



20 July 2018

Attention: Dr Pat Walsh
Utilities Commissioner
NT Utilities Commission
GPO Box 915
Darwin NT 0801

Dear Pat

Application for Generation and Retail Licence Exemption

I refer to the meeting of 30 May 2018 between representatives of NT Utilities Commission (**NTUC**) and Origin regarding licensing requirements for our Solar Flex product in the Northern Territory.

As a result of our discussions, Origin Energy Retail No.2 Pty Limited (**Origin**) is now seeking an exemption from the requirement to hold a licence under the *Electricity Reform Act* with respect to the generation and sale of electricity from solar photovoltaic arrays it is proposing to install at relevant premises outlined in this paper.

This submission is in line with the Northern Territory Electricity Industry Licensing Arrangements Fact Sheet and legislative framework. It is also consistent with a Section 87 Exemption previously granted to GPT and Innogen Australia Pty Ltd in 2014 for the generation and selling of electricity from the solar array at Casuarina Square shopping centre.

The exemption will assist our customer, Charles Darwin University (**CDU**), to achieve its clean energy target in a financially viable way. Origin propose to design, construct and maintain solar arrays at CDU's Alice Springs and Casuarina campuses. Our behind the meter onsite solar generation for the purposes of self-consumption will off-set CDU's daylight energy consumption from the grid, keeping their electricity prices as low and stable as possible.

This proposed solar installation also assists the NT Government to achieve its committed target of 50% renewable energy by 2030 and the Federal Government to achieve its emission reduction target of 26-28% below 2005 levels by 2030. Solar is a reliable, environmentally sustainable and cost-effective way to realise these targets.

Origin's aim in attaining this licence exemption is aligned with the NTUC's aim to protect the interests of electricity consumers, while promoting efficiency, competition, safety and reliability.

Origin is focused on a cleaner, smarter and customer-centric energy future and we look forward to collaborating further with the NTUC in delivering this important project for CDU.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ryan Willemsen-Bell".

Ryan Willemsen-Bell
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Business, Solar and Energy Solutions
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E ryan.willemsen-bell@origin.com.au



Application for a Generation and Retail Licence Exemption in the Northern Territory



From: Origin Energy Retail No.2 Pty Limited
ABN 49 601 182 790
Date of Incorporation: 18 August 2014
Registered Address: Level 32, Tower 1,
100 Barangaroo Avenue, Barangaroo NSW 2000

Contact: Lyn Bowring
Address: Level 14, 321 Exhibition Street,
Melbourne VIC 3000
Phone: 03 8665 7577
Email: Lyn.Bowring@origin.com.au

1. Request for Licence Exemption

Origin Energy Retail No.2 Pty Limited (**Origin**) hereby requests an exemption be granted under section 87(1) of the *Electricity Reform Act* with respect to a solar project between Origin and Charles Darwin University (**CDU**). Specifically, we request an exemption from:

- the requirement for Origin to hold a licence under section 14(1) of the *Electricity Reform Act* for the generation of electricity arising from proposed solar installations at CDU Alice Springs and CDU Casuarina campuses
- the requirement for Origin to hold a licence under section 14(1) of the *Electricity Reform Act* for the sale of electricity generated by the proposed solar installations at CDU Alice Springs and CDU Casuarina campuses to CDU for use at the premises in which the electricity was generated

Origin requests the exemption be granted for a period of 20 years, commencing on 1 October 2018.

2. Proposed Activities

The solar project will span across CDU's Alice Springs and Casuarina campuses. Origin will engineer, install and operate a solar photovoltaic (**PV**) system at each site that is appropriate for CDU's estimated consumption. The electricity generated is designed to be used on-site for CDU's self-consumption.

The behind the meter onsite solar generation will off-set CDU's daylight energy consumption from the grid, keeping their electricity prices as low and stable as possible.

