

Energy retail licence application form

Purpose of this form

This form must be completed by a person applying to the Essential Services Commission (the commission) for a licence to sell electricity and/or gas by retail in Victoria.

Basis for this form

Section 18 of the *Electricity Industry Act 2000* and section 25 of the *Gas Industry Act 2001* (collectively, the Industry Acts) provides that a licence application must be made in a form approved by the commission. This is the form approved by the commission.

Use of this form and the applicant's responsibilities

A licence application may be made by any legal person including, without limitation, individuals, incorporated associations, unit and other forms of trusts and corporations. Entities that are not a legal person (for example, an unincorporated joint venture or a partnership) cannot apply for a licence.

For the purpose of this application form, reference to the term "officer" includes the directors and secretary, and other persons who make or participate in making decisions that affect a substantial part of the applicant's business (for example, Chief Executive Officer, Chief Financial Officer or General Manager).

The applicant should list the information required in the spaces provided in this form and enclose additional information and documents when required.

The applicant must take all reasonable steps to ensure the information provided in the application form is complete, true and correct.

A director of the applicant (where an applicant is a body corporate) is required to make a declaration to this effect in the application form. Failure to disclose information or misrepresent any matter relevant to such information may result in a licence not being issued or in the revocation of a licence later.

It is a criminal offence under section 61A of the *Essential Services Commission Act 2001* to provide the commission with false or misleading information or documentation.

The applicant is responsible for providing the commission with current, accurate and relevant documentation. It is the applicant's responsibility to make all reasonable inquiries to obtain the information required by this form.

Providing accurate and relevant information and a complete application (answering all questions and providing all information) will assist in timely processing of an application. All applications are assessed on a case-by-case basis. If insufficient information is provided with an application, we will contact the applicant about the requirement for additional information to be submitted before the application is considered further.

Prior reading

It is expected that the applicant has read our [Guideline: Applications for electricity and gas industry licences](#) before completing this form.

It is the applicant's responsibility to ensure its compliance with legal obligations when applying for a licence.

Licence conditions

The Industry Acts authorise the commission to issue licences subject to conditions as decided by the commission. Licences are published on our [website](#). We recommend the applicant familiarise itself with the relevant standard conditions and be confident that they can comply with those conditions and any other regulatory requirements such as Codes of Practice prior to applying for a licence.

Further information

The applicant should note that we may ask for further information, or to clarify the information that the applicant has already provided with the application.

Consultation and confidentiality

We will consult with relevant government, industry and consumer groups on the licence application through a public consultation process. Applications and/or supporting information that is not confidential will be made available on our website.

If the applicant believes that any information provided as part of its application is confidential or commercially sensitive, it is the applicant's responsibility to clearly identify this information on those documents. The applicant should also provide a 'non-confidential' version of the application form and documents for publication on our website and Engage Victoria (where relevant).

How to lodge an application

The applicant may send the completed application form electronically (preferred) or in hard copy to:

Electronically: licences@esc.vic.gov.au
Hard copy: Market Operations, Energy Division
Essential Services Commission
Level 8, 570 Bourke Street
Melbourne VIC 3000

Individual attachments that are clearly titled (consistently with the attachment references specified in the application form) must be provided. Do not bundle attachments into single, large files.

Large files

Applicants generally need to send us large files which is often not suitable via email. Please contact us at licences@esc.vic.gov.au to discuss alternative options to provide an application to the commission.

Application fees and annual licence fees

Application fee

The commission has set a **\$5000** application fee for all energy retail licence applications¹.

Once the payment has been received, the commission will notify the applicant in writing. The assessment process for energy retail licence applications will commence *after* payment has been received.

Electronic payment of the Retail Application Licence Fee is to be made to:

Account name: Department of Treasury and Finance
BSB: 033-222
Account number: 110 505
Reference: RALF and the applicant's legal name (E.g. RALF Energy Pty Ltd)

Annual licence fees

Holding an energy retail licence also incurs annual licence fees.

Refer to the commission's [Guideline: Applications for electricity and gas industry licences](#) for more information regarding annual licence fees.

¹ If the energy retail applicant is dual fuel, a total Retail Application Licence Fee of \$10,000 applies.

1. General Information – The Applicant

The applicant must answer all questions in this section.

1.1 Legal name of applicant

State the full legal name of the applicant. The applicant is the person who will be selling (retail) electricity and/or gas that will be the subject of the licence.

SEC Energy Response

Name: SEC Energy Pty Ltd (“SEC Energy”)

1.2 Legal identity of applicant

Provide the applicant’s ABN and ACN (where relevant) and information about the applicant (for example, whether the applicant is a private limited company, trust, or joint venture).

SEC Energy Response

ABN: 31 670 408 134

ACN: 670 408 134

Type of entity: Australian proprietary company, limited by shares, and wholly owned by SEC Victoria Pty Ltd. SEC Victoria Pty Ltd and SEC Energy Pty Ltd are state-owned companies under the State-Owned Enterprises Act 1992 (VIC). A copy of the ASIC Registration confirmation for SEC Energy Pty Ltd (SEC Energy) is attached as **Attachment 1 - SEC Energy ASIC Registration**.

1.3 Contact details and address of the applicant

SEC Energy Response

The applicant: SEC Energy

Business address: Level 35, 2 Lonsdale Street, Melbourne, Victoria, 3000.

State: Victoria

Postcode: 3000

Postal address (if different): Level 35, 2 Lonsdale Street, Melbourne, Victoria, 3000.

