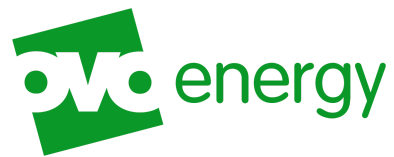


# OVO Energy Pty Ltd

Australia



Application for an Electricity Retailer Authorisation  
with the Essential Services Commission (ESC)

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## 1. General information

This section provides general information regarding the applicant (OVO Energy Pty Ltd) along with contact information, organisational information and details of the specifics of this application.

### 1.1 Name of the applicant

OVO Energy Pty Ltd is an Australian company that is wholly owned by OVO Group Ltd. registered in England and Wales (UK). OVO Group Ltd. also owns and runs an existing UK electricity and gas retail business, OVO Energy Ltd.

In the UK, OVO is licensed to sell electricity and gas to both residential and commercial customers, and was granted licenses by the Office for Gas and Electricity Markets (Ofgem) in 2009.

Since 2009, OVO Energy has grown successfully and now provides electricity and gas to nearly 1.4 million households, equating to well over 2 million supply points, throughout England, Scotland and Wales. The business has also grown to more than 1,500 employees across multiple offices and has diversified into new ventures that focus specifically on the electrification and decarbonisation of a smarter energy grid. OVO Group Ltd has also launched businesses in Europe that are pursuing electricity and gas licences in France and Spain, and in 2018 purchased an energy startup in Germany.

OVO Energy Pty Ltd is simultaneously applying for a retailer authorisation for gas with the Essential Services Commission to retail gas in Victoria.

### 1.2 Trading / Business name

OVO Energy

### 1.3 ABN and ACN

ABN is 99 62 34 75 089

ACN is 623475089

### 1.4 Relevant business addresses

Registered business address: 19/181 William Street, Melbourne VIC 3000

Correspondence and operating address: 120 Spencer Street, Melbourne VIC 3000

### 1.5. Contact person

Mark Yemm

Managing Director (Australia)



## 1.6 Incorporation documents

All incorporation documents are provided as Confidential Attachment 1. The applicant is not a trust, partnership or special purpose joint venture, it is a private limited company.

## 1.7 Shareholder information

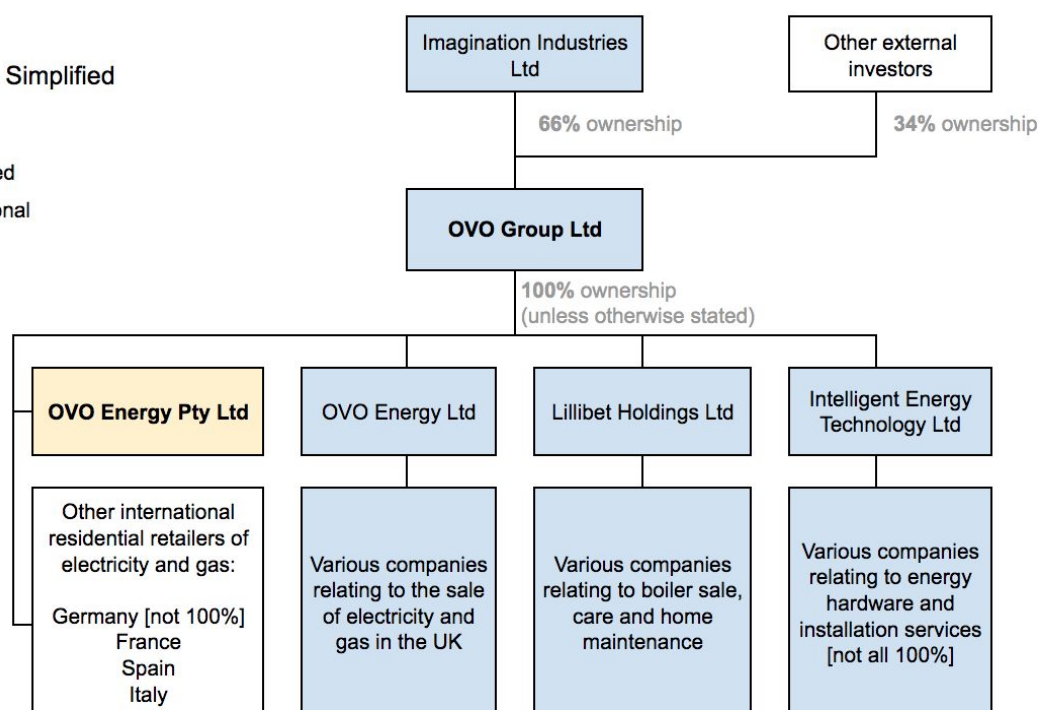
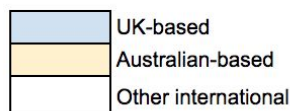
Information provided as Confidential Attachment 2.

## 1.8 Corporate structure

OVO Energy is a private limited company in Australia and the OVO Group corporate structure is provided as Confidential Attachment 2. A simplified corporate structure is also provided below:

### OVO Group

Ownership structure - Simplified



## 1.9 Organisational structure

Provided in section 2.1 of this application.