Under the Solar Power Purchase Agreement (**Solar PPA**), Origin will:

- engineer, procure, install and operate for a (*commercial-in-confidence*) period a (*commercial-in-confidence*) solar PV installation at CDU Alice Springs and (*commercial-in-confidence*) at CDU Casuarina
- sell the electricity generated by the solar installations to CDU for use at the premises in which the electricity was generated
- retain ownership of the solar PV installations for the life of the contract between Origin and CDU

Under the Solar PPA, CDU:

- Does not pay any upfront costs for the solar installation
- Will purchase the electricity generated by the solar installation at the premises in which it was generated, for use at the premises. This will off-set CDU's daylight energy consumption from the grid, keeping their electricity prices as low as possible
- Will continue to be connected to the relevant electricity networks

We believe that our proposed initiative will support the NT Government in achieving its target of 50% renewable energy by 2030 and the Commonwealth Government's target of 26-28% renewable energy by 2030. The maximum generation capacity of the proposed solar installations at CDU is (*commercial-in-confidence*) which is under the two-megawatt maximum in the Small Scale Renewable Energy Operations Standing Exemption under section 87 of the Electricity Reform Act 2000.

Origin does not intend to provide services to consumers other than CDU under this Solar PPA.

3. Reasons for Application

This section outlines the rationale for Origin's application for an exemption as opposed to pursuing a generation and retail licence.

We believe that the current licensing framework is primarily intended to address activities undertaken by traditional electricity entities (i.e. large electricity generators and energy retailers) and may not be suitable for application to small scale renewable operations such as the works proposed to be undertaken by Origin at CDU.

A large proportion of obligations Origin would incur if it were to obtain the relevant licences would not be fit for purpose. For example:

- The majority of requirements stipulated under relevant codes such as the Network Access Code, System Control Technical Code and Network Technical Code would not apply as these largely relate to activities undertaken by traditional electricity entities
- A large number of standard conditions under a retail licence including requirements relating to managing contestable and non-contestable customers would not be appropriate for our operation

In addition, there are substantial reporting and auditing requirements which arise as a result of licensing including but not limited to, the establishment of a compliance program to address licensing requirements including training of employees, regular internal audits, establishment of a Safety Management and Mitigation Plan and various compliance reporting deliverables. Collectively, we feel that these are extensive for what is considered to be a small operation.

Origin proposes that small scale renewable energy operations such as the works proposed to be undertaken at CDU should not be subject to the same licensing requirements as large traditional electricity entities. The proposed solar system at CDU is designed such that the electricity generated is solely for private use. No access electricity is conveyed back into the grid. Therefore, we do not anticipate that the proposed installation will have any substantive impact to power system security.

Based on a review of the NTUC's licensing register, we do not believe there is a current licence holder in a similar situation to Origin. As a result, Origin seeks to align its approach with a prior arrangement which best matches its circumstances, being an exemption granted to GPT and Innogen Australia Pty Ltd in October 2014 for a similar solar installation at Casuarina Square Shopping Centre.

4. Applicant details

4.1. Legal identity of electricity generator and seller

Entity	Origin Energy Retail No. 2 Pty Limited
ABN	49 601 182 790
Registered In	Australia
Date of Incorporation	18 August 2014
Company Directors	Frank Calabria - CEO Lawrence Tremaine – Chief Financial Officer
Alternate Company Director	Andrew Clarke – Company Secretariat & Group General Council
Company Secretaries	Andrew Clarke – Company Secretariat & Group General Council Helen Hardy – Company Secretary
Registered Address	Level 32, Tower 1 100 Barangaroo Avenue Barangaroo NSW 2000
Website	www.originenergy.com.au
ASIC Extract	Appendix 1

4.2. Contact person details

Name of nominated contact officer	Lyn Bowring
Position	Group Manager – Solar & Energy Solutions
Telephone number	(03) 8665 7577
Email	lyn.bowring@origin.com.au
Postal Address	GPO Box 186, Melbourne VIC 3001
Street Address	321 Exhibition St, Melbourne VIC 3000