State: Victoria

Postcode: 3000

Full name of contact person: Adrian Hill

Position title: Executive Officer, Operations

Telephone: [REDACTED]

Mobile: [REDACTED]

Email: [REDACTED]

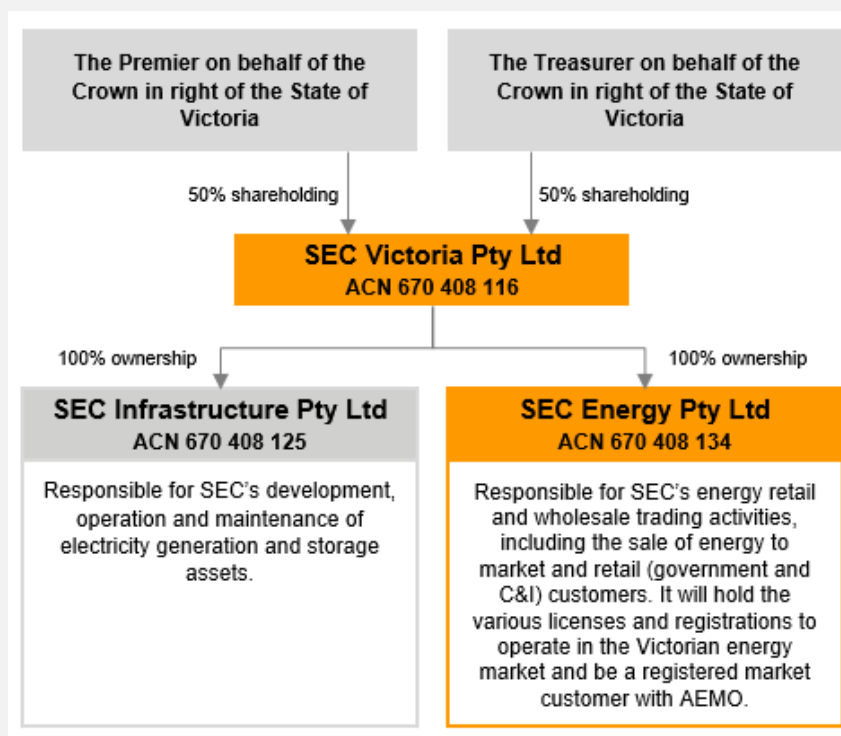
1.4 Diagram of corporate and organisational structure

Provide a diagram of the:

- a) Corporate structure (including any parent and related companies within the meaning of the *Corporations Act 2001 (Cth)*), and

SEC Energy Response

The following chart sets out SEC Energy's corporate structure and its relationship with parent and related entities.



- b) organisational chart (including composition of the board, management, and other key personnel responsible for the key functions).

Attachment reference: Attachment 2 - Organisational chart, including Board (confidential attachment) and Attachment 3 – Organisational chart, detailed (confidential attachment).

SEC Energy Response

A copy of the organisational chart is attached as **Attachment 2 - Organisational chart, including Board (confidential attachment)** and **Attachment 3 – Organisational chart, detailed (confidential attachment)**.

1.5 The licence

If the applicant is seeking for a licence to be issued by a certain date, identify this date. **Note: we do not undertake to issue the licence by this date.** The applicant should generally allow a minimum of eight to 10 weeks **once we consider the application to be complete.** An application is considered complete once we have all the information needed for the commission to make a decision. In other words, when we have no need to request further information from the applicant. This includes a public consultation period of four weeks (generally) as part of our consideration of licence applications.

Provide details on the following:

Date from which licence is sought: .

Nature and scope of operations:

State whether the applicant intends to retail to customers whose aggregate consumption, per annum, at a supply point is or is likely to be:

- less than 40MWh of electricity or 1,000GJ of gas (small residential and/or business customers)
- 40MWh to 160MWh of electricity or 1,000 to 5,000GJ of gas (medium customers)
- more than 160MWh of electricity or 5,000GJ of gas (large customers).

SEC Energy Response

Date from which licence is sought: 18 December 2024.

Nature and scope of operations: State whether the applicant intends to retail to customers whose aggregate consumption, per annum, at a supply point is or is likely to be:

- less than 40MWh of electricity or 1,000GJ of gas (small residential and/or business customers)
- 40MWh to 160MWh of electricity or 1,000 to 5,000GJ of gas (medium customers)**
- more than 160MWh of electricity or 5,000GJ of gas (large customers).**

In alignment to SEC's strategy, SEC will initially retail electricity to the Victorian Government to support it in meeting its pledge of using 100 per cent renewable electricity across all its operations, facilities, and services by 2025.

In the medium term, SEC will also seek opportunities to provide competitive 100 per cent renewable electricity products to other Commercial and Industrial ("C&I") customers so they can achieve their decarbonisation commitments and support the energy transition.

SEC will not retail electricity to domestic and small business customers whose aggregate consumption of electricity taken from the relevant supply point has not been, or in the case of a new supply point, is not likely to be, less than 40MWh per year.

1.6 Involvement of third parties with application

Did any third parties, such as consultants, assist the applicant with preparing this licence application? If so, state the name of the third party and describe their involvement with preparing the application.

SEC Energy Response

Deloitte Touche Tohmatsu (Deloitte) was engaged to support the SEC with the following high-level activities:

- Supporting the understanding and development of key policies, processes, and procedures necessary to comply with regulatory obligations.
- Supporting the collation, documentation, and assembly of key artefacts to support the SEC Retail Licence application.
- Providing project management support to track the overall Licence application project, including identifying risks, issues and supporting timely escalation and resolution of issues.

1.7 Payment of fees

Tick this box to confirm you have made the required application fee payment of \$5,000:

2. Technical capacity

The applicant must answer all questions in this section.

