysian Energy customers but will also benefit the market as other retailers are forced to respond to our fair pricing policy.

As a low-cost entrant into the Victorian electricity market Elysian Energy will be able to provide competitively priced deals to customers.



Elysian Energy is investing in process and systems with established service providers to will ensure that the customer transfer and connection process is as smooth as possible thereby ensuring that the market operates efficiently.

## 2.2. Promoting electricity retail competition in Victoria

Elysian Energy's low process cost model allows us to offer competitive prices in the market compared to our rivals. As described in the previous section, the innovative tariff model will benefit customers by monthly billing, energy targets to manage consumption and ensuring customers are on the best tariffs. In this way, Elysian Energy will meet many of the Commissions concerns addressed with the update to Energy Retail Code (Version 12) before it comes into effect on 1 January 2019.

By offering competitive price and service in the market Elysian Energy is promoting the long-term interest of Victorian electricity consumers.

## 2.3. Ensuring benefits for low income and vulnerable consumers

Elysian Energy will provide competitive rates for electricity and ensure that they are on the most effective tariff. Also, Elysian Energy's tariff model ensures that all customers will have the ability to better manage their budgets by offering monthly bills and providing usage signals, (via email or SMS) so customers can manage usage.

Elysian Energy is committed to treating all its customer fairly and has developed a customer hardship policy which is aimed at ensuring that customers do not get into unmanageable debts and is aimed at assisting customers who are experiencing financial hardship.

For customers in genuine hardship Elysian Energy may:

- Allow more time to pay
- Work out a payment plan that the customer can afford
- Check if the customer is eligible for grants or government assistance
- Provide energy efficiency advice including referrals to where to purchase energy efficient equipment
- Review the market offer to ensure that the customer is on the appropriate plan
- Refer a customer to where they can seek financial advice
- Allow for payment of bills through Centrepay
- Not disconnect a customer while making agreed payments on a hardship plan

Elysian Energy's Hardship policy is included in **Attachment 6** and meets the requirements under the current *Energy Retail Code (version 11) and version 12* applicable from 1 January 2019 and the ESC's guidance on customer hardship.

### 3. Financial Viability

Elysian Energy has a low cost and variable cost structure that allows the company to provide competitive prices in the Victorian Electricity market. This is a unique opportunity for Victorian consumers as many of the established retailers use legacy systems and traditional insourced models that attract high fixed costs that are ultimately paid for by consumers. The Elysian Energy innovative model is more flexible and efficient resulting in a sustainable and low-cost offering that will enhance competition.

In this section Elysian Energy demonstrates that it has the financial resources and agreements in place to sustain a viable retail business in the electricity industry. Separately, Elysian Energy provides [commercial-in-confidence] documentary evidence in associated attachments to support this licence application.

#### 3.1. Financial position

Included in **Confidential Attachment 10** is the Interim Financial Report for the period 1 July 2017 to 31 March 2018 of Elysian Energy, showing the current funding level of the Elysian Energy.

#### 3.2. Statement of financial viability

A financial viability review and assumptions review has been completed by RSM Australia and their final reports are included in **Confidential Attachment 12** and **Confidential Attachment 12A**.

RSM reviewed and analysed documentary evidence of the financial capital available to Elysian Energy and undertook analysis of the Business Plan Model included in **Confidential Attachment 14** for each of the low case, mid case and high case scenarios:

- The monthly working capital requirements of Elysian Energy based on the proposed business model;
- The monthly prudential cash requirement of Elysian Energy based on the business plan assumptions;
- The monthly total capital requirements of Elysian Energy;
- The cumulative capital requirements of Elysian Energy; and
- The monthly headroom based on the above analysis.

RSM also undertook an appropriate down-side sensitivity analysis to assess the lowest monthly growth level that results in the business model not being viable based on the proposed capital being introduced.

The report concluded that Elysian Energy has sufficient financial resources to sustain a viable business in the electricity industry.