## 1.10 Key personnel

Provided in section 2.2 of this application.

## 1.11 Contract and agreements relevant to the application

Provided in section 2.5 and further details are also provided in Confidential attachment 7.

## **1.12 Type of licence sought**

OVO Energy Pty Ltd is seeking a full Victorian Retail Electricity Licence, with no non-standard conditions. OVO Energy Pty Ltd has not been prevented from or refused an electricity licence in any jurisdiction. There are no outstanding legal proceedings or compliance issues.

## **1.13 Date from which licence is sought**

OVO Energy Pty Ltd is anticipating commencement of retailing activities in Victoria in October 2019 or from a date when all relevant industry obligations and licence requirements have been met.

## **1.14 Nature and scope of operations for which the licence is sought**

OVO Energy Pty Ltd intends to retail electricity to <40MWh a year customers including domestic and small business customers.

## **1.15 Details of current or former licences / authorisations held**

OVO Energy Pty Ltd has not previously held a licence or authorisation, nor has it been refused an electricity licence in any other jurisdictions.

## **1.16 Details of licences held by associates**

OVO Energy Ltd (based in the UK) has been an energy retailer in England, Scotland and Wales since September 2009 - licenced and regulated by the Office for Gas and Electricity Markets (Ofgem). Since this time, OVO has amassed a customer base of over 2 million domestic supply points (electricity and gas) at almost 1.4 million households. Current total electricity and gas account numbers are provided in Confidential Attachment 5.

OVO provides energy to residential customers via three dedicated brands - OVO Energy, Boost and Lumo (no affiliation with the Australian retailer). These retail offers are targeted at credit, prepayment and digital-only customers respectively. The company ethos and approach has always been to make a complex market simpler for customers, whilst providing them with excellent service and access to more renewable energy.

The company now employs over 1,500 personnel across multiple offices in Bristol and London, and other locations throughout the UK. The team is broken into multiple departments that include, but are not limited to: Customer care, Quality, Operations, Forecasting and planning, Billing, Collections, Compliance, Training & HR, Business insights and reporting, Finance, Trading, Change implementation and management, Customer engagement, Product, Design, Technology, IT and Systems, Sales & Marketing, PR and Social.

Since 2009, the UK Energy industry has seen a steady stream of new entrants, but OVO has been able to sustainably grow its customer base and continue to compete as one of the largest independent retailers. The company has grown at a fast pace, and continues to do so, whilst still maintaining high levels of service and winning multiple awards along the way. Also in late 2018, and again in early 2019, OVO was appointed by the UK regulator (Ofgem) as the supplier of last resort (equivalent to a retailer of last resort event in Australia) for two failing energy retailers in the UK. OVO

successfully ensured the continuous energy supply and service to over two hundred thousand customers.

### **Other international licences**

In 2018, OVO purchased a German electricity and gas startup, as it began to take its technology and expertise to new geographies. This company (4Hundred) has successfully gained electricity and gas retail licences to operate in Germany and currently supplies several thousand customers, and growing. OVO Energy has also recently applied for and been granted electricity and gas retail licences for France and Spain, where it expects to begin trading in August and later in Q4 (calendar year) 2019, respectively.

## **1.17 Details of non-standard licence conditions**

OVO Energy Pty Ltd is not pursuing any non-standard licence conditions as part of this application.

## **1.18 Statement - Fit and proper person(s)**

Details and the relevant declarations associated with fit and proper person(s) are provided in full in section 4 of this application.

## **1.19 The Commission's objectives**

The grant of an electricity retail licence to OVO Energy Pty Ltd would be consistent with the objectives of the Commission set out in section 8 of the Essential Services Commission Act 2001 (VIC) and section 10 of the Electricity Industry Act 2000 (VIC).

### **1.19.1 Promoting the long-term interests of Victorian consumers**

The entry of OVO Energy Pty Ltd into the Victorian electricity market will benefit consumers in Victoria in the long term by providing greater competition, choice and improved services. Increased competition encourages innovation, which in turn, results in better and more customer centric propositions being developed. OVO have witnessed this in the UK energy market, and bring their knowledge and experience of this, combined with the knowledge and experiences of key personnel hired from Australia - in order to provide a transparent, honest and simple proposition to Victorian customers.

### **1.19.2 Promoting the development of full retail competition**

Granting a licence to OVO Energy Pty Ltd promotes customer choice and will help to create a fairer price for customer; price is always a key consideration for most customers but OVO hopes to also offer innovative digital tools, insights and adjacent services to encourage other retailers to focus on providing customers with great value for money. This will develop and improve competition in Victoria, providing consumers with a long-term benefit - a better service, with more actionable insight, at a lower price.

### **1.19.3 The price of essential services**

Increased competition promotes efficient pricing; OVO Energy Pty Ltd's intention to enter the electricity retail market is based on research that suggests the market environment supports the addition of new entrant retailers. The OVO business model allows for competitive prices on electricity and is centred on operational efficiencies with benefits that can be passed through to consumers.