2.1 Experience and knowledge of the industry

Provide comprehensive details and documentation of the systems, processes and approaches that the applicant will use to:

- a) market to customers

SEC Energy Response

SEC will initially retail electricity to the Victorian Government's Large sites. This Victorian Government Large Sites contracts represent approximately ~1,900 gigawatt hours (GWh) of energy and the Victorian government will be SEC's foundational electricity customer.

Following this, SEC will start to acquire other C&I customers, commencing around the beginning of 2026. SEC's value proposition is focused on supplying government and other C&I customers with firm renewable electricity to meet their energy and decarbonisation needs. The SEC will continue to invest in both renewable energy generation (wind and solar) and commercial storage to supply these customers with affordable, reliable renewable energy. SEC's Retail Marketing Plan provides additional detail on our go-to-market approach and is attached as **Attachment 5 – Retail Marketing Plan (confidential attachment)**. SEC has also developed a standard pro forma Large Customer Contract, enclosed as **Attachment 6 – Retail Electricity Contract (confidential attachment)**.

- b) bill customers

SEC Energy Response

SEC completed a comprehensive market scan and detailed procurement process to identify, assess and select a Customer Information System (CIS) to enable SEC to manage retail energy operations, including meter to bill and bill to cash via the Australian Energy Market Operator's Consumer Administration and Transfer Solution (CATS). SEC has selected a platform which met its objectives, including the following:

- Extensive experience and utilisation by retailers operating in the National Electricity Market, including specific experience supporting retailers operating in the Victorian energy market.
- Proven capabilities in supporting C&I customer operations.
- A track record of regulatory compliance.

Our selected CIS is currently being used by other C&I retailers to operate compliantly in the Victorian energy market. We have attached a copy of the detailed request for services in **Attachment 7 – SEC RFT Customer Solution (inclusive of attachments 7a, 7b, 7c, 7d) (confidential attachment)** and a copy of the executed services agreement in **Attachment 8a and 8b Customer Solutions Contract Variables and eServices (EXECUTED)(confidential attachment)**.

c) manage connection and disconnection processes

SEC Energy Response

SEC is applying for an electricity retail licence to sell energy to large C&I customers. The retail energy code of practice does not apply to C&I customers. Instead, it is the contractual agreements between SEC and its customers which will outline the minimum requirements SEC and its customers must meet prior to any retailer-initiated connection or disconnection. SEC has documented its approach to ensuring all requirements are met prior to a retailer-initiated disconnection in the SEC Obligations and Control Register.

d) manage customer complaints

SEC Energy Response

SEC has a Customer Complaints and Dispute Resolution Policy which guides our commitment to identify, respond to and resolve customer complaints. This is provided as **Attachment 9 – Large Customer Complaints Policy (confidential attachment)**. SEC will also join the Energy and Water Ombudsman Scheme of Victoria.

e) manage dispute resolution

SEC Energy Response

SEC has a Customer Complaints and Dispute Resolution Policy which guides our commitment to identify, respond to and resolve customer complaints. This is provided as **Attachment 9 – Large Customer Complaints Policy (confidential attachment)**. SEC will also join the Energy and Water Ombudsman Scheme of Victoria.

f) comply with regulatory reporting requirements.

SEC Energy Response

SEC understands the importance of complying with the Compliance and Performance Reporting Guideline as well as ensuring SEC has adequate systems and processes in place to ensure the information and data submitted to the ESC, or any other regulatory body is accurate and meets the submission deadline.

SEC's Compliance Policy and frameworks ensure a comprehensive obligations register is maintained which includes SEC's regulatory reporting obligations, including the submission of performance indicators for Energy Retailers. The Breach Management procedure supports SEC in ensuring any compliance matters are identified and reported in line with the Compliance and Performance Reporting Guideline.

For each of the above matters, provide details of the relevant systems and processes that the applicant will use. In providing those details include:

- g) the proposed business strategy/plan and functions and how they will be resourced²

SEC Energy Response

SEC has established a hybrid operating model, leveraging SEC's internal capabilities combined with the services of a Business Process Outsourcing (BPO) provider. In evaluating options, SEC chose to establish an operating model where all customer facing activities are managed directly by SEC, and back-office activities are delivered by a BPO provider with extensive experience in providing similar services to other energy retailers. SEC's operating model has been established to ensure SEC establishes an appropriate governance and supervision framework over the services of the BPO, to ensure the services meet the business needs of SEC, its customers, and importantly comply with our compliance obligations.

SEC's retail operations function is led by the General Manager of Customer. A comprehensive organisational structure has been designed to support the General Manager of Customer oversee and supervise the outsourced services provider, including the establishment of "Lead" roles who will oversee core elements of the BPO's services and be responsible for ensuring an appropriate control framework is operating to monitor compliance with all requirements. In addition, the contract with the outsourced services provider includes service level agreements as well as other governance related provisions to support the effective and accurate delivery of services. SEC

² We expect to see a robust business plan supported by a financial plan (as detailed in section 3(g) of this application form), including organisational and technical capacity.

completed a comprehensive market scan and detailed procurement process to identify, assess and select a BPO provider to enable SEC to manage retail energy operations. We have attached a copy of the detailed request for services as **Attachment 10a-e – SEC RFT Customer BPO (confidential attachments)**. The executed BPO Services agreement is enclosed as **Attachment 10h –Services Agreement BPO with [REDACTED] (EXECUTED) (confidential attachment)**. SEC has a policy which governs the requirements for Business Process Outsourcing and this is enclosed as **Attachment 10f – Business Process Outsourcing Policy (confidential attachment)**. We have attached the Customer Operating Model in **Attachment 10g – Customer Operating Model (confidential attachment)**. We have also attached **Attachment 32 – Business and Investment Plan (confidential attachment)** which describes SEC Victoria’s 5-year business plan and strategy. The publicly available strategy of SEC Victoria is provided as **Attachment 33 – SEC Strategic Plan**.

