

APPLICATION FOR ELECTRICITY RETAIL LICENCE



This application for electricity retail licence is submitted for the attention of:

**Manager Licensing
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne VIC 3000**



Table of Contents

Introduction	1
1.0 Section 1: Information on Application and Nature of the application	1
1.1 Name of the applicant.....	1
1.2 ABN or ACN	1
1.3 Registered business address	1
1.4 Contact person	1
1.5 Corporate ownership structure	2
1.6 Organisational structure	2
1.6.1 Shareholder and Director’s energy market experience	2
1.6.2 Previous industry experience as an energy retailer	3
1.6.3 Other relevant retail or energy market experience.....	3
1.7 Outsourced service providers	4
1.8 Incorporation details.....	4
1.9 Details of any prosecutions and regulatory complaints	4
1.9.1 Material failures, revocation of authorisations and legal actions	4
1.9.2 Offences and prosecutions	4
1.9.3 Criminal history checks	5
1.9.4 Written declaration from the Managing Director.....	5
1.9.5 Full names and residential address of all officers.....	5
1.9.6 Probity policies and procedures.....	5
1.10 Form of retail licence authorisation sought.....	5
1.10.1 Type of licence	5
1.10.2 Commencement of retail operation	5
1.10.3 Nature and scope of operation	5
1.10.4 Current energy retail licences	5
2.0 Section 2: The Commission’s Objective	6
2.1 Promoting a consistent regulatory approach and full retail competition	6
2.2 Protecting and facilitating industry competition, efficiency and viability	6
3.0 Section 3: Information on Financial Viability	6
3.1 Financial resources.....	6
3.1.1 Audited financial statements	7



3.2	Business plan.....	7
3.2.1	Forecast revenue and expenses.....	7
3.3	Credit rating	8
3.4	Written declaration from independent auditor/accountant.....	8
3.5	Written declaration from Managing Director.....	8
3.6	External consultant’s statement	8
3.7	Access arrangement for additional capital	8
4.0	Section 4: Information on Technical Capacity.....	8
4.1	Organisation chart and structure.....	8
4.1.1	Qualifications, technical skills and experience of key officers.....	9
4.1.2	Number of employees.....	9
4.2	Outsourced service providers	9
4.3	Risk management strategy.....	10
4.4	Compliance Strategy	10
4.4.1	Compliance program and procedures	10
4.4.2	Complaint and dispute resolution procedures	11
4.4.3	Recruitment, training and development.....	11
4.5	Industry memberships and accreditations	12
4.5.1	Australian financial services licence.....	12
4.5.2	Austraclear	12
4.6	Industry arrangements and registrations	12
4.6.1	AEMO registration.....	12
4.6.2	Metering.....	12
4.6.3	Network use of system	12
4.6.4	Quality standards	12
5.0	Appendices.....	13

Introduction

Sunset Power International Pty Ltd trading as Delta Electricity operates the Vales Point Power Station, which is a coal-fired power station located on the southern shores of Lake Macquarie near the township of Mannering Park, New South Wales.

The station provides reliable supply of 24-hour baseload electricity with installed capacity of around 1,320MW. Part of Vales Point's coal supply is co-fired with biomass to replace a proportion of coal with a renewable fuel. It produces around four per cent of the electricity needed by electricity customers in the National Electricity Market (NEM).

Delta Electricity is seeking to develop a retail electricity business to retail to **large** customers only.

The following information is provided in accordance with the Victorian Essential Services Commission's (Commission) *Guidance Notes for Applications for Electricity Licences*.

1.0 Section 1: Information on Application and Nature of the application

1.1 Name of the applicant

The applicant's legal name is Sunset Power International Pty Ltd, trading as Delta Electricity.

1.2 ABN or ACN

Delta Electricity's ACN is 162 696 335.