#### **1.19.4 Promoting a consistent regulatory approach within the industry**

Key personnel at OVO Energy Pty Ltd have extensive experience in dealing with compliance and regulation within the Australian electricity industry, and specifically in Victoria. OVO intends to work closely with the regulator, as it has done - and continues to do - in other markets outside of Australia.

#### **1.19.5 The reliability of essential services**

OVO Energy Pty Ltd will rely on key existing and future personnel to utilise their experience in the National Electricity Market, in order to appropriately engage with AEMO and distributors, to ensure high levels of service are continually met for all of its customers. It is not only in the best interests of the customer to ensure a very reliable supply, it is essential to running a sustainable business.

#### **1.19.6 Promoting consistency in regulation between states**

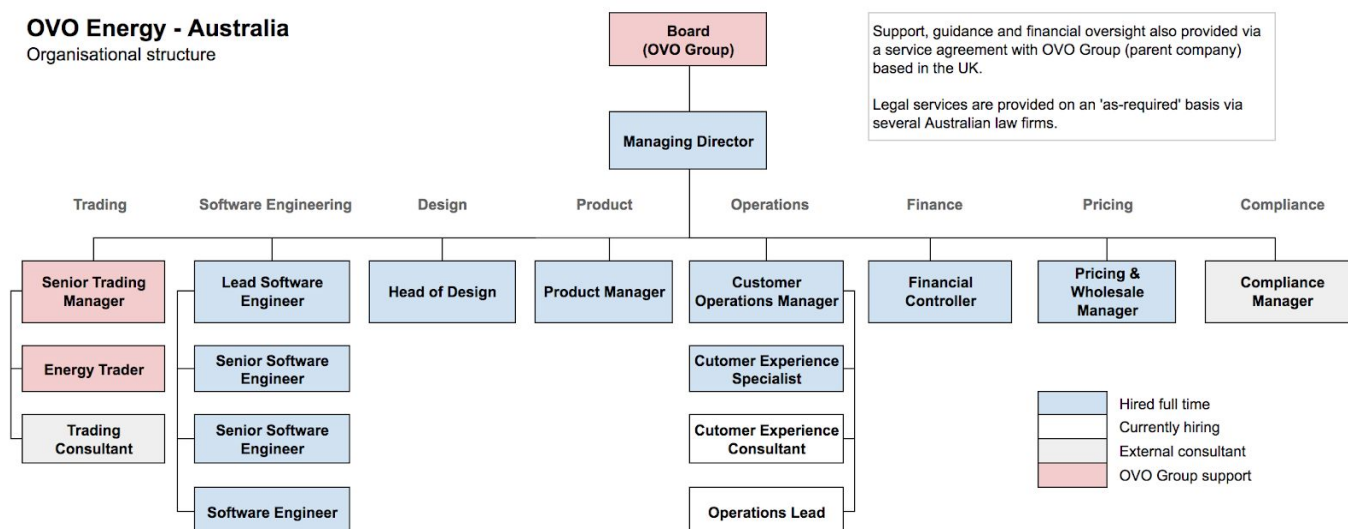
OVO Energy Pty Ltd is also applying for licences to operate in the other Eastern Australian states and where the regulations allows, has standardised it's approach, proposition and procedures to enable consistency between the various states.

## 2. Technical Capacity

This section demonstrates that OVO Energy Pty Ltd has the expertise, knowledge and skill base to operate the proposed business.

### 2.1 Organisational chart of key personnel

**OVO Energy - Australia**  
Organisational structure



### 2.2 Summary of the skills and experience of key personnel

OVO Energy Pty Ltd currently employs eleven (11) full time personnel in Australia; two (2) of these individuals have accepted employment offers and signed their employment contracts (Senior Software Engineer and Pricing & Wholesale Manager), but have yet to start their positions - which will occur at the end of September and mid October 2019, respectively. The above high level organisation chart outlines the key hires to date, the areas in which OVO has contracted consultants, and shows into which positions OVO is actively hiring additional personnel. Where specific knowledge is required for trading / wholesale strategy and compliance, third parties have been engaged, although OVO expects to bring these functions in-house over time.

All key individuals in both Australia, and the UK, and a full explanation of their experience and technical skills is included in Confidential Attachment 6. The core part of the senior team in Australia consists of:

#### **Mark Yemm**

##### *Managing Director*

Mark was part of the team that launched OVO Energy in the UK in 2009. He then went on to build up various sales channels and commercial relationships to allow the core business to grow. He launched OVO's business energy retail arm - OVO for business - which was later sold off as the company focussed all activity on residential customers. He ran the team that launched OVO's prepayment retailer, Boost, which focuses on the proposition of providing digital tools and smart metering to the UK's 4.5 million prepayment customers. He also then

ran the team that launched OVO's digital-only retailer, Lumo (no affiliation to the Australian retailer), a smartphone and online only proposition targeting more digitally-savvy customers throughout the UK.