- h) the experience and qualifications of relevant key employees who will manage those systems and processes

SEC Energy Response

SEC Energy is a new entity wholly owned by SEC Victoria incorporated under the Corporations Act 2001 (CTH) and declared a state-owned company under the State-Owned Enterprises Act 1992 (VIC). SEC Victoria as the parent entity of SEC Energy provides support and resources to SEC Energy that are necessary for its operations. These services include capabilities in the form of human resources (labour), information technology, facilities, and other services. An intercompany services agreement is in place to support the provision and operation of these services.

SEC has recruited a team with significant experience, capability and commitment to managing SEC’s retail electricity operations, including significant electricity capability in wholesale trading, risk and compliance, customer operations (customer sales, customer service, order management, billing, meter data, credit management, metering) and complemented by other business critical capabilities including corporate governance, accounting and financial management, procurement, human resources management and legal advisory.

Executive leadership team

Chris Miller Chief Executive Officer	Chris Miller has led the SEC since December 2022, first as Interim CEO of the SEC Implementation Office. In 2023 Chris was appointed interim CEO of the new entity SEC Victoria Pty Ltd and appointed as CEO in August 2024. Prior to this, Chris was Deputy Secretary, Tourism and Events at the Department of Jobs, Precincts and Regions. He also held senior
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Executive leadership team

executive roles, including General Counsel, at the Department of Premier and Cabinet, where he advised the Premier on Victoria's energy, infrastructure, planning and transport portfolios.

Before joining the Victorian Public Service, Chris worked at EnergyAustralia and practised as a commercial lawyer at King & Wood Mallesons. In those roles, he advised on a broad range of matters relating to energy, including mergers and acquisitions, generation development, project financing, carbon, utilities regulation, trade practices and commercial contracting.

Elisha Civil Chief Financial Officer

Elisha Civil joined the SEC in March 2024 and has more than 20 years' experience in corporate financial management and governance. She has a demonstrated history of building teams, systems, and processes from early stage through to maturity.

Elisha is responsible for finance, financial reporting and planning, treasury, trading risk, enterprise risk and compliance, procurement, and technology.

Prior to the SEC, Elisha was the Chief Financial Officer of Technology Metals Australia Ltd. She has also held senior finance roles with Fortescue Ltd, Galaxy Resources Limited and Regis Resources Ltd.

Elisha commenced her career as an external auditor and qualified as a Chartered Accountant with EY in Western Australia and Canada.

Mike Wilson Executive General Manager, Energy Markets

Mike Wilson joined the SEC in February 2024. Mike has more than 30 years financial, commercial, trading and risk management experience in wholesale electricity and environmental markets. He also has over ten years' experience as an Australian Financial Services (AFS) licence Responsible Manager.

In this role Mike is responsible for leading the performance of SEC's energy markets business, which includes energy trading, customer sales, operations and experience, analytics and insights, and product development.

Prior to the SEC, Mike held senior financial and commercial roles at three of Australia's leading renewable energy companies, including Pacific Hydro (now Pacific Blue) and Tilt Renewables, where he built trading desk and C&I retailing capabilities from scratch.

Executive leadership team

Sam Gifford

General Counsel and
Company Secretary

Sam Gifford joined the SEC in December 2022. Sam has more than 20 years' experience as a lawyer and advisor across public and private sectors and is an experienced General Counsel.

Prior to the SEC, he was General Counsel and Associate Deputy Secretary at the Department of Justice & Community Safety, and before that was Deputy General Counsel at the Victorian Department of Premier & Cabinet.

In private practice, Sam worked in Melbourne, Sydney and New York for Herbert Smith Freehills, Milbank Tweed Hadley & McCloy LLP and Mills Oakley as a litigation and disputes lawyer and practised as a barrister at the Victorian Bar.

Lane Crockett

Executive General
Manager, Assets

Lane Crockett joined the SEC in July 2023. Lane leads SEC's investments in renewable energy and storage assets and has more than 35 years' experience in the energy industry, including 20 years in renewable energy.

Prior to the SEC, Lane was an Executive Director at Sentient Impact Group, where he helped it grow into an institutional level impact investment business. This followed five years at the Impact Investment Group, where, as Head of Renewable Infrastructure, he established several solar funds in support of Australia's clean energy transition. Lane also worked for Pacific Hydro (now Pacific Blue) as Head of Country and was a Director at both the Clean Energy Council and the Australian Energy Council (formerly ESAA).

Tess Hughes

Executive General
Manager, Corporate
Affairs

Tess Hughes joined the SEC in February 2023. Tess has more than 20 years of corporate affairs and strategic communications experience across public and private sectors. Tess has been a member of executive teams navigating complex issues and transformational change and has led national and state campaigns reaching millions of people.

Prior to the SEC, Tess was the Chief Communications Officer at the Department of Jobs, Precincts and Regions. Within the private sector, Tess has held senior communications roles at Rio Tinto, National Australia Bank, Woolworths and Shell. Earlier in her career, she also held executive roles at the Department of Sustainability and Environment and the Department of Infrastructure and led communications for the 2006 Commonwealth Games.

Executive leadership team

Sumone Chakravarti

Chief of Staff, Strategy and Performance

Sumone Chakravarti joined the SEC in February 2024. Sumone has more than 20 years' experience in strategy, research and analysis, management, and front-line operations. She has also supported the Federal Government and State jurisdictions in planning for the energy transition.