1.3 Registered business address

The principal business address is:

Delta Electricity

1.4 Contact person

The nominated contacts for this application are:

Angela Riley
Sales Manager
Delta Electricity

Anthony Callan
Executive Manager Marketing
Delta Electricity

1.5 Corporate ownership structure

Delta Electricity is part of a broader company structure and group of related companies as detailed in the commercial-in-confidence Corporate Structure outlined in Appendix 1. None of these related companies are applying for, or have retail authorisations.

1.6 Organisational structure

Please refer to sections 4.1 and 4.2 for more details on organisational structure and key personnel and their experience.

1.6.1 Shareholder and Director's energy market experience

Delta Electricity will benefit significantly from the experience of its directors and shareholders, in particular Trevor St. Baker, Brian Flannery and Greg Everett.

Trevor St. Baker

Mr St. Baker has over 50 years' experience in the energy industry, including 23 years in planning and leadership roles within New South Wales and Queensland public utilities.

In 1980, Mr St. Baker founded companies which have evolved into ERM Power, Delta Electricity and the St Baker Energy Innovation Fund. For the first 15 years it operated as a successful boutique energy advisory firm, transforming into a private power development company in the mid-1990s, with the development of six major gas-fired power stations across three States. Since 2006, it evolved into ERM Power Pty Ltd which has since become an integrated, publicly listed energy company which operates electricity sales, generation and gas businesses.

In 2013, Mr St. Baker established what is now the St Baker Energy Innovation Fund, investing in new-start energy R&D companies attempting to commercialise new products internationally. This shaped what is now a stable of already successful new enterprises in which the St Baker Energy Innovation Fund and Mr St. Baker are actively involved in, including Tritium Pty Ltd, Printed Energy Pty Ltd, Southern Cross Printed Electronics Pty Ltd, and US printed light company, Nth Degree Technologies LLC.

In 2014, Mr St. Baker established Sunset Power International Pty Ltd to bid for a new gas-fired power development in Myanmar and to acquire and develop other new power stations nationally and internationally, successfully acquiring Delta Electricity and the Vales Point coal-fired generation business from the NSW Government in 2015.

Mr St. Baker continues to play an active role in the broader energy industry including the Chair of the National Generators Forum for three years to 2013, and as a director on the board of Queensland Resources Council Ltd up to 2015. Trevor is currently on the board of Energy Policy Institute Australia Limited.

Brian Flannery

Mr Flannery has more than 40 years' experience in the development, engineering, construction and management of open cut and underground coal mines and associated infrastructure, including rail and port construction and operation.

Mr Flannery has been involved in the development of open cut and underground mines in Australia and India. Additionally, Brian has also been involved in ventures in property development, aged care and agricultural industries.

Mr Flannery holds directorships in several family related companies and is the Managing Director of ASX-listed White Energy Company Limited. He is also the Chair of Mater Misericordiae Ltd in Brisbane.

Greg Everett

Mr Everett has been the Chief Executive Officer and now Managing Director of Delta Electricity since 2010. Greg has over 30 years' experience in the electricity industry, 20 of which have been in executive roles in the generation sector.

Mr Everett has previously represented Delta Electricity on the Energy Supply Association Australia (ESAA), National Generators Forum (NGF) and the National Carbon Capture and Storage Council of Australia. Mr Everett was a founding director of the Competitive Energy Association.

Mr Everett is currently a member of the International Energy Agency's Coal Industry Advisory Board as the Federal Government's nominated generator, and a member of the NSW Coal Innovation Board.

Mr Everett holds a Bachelor of Commerce and MBA (Finance) and is a graduate of the Australian Institute of Company Directors and the Stanford Executive Program.

1.6.2 Previous industry experience as an energy retailer

Since before the commencement of the NEM, Delta Electricity has been a direct supplier to two large industrial customers: BlueScope Steel's steelworks at Port Kembla and the Hydro Aluminium smelter at Kurri Kurri (now closed). Delta Electricity managed the long term supply arrangements for these customers, including variation of these supply agreements as required to deal with emergent issues such as carbon liabilities. Delta Electricity already has the capabilities to manage customer service and support requirements and management, retail load risk management, settlements, invoicing and compliance and reporting processes in relation to this direct supply load.