### **Sheran Siriwardene**

#### *Financial Controller*

Sheran has a wealth of energy retail experience - starting his career with Grant Thornton - where he spent several years as an Audit Manager, he then moved on to a position with one of the Big 3 energy retailers as FR&A Financial Accountant and later became an FP&A Finance Analyst / Business Partner. Throughout his time with this retailer he delivered and created financial models for annual budgets, three-year plans and quarterly forecasts for Wholesale markets gross margin and Opex/ Capex, balance sheet and cash flow and coordinated inter-dependencies between Merchant Energy, Retail Energy and other parts of the business to ensure consistency across all. Prior to OVO, he moved to a small retailer as Finance Manager / Controller, where he created the finance function including reporting, accounting, market segmentation, tax, AP/AR/Payroll, budgeting and cashflow.

### **Nectaria Georgalis**

#### *Customer Operations Manager*

Nectaria began their early career at one of the Big 4 Australian banks, across various roles - including several years in service centre management, change and communications management and then as Senior Sales Manager for Business banking. Later She joined one of the Big 3 energy retailers, where she was initially Contact Centre Manager, then Sales Operations Manager for Home Services and finally Residential Customer Leader for Energy Services. Upon leaving this retailer, she took a role with a startup SME retailer as Customer Experience Manager - and set up all customer facing operations, leading the contact centre teams. Prior to joining OVO, She took a role with another small retailer, as National Sales and Retention Manager where she was directly responsible for driving sales activity and growth.

### **Aidan Lane**

#### *Lead Software Engineer*

This individual began their early career working at one of Melbourne's largest Universities in the Faculty of IT, where he became the Director of Education Technology Lab - he created and launched a cloud based educational resource repository to facilitate authoring, sharing, discovery and publishing of high-quality, interactive, media-rich learning modules and eBooks. Prior to OVO, He worked at an Australian multinational corporation that provides tax, accounting and other business services via a software platform to small and medium-sized businesses. In his role as a Development Lead, he helped run software teams that allowed the business to deliver on its ambitious goals and growth targets.

### **William Sandall**

#### *Product Manager*

Will has joined OVO from a Melbourne-based Virtual Power Plant (VPP) software startup that is focussed on utilising connected, distributed assets throughout the Eastern states of Australia. Will took on roles as Project solutions engineer and then more recently spent the last year as Product Manager - helping to define the direction of the software engineering products delivered. He has excellent insight on both in-front of and behind the meter technologies, and a sound understanding of the energy industry in Australia. Prior to this, Will was working for a similar entity based in London, again focussed on technology products that

better regulate the grid and provide benefits from distributed assets. Will studied Renewable Energy and has an MEng.

The other roles that are currently filled, or with personnel to join in late September and mid-October 2019, are:

- Customer Experience Specialist
- Software Engineer
- Senior Software Engineer
- Head of Design
- Senior Software Engineer (end of September 2019)
- Pricing and Wholesale Manager (mid October 2019)

The other roles that aren't yet filled are currently being recruited for and details of recruiter contracts along with example position descriptions, are also provided. The key roles / areas include, but are not limited to:

- Operations Lead (Market operations)
- Customer Service & Sales
- Collections
- Complaints

Support is also provided by the OVO Group from the UK and this is covered by a signed service agreement provided in Confidential attachment 16. The Group will provide both practical / hands-on support, access to digital platforms and shared services, and knowledge & experience from the UK and other geographies, with the team in Australia.

### **Identifying areas where we need local knowledge**

Based on our extensive knowledge of the UK energy market, and working with consultants and contractors based in Australia, we have identified the key areas that we feel we need dedicated local support, and have begun hiring appropriately.

The initial core personnel aforementioned, are expected to build out their own teams and resources, with the expectation of ~12 personnel for launch. This will allow us to scale the business appropriately and the key areas of focus are also highlighted above.

## **2.3 Business model and plan**

OVO Energy Pty Ltd has developed a business plan and financial model for its operations in Victoria, and has submitted this in full as Confidential Attachment 8. The plan outlines OVO's strategy around pricing and proposition development, as it intends to leverage experience, knowledge and proprietary software developed over the past 10 years of operating in the UK energy market.

Focus will initially be placed on delivering a targeted proposition for residential customers; this is the core part of the UK business and is where OVO has worked hard to make the energy market easier for customers to understand - and encouraged the uptake of more renewable energy. The key areas of focus for OVO will be around providing greater transparency, simple pricing and communications, and providing more digital tools to allow customers to better manage their own energy accounts.

The plan also outlines the way in which OVO intends to stage growth; testing systems and processes before aiming to scale the business in each distribution area. This approach will ensure that OVO can build a sustainable business here in Australia. A financial model, with profit and loss, balance sheet and detailed cash flow forecast over 5 years forms part of the business plan, which is submitted as Confidential attachment 8.

## **2.4 Ability to comply with licence conditions / laws / codes and guidelines**

OVO Energy Pty Ltd has contracted with a third party Compliance Management consultancy to ensure that it is appropriately complying with all licence conditions, laws, codes and guidelines. This compliance consultancy has over 10 years experience in the Victorian energy market, and currently provides guidance and support for several other smaller retailers. Further details of this arrangement are provided in Confidential attachment 7.