Prior to this, Sumone was Associate Partner at McKinsey and Company, and has worked in senior strategy and implementation roles for the National Disability Insurance Agency, Medibank Private, the University of Melbourne, and Victorian Comprehensive Cancer Centre.

Adrian Hill

Executive Officer, Operations

Adrian Hill joined the SEC in February 2023, leading the establishment of the Commercial and Finance teams. Adrian has over 25 years Australian and international experience in strategic and finance roles in the resources and energy industries. He has an established record in strategy development, operational management, investment analysis, transaction management, corporate structuring and capital raising.

Prior to the SEC, Adrian held executive roles for AusNet Services, the Australian Energy Market Operator, and TXU Australia. Adrian also holds several non-executive directorships.

Ruchika Deora

Head of Product

Ruchika Deora joined the SEC in February 2024. She has over 20 years' experience in energy, including extensive international experience in strategic, commercial, and operational delivery.

Prior to the SEC, Ruchika worked with ExxonMobil, EnerNOC (now EnelX), CitiPower, Powercor, and United Energy. She has also helped scale start-ups and small businesses in retail, energy, and consulting. Ruchika is the Founder and Chair of Women in Energy, a professional association dedicated to increasing diversity in leadership in the energy sector.

SEC Energy Response

The executive leadership team is bolstered by senior leaders with extensive experience in retail energy markets. A summary of these leaders and their relevant experience is enclosed in **Attachment 37 – Senior Leadership team CV summary (Confidential attachment)**.

i) if the applicant will engage third parties to assist with the licensed activities, provide the following information in relation to each third party:

- (i) the name of that third party
- (ii) the scope of activities undertaken by the third party
- (iii) details and copies of any agreements for the provision of services
- (iv) details about the experience of the third party in relation to the activities that it will be undertaking, including any accreditations, and
- (v) details of the processes in place to ensure the third party comply with the licensee’s regulatory obligations.

j) details about how the applicant will balance service delivery with projected customer growth, and practical steps it will take to meet relevant regulatory obligations.

SEC Energy Response

SEC Energy has entered into a service agreement with [REDACTED] to provide Business Process Outsourcing services to support SEC Energy’s retail operations.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

The executed BPO Services agreement is enclosed as **Attachment 10h –Services Agreement BPO with [REDACTED] (EXECUTED) (confidential attachment)**. SEC has a policy which governs the requirements for Business Process Outsourcing and this is enclosed as **Attachment 10f – Business Process Outsourcing Policy (confidential attachment)**. We have attached the Customer Operating Model in **Attachment 10g – Customer Operating Model (confidential attachment)** together with **Attachment 2 - Organisational chart, including Board (confidential attachment)** and **Attachment 3 – Organisational chart,**

detailed (confidential attachment) for an outline into the functions and how they will be resourced.

2.2 Risk management

- a) Provide confirmation and evidence that the applicant has identified the risks associated with energy retail operations – this includes identifying the risks that are inherent in the applicant’s proposed business and determining the likelihood of occurrence and impact to produce a ‘risk map’.
- b) Additionally, provide evidence that the applicant has established, utilised and relied upon risk management systems and processes which are adequate, accurate and current to address those risks.
- c) Provide a copy of the applicant’s risk management strategy/framework. A statement should also be provided (or supporting document must make it clear) whether the strategy/framework has been developed in line with any Australian or International Standard (for example, ISO 31000:2018).³
- d) Provide a copy of a risk register that identifies risks, controls and mitigations.
- e) Provide a copy of a detailed risk appetite statement articulating how much risk is acceptable to the applicant across key risk areas.

SEC Energy Response

SEC recognises effective risk management is essential to the company’s strategy and achievement of its objectives.

Corporate Governance

SECs governance framework is based on accountability, effective delegation, and adequate oversight to support sound decision-making.

The Board provides overall strategic guidance for SEC Victoria and its subsidiaries and effective oversight of management. The Board’s roles and responsibilities are formalised in a Board Charter. SEC Victoria and SEC Energy each have a Board of Directors. The Charter sets out in general terms those functions that are delegated to management and those that are reserved for

³ The risk management strategy/framework must include proactive and reactive strategies for managing risk events, systems, reports and business controls, ensuring transparency of risk positions and management activities. The risk management strategy/framework must also set out the roles of responsible officers, and include documentation on the policies and procedures providing guidance for day-to-day risk management activities. The risk management framework should be proportionate to the size, operating model and complexity of the applicant’s proposed retail operations.

the Board. The Board Charter is enclosed as **Attachment 11 - Board Charter (confidential attachment)**.

The Board has delegated to the Chief Executive Officer (CEO) the authority to manage the day-to-day operations of the business in relation to all matters other than those responsibilities reserved to itself. The CEO has, in turn, the authority to sub-delegate.

An Audit and Risk Committee has been established to assist the Board in executing its duties and the charter for that Committee is enclosed as **Attachment 12 – Audit and Risk Committee Charter (confidential attachment)**.

SEC's Risk Management Framework

SEC is committed to conducting its activities in accordance with applicable laws and regulations and maintaining a strong culture of risk management. SEC's Risk Management Framework supports this objective by embedding management systems, structures, policies, controls, and processes in the business and enabling a risk-aware culture across the people operating them.

SEC's Risk Management Policy defines our approach to risk management and oversight. The Risk Management Framework has been designed in accordance with the Australian Standard AS ISO 31000:2018 Risk Management – Guidelines, the Victorian Government Risk Management Framework (VGRMF) and the Standing Directions 2018 under the Financial Management Act 1994 (Vic). The Risk Management Framework is a combination of both formal and informal elements including the SEC Risk Policy, SEC Risk Appetite Statement, SEC Risk Management Procedure, and the SEC Risk Register which operate collectively to identify, assess, manage, and monitor risks in a proactive and effective manner.