4.3. Alternate contact person details

Name of nominated contact officer	Steve Franetic
Position	Senior SME Sales Consultant
Telephone number	(02) 9375 5873
Email	steve.franetic@origin.com.au
Postal Address	GPO Box 186, Melbourne VIC 3001
Street Address	Level 32, Tower 1, 100 Barangaroo Avenue, Barangaroo NSW 2000

4.4. Legal identity of electricity customer

Entity:	Charles Darwin University
ABN:	54 093 513 649
Date of Incorporation:	November 1999
Registered Address:	Ellengowan Drive, Casuarina NT 0810

5. Address of premises to which this request applies

This request is in relation to the Solar PPA at the following locations:

CDU Alice Springs Campus (**CDU Alice Springs**)
10 Grevillea Drive
Sadadeen NT 0870

CDU Casuarina Campus (**CDU Casuarina**)
7 Ellengowan Drive
Brinkin NT 0810

6. Additional Public Interest Information

Allowing Origin to provide solar through a PPA to CDU provides the following additional public interest benefits:

- Environmental – Providing this exemption will provide environmental benefits by increasing the deployment of low carbon and renewable solar electricity in the Northern Territory
- Customer interests – Providing this exemption provides CDU an alternative to traditional grid electricity, provided by an experienced, reputable and stable energy firm. This allows CDU to lower its operational costs associated with running a university
- Regional development – Origin will be investing its capital in this solar system. Local installers will install and maintain the system, providing further employment benefits



7. Origin Company Details

Origin Energy Retail No.2 Pty Limited is a wholly owned subsidiary of Origin Energy Limited, as outlined in Appendix 2. Origin Energy Limited is an ASX listed company with market capitalisation of \$16.7 billion at 1 June 2018. In FY2017, annual turnover was \$13,646 million, with \$117 million average cash balance in bank.

Origin Energy Policies and Key Reports can be viewed at:

<https://www.originenergy.com.au/about/investors-media/governance.html>

Our leadership team can be viewed at:

<https://www.originenergy.com.au/about/who-we-are/our-leadership-team.html>

Origin Energy Limited is a leading Australian integrated energy company. We have a rich heritage in energy exploration, production, power generation and retailing. Today, we're a leading provider of energy to homes and businesses throughout Australia. We explore for natural gas reserves to develop as a future energy source, producing for both the Australian and international markets. We use a range of energy sources to make electricity, from traditional fuels like coal and natural gas to renewables like wind and solar.

We're one of Australia's leading energy retailers, selling electricity, natural gas and LPG, working to make energy more affordable, sustainable, smarter and easier. We supply over 4.2 million customers with electricity, natural gas, LPG and solar.

We're Australia's leading provider of GreenPower and GreenGas products, providing customers with the flexibility to decide the percentage of their electricity usage for Origin to match with renewable energy back into the National Electricity Grid.

We provide a range of renewable energy options to thousands of Australians. Our growing Australian and international renewables portfolio includes solar, wind and storage technologies. We aspire to be the number one renewables company in Australia, by empowering our customers to reduce their carbon footprint through wind, solar and storage technology.

We are committed to a cleaner future. We were the first energy company in the world to sign up to the seven initiatives under the global 'We Mean Business' coalition. Progress against our commitments can be viewed at: <https://www.originenergy.com.au/about/sustainability/carbon-commitments.html>

7.1. Our Solar Credentials

With over 10 years experience in solar and solar technologies, Origin is a leader in transitioning to a cleaner, smarter and customer-centric energy future. With over 80,000 behind the meter solar installations, we have built capability for low cost, efficient deployment of solar.

Origin is Australia's largest buyer of utility scale solar, with agreements to buy more than 680MW of solar energy signed since 2016. This includes the Moree Solar Farm in northern NSW, the Clare Solar Farm in north Queensland and the Darling Downs Solar Farm in southeast Queensland.