1.6.3 Other relevant retail or energy market experience

Delta Electricity is an active participant in electricity, gas, coal and environmental markets, trading across both financial and physical markets. Delta Electricity's team has been active in the NEM since December 1998.

Delta Electricity is currently an active electricity trader across the major NEM nodes (primarily in NSW but also including Victoria and Queensland) and associated environmental markets including STCs, LGCs and ESCs. Delta Electricity is also a wholesale trader in gas and has a large presence in the physical markets for coal.

Delta Electricity holds an Australian Financial Services Licence (AFSL) which authorises it to make markets and deal in electricity derivative products. Delta Electricity is also a provider of a range of structured risk management products to wholesale participants in the NEM.

Delta Electricity's trading team is experienced across electricity and other commodity markets, enabling it to manage its risk exposures through using physical generation capacity, electricity market insurance products as well as energy derivatives across both exchange-traded and over-the-counter markets with a wide range of trading counterparties.

The staff that Delta Electricity will have actively involved in functions under the Retail Authorisation are experienced energy market professionals with a range of backgrounds and expertise that make Delta Electricity well-positioned to operate a successful retail business. Further details are provided in Appendix 9.

1.7 Outsourced service providers

Please refer to section 4.2 for more information.

1.8 Incorporation details

Appendix 2 provides a copy of Delta Electricity's Business Registration Certificate.

1.9 Details of any prosecutions and regulatory complaints

1.9.1 Material failures, revocation of authorisations and legal actions

Delta Electricity's Managing Director has prepared a written declaration regarding the suitability of the Directors and Executive team to being an authorised energy retailer. In summary, the business is not aware of its Directors and Officers being involved in any:

- material failure to comply with regulatory requirements, laws or other obligations over the previous 10 years, including infringement notices or other enforcement action being taken by a regulatory body, including for its water utility business;
- previously revoked authorisations, authorities or licences held in any industry;
- failed authorisation, authority or licence applications in any industry;
- past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry; and
- situation/s where Delta Electricity (or an associate) have previously triggered the Retailer of Last Resort (RoLR) provisions of the Retail Law or equivalent state/territory/foreign legislation, or have transferred or surrendered an authorisation or licence in circumstances where if not done, triggering a RoLR event would have been likely.

1.9.2 Offences and prosecutions

Delta Electricity confirms that none of its Directors or Executive team members or other persons who have significant involvement in Delta Electricity have been involved with any prosecutions under any territory, Commonwealth or foreign legislation, including but not limited to, the Australian Securities and Investment Commission Act 2001 (Cth) and the Corporations Act 2001 (Cth) that are relevant to Delta Electricity's capacity as a holder of an electricity retail licence.

1.9.3 Criminal history checks

Delta Electricity personnel with AFSL responsibilities are subject to police checks.

Other Police checks can be organised and submitted to the Commission upon request.

1.9.4 Written declaration from the Managing Director

Delta Electricity's Managing Director has provided a written declaration that members of its management team have not been disqualified from the management of corporations and about the record of bankruptcy of the management team (including in any overseas jurisdiction). Please refer to Appendix 3 for a copy of the written declaration.

1.9.5 Full names and residential address of all officers

Please refer to Appendix 4 provided on a commercial-in-confidence basis, for relevant details.

1.9.6 Probity policies and procedures

Delta Electricity has a number of policies and procedures to support probity and conduct. In particular there is a Code of Conduct, Conflict of Interest Standard, Competition and Consumer Act Compliance Policy and Corruption Prevention Policy. Copies of these are included as commercial-in-confidence in Appendix 5.

1.10 Form of retail licence authorisation sought

1.10.1 Type of licence

Delta Electricity is applying for a licence to retail electricity to large customers only in the state of Victoria.

1.10.2 Commencement of retail operation

Delta Electricity aims to commence retailing electricity from January 2018 onwards, once authorised.