Risks in SEC are profiled at the Strategic, Operational and Project level. Within each of these risk levels, risk categories are used to help identify key risk exposures to SEC relevant to each business area or supporting function. These categories are linked back to the board-approved SEC Risk Appetite Statement which articulates the amount of risk SEC is willing to accept in the pursuit of its objectives specifically across its different business domains.

Management is responsible for the design and implementation of an effective internal control system to manage SEC's risks. Management reports to the Board on how risks are being managed and the effectiveness of controls in place to mitigate those risks. An Enterprise Risk and Compliance Committee has been established which supports the Board Audit and Risk Committee to support the effectiveness of risk management and controls as well as regulatory compliance and breach management activities. This is enclosed as **Attachment 13 – SEC Enterprise Risk and Compliance Committee Charter (confidential attachment)**.

We have enclosed the core elements of SEC's Risk Management Framework, including **Attachment 14 - SEC Risk Policy (confidential attachment)**, **Attachment 15 – SEC Risk Management Procedure (confidential attachment)**, **Attachment 16 – SEC Risk Appetite Statement (confidential attachment)**, **Attachment 17 – SEC Risk Register (confidential attachment)** and **Attachment 17a – Key Risk Heatmap (confidential attachment)**.

2.3 Wholesale price risk management

Applicants must clearly outline their approach to managing wholesale market risks.

Using the forecast customer acquisition numbers and expected customer load for the following five years presented in the baseline business plan, describe how the applicant plans to manage wholesale price risk.

In responding to this question, applicants must include to the following:

- a) For electricity, does the applicant have a plan to hedge part or all of the load? For gas, does the applicant have a plan to hedge all or part of the load?⁴ Describe the applicant's intended strategy in detail.⁵
- b) What proportion of the applicant's customer load is anticipated to be purchased from the electricity or gas spot markets?⁶ If the applicant is intending to purchase from the spot market, it must specify the forecast spot prices being used, the basis on which spot prices are forecast and scenario analysis showing the impact of high, mid and low spot prices.
- c) Has the applicant made any preliminary arrangements or sought to obtain quotes to purchase hedging products? Provide details and evidence.
- d) Describe how far in advance the applicant intends to hedge its wholesale risk, including information about hedging six months, 12 months, 18 months and 24 months ahead of anticipated need to supply customers. Also outline what amount of forecast load it plans to hedge and what level of residual wholesale risk the applicant will take.
- e) Describe how residual wholesale price risks will be mitigated.
- f) Which personnel in the applicant's business will be responsible for managing wholesale price risk? Outline their relevant experience in managing wholesale risks (including managing wholesale electricity and gas contracts and hedge products, where applicable).

SEC Energy Response

SEC has a strategy to invest an initial \$1 billion in a portfolio of renewable energy and energy storage assets paired with contracted renewables. SEC will leverage the Victorian

⁴ For gas, if the applicant intends to purchase from the spot market, the risk assessment and mitigation approach must include the possibility that the time between the purchase of gas and customer payment is 60 days or more, and the administered price may apply during this period.

⁵ For electricity, specify the hedging methods the applicant intends to use (for example, does Australian Securities Exchange (ASX) Energy Futures, purchase over the counter (OTC) products, power purchase agreements, or generation ownership)? For gas, specify the hedging methods such as physical supply or storage contracts.

⁶ The applicant must ensure the wholesale price risk incurred through spot market trading is addressed in the risk management framework.

Government's existing VRET1, VRET 2 and Bulgana contracts to partially hedge its initial customer load. Over time, SEC will continue to invest in new renewable energy, and both short and long-duration energy storage, as its customer portfolio grows. SEC will combine this strategy with other energy purchasing approaches. These strategies and approaches will be managed in accordance with SEC's board approved Energy Markets Risk Policy and Counterparty Credit Risk Policy, both of which align with SEC's Risk Appetite. These policies are enclosed as **Attachment 4a - Energy Market Risk Policy (confidential attachment)** and **Attachment 4b – Counterparty Credit Risk Policy (confidential attachment)**. SEC has also established the Energy Markets Risk Committee, which is a management committee, authorised by the SEC's Board of Directors to oversee the governance and risk management of activities covered under the Energy Markets Risk Policy (EMRP), Counterparty Credit Risk Policy (CCRP) and other relevant energy markets policies. This charter is enclosed as **Attachment 18d - Energy Markets Risk Committee Charter (confidential attachment)**. SEC has also addressed the specific questions asked by the ESC regarding Wholesale Price Risk Management in **Attachment 18a – Wholesale Risk Management Responses (confidential attachment)** as well as the CVs of SEC's General Manager of Trading and General Manager of Market Risk in **Attachment 18b and Attachment 18c (confidential attachments)**.

2.4 Dispute resolution

Applicants will need to provide documentation to demonstrate they are a member of the Energy and Water Ombudsman (Victoria) (**EWOV**) or have approached EWOV about [joining the scheme](#).

SEC Energy Response

SEC has initiated the process to join the Energy and Water Ombudsman of Victoria scheme. Communication with the scheme is enclosed as **Attachment 19 – EWOV Communication (confidential attachment)**.

2.5 Registration with the Australian Energy Market Operator

Advise if the applicant has or intend to register with the Australian Energy Market Operator (**AEMO**). If so, provide evidence of registration or exemption, or intending registration or exemption (for example, correspondence between the applicant and AEMO). If the applicant is not registering with AEMO, describe why that is the case.