## **2.5 Contracts with external providers**

The major contracts that OVO Energy Pty Ltd has in place with external providers relate to our access to wholesale energy, industry interactions, billing and payment collection. The details of these agreements can be found in Confidential attachment 7. With regards to billing/industry operations the agreement is held with an experienced billing platform provider in the Australian energy market, who already work with multiple established retailers. OVO has considerable experience working with this provider, as it has done so since 2009, in its UK business.

The wholesale agreement is also provided in confidential attachments and again is in place with a well-experienced counter party who has been trading in Australia for almost four decades. The plan will be to bring this function in-house over time, but this arrangement will allow us to launch the business, and sustainably scale, whilst also limiting our commitments and prudential requirements in the wholesale market.

OVO Energy Pty Ltd has also signed a deal with a Customer Relationship Management (CRM) and contact channel provider that will seamlessly manage all phone, web and social contact channels and interactions with customers. This platform is utilised across multiple geographies, by >100,000 businesses; it is capable of meeting all of the specific regulatory requirements associated with retailing in Victoria. Details of this arrangement are provided in Confidential Attachment 7.

## **2.6 Other third party agreements**

OVO Energy Pty Ltd has also contracted with several consultants / third parties, to fill the areas where specific expertise or experience is lacking for the Australian energy market, these include:

- **Compliance**  
Working with a small consultancy who provide compliance and regulatory support, both during the application phase and also once the licence is granted. Considerable experience in the energy industry and have advised other now licenced suppliers throughout the application process, and ongoing.
- **Legal**  
Working on an as-required basis with several Australian law firms that have expertise in various areas of energy law (along with other areas).

- **Trading**  
Working with a small consultancy to provide market insight and inform our strategy for wholesale activities, both in the short term and longer term. The agreement provides access to two individuals with considerable prior NEM and gas market(s) experience.
  
- **Human Resources**  
A Melbourne-based, small-scale consultancy, ensuring that we are compliant with all employment laws and legislation, treating our workforce fairly, and helping us to make all of our existing and future policies relevant and appropriate for the Australian market.

These third party providers have considerable experience in the Australian Energy market, and already work with other existing energy retailers; in nearly all instances they have done so for a number of years. The specific details associated with all external service providers are itemised in Confidential Attachment 7.

## **2.7 Internal frameworks / policies and procedures**

OVO Energy Pty Ltd has provided details and copies of internal frameworks and policies including, but not limited to:

- Risk management policy
- Code of Ethics
- Human Resource Policy
- Compliance policy
- Internal audit policy
- Third party management policy

These documents are submitted in the confidential attachments of this application, as Confidential attachment 9 and 10 and have been reviewed by an independent auditor; a copy of the signed review is provided in Confidential attachment 4.

## **2.8 Other frameworks and policies / procedures**

OVO Energy Pty Ltd has also developed all key operating policies and procedures, including, but not limited to:

- Life support policy
- Financial hardship policy
- Privacy policy
- Document control / retention policy
- Complaints register
- Complaint handling procedure

These documents are provided as supporting evidence in Confidential attachment 18 and have been reviewed by an independent auditor; a copy of the signed review is provided in Confidential attachment 4. OVO Energy Pty Ltd's Complaint Handling procedure, Financial Hardship policy, Life Support policy and Privacy policy are also provided as the Public attachments.

## **2.9 Compliance register**

OVO Energy Pty Ltd has identified all key laws and legislation that are required to ensure we are delivering a compliant product and service. OVO has provided its Retail Compliance Policy - see Confidential Attachment 9 - and Breach reporting and Obligations Register, along with Retail Performance Indicators - see Confidential Attachment 17.

## **2.10 AEMO registration / participation**

OVO Energy Pty Ltd has commenced registration with AEMO as a market participant (retail) in the National Electricity Market (NEM). The application form, Application ID / mnemonic and correspondence with AEMO can be provided if required. AEMO have set prudential requirements for the maximum credit limit, and are working with OVO Energy Pty Ltd to allow access to the NEM.

## **2.11 AFSL and ASX registration**

OVO Energy Pty Ltd will manage its wholesale electricity market exposure through ASX futures contracts and does not currently need to hold an Australian financial services licence (AFSL); although it is currently exploring an agreement with an existing AFSL accredited consultancy.

OVO Energy Pty Ltd has successfully gained a participation ID with Austraclear for the purpose of settling electricity transactions in the NEM. ID and correspondence with ASX Austraclear can be provided if required.

## **2.12 Energy and Water Ombudsman of Victoria (EWOV)**

OVO Energy Pty Ltd will apply to become a member of the ombudsman customer dispute resolution scheme in Victoria and has initiated discussions with EWOV: see Confidential Attachment 11.

## **2.13 Distributor and metering arrangements**

OVO Energy Pty Ltd is in dialogue with those electricity distributors in the Jurisdictions – see Confidential Attachment 12. These distributors are currently responsible for the engagement of metering service providers in Victoria.

## **2.14 Energy retail specifics**

This section deals specifically with those regulatory requirements around retailing energy in Victoria.