1.10.3 Nature and scope of operation

Delta Electricity is currently an electricity generation business with plans to enhance their business model to include a retailing function.

The retail business will provide a natural offset or hedge for the generation business and allow Delta Electricity to leverage off its existing internal business skills and experience in wholesale trading and risk management functions. This will enable Delta Electricity to provide innovative and competitive retail products and services in the energy market for large electricity retail customers.

Delta Electricity intends to retail electricity to large commercial or industrial customers in Victoria with consumption of over 40 MWh per annum. Delta Electricity does not intend to retail electricity to small customers in Victoria with consumption 40 MWh per annum or less.

1.10.4 Current energy retail licences

Delta Electricity is also in the process of applying for an electricity retail authorisation with the Australian Energy Regulator (AER) for large customers only. That application was posted on the AER's website on 27 September 2017. The broad operational framework including responsible staff and business strategy to support retail activities in these jurisdictions is the same as those outlined in this proposal, except for those relating to different regulatory requirements and financial forecasts in each region.

2.0 Section 2: The Commission's Objective

The granting of an electricity retail licence will enable Delta Electricity to contribute to the development and promotion of the long term interests of Victorian electricity users and full retail competition consistent with the objectives of the Commission under *Section 10 of the Electricity Industry Act 2000* and *Section 8 of the Essential Services Commission Act 2001*. The reasons are listed below.

2.1 Promoting a consistent regulatory approach and full retail competition

Delta Electricity is an existing market participant in the NEM and its entry into the Victorian electricity retail sector will further assist the development and promotion of a consistent regulatory approach and increased competition in the industry including flow-on benefits to large electricity customers through its competitive pricing and range of products and services.

2.2 Protecting and facilitating industry competition, efficiency and viability

Delta Electricity will utilise its generation portfolio, business experience and trading and management skills to realise business efficiencies through lower operating costs, competitive product offers and reliable customer service.

Delta Electricity's participation will promote greater industry competition and innovations which will in turn provide for a favourable industry environment for efficient long-term investment.

Delta Electricity will safeguard the long-term interests of Victorian electricity customers by complying with all relevant state and national regulations.

As an electricity retailer, Delta Electricity will leverage its existing business structure and financial risk management, trading and operational skills to ensure it has a viable and compliant business capable of growth and success in Victoria.

Delta Electricity will provide large Victorian electricity customers with an increased choice of retailers and supply offers which will foster competition and prevent monopolistic behaviour and abuse of market power.

Delta Electricity is committed to ensuring a safe and healthy work environment for its employees and contractors as well as public safety. It will comply with all applicable health, safety, environmental and social legislation.

Delta Electricity is also applying for retailer authorisation with the AER. The granting of a retail licence in Victoria will allow Delta Electricity to participate in and contribute to industry forums and groups that will drive and promote consistency in regulation between the states and on a national basis.

3.0 Section 3: Information on Financial Viability

3.1 Financial resources

Delta Electricity is in a position to meet all applicable statutory and prudential financial requirements to operate with Network Service Providers, the Australian Energy Market Operator (AEMO) and the Australian Securities and Investment Commission (ASIC) and the company is not aware of any factor which would affect the ability to securely finance the activities to be performed under the retail licence authorisation.

3.1.1 Audited financial statements

Appendix 6 details Delta Electricity's commercial-in-confidence financial accounts for the year ending 30 June 2016 and 30 June 2017 and an explanatory note.

3.2 Business plan

Delta Electricity's corporate business plan is focused on hedging the value of the output of its generation portfolio to manage revenue risk. While the majority of this hedging occurs through participation in the wholesale electricity derivative markets, retail supply has always been a component of Delta Electricity's sales and Delta Electricity has identified the opportunity to expand its retail presence.

In its commercial-in-confidence Retail Business Plan (refer Appendix 7), Delta Electricity's objective is to grow its retail customer base as an alternative channel to market. The retail market can address deficiencies in the wholesale derivatives market such as occasional periods of low liquidity, particularly for longer term contracts.