### 3.3. Funding Agreements

Elysian Energy has finalised agreements with investors and lenders to fund Elysian Energy's financial requirements. Included in **Confidential Attachment 11** is documentary evidence of funding agreements in place. Also included is Confidential Attachment 11A Qualified Accountant Certificate that provides additional information on the fund arrangements.

### 3.4. Business Plan

Elysian Energy's Business Plan is attached in **Confidential Attachment 13** and includes information in relation sales and marketing strategy, revenue, costs and customer acquisition targets. The business plan includes information in relation to required credit support arrangements and funding arrangements. A financial model including assumptions based on the Business Plan is attached see **Confidential Attachment 14**. An external review of the financial model is also attached in **Confidential Attachment 15**.

Elysian Energy's management team has relevant financial management experience and will closely monitor progress to the business plan to ensure that the company's goals are met.

### 3.5. Credit support obligations

Based on the forecast included the business plan and financial model, Elysian Energy has calculated the ongoing financial support requirement for:

- A. Meeting Elysian Energy obligations under the National Electricity Rules (Rules) to provide credit support to the Australian Energy Market Operator (AEMO) in relation to electricity purchased from the National Electricity Market (NEM)
- B. The credit support obligations under the Use of System Agreements (UoS) entered into with electricity distribution business.

Elysian Energy has sufficient support from its shareholders to meet its credit support obligations. Refer the financial viability review in **Confidential Attachment 12**.

### 3.6. Wholesale Energy Risk Plan

Elysian Energy has a Wholesale Energy Risk Plan, **Confidential Attachment 16**, to manage risks in trading in the NEM and associated financial markets. Elysian Energy will use a low risk approach to wholesale electricity procurement and hedging. Wholesale energy risk is a standing item on the

Elysian Energy board agenda. Members of the board have significant experience in managing energy market risk.

### 3.7. Australian Financial Services Licence

Elysian Energy will not be providing any services (under Chapter 7 of Corporation Act 2001 or ASIC Regulatory Guide 36: Licensing: Financial product advice and dealing) that requires an Australian Financial Service Licence and as such does not hold such a licence.

### 3.8. Credit Rating

As a new entrant Elysian Energy does not currently have a credit rating issued by Standard & Poor's, Dunn and Bradstreet or any other rating agency.



## 4. Technical Capacity

In this section Elysian Energy demonstrates it has the technical expertise, knowledge and skills to operate a Victorian Electricity Retail business. As a low-cost start-up electricity retail business Elysian Energy does not currently have a large number of staff but obtains its skill and experience required from its Directors and Service Providers. Elysian Energy leverages the experience of its Service Partners to ensure the highest quality compliance and service is provided to its customers.

Small staff numbers are important to Elysian Energy to allow for competitive pricing in the market. While staff numbers are kept low, we do have access to the skills and resources of our business partners (as outlined in section 4.3 of the draft submission).

### 4.1. Organisational structure

Elysian Energy has structured itself to focus on the requirements of a successful energy retail business. The organizational structure, CV's and detailed backgrounds for key members of the board, committees and management are available in **Confidential Attachment 17**.

### 4.2. Management team

The Elysian Energy management team have decades of experience in the energy and finance industries, and specifically, they have experience in:

- a) Development of the electricity market in Victoria
- b) System and process experience in the Victorian market system
- c) Regulatory markets
- d) Strong business development background
- e) Significant depth of experience in finance and corporate governance

Elysian Energy has the expertise working within the Victorian compliance framework, therefore has the skills required to operate an electricity retail business in compliance with the applicable laws, regulations, codes and guidelines.

Further information on the experience of key management staff is included in **Confidential Attachment 17**.



### **Managing Director - Scott Wells**



The management team is headed by Scott Wells, Managing Director and founder of Elysian Energy.

Scott has a background in business leadership in the Australian energy and telecommunications industries. As Managing Director of Elysian Energy, he is focused on establishing the business operations and regulatory compliance.