SEC Energy Response

SEC Energy has submitted its application to register as an Integrated Resource Provider and perform the activities of a Market Customer with the Australian Energy Market Operator. We have

enclosed AEMO's acknowledgement of our registration dated 9 August 2024. Please refer to **Attachment 20 – AEMO Communication (9 Aug 2024) (confidential attachment)**.

2.6 Licences held in other jurisdictions

If the applicant holds, or has previously held, electricity and/or gas licences or authorisations in other jurisdictions provide details. If a licence or authorisation previously held has been suspended or cancelled, provide details.

SEC Energy Response

SEC Energy (or related entities and associates) do not hold (and have not previously held) any retail electricity or gas licences or authorisations in other jurisdictions.

2.7 Previous unsuccessful licence applications in other jurisdictions

Confirm whether the applicant has applied for an electricity or gas licence or authorisation in another jurisdiction and not been issued with a licence or authorisation, provide details.

SEC Energy Response

SEC Energy has not applied for any electricity or gas licence or authorisations in other jurisdictions.

2.8 Licences held by associates of the applicant

If an associate (within the meaning of the *Corporations Act 2001* (Cth)) holds an electricity or gas licence in Victoria or in another Australian jurisdiction, provide details.

SEC Energy Response

SEC Energy (or related entities and associates) do not hold (and have not previously held) any electricity or gas licences or authorisations in Victoria or other jurisdictions.

2.9 Compliance management

- a) Provide evidence of compliance management which demonstrates how the compliance systems the applicant has (or will have) in place will ensure compliance with all the relevant regulatory obligations required by the retail licence.

SEC Energy Response

SEC is committed to complying with relevant laws, regulations, Government policies, industry codes and standards. SEC's values of uniting, nimble and fair, support our commitment to our compliance obligations and create a business where a strong compliance culture is at the core of everything we do. SEC recognises the current energy policy and compliance landscape is constantly evolving and rising community expectations hold us to higher standards of conduct and operational effectiveness.

These are enclosed as **Attachment 21 – Compliance Policy (confidential attachment)**, **Attachment 22 – Enterprise Compliance Procedure (confidential attachment)**, **Attachment 23 – Obligations Register (confidential attachment)** and **Attachment 24 – Breach Management Procedure (confidential attachment)**.

- b) Provide a copy of the applicant's compliance management strategy. A statement should also be provided (or supporting document must make it clear) whether the strategy has been developed in line with any Australian or International Standard (for example, AS ISO 19600:2015).

SEC Energy Response

To ensure we meet these expectations, SEC has established a Compliance Management Framework in accordance with the Australian Standard ISO 37301:2023 Compliance Management Systems. The SEC Compliance Management Framework includes the Compliance Policy, the Compliance Management Procedure, the Obligations and Control Register, the Breach Management Procedure and Breach Register.

These are enclosed as **Attachment 21 – Compliance Policy (confidential attachment)**, **Attachment 22 – Enterprise Compliance Procedure (confidential attachment)**, **Attachment 23 – Obligations Register (confidential attachment)** and **Attachment 24 – Breach Management Procedure (confidential attachment)**.

- c) Provide a comprehensive and detailed compliance register which outlines the applicant's:
- i. regulatory obligations;
 - ii. source of each obligation;
 - iii. key actions for ensuring compliance with each obligation; and the personnel responsible for monitoring compliance.

SEC Energy Response

To ensure we meet these expectations, SEC has established a Compliance Management Framework in accordance with the Australian Standard ISO 37301:2023 Compliance

Management Systems. The SEC Compliance Management Framework includes the Compliance Policy, the Compliance Management Procedure, the Obligations and Control Register, the Breach Management Procedure and Breach Register.

These are enclosed as **Attachment 21 – Compliance Policy (confidential attachment)**, **Attachment 22 – Enterprise Compliance Procedure (confidential attachment)**, **Attachment 23 – Obligations Register (confidential attachment)** and **Attachment 24 – Breach Management Procedure (confidential attachment)**.

2.10 Material agreements

Provide copies of agreements entered into, or intended to be entered into, by the applicant that are material to the undertaking of the energy retail activity.

Agreements that are material to the undertaking of the energy retail activity may include, but are not limited to:

- a) customer service and dispute resolution activities
- b) billing services
- c) metering data services
- d) compliance functions
- e) wholesale market management
- f) risk management services
- g) inter-company services.

SEC Energy Response

In addition to the various agreements provided in this application, we have attached the Intercompany Services Agreement as **Attachment 25 – Intercompany Services Agreement (confidential attachment)** and **Attachment 10h –Services Agreement BPO with [REDACTED] (EXECUTED) (confidential attachment)** and **Attachment 8 - Customer Solutions Contract Variables and eServices (EXECUTED) (confidential attachment)**.

2.11 Policies

Applicants proposing to retail energy to residential customers must provide a copy of a:

- a) Victorian financial hardship policy
- b) family violence policy
- c) life support policy.

SEC Energy Response

SEC will not retail energy to domestic and small business customers whose aggregate consumption of electricity taken from the relevant supply point has not been, or in the case of a new supply point, is not likely to be, less than 40MWh per year. On this basis, SEC has not prepared these policies. Notwithstanding this, SEC has identified relevant Life Support Obligations in the Obligations Register, which includes the actions it will take to ensure large sensitive loads are registered as life support. **Attachment reference: Attachment 23 – Obligations Register (confidential attachment).**

2.12 Engagement with Energy Safe Victoria (gas retail applications only)

For gas retail applications, provide details about the applicant's engagement with Energy Safe Victoria with respect to a gas safety case and any copies of correspondence.

SEC Energy Response

Not applicable as SEC will not be retailing gas.

2.13 Additional information

Provide any additional information the applicant considers relevant to the commission's assessment of the applicant's technical capacity.