Delta Electricity's derivative trading activities have included a range of customised hedging products tailored to wholesale customer risk preferences. This background will be invaluable in developing tailored price risk products for large customers. Delta Electricity's initial planning is to set an objective of a relatively small number of large customers.

As Delta Electricity already has in place many of the requirements for retail supply by virtue of its direct supply load, expansion of this retail activity to include a small portfolio of large customers is considered to be a low incremental-cost exercise and this should reflect in the pricing that Delta Electricity is able to offer. Economies also arise in reduced capital requirements for lodging bank guarantees with the AEMO given Delta Electricity's position as a generator in the NEM.

As a capital intensive industry, Delta Electricity anticipates that it will have much in common with the large customers it seeks to supply and that this shared background will make it easier to identify opportunities to create value for the customer, particularly in the area of demand side management and price risk management to cover the longer term.

Delta Electricity is capable of tailoring products to suit individual risk preferences and can provide a full spectrum of risk management products from pool pass-through to standard fixed-price fixed-term whole of meter contracts for electricity as well as managing any environmental market exposures. The large customers that Delta Electricity seeks to supply are familiar with managing risk across a range of exposures already, have processes in place to report and manage risk and would be well suited to managing their electricity and environmental market exposures through the products that Delta Electricity can provide.

3.2.1 Forecast revenue and expenses

Delta Electricity has prepared a commercial-in-confidence five-year financial forecast (please refer to Appendix 7) as part of this application which demonstrates that returns relating to activities undertaken under a retail authority make commercial sense and meet internal hurdles against a range of metrics. It also provides evidence that Delta Electricity is financially viable to provide the proposed electricity retail services and has sufficient financial resources to sustain its operations.

3.3 Credit rating

Delta Electricity does not hold a public credit rating.

3.4 Written declaration from independent auditor/accountant

Please refer to Appendix 8 for a declaration by Delta Electricity's independent auditor.

3.5 Written declaration from Managing Director

Delta Electricity's Managing Director has provided a statutory declaration (please refer to Appendix 3) that the business will be a going concern and that there are no factors that might impede the business' activities under the retail authorisation in the foreseeable future.

3.6 External consultant's statement

At the time of submission of this retail licence application, Delta Electricity's external assurance provider had not completed their review. Delta Electricity intends to submit to the Commission a letter of endorsement of the compliance and risk management systems and processes when available.

3.7 Access arrangement for additional capital

Delta Electricity's capital requirements for the retail operations have been included in Appendix 7 – Business Plan and Financial Forecast. Delta Electricity has existing financing arrangements in place that cover the organisation as a whole. It has a working capital facility and sufficient cash reserves in place to support its retail business plan.