Before joining Elysian Energy, Scott managed the commercial function of the nbn for the aerial infrastructure roll-out. As one of the first employees at the nbn Scott was a critical to establishing key contracts and relationships with the energy industry to support the nbn roll-out.

Prior to the nbn, Scott held senior positions in the energy industry servicing some of Australia's most important energy businesses as well as consulting to industry and regulators. Scott has also consulted on electricity market systems projects including the establishment of full retail contestability and smart metering systems.

Scott began his career as a Chartered Accountant with early positions at KPMG. Scott has a Bachelor of Business and a Masters of Business Administration and is a Fellow of Chartered Accountants, Australian and New Zealand.

### **Director Retail Sales and Marketing – Christina Kortesis**



Christina is a results-driven marketing leader with over 15 years experience in developing, managing, branding, and thought-leadership strategies that surpass aggressive goals, she has a passion for building marketing campaigns, educating SME's on modern marketing strategies, while developing and motivating others.

Christina's background across SME's and experience in marketing and business development help to deliver cost effective results driven marketing solutions. Christina holds a Bachelor of Business, Marketing from Monash University.



### **Finance Director - Karen Wells**

Karen has more than 20 years' experience as a chartered accountant specialising in risk management, financial audit, accounting, internal audit and process innovation. As Finance Director of Elysian Energy, she is focused on risk management, governance and compliance.

Karen has a demonstrated ability to rapidly identify and interpret business risks, key drivers and environmental factors that influence organisational performance.

Proven track record of contributing to group decision making and strategy development.

Karen is currently the Director of Professional Standards at HLB Mann Judd and has significant board and governance experience including:

- Current independent member of Ambulance Victoria, Finance Committee
- Former independent member of Ambulance Victoria, Audit Committee
- Former Board Member in the Victorian Health sector



### **Bruce Macfarlane, Compliance and Operations Manager**

Bruce most recent energy retail experience was as founder of BidEnergy (ASX.BID) an energy procurement and bill management application. Bruce was responsible for setting up and managing the operations function both onshore and offshore. He established BidEnergy's procurement function where energy retailers from Australia, New Zealand, UK, and USA provide dynamic offers to multi-site corporate customers. Bruce also set up and managed energy retailer invoice processing allowing the BidEnergy platform to mine bill data to create payment and accrual files, and cost reduction reports.



Prior to BidEnergy Bruce worked at AGL on the SAP implementation as part of their leadership team and consulted to Origin Energy during their later SAP implementation.

Bruce's career in energy started in 1999 as an energy derivatives trader for Genesis Power in New Zealand, moving to Australia to work in CapGemini's energy practice. Bruce has a Bachelor of Engineering (Mining) and a Masters of Commerce (Economics).

## Advisory Board

Elysian Energy has developed an Advisory Committee to provide the Board and Executive Team with objective insight, advice and recommendations on a range of business matters from Advisory Committee members that have significant industry, commercial or leadership expertise, refer Advisory Committee charter included in **Confidential Attachment 17A**. The two initial external members of the Advisory Committee bring significant experience to Elysian Energy and are:

### **Phil Craig**

Phil previously led Origin's retail business, responsible for all aspects of the Retail division including Strategy, Marketing, Brand, Sales, Service, Operations, Business Development and interface with Government and Media. Phil's most recent role was as Origin Energy's Executive General Manager Corporate Affairs, where he had responsibility for Origin's brand and reputation, government and media relations, policy development and sustainability, and the Origin Foundation.

### **Stuart Marburg**

Stuart is one of Australia's internet pioneers with a deep understanding of how to market utility services to mass market customers. Stuart co-founded Netspace in 1992 and he is currently CEO of Call Dynamics.

## 4.3. Service Providers

Elysian Energy's approach to its business is that our executive team has significant skills in governance, they are supported by external consultants with experience in the industry and the work load is either supported by the Managed Service Agreement or by the small team of staff. This allows for scalability of the Elysian Energy business model.