In FY2017, Origin were one of the largest contractors of solar power in Australia. Our FY2017 renewable capacity, owned and contracted, was 732 MW, and we signed just over 1,200 MW of additional Power Purchase Agreements which will come in to production by 2020.

As per Sunwiz independent solar market report, to the end of May 2018, Origin have been ranked Australia's #1 Commercial Solar installer for 15 consecutive months. Our Solar Flex (PPA) offering makes up 80 per cent of those sales.



We have a dedicated solar team of approximately 200 people across sales, engineering, asset management and administration.

A copy of our Solar Flex product offering collateral is included in Appendix 3. A copy of the applicable Terms and Conditions that are a component of the contract between Origin and CDU are provided in Appendix 4.

7.2. Financial Viability

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Five years of Origin Energy Limited’s financial history can be viewed at:

<https://www.originenergy.com.au/about/investors-media/reports-and-results/financial-history.html> .

Recent financial resources are stated in Origin Energy Limited’s FY2017 Annual Report which can be viewed at: <https://www.originenergy.com.au/about/investors-media/reports-and-results/annual-report-shareholder-review-2017.html>. Origin Energy Limited holds an unsecured credit rating as BBB-.

Neither Origin Energy Retail No.2 Pty Limited nor Origin Energy Limited are under external administration.

7.3. Origin’s Licensing History

7.3.1. Licences

As one of Australia’s leading energy firms, the Origin group holds a variety of licences and exemptions in multiple jurisdictions through Origin Energy Retail No. 2 Pty Limited and other subsidiary entities. For completeness, these are listed in the below table:

Jurisdiction	Authorisation Held	Licence Holder
QLD, NSW, ACT, SA, TAS	Retail Electricity Exemption	Origin Energy Retail No. 2 Pty Limited
WA	Solar Power Purchase Agreement Retail Exemption	Origin Energy Retail No.2 Pty Limited
QLD, NSW, ACT, SA, TAS	Authorised Electricity Retailer	Origin Energy Electricity Limited
VIC	Electricity Retail Licence	Origin Energy Electricity Limited
NSW	Builder Licence	Origin Energy Electricity Limited
NSW	Electrical Contractor Licence	Origin Energy Electricity Limited
SA	Builder Licence	Origin Energy Electricity Limited
SA	Electrical and Plumbing Contractor Licence	Origin Energy Electricity Limited
QLD	Generation Licence – Darling Downs Power Station	Origin Energy Electricity Limited
QLD	Generation Licence – Roma Power Station	Origin Energy Electricity Limited
VIC	Electricity Wholesale Licence – Mortlake Power Station	Origin Energy Electricity Limited
SA	Generation Licence – Ladbroke Grove Power Station and Quarantine Power Station	Origin Energy Electricity Limited

Jurisdiction	Authorisation Held	Licence Holder
SA	Generation Licence – Osborne Power Station	Origin Energy Electricity Limited
VARIOUS	AEMO Registration: Market Scheduled Generator, Market Non-Scheduled Generator, Non-Market Scheduled Load	Origin Energy Electricity Limited
VARIOUS	AEMO Exemption – Intermediary	Origin Energy Electricity Limited
VIC, NSW	Exemption from network service provider registration and Chapter 5 of the National Electricity Rules – Various Sites	Cogent Energy Pty Ltd
VIC	Electricity Retail Licence	Cogent Energy Pty Ltd
QLD, NSW, ACT, SA, TAS	Authorised Electricity Retailer	Cogent Energy Pty Ltd
QLD	Builder Licence	Origin Energy (TM) Pty Limited
QLD	Electrical Contractor Licence	Origin Energy (TM) Pty Limited
QLD	Electrical Contractor Licence	Horan & Bird Energy Pty Ltd
QLD	Electrical Contractor Licence	Horan & Bird North Qld Pty Ltd
QLD	Generation Licence – Mt Stuart Power Station	Origin Energy Australia Holding BV & Origin Energy Mt Stuart BV
VIC	Electricity Generation Licence – Mortlake Power Station	Origin Energy Power Limited
VARIOUS	AEMO Registration: Market Scheduled Generator, Market Semi-Scheduled Generator	Origin Energy Uranquinty Power Pty Ltd
VARIOUS	AEMO Exemption – Intermediary	Origin Energy Uranquinty Power Pty Ltd
VARIOUS	AEMO Metering Coordinators – Full MC	Origin Energy Metering Coordinator Pty Ltd