4.0 Section 4: Information on Technical Capacity

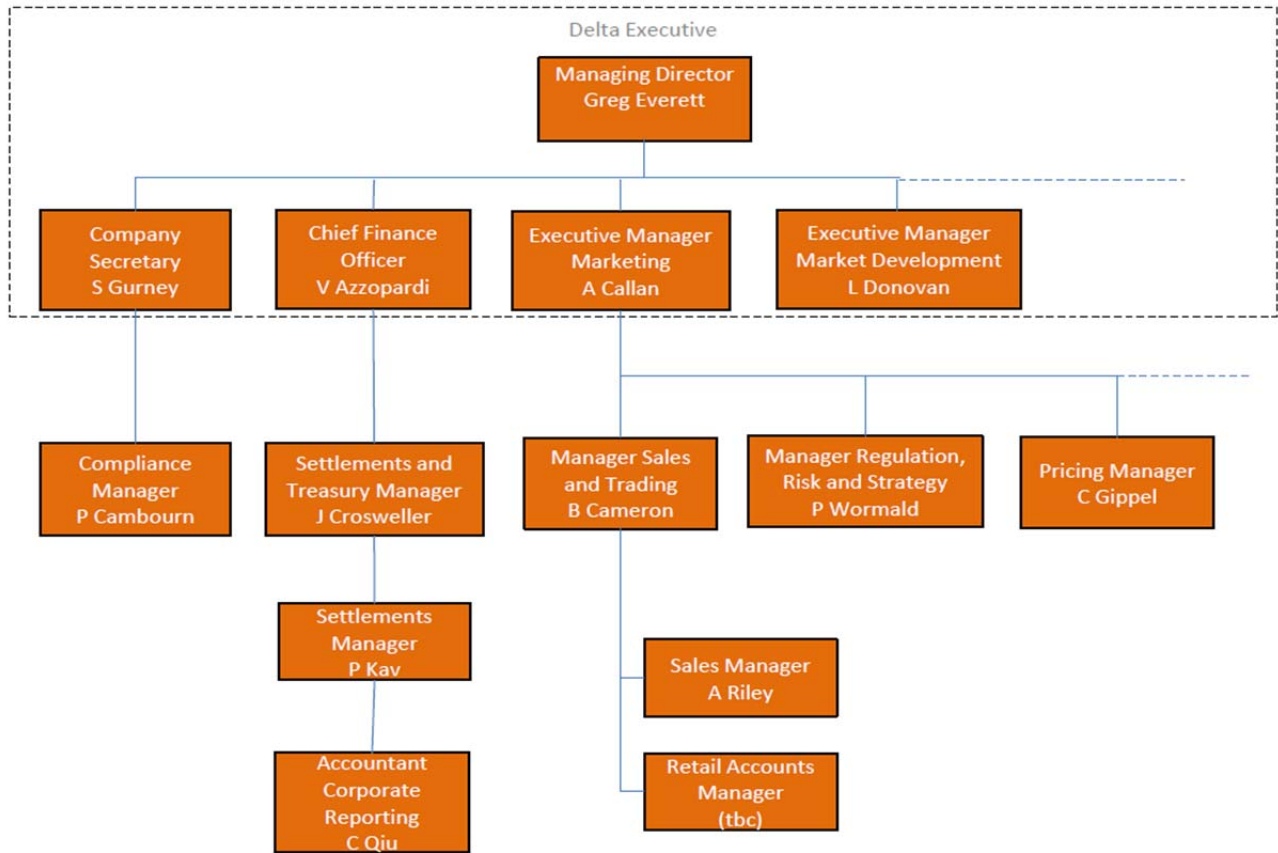
4.1 Organisation chart and structure

The high level organisational chart below outlines key staff, reporting lines and functions associated within Delta Electricity's retail electricity business.

The key responsibilities are as follows:

- The Marketing Group will have responsibility for customer sales, pricing and account management functions as well as management of the wholesale electricity market, liquidity and operational risks.
- The Marketing Group will also have responsibility for the development of customer contracts and terms and conditions.
- The Finance Group will have responsibility for the management of cash flows, customer credit, billing, customer collections and financial reporting.
- The Company Secretary will have responsibility for oversight of legal services and compliance.

Organisation Chart – Delta Electricity Retail Function



4.1.1 Qualifications, technical skills and experience of key officers

The staff that will be involved in the performance of functions under the Retail Licence have a range of experience in the energy industry and have been heavily involved in Delta Electricity’s activities in the Australian electricity market since the commencement of the NEM in December 1998.

Delta Electricity believes this makes it well placed to successfully carry out its activities under the Retail Licence and comply with all regulatory obligations.

A summary of the qualifications and experience of relevant Delta Electricity’s staff is provided in Appendix 9.

4.1.2 Number of employees

As at August 2017, Delta Electricity had a total of 272 employees across eleven business units. There will initially be thirteen Delta Electricity staff directly involved in the performance of functions under the Retail Licence.

Further detail is provided on a commercial-in-confidence basis in Appendix 10.