Elysian Energy is employing an outsourcing model for the provisions of customer billing and support services. Our service providers are established providers in the energy retail service industry and currently supply to numerous Australian energy retail business, both big and small. Our Key Service providers are:

### **Marchment Hill Consulting**

Marchment Hill Consulting (MHC) will provide regulatory advisory and compliance services. Since its formation 14 years ago, MHC has worked with a range of market participants and stakeholders on policy and regulatory issues relating disruptive technologies and energy market transformation. MHC's Policy and Regulation practice can provide flexible advisory services to support Elysian Energy's Operations and Compliance Manager.

Key individual:

**Sarah Paparo** – Sarah commenced her career as a trade practices solicitor at Freehills and subsequently worked in commercial and policy roles at Origin Energy. Most recently she has been in London working for the UK government on energy market reform. Sarah holds a BSc, LLB(Hons) and LLM in competition and market regulation.



The MHC signed agreement is included in ***confidential attachment 19B***.

### **Agility CIS**

Agility CIS is an established Managed Service provider in the Australian energy market. Agility will use their Engage billing and CRM system to provide managed services to Elysian Energy including billing and contact center resources required to ensure we have a sufficient staff to comply with our obligations.

Agility CIS provides cost effective billing and customer management solutions to companies on a global scale with bases from 1,000 to 1,000,000. Over two million residential and commercial customers are billed using Agility systems.

The Agility CIS Implementation timeline is included in ***confidential attachment 19A***.

### **Marketingeye**

Marketingeye is a leading marketing consultancy company for small to medium-sized businesses and has experience in marketing in the energy industry. Marketingeye provide strategic marketing initiatives, generating leads and sales while establishing a prominent brand presence. Marketingeye's services will be important in the acquisition of customers.

Marketingeye provides Elysian Energy a consulting team that is trained in all facets of the marketing mix, to provide the right advice and marketing strategy to achieve our goals.

For details of the terms of our key service partner agreements please refer to **Confidential Attachment 19**.

### **CQ Partners**

CQ Partners is an energy market advisory firm specialising in providing advice and services in the Australian Energy market. They will provide strategic advice to energy trading plans, portfolio optimisation, derivative and contract evaluation and marker trend analysis.

## **4.4. Approvals and authorizations**

### **4.4.1. AEMO registration**

Elysian Energy has commenced the application process with AEMO to become a registered market participant in the NEM. The application cannot be finalised until the granting of a Retail Electricity licence has been finalised. Details of correspondence with AEMO are included in **Confidential Attachment 18**.

#### 4.4.2. ASX Austraclear participation

Elysian Energy has commenced the application process with the ASX to become a participant in Austraclear to allow for the settlement of electricity transactions within the NEM. The application cannot be finalised until the granting of a Retail Electricity licence has been finalised. Details of correspondence with Austraclear in relation to joining are included in **Confidential Attachment 18**.

#### 4.4.3. Energy and Water Ombudsman Victoria (EWOV)

Elysian Energy will become a member of EWOV's customer dispute resolution scheme and expects its membership will be granted on the completion of the Retail Licence. Details of correspondence with EWOV in relation to joining are included in **Confidential Attachment 18**.

#### 4.4.4. Energy Safe Victoria

Elysian Energy has also recently entered discussions with Energy Safe Victoria to ensure that we meet our obligations under the Electricity Safety Act. A copy of correspondence with Energy Safe Victoria are included in **Confidential Attachment 16**. Also attached is our Disconnection Operating Procedure included in **Confidential Attachment 22**.

### 4.5. Suppliers

#### 4.5.1. AEMO

On granting of an Electricity Retail Licence, Elysian Energy will finalise its application to AEMO to be registered as a market participant in the NEM. The registration will entitle Elysian Energy to purchase wholesale electricity from the NEM. Elysian Energy is currently registered with AEMO as an intending participant refer **Confidential Attachment 19C – AEMO Registration**.