### **2.14.1 Target customers**

OVO Energy Pty Ltd intends to retail to <40MWh a year customers (domestic / small business customers).

### **2.14.2 Wholesale market interactions**

OVO Energy Pty Ltd has entered into a trading agreement to limit exposure in the wholesale market. Details of this have already been laid out, and can be found in Confidential attachment 7.

### **2.14.3 Regulatory requirements**

OVO Energy Pty Ltd has clearly documented procedures, and examples are provided in the supporting documents; OVO has had these documents independently audited by a suitably accredited organisation. All key processes are mapped and designed with the customer in mind. Staff training is key to our success, and between the core launch team, OVO has considerable years experience of delivering training and mentoring programmes to ensure that staff are appropriately trained to do the jobs they are hired for.

The OVO Energy Pty Ltd team has considerable experience in the sale of electricity and gas to Victorian customers, with several of the core personnel having sold retail products via price comparators, inbound and outbound telesales.

**a) Managing supplier contracts**

OVO Energy Pty Ltd has considerable experience in negotiating and entering into significant commercial contracts. The Australian entity not only has a wealth of experience in the team, but this can also be supported via the legal, commercial and business development teams in the UK, as required. A service agreement between OVO Group and OVO Energy Pty Ltd is already in place, details of this agreement are provided in the confidential attachments.

OVO has also entered into a trading arrangement to limit exposure in the wholesale energy market, details of which have been provided in the Confidential attachments. This is an arrangement that is very similar in nature to those employed elsewhere in Australia, with other smaller scale retailers.

OVO Energy Pty Ltd already has an arrangement with its parent company in the UK - details of which are provided in the confidential attachments - and various bank guarantees are already in place with its financial institution for various credit arrangements, associated with wholesale market interactions.

**b) Managing customer contracts**

OVO Energy Pty Ltd will prepare market retail contract terms and conditions, as part of the development of its proposition and pricing for residential customers. Copies of the terms and conditions will be provided to every new customer and will also be made available on the OVO Energy Pty Ltd website ([www.ovoenergy.com.au](http://www.ovoenergy.com.au)) when complete.

All information displayed on the OVO Energy website will be correct, accurate and true and will be regularly reviewed and updated and the third party billing platform will also ensure that customer contract rates and prices are correct and accurate for the purpose of billing customers and making the relevant collections.

**c) Establishing and managing customer accounts**

OVO Energy Pty Ltd will work with a well known credit checking service in order to legally perform creditworthiness checks, a signed contract for this platform is provided in the Confidential Attachments. All customer accounts will be created and maintained via the third party billing platform; this platform and its service is consistent with the Privacy Act 1988 (Cth) and the Australian Privacy Principles, and holds the ability to maintain accurate and up to date records of customer's account histories.

The platform is also capable of precise protocols to undertake the closure of customer accounts (on request of a customer), including the ability of a retailer to send a final bill to customers within a reasonable period after receiving customer advice of the transfer or termination of contract.

**d) Customer service**

OVO Energy Pty Ltd is building a small inbound customer service team which will be able to resolve matters involving various customer queries - either over the phone, email or other online-based channels. The issues that are expected to be resolved include, but are not limited to, account and billing enquiries, meter related issues and the accurate recording of all



interactions and exchanges with customers. Billing, metering and payment related elements are dealt with via the third party platform.

OVO has also signed an agreement with a Customer Relationship Management (CRM) platform, which will integrate with the billing platform, to allow for more seamless customer service. This CRM has the capacity to handle customer correspondence via letter, email, phone and other means - along with the capacity to collect information for review and performance measurement purposes. Further details relating to the specific CRM and the contractual arrangements are provided in the Confidential Attachments.

OVO Energy Pty Ltd has a robust complaints handling procedure and complaints register in place, which provides strict guidelines for the resolution or escalation of customer complaints, in line with AS/NZS 10002:2014 - including escalation by a customer to the Ombudsman. These documents are provided as supporting information.

#### **e) Billing and collection**

OVO Energy Pty Ltd are able to manage all aspects of the customer billing and collection processes. Including the capacity to:

- Provide billing options for customers
- Generate cyclical bills from meter readings or estimates
- Interact with distributors and the Australian Energy Market Operator (AEMO)
- Print and dispatch bills to customers consistent with the requirements of the Energy Retail Code
- Print and dispatch payment reminder notices and disconnection warning notices that comply with the requirements of the Energy Retail Code
- Provide receipts of payments received and management of late payments
- Provide payment difficulty assistance in accordance with the minimum standards detailed in the Energy Retail Code
- Disconnect and reconnect supplies
- Recover unpaid debts.

All of this functionality is a core part of the service provided by the third party billing platform that OVO has contracted with.

#### **f) Appropriate management systems in place**

OVO Energy Pty Ltd is well aware of the requirement for financial operational and administrative systems, as it employs over 1,500 people in the UK, with revenues of ~\$2bn, and has set processes and procedures in place for the successful management of OVO Energy Pty Ltd.

OVO is also aware of the Australian Accounting Standards and has therefore appointed a Financial Controller who is a qualified chartered accountant with Chartered Accountants of Australia and New Zealand (CA ANZ); further details can be provided if required.