4.2 Outsourced service providers

Delta Electricity will retail electricity to large commercial or industrial customers only. Given the small number of customers envisaged there is limited outsourcing of retail related systems, capabilities and functions. Frontline

support for all major IT systems is managed and maintained internally. This is supplemented by software vendor maintenance contracts for key IT systems including trading, compliance, risk and settlement systems.

Delta Electricity uses a panel of legal advisors to provide legal support.

4.3 Risk management strategy

Delta Electricity aims to use best practice risk management processes to support and enhance its mission, vision and values and compliance to Australian/New Zealand Standard ISO AS/NZS 31000:2009 Risk Management – Principles and Guidelines.

All employees in Delta Electricity have a responsibility for practicing sound risk management, ranging from strategic issues, operational issues to safety initiatives in the maintenance and operation of the plant. Managers and team leaders at all levels are expected to provide leadership and commitment in implementing and complying with risk management processes and procedures as part of their normal duties.

As a generator in the market, Delta Electricity has well-developed policies and procedures to manage wholesale electricity trading activities. Delta Electricity also recognises the specific risks associated with retailing electricity beyond its existing direct supply customer and has developed new and amended policies and procedures to address the new risk areas arising from retail activities under the Commission's authorisation. Policies provide a set of mandatory high level strategies, limits and authorities that establish the overarching principles for control of Delta Electricity's operations in the 'energy markets'. The policies delegate authority from the Board to the Managing Director and are reviewed and endorsed annually by the Board.

Delta Electricity's procedures provide a set of mandatory working guidelines, processes, limits and instructions to guide Delta Electricity's Marketing and Finance officers in day-to-day operations in the 'energy markets'. The procedures delegate authority from the Managing Director to Marketing Officers and are approved by the Managing Director.

Further detail is provided on a commercial-in-confidence basis in Appendix 11.

4.4 Compliance Strategy

4.4.1 Compliance program and procedures

As a registered and licenced generator in the NEM, Delta Electricity seeks to identify and comply with all statutory legal obligations that apply to it, including adhering to the requirements of laws, industry and organisational standards and codes, and principles of good governance.

Delta Electricity has developed a compliance program that aligns with *Australian Standard AS 3806 – 2006 – Compliance Programs* and is currently reviewing its compliance framework with a view to ensuring it aligns with the ISO 19600 standard *Compliance Management Systems - Guidelines*. This program is an integral component of Delta Electricity's corporate governance framework.

Delta Electricity prepares and maintains a number of standards, policies and procedures which relate to its business operations. These are regularly reviewed and updated as appropriate to address relevant Compliance Obligations for the organisation.

Appendix 12 contains further detail on Delta Electricity's compliance program and procedures.

4.4.2 Complaint and dispute resolution procedures

Delta Electricity is committed to an efficient and fair resolution of complaints and disputes from its stakeholders, local community and customers.

This is supported by Delta Electricity's culture that identifies complaints as an opportunity to improve operations and to recognise the interests and values of the local and regional communities.

Delta Electricity has a Dispute Management System (DMS) to assist in resolving external conflicts which may arise with one or more *Registered Participants* under clause 8.2 of the National Electricity Rules (Rules), in accordance with prescribed time periods.

Delta Electricity also has an External Complaints Management Standard that is designed to:

- a) maintain relationships with stakeholders, including the general public, by providing a process by which complaints can be raised with Delta Electricity;
- b) ensure equity, fairness and transparency in dealing with complaints and ensuring all complaints are treated as legitimate and investigated without prejudice;
- c) ensure all complainants are treated with respect, demonstrating impartiality and professionalism in addressing the matter raised;
- d) manage all complaints appropriately and efficiently by making complainants aware of Delta Electricity's role, the complaint handling process, the likely timeframe for resolution and the complainant's responsibilities;
- e) ensure the complaints process and outcomes contribute to the continuous improvement of the organisation; and
- f) manage complainant expectations by identifying Delta Electricity's responsibilities and commitments.