#### 4.5.2. ASX futures

Elysian Energy has engaged ICAP as its ASX energy broker and is in discussion with an ASX clearing house provider to provide services in the delivery of Elysian Energy's Wholesale Energy Risk Plan **Confidential Attachment 16**.

#### 4.5.3. Use of Systems and Meter Coordinator

Elysian Energy has commenced discussions with all the Victorian Distribution businesses and expects to conclude the standard UoS agreements with each of the distribution business after the issue of its Electricity Retail Licence. Due to the current Victorian derogation for Power of Choice (POC) Elysian Energy expects to receive Meter Coordinator services from the Victorian distribution businesses under deemed contracts. Details of correspondence with the distribution businesses are included in **Confidential Attachment 18**.

#### 4.5.4. CRM and Billing Systems

Elysian Energy has entered into a Master Services Agreement to for managed services to provide customer relationship management, billing, market transactions and customer service. The vendor has a proven track record in the industry, that will support good industry practice and result in good customer experience. A copy of the Master Services Agreement is included in **Confidential Attachment 19**. In addition to the billing and accounts receivable systems provided under the MSA, Elysian Energy uses standard accounting software (XERO) to maintain accounting requirements.

#### 4.5.5. Call center and telephone systems

The call center handling customer telephone calls is included in our MSA with Agility. Agility is capable of accurate recording of interactions and exchanges with customers and includes the ability to record telephone calls for quality and audit purposes.

#### 4.5.6. Other service providers

Elysian has entered into an agreement with a leading marketing organization to provide outsourced marketing assistance. All activities of the outsourced market division will be closely monitored to ensure compliance with the Energy Retail Code. Elysian Energy may also engage with a number of external energy comparator or brokerage service providers to provide channels for provision of customers.

## 4.6. Customers

### 4.6.1. Contract terms and conditions

#### ***Standard Retail Contracts:***

Elysian Energy will use the model offer terms and conditions set out in Schedule 1 of the Energy Retail Code as the basis for its standing offer contract.

#### ***Market Retail Contract:***

Elysian Energy's market retail contract terms and conditions are included in **Attachment 4**. The terms and conditions comply with the applicable regulatory requirements including the Energy Retail Code Version 11. The terms and conditions will be provided to each new customer, and they will be available for free download from the Elysian Energy website.

### 4.6.2. Customer Service and call center

Elysian Energy has entered into a Managed Service Agreement with a leading supplier of customer services to provide front office call center services. All activities of the Managed Service provider will be monitored to ensure compliance with the Energy Retail Code.

### 4.6.3. Customer information and consent

Elysian Energy has developed a Privacy policy which is available on its website and in **Attachment 5** and deals with all its customers' personal information and sensitive information. The Elysian Energy policy complies with the *Energy Retail Code*, the *Privacy Act 1988* and the *Australian Privacy Principles*.

### 4.6.4. Billing

Elysian Energy's billing system is covered by the CRM and Billing system identified in section 4.5.4 and will meet all Elysian Energy's obligations including those imposed under the Energy Retail Code.

### 4.6.5. Hardship

Elysian Energy's Hardship policy is included in **Attachment 6** and meets its requirements under the current Energy Retail Code. Elysian Energy understands the Commissions objective to

*promote protections for customers, including assisting customers who are facing payment difficulty*

The nature of Elysian Energy's market offer and its active approach to customer payment difficulties means that Elysian Energy has already in place many of the requirements that meet the Retail Energy Code (Version 12) prior to the new framework coming into effect. Namely all customers will have access to tariffs that allow:

1. Pay a set amount each bill
2. Allow monthly billing
3. Allow payment in advance.

In addition, tailored assistance will be available to customers in hardship or that we believe are at risk of hardship.