#### **g) Meter reading**

OVO Energy Pty Ltd has contacted the various distribution companies of Victoria, and is aware of its obligations once a retail licence is granted. The various correspondence is provided as supporting evidence in Confidential attachment 12.

#### **h) Provision of information to customers**

OVO Energy Pty Ltd will provide information on service offerings to relevant customers in line with the Energy Retail Code, this will include:

- Customer obligations
- Retailer obligations
- Pricing information and options
- A customer charter (containing minimum service standards)
- Contract terms
- Meter reading schedule and/or estimation arrangements
- Details of billing
- Bill error handling and billing dispute procedures
- Payment terms / methods / advance payment / late payments / installments / concessions
- Termination of supply procedure
- Reconnection of supply obligations / times / charges

OVO will also provide customers with information regarding their entitlements under Part 3 of the Energy Retail Code, including our proposed financial hardship policy - which is included in Public Attachment 2.

#### **i) Privacy and confidentiality management**

OVO Energy Pty Ltd understands its obligations under the Privacy Act (1988) in relation to customers' personal, sensitive and credit & credit eligibility information and under the NERL and the NERR in relation to obtaining customer explicit informed consent where required; this policy document is included in Public Attachment 3 and will also be readily available on the OVO Energy Pty Ltd website ([www.ovoenergy.com.au](http://www.ovoenergy.com.au)).

#### **j) Customer information management systems**

OVO Energy Pty Ltd has engaged third party providers of billing and CRM platforms to enable the handling of data and communications required for reporting to the commission and licenced distributors. These systems include access to the following information:

- Customer contact details - name, supply and billing address, phone number (etc.)
- Contract terms along with pricing and payment terms
- Payment history (up to 7 years)
- Record of complaints
- Consumption history
- Billing history
- Previous supplier information
- Contact notes - with a record of each customer call or other form of contact
- Request for no marketing information, and a procedure for managing this

#### **k) Management and compliance systems**

OVO Energy Pty Ltd is fully aware of the risks involved with operating a retail energy business, and has a commitment - across all of its brands, in multiple geographies - to managing risk, to instil good governance and a commitment to compliance with the relevant regulatory and legal frameworks.

OVO Energy Pty Ltd has various systems and processes in place to achieve this, and has documented risk management and compliance policies - that have been externally audited by an accredited body - to ensure they meet with the relevant Australian Standards. These are provided in the supporting policies and procedures in the Confidential attachments to this application.

### **3. Financial viability**

This section provides details associated with OVO Energy Pty Ltd's financial resources to commence and sustainably perform the relevant licensable activities.

#### **3.1 Statement of financial viability**

OVO Energy Pty Ltd will initially be funded by OVO Group Ltd. in the UK, until it becomes either self-sustaining or profitable, and a parent company deed of guarantee is provided as part of this application. OVO Energy Pty Ltd has the financial resources to commence and sustainably perform the relevant licence activities.

OVO Energy Pty Ltd applied for, and was granted, financial reporting relief for the period ending 31 December 2018; the company was incorporated in Australia on 18th December 2017, but did not commence any activity until October 2018. OVO Group Ltd. (UK) financial reports for the past three financial years are also included in Confidential Attachment 13.

OVO has also provided current management accounts as part of the Confidential attachments, along with current bank statements for both OVO Energy Pty Ltd and OVO Group Ltd (UK).

#### **3.2 Current balance sheet and financial data**

Audited financial accounts for OVO Group Ltd. (UK) financial reports for the past three financial years are included in Confidential Attachment 13. OVO Energy Pty Ltd is yet to commence trading, and received financial reporting relief for the previous financial reporting period.

#### **3.3 Significant contracts**

OVO Energy Pty Ltd is provided with a parent company guarantee, provided by OVO Group Ltd in the UK - details of this are submitted as Confidential Attachment 7. A service agreement for specific use of software, hardware and personnel also exists between the two entities, and details of this can be found in Confidential Attachment 16. Other significant contracts have already been discussed in point 2.5 and 2.6.

#### **3.4 Annual report**

Audited financial accounts for OVO Group Ltd. (UK) for the past three financial years are included in Confidential Attachment 13. OVO Group is a privately held, limited private company, and is not required to create an annual report for shareholders. OVO Energy Pty Ltd has also provided current management accounts and bank statements for both the Australian entity, and OVO Group Ltd. in the UK.

#### **3.5 Credit rating**

A credit rating for OVO Group (UK) has also been obtained via Dun and Bradstreet and is provided in Confidential Attachment 14.

### **3.6 Statements from external auditors**

A written statement from OVO Energy Pty Ltd's financial institution is provided in the Confidential Attachment 19.

### **3.7 Statement from consultants / accountants / legal advisors**

Audited financial accounts for OVO Group Ltd. (UK) for the past three financial years are included in Confidential Attachment 13. OVO Energy Pty Ltd is yet to commence trading, and received financial reporting relief for the previous financial reporting period. OVO has provided a statement from its financial institution in Confidential Attachment 19.