Each of Delta Electricity's individual retail supply contracts will incorporate specific, agreed contract dispute management provisions. These provisions may differ between individual customers but will typically specify dispute escalation processes to senior officers of the parties, timetables and resolution processes that may follow pathways to resolution involving either arbitration or determination by an independent expert.

Further detail is provided on a commercial-in-confidence basis in Appendix 13.

4.4.3 Recruitment, training and development

Employee recruitment, training and development are fundamental to Delta Electricity's commitment to conducting business in accordance with the highest professional standards.

Delta Electricity has a number of policies in place in relation to recruitment of employees to ensure they have the necessary knowledge, experience and skills to perform the intended role. Delta Electricity also requires psychometric assessments for all Executive positions and their direct reports.

As part of the requirements for the issue of an Australian Financial Services Licence (AFSL), Delta Electricity is required to demonstrate it has appropriate processes and policies in place to ensure that its Human Resources (HR) capacity is compliant with the obligations of the legislation. This includes such areas as probity checks and verifying the skills held by people operating under the AFSL, the ongoing development associated with these staff, and the manner in which Delta Electricity recruits and plans for future staffing needs.

Delta Electricity also has a company standard that defines the approach adopted across the organisation to ensure that Training & Development initiatives are appropriately planned, delivered and recorded, and that appropriate assistance is provided to those undertaking formal study.

Further detail is provided on a commercial-in-confidence basis in Appendices 14 and 15.

4.5 Industry memberships and accreditations

4.5.1 Australian financial services licence

Under the Australian Financial Services Licence (AFSL), Delta Electricity has obligations to supply cashflow projections to the ASIC which provide assurance that sufficient funds exist to meet Delta Electricity's financial obligations as and when they arise. As part of the AFSL, Delta Electricity must also be able to pay all debts as and when they become due and meet specific asset level tests and ratios against expected liabilities.

A copy of Delta Electricity's AFSL is provided in Appendix 16.

4.5.2 Austraclear

Delta Electricity is already registered with Austraclear to support settlement activities in the NEM.

4.6 Industry arrangements and registrations

4.6.1 AEMO registration

Delta Electricity is a registered Market Generator and Market Customer with AEMO and has access to the relevant market systems and interfaces in place to manage its existing direct supply contract in NSW. Delta Electricity is undertaking discussions with AEMO to confirm if any additional registration requirements are needed and/or access is required for further market administered systems and interfaces.

4.6.2 Metering

Delta Electricity will leverage its existing relationship with metering service providers and commence discussions with relevant parties to provide appropriate metering services where required for additional large customer sites.

4.6.3 Network use of system

Delta Electricity has commenced discussions with relevant electricity network businesses to execute network use of system agreements.

4.6.4 Quality standards

Delta Electricity's policies, standards, procedures and reference manuals are prepared in accordance with its Business Management System (BMS) quality standards. The BMS framework is structured to comply with the International Standard AS/NZS ISO 9001-2008 Quality Management Systems Requirements.

5.0 Appendices

Description	Commercial-in - Confidence
Appendix 1 – Corporate Structure	Y
Appendix 2 – Certificate of Registration	N
Appendix 3 – Director and Officer’s Statutory Declarations	Y
Appendix 4 – Officers’ Names and Residential Addresses	Y
Appendix 5 – Probity and Conduct Related Policies (e.g. Code of Conduct, Conflict of Interest Standard)	Y
Appendix 6 – 2016 and 2017 Financial Statements	Y
Appendix 7 – Business Plan & Financial Forecast	Y
Appendix 8 –Independent Auditor’s Declaration	Y
Appendix 9 – Key Staff Summary of Qualifications and Experience	N
Appendix 10 – Staff Numbers by Business unit	Y
Appendix 11 – Risk Management Policy and Procedures	Y
Appendix 12 – Compliance Plan and Procedures	Y
Appendix 13 – Complaints Handling and Dispute Resolution Procedures	Y
Appendix 14 – Recruitment and Selection Policy	Y
Appendix 15 – Training Policy and Procedures	Y
Appendix 16 – Australian Financial Services Licence	N