For customers in genuine hardship Elysian Energy may:

- Allow more time to pay
- Work out a payment plan that the customer can afford
- Check if the customer is eligible for grants or government assistance
- Provide energy efficiency advice including referrals to where to purchase energy efficient equipment
- Review the market offer to ensure that the customer is on the appropriate plan
- Refer a customer to where they can seek financial advice
- Allow for payment of bills through Centrepay
- Not disconnect a customer while making agreed payments on a hardship plan

#### 4.6.6. Complaints and dispute resolution

Elysian Energy has a Complaints policy (refer **Attachment 7**) designed to quickly resolve all issues and includes information on how to contact Elysian Energy.

Elysian Energy's Customer Relationship Management system will be used to track all correspondence with customers to allow for swift resolution and reporting of customer complaints.

#### 4.6.7. Department of Health and Human Services

Elysian Energy will enter into arrangements with the Victorian Department of Health and Human Services to allow for discounts to customers on eligible concessions.

#### 4.6.8. Department of Environment, Land, Water and Planning

Elysian Energy has entered discussion with the Department of Environment, Land, Water and Planning to ensure Elysian Energy's tariffs, terms and conditions will be correctly reflected in the Victorian Energy Compare website. To progress uploading of tariffs the Department of Environment, Land, Water and Planning require Elysian Energy to be licenced.

### 4.7. Internal controls, policies and procedures

#### 4.7.1. Compliance and Risk Committee

Elysian Energy has formed a Compliance and Risk Committee which is focused on regulatory compliance, business risk and the management of its wholesale market risk. This committee meets monthly to review the current regulatory compliance and outstanding wholesale market risk. The Compliance and Risk Committee is made up of members of the Elysian Board. A copy of the Compliance and Risk Committee's Charter is included in **Attachment 3**.

The committee oversees Elysian Energy's compliance reporting obligations in line with the ESC – *Interim Compliance and Reporting Guideline for Energy Retail and Distribution Licence Holders Version 3 June 2017*. Elysian Energy has an identified all obligations applicable to our retail energy business including a compliance calendar, documents registry, task list and compliance registry. This information will assist any audit activity that the commission may wish to conduct.

As part of this submission Elysian Energy has provided its Retail Compliance Policy **Confidential Attachment 21** and a Register of Compliance Obligations **Confidential Attachment 23**.

Elysian Energy compliance policy is consistent with the objectives of the Australian Standard on Compliance Programs AS 3806-2006 and the principles of commitment, implementation, monitoring and continual improvement.

#### 4.7.2. Compliance team

Compliance and governance is a key skill of the business and is required in all areas of the business operations and as set out in the Compliance and Risk Charter (**Attachment 3**) this activity is supported by the Manager Compliance and Operations (currently in recruitment) as well as the directors of Elysian Energy.

Our external advisors, Marchmont Hill Consulting, are available to provide advice on compliance issues. Marchmont Hill Consulting also provides training for Elysian Energy's directors and staff on compliance matters.

Elysian Energy's Operations and Compliance Manager monitors and reports on Elysian Energy's compliance obligations and overseas compliance obligation undertaken by third parties. The

compliance team lead by the Operations and Compliance Manager reports to the Compliance and Risk Committee who are responsible for Elysian Energy's compliance. A copy of the Compliance and Risk Charter is included in **Attachment 3**. The current members of the Risk and Compliance Committee are Scott Wells, Karen Wells and Bruce Macfarlane.

#### 4.7.3. Risk management

Elysian Energy's Risk Management Policy has been developed in accordance with the *AS/NZS ISO 31000:2009 Risk Management- Principles and Guidelines*. Elysian Energy focus on risk management aims to improve the identification of opportunities and threats and effectively allocate and use resources for risk treatment by creating a framework for management of material business risks, a governance system and monitor of the internal controls required to mitigate business risk. Further detail on the Risk Management policy is included in **Confidential Attachment 20**.