### **3.8 Statement of assets and liabilities**

OVO Energy Pty Ltd is yet to commence trading, and received financial reporting relief for the previous financial reporting period. Audited financial accounts for OVO Group Ltd. (UK) for the past three financial years are included in Confidential Attachment 13. Further information can be provided if required or as requested.

### **3.9 Guarantees in place**

A parent company deed of guarantee, signed by the Chief Financial Officer of OVO Group (UK) and Chief Executive Officer of OVO Group (UK) - along with the Directors of OVO Energy Pty Ltd - is provided in Confidential Attachment 15.

### **3.10 Shareholder register**

A basic corporate structure has already been provided, earlier in the document, but detailed Information has also been provided as Confidential Attachment 2.

### **3.11 Statement from Parent company**

OVO Energy Pty Ltd has created and signed a deed of guarantee with its parent (OVO Group Ltd) which underlines details associated with funding of the Australian entity; OVO Group Ltd has also signed a service agreement with OVO Energy Pty Ltd with regards to the provision of personnel and other resources, if at all required. Information relating to this has been provided as Confidential Attachment 15.

### **3.12 Business plan**

OVO Energy Pty Ltd has provided a business plan, laying out its intention to launch as a customer-focussed retailer, providing clear and transparent pricing and communications and excellent levels of service. OVO has outlined its intentions to offer competitive pricing, and how it will achieve this, and provided details with regards to a soft launch phase - where it will test all systems and platforms over the initial 3-6 months of trading in Victoria (if successful in gaining retail licences) before then accelerating growth and better tailoring the proposition. The business plan in full is included in Confidential Attachment 8.

### **3.13 Business model**

A financial model, with profit and loss, balance sheet and detailed cash flow forecast over 5 years forms part of the business plan, submitted as Confidential attachment 8.

### **3.14 Statutory declaration**

OVO Energy Pty Ltd's Managing Director has provided a statutory declaration regarding the company's financial viability - See Confidential Attachment 3.

## 4. Fit and proper persons

This section deals with the statements that all company directors, responsible managers or anyone else with significant influence over the business and its operations, are fit and proper to run the organisation.

### 4.1 Financial declaration

No directors of the applicant or of any entity that can exert control over the applicant have:

- a) Been declared bankrupt
- b) Had their affairs placed under administration
- c) Been disqualified from managing a company

### 4.2 Debt and insolvency declaration

No directors of the applicant, directors of any entity that can exert control over the applicant or any person with significant managerial responsibility or influence on the applicant has been subject to:

- a) Any debt judgements, or
- b) Insolvency proceedings (including any administration, liquidation or receivership in connection with the affairs of a company)?

### 4.3 Fraud, theft and criminal offences declaration

None of the directors of the applicant, directors of any entity that can exert control over the applicant or any person with significant managerial responsibility or influence on the applicant, have been charged with fraud, theft or any other criminal offence.

### 4.4 Material breaches of obligations regulated by the ESC declaration

The applicant, including any directors of the applicant, any related body corporate, or any person with significant managerial responsibility or influence on the applicant has not been involved in any material breaches of obligations regulated by the Essential Services Commission (ESC).

### 4.5 Enforcement action declaration

The applicant, any directors of the applicant, directors of any entity that can exert control over the applicant or any person with significant managerial responsibility or influence on the applicant has not been prosecuted for any offences or had any enforcement action taken under any state, territory, Commonwealth or foreign legislation (including, but not limited to, the Competition and Consumer Act 2010 (Cth), Corporations Act 2001 (Cth), or the Australian Securities and Investment Commission Act 2001 (Cth)).

### 4.6 Prior refusal of licence or authorisation declaration

The applicant, any related body corporate, or any person with significant managerial responsibility or influence on the applicant, has not been refused a licence or authorisation, or had restricted, suspended or revoked any such licence.

## **5. Statutory declaration**

This section is associated with a signed statutory declaration regarding the previous statements in section 4 of this application. The signed document has been submitted as a separate attachment in Confidential Attachment 3.

## **PUBLIC ATTACHMENTS**

**1. Complaint Handling Procedure**

**2. Payment Difficulty Policy**

**3. Privacy Policy**

**4. Life Support Policy**



## **CONFIDENTIAL ATTACHMENTS**

- 1. Incorporation documents**
- 2. Shareholder information**
- 3. Statutory declarations**
- 4. Independent auditor declaration - risk and compliance**
- 5. Information on customer numbers**
- 6. Staff qualifications, technical skills and experience**
- 7. External service providers**
- 8. Business plan**
- 9. Retail Compliance Policy**
- 10. Risk Management Policy**
- 11. Correspondence with EWOV**
- 12. Correspondence with electricity distributors**
  - 12.1 PowerCor / United Energy / CitiPower**
  - 12.2 Ausnet services**
  - 12.3 Jemena**
- 13. Financial reports**
- 14. Dun and Bradstreet Report**
- 15. Parent Company deed of guarantee**
- 16. Parent Company service agreement**

**17. Compliance obligations register**

**18. Other key policies and procedures**

**19. Independent auditor declaration - Financial**