8. Confidential or commercially sensitive information

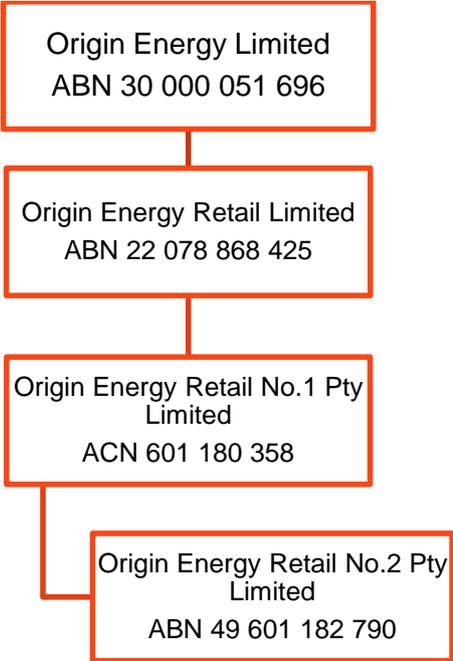
Confidential information included in this submission relates to Origin Energy Retail No.2 Pty Limited's Balance Sheets and Profit and Loss Statements outlined in section 6.2 and Appendices 5 and 6 of the submission and the Terms & Conditions included in Appendix 4. This information is not publicly available.

Appendices

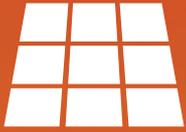
Appendix 1: Origin Energy Retail No. 2 Pty Limited ASIC Extract

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Appendix 2: Origin Energy Retail No.2 Pty Limited Corporate Structure



Appendix 3: Solar Flex Flyer



DON'T WASTE YOUR ROOF

SOLAR POWER MAKES SENSE FOR BUSINESS

Going solar is a great way to help you cut down your operating costs by taking control of your daytime electricity expenditure - the time when most people are doing the majority of their work and paying the most for electricity. So it's time to start saving with an Origin solar system that's tailored to your business and your needs.

And when you go solar, you're doing more than just reducing your energy bills – you're showing a commitment to the environment, and you're taking a big step towards meeting green credentials for your business. Solar can also be a visual way of communicating to your customers, suppliers and staff, your commitment to the environment.

SO WHY CHOOSE ORIGIN ENERGY?

WE'RE LEADING THE WAY

As Australia's leading integrated energy company, we're a big part of what powers this country every day. And it means we've got the experience and the industry know-how to help you find a solar solution that's going to work for you. We're also a top 20 ASX listed company – and proud of the dedicated teams of experts who got us where we are today.

WE'RE EXPERIENCED

When it comes to renewable energy, we know what we're doing. Our experts have been installing solar systems for over 12 years, and we've put up more than 80,000 systems across Australia. All of our solar systems are tailored to the needs of your business and installed by Clean Energy Council accredited experts – which means they have the experience and training to do the job properly, every time.

PROJECT MANAGEMENT

We'll take care of the entire process for you, from beginning to end. That means we'll be there at the start to help you choose the right option and there during the installation process. And when commissioning your solar system, we'll coordinate our work times to suit you.

SAFETY AND STANDARDS

We care about the safety of everyone involved – that means your employees and customers, as well as ours. So we'll always take the time to make sure appropriate safety measures are in place before, during and after installation. We're committed to complying with regulatory and industry standards on every job, every day.