#### 4.7.4. Privacy

Elysian Energy has developed a Privacy policy which will be made available on its website and in **Attachment 5**. The policy deals with all its customers' personal information and sensitive information. The Elysian Energy policy complies with the *Energy Retail Code*, the *Privacy Act 1988* and *Australian Privacy Principles*. Agility CIS will perform the day to day management and operation of our privacy and confidential management systems under our outsourcing arrangements.

#### 4.7.5. Document retention

Elysian Energy will securely store all customer contract information for a period of 7 years. All personal information is kept in line with the principles outlined in our Privacy Policy. In addition, Elysian Energy will retain information in relation to interval meter reads to allow customers to access to this information.

#### 4.7.6. Customer disconnection operating procedure

Elysian Energy has procedures in place to allow for the disconnection of customers in line with our policies including required approvals for customer disconnections. See **Confidential Attachment 22** Disconnection operating procedure.

## 4.8. Suitability

### 4.8.1. Capacity to operate an electricity retail business

As outlined in this submission, Elysian Energy's management team, board and suppliers have the skills and experience in the Victorian energy industry to operate a successful electricity retail business in Victoria.

### 4.8.2. Capacity to comply with electricity retail regulatory requirements

Elysian Energy's team, its board and suppliers, have significant experience in retail electricity compliance. Elysian Energy's compliance policy and the oversight of its compliance by the Compliance and Risk Committee ensure that Elysian Energy has the capacity to comply with all electricity regulatory requirements including those under the Electricity Act, Energy Retail Code and other applicable codes and guidelines.

### 4.8.3. Outstanding proceedings

No prosecutions or regulatory complaints have commenced against Elysian Energy or any other company or person related to or associated with Elysian Energy as defined by reference to the Corporations law or any key personnel in any jurisdiction.

We have also included additional information to evidence the officers of the Elysian Energy are fit and proper persons in ***Confidential Attachment 24 – Statement of Personal Information***.

### 4.8.4. Standing of directors and management team

Elysian Energy's directors and management team have never been disqualified or suspended from managing companies or declared bankrupt.





#### 4.9. Statutory declaration

State of Victoria

### Statutory Declaration

I Scott Raymond Wells of 27 Swinton Ave Kew being the Managing Director of the applicant Elysian Energy Pty Ltd

Herby DECLARE that the information contained in this application, and attachment thereto upon which I have placed my signature, for the grant of Retail Electricity Licence under the Electricity Industry Act 2001 is true and correct and 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.

Declared at 55 COLLINS STREET  
MELBOURNE in the state of Victoria

Signature of Declarant

this 17 day of AUGUST 20 18



Signature of person making this declaration



Before me

EMMA TYLER  
601244

INSTITUTE OF CHARTERED ACCOUNTANTS

(A person authorised by section 107A of the Evidence Act 1958 (VIV)) 55 COLLINS STREET  
MELBOURNE VIC 3000

## Attachments

No.	Title
1	Certificate of registration
2	Constitution
3	Compliance and Risk Charter
4	Market retail contract terms and conditions
5	Privacy policy
6	Hardship policy
7	Complaints and dispute resolution

## Confidential Attachments

8	Corporate structure
9	Elysian Energy Tariff model
9A	Energy Plan Details
10	Interim Financial Report
11	Funding Agreements
11A	Qualified Accountant Certificate
12	Financial Viability Review
12A	RSM Model Assumptions Review Report
13	Business Plan
14	Financial model and assumptions
15	External review of business plan model
16	Wholesale Energy Risk Plan
17	Directors and managers skills and experience
17A	Advisory Committee Charter
18	Correspondence with stakeholders: AEMO ASX EWOV Electricity distributors Department of Human Services Energy Safe Victoria
19	Key service agreements with suppliers
19A	Agility CIS implementation timeline
19B	MHC signed agreement
19C	AEMO registration
20	Risk Management Policy
21	Retail Compliance Policy
22	Disconnection Procedure
23	Register of Compliance Obligations
24	Statement of Personal Information