

**APPLICATION GUIDELINES FOR A RETAIL AUTHORITY
WITHOUT A RETAIL AREA**
[Sections 46 to 55E and 203 to 207D of *Electricity Act 1994* (Qld) refer]

In order to participate in the Queensland electricity market by providing customer retail services (sale of electricity) to customers' premises, a Retail Authority without a Retail Area, issued by the Regulator under the *Electricity Act 1994* ('the Act'), is required.

Under the Act, 'the Regulator' is the Director-General, Department of Employment, Economic Development and Innovation. Queensland Mines and Energy within the Department administers the electricity licensing functions on behalf of the Regulator.

The Act specifies a number of things the Regulator is required to do or consider before issuing a Retail Authority, including:

- publishing in a newspaper circulating in the State, a notice of the application and inviting submissions within the time and manner stated in the notice;
- considering any submissions received;
- being satisfied that the applicant is a suitable person to be a retail entity, through consideration of matters such as the financial capacity of the applicant and the standard of honesty and integrity shown in the applicant's previous commercial and other dealings; and
- considering relevant government policies about energy issues.

A person wishing to obtain a Retail Authority without a Retail Area must apply in writing (no prescribed form) to the Electricity Regulator, c/- Queensland Mines and Energy, Department of Employment, Economic Development and Innovation, PO Box 15216, City East, Qld, 4002, Attention: Energy Regulation and Legislation Unit, and provide the following:

1. The prescribed application fee (presently \$1,259.00 – GST does not apply – cheques to be made payable to the Department of Employment, Economic Development and Innovation, ABN 24 830 236 406).
2. A description of the applicant, the nature of its business and its experience in the electricity industry.
3. If the applicant is a registered company, a certified copy of the Certificate of Incorporation of the applicant.

4. If the applicant is a registered company, a copy of the current Company Extract as issued by the Australian Securities and Investments Commission.
5. A description of the applicant's financial position, providing such information as:
 - If the applicant is subject to the *Corporations Act 2001*, copies of the returns and accounts of the applicant for the last three (3) years under the *Corporations Act 2001*;
 - If the applicant is a new entity, which cannot provide financial reports, information such as interim accounts to demonstrate that they have an acceptable credit rating or financial standing commensurate with their potential financial exposure;
 - If the applicant is a subsidiary company, financial reports of the parent company for the last three (3) years;
 - A description of the applicant's financial projections for five (5) years, which provides information about the projected profit and loss, revenue and expenditure figures, and any other data which indicates how the applicant will finance its activities;
 - A summary of internal financial control procedures for dealing with the various financial risks inherent with the proposed business activities;
 - A declaration specifying the lenders (if relevant) financing the venture and the type of funding being obtained; and
 - A declaration to the effect that the applicant is in a position to meet the financial/prudential requirements for participation in the electricity market.
6. A description of the application's previous commercial and other dealings, including details of any legal proceedings, civil or criminal, commenced or likely to be commenced relating to the business activities of the applicant, its directors, shareholders or officers.
7. A description of the applicant's competence or ability to undertake retail activities, including:
 - evidence and declaration to support the applicant has the business skills, knowledge, personnel, systems and the ability to operate the applicant's electricity business; and
 - evidence and declaration to support the applicant's capacity to comply with applicable regulatory requirements, including Queensland's *Electricity Act 1994*, *Electricity Regulation 2006*, Electricity Industry Code and Electricity (Retail Billing Guaranteed Service Level Scheme) Code.
8. Details of any registration granted by or being sought from Australian Energy Market Operator (AEMO).

In some instances, additional information may be requested during the course of considering the application. Applicants are encouraged to consult with the Energy Regulation and Legislation Unit (telephone - 07 3235 4164) within Queensland Mines and Energy before submitting an application in its final form.

As a guide, in view of the requirement to undertake a public consultation process, consideration of an application may take three to four months and, in some instances, considerably longer, depending upon the issues raised during the consultation process.

A proforma Retail Authority without a Retail Area can be downloaded from the Queensland Mines and Energy website (<http://www.dme.qld.gov.au/Energy/licensing.cfm>). The document needs to be read in conjunction with the Act and the *Electricity Regulation 2006*, which also contain licence conditions applicable to Retail Authorities.

While it is expected most Retail Authorities without a Retail Area will be issued in the form of the pro forma, it may be that individual Authorities may have additional or other conditions.

Holders of Interstate Electricity Retail Authorities/Licences

The Act provides, in section 207D, that if the applicant for a Retail Authority without a Retail Area is the holder of an equivalent authority or licence issued under the law of another State or Territory ('an interstate authority'), the Regulator may dispense with any of the requirements specified in the Act.

Accordingly, there is a modified and somewhat simpler process for an applicant who holds an interstate authority. This process is explained in a separate Application Guide available on the Queensland Mines and Energy website (<http://www.dme.qld.gov.au/Energy/licensing.cfm>).