OUR SOLAR OPTIONS

Finding a solar system and a payment plan that suits your business is easy with Origin. With our Solar Flex option you could start saving straight away without any up-front payments for the system. Or, if an outright purchase model is more suitable for your business, we have a system with a payment option that works for you.

SOLAR FLEX

THE NEW WAY TO SAVE



Financial Savings
Save on your electricity costs, cut operating costs, lock in low solar energy rates



\$0 Capital Investment
No capital investment* for the solar system means you can save from day one



Maintenance Included
We will maintain, manage and monitor the system



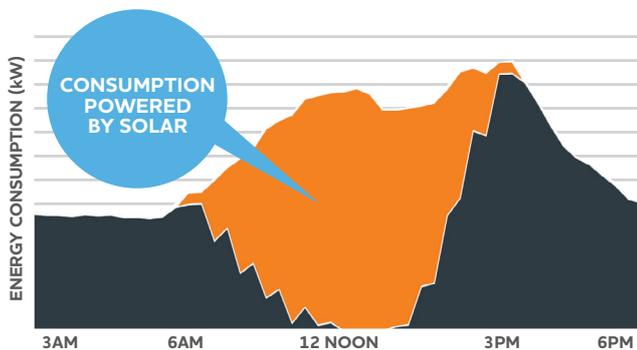
Sustainability
Demonstrate to staff and customers your commitment to the environment

Switching to solar shouldn't have to cost you huge amounts of dollars upfront to purchase a solar system. With our Solar Flex, you'll be able to leave the ownership and upkeep of your solar system to us — which means you can start saving from day one, without any capital investment* in the system or ongoing maintenance costs.

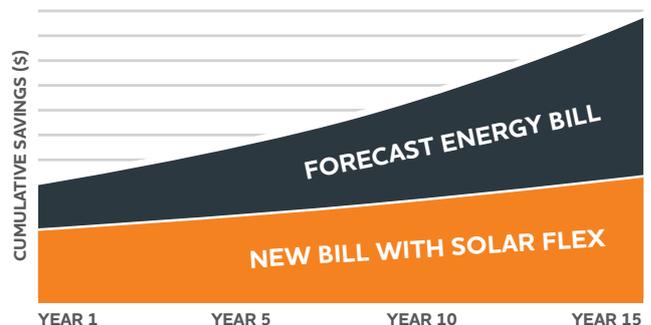
With Solar Flex, we'll install a solar system that's tailored to your roof and consumption habits, and if eligible, your business will have access to solar electricity at a lower rate than you're currently paying for your daylight grid electricity.

You'll sign a 7, 10 or 15 year agreement to purchase the energy generated by the system, with certainty around the solar energy rate over that period. This means, you'll be able to purchase the electricity at the low solar energy rate for the full term of the contract (with the option of CPI escalation or not). And at the end of the term, you can offer to buy the system outright or continue on with the agreement.

ENERGY CONSUMPTION



CUMULATIVE SAVINGS WITH SOLAR FLEX



*You may incur other non-system costs but these will be quoted or listed as exclusions prior to sale

GO SOLAR UPFRONT

WITH OUR OUTRIGHT PURCHASE OPTIONS

If you're looking to purchase a solar system outright, we can design and construct one for you — and we'll hand over the ownership to you. You'll still have the support of our experts throughout the entire process, from installation and grid connection application, to meter exchange and rebate facilitation.

And, if you're concerned about paying for the system upfront, we offer payment options to help you pay for the system.

CONTACT US

If you're interested in finding a solar solution that's right for your business, chat to one of our experts today on **1300 134 138**.

originenergy.com.au/business/solar



Appendix 4: Solar PPA Standard Terms & Conditions

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Appendix 5: Origin Energy Retail No.2 Pty Limited Balance Sheets

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Appendix 6: Origin Energy Retail No.2 Pty Limited Profit & Loss Statements

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