SEC Energy Response

Refer to section 2 for all information.

3. Financial viability

The applicant must answer all questions in this section.

3.1 Financial resources

The applicant must provide a statement, which will be made available to the public during the consultation period, that the applicant has the financial resources to commence and sustainably perform the relevant licensable activities and meet the service standards for small customers (if applicable).

Provide a statement to confirm that:

- a) the applicant is financially viable and has the financial resources to commence and sustainably operate the retail business; and
- b) the applicant will be a registered market participant with the Australian Energy Market Operator for its retail business and subject to prudential requirements under the National Electricity Rules or National Gas Rules (as applicable).

SEC Energy Response

We confirm:

- SEC Energy is financially viable and has the financial resources to commence and sustainably operate the retail business; and
- SEC Energy will be a registered market participant with the Australian Energy Market Operator for its retail business and subject to prudential requirements under the National Electricity Rules.

3.2 Supporting documentation

The applicant must provide documentation listed below to demonstrate the applicant has access to sufficient financial resources to sustainably operate a viable retail business in the electricity and/or gas industry. This includes operating cost considerations, demonstrating the applicant can meet significantly increased costs – detailed, itemised costs must be provided.

The applicant must provide evidence that it has sufficient financial resources to meet higher costs, including adequate liquid financial reserves to meet higher unforeseen costs, such as higher wholesale costs and increased AEMO prudential requirements.

The applicant must demonstrate a clear understanding of the wide-ranging effects of the identified risks and potential changes on its business **and** set out appropriate risk mitigation measures.

Risk mitigation measures may include evidence of available cash reserves, including bank balances, loan guarantees and the like to ensure the business is able to continue as an active participant by servicing all existing customers and continuing to grow its customer base.

Applicants should also consider whether other risk mitigation measures may be necessary to manage risks to the business, such as changes to the organisational and technical capacity of the business.

Provide the attachment reference for each document listed below and mark commercial-in-confidence where applicable:

- a) audited financial statements for the previous financial year or the past 12 months

SEC Energy Response

Attachment 26 – SEC Energy Annual Report FY24 and Audited Financial Statements (confidential attachment) and Attachment 27 – SEC Victoria Annual Report FY24 and Audited Financial Statements (confidential attachment).

- b) annual report

SEC Energy Response

Attachment 26 – SEC Energy Annual Report FY24 and Audited Financial Statements (confidential attachment) and Attachment 27 – SEC Victoria Annual Report FY24 and Audited Financial Statements (confidential attachment).

- c) guarantees in place

SEC Energy Response

Attachment 28 – Letter of Financial Support from SEC Victoria to SEC Energy (confidential attachment).

- d) shareholder register

SEC Energy Response

Attachment 29a – Shareholder Register, SEC Victoria (confidential attachment) and Attachment 29b – Shareholder Register, SEC Energy (confidential attachment).

- e) statements from banks/financiers, shareholders, the board or parent company

SEC Energy Response

Attachment 30 – SEC Victoria Bank Statement (28 June 24) (confidential attachment).

- f) Provide a statutory declaration by an officer of the company, disclosing:
- i. any material change in the financial position of the applicant that has occurred since the end of last financial year for which audited accounts are provided; and
 - ii. any likely changes in the structure, operation or financing of the applicant or the licensed activity that could materially affect the applicant's financial viability.

SEC Energy Response

Attachment 31 – Statutory Declaration (Financial) (confidential attachment).

- g) Provide a five-year business plan. The business plan must demonstrate that the applicant meets the financial viability criterion. For example, it should provide information on (as applicable):
- i. current valuations of the assets that will be used in undertaking the licensed activity
 - ii. all sources of revenues from the licensed activity
 - iii. all costs involved in undertaking the licensed activity, including:
 - A. the cost of meeting any prudential requirements
 - B. the cost of capital/debt
 - C. the cost to acquire customers
 - D. the cost to serve customers
 - E. the cost of meeting all relevant regulatory obligations, including environmental and green energy schemes (for example, Victorian Energy Upgrades).
 - F. the cost of procuring assets
 - G. wholesale costs.

Where revenues and/or costs are not fixed by contract, the business plan must include an explanation of the basis of the figures used and include appropriate stress testing and sensitivity analysis for such variables.

SEC Energy Response

Attachment 32 – Business and Investment Plan (confidential attachment) which describes SEC Victoria's 5-year business plan and strategy. The publicly available strategy of SEC Victoria is provided as Attachment 33 – SEC Strategic Plan.

Baseline business plan – financial model

- h) Present financial information: profit and loss, cash flow and balance sheet statements, including five years of forecast data, shown in monthly increments. The information must correspond to the applicant's business plan, and organisational and technical capacity.
- i) In presenting this information the applicant must also clearly set out the assumptions underlying the data, including customer acquisition numbers (shown in monthly increments), associated customer load under POE50 demand conditions, and assumptions about the cost of debt.⁷ Customer load should be shown as forecast demand for each month, in Megawatt hours (**MWh**) for electricity and Gigajoules (**GJ**) for gas.

SEC Energy Response

Attachment 34 – Financial model (confidential attachment).

Stress test scenarios – financial model

- j) Present the same financial information provided in the baseline business plan (profit and loss, cash flow and balance sheet statements) for five years, presented in monthly increments, for each of the scenarios listed below.
 - i. The customer acquisition path is 50% lower than that specified in the baseline business plan. Hold all else equal.
 - ii. The customer acquisition path is 200% higher than that specified in the baseline business plan. Hold all else equal.
 - iii. Present financial information for the scenario where:
 - A. the customer acquisition path is 200% higher than that specified in the baseline scenario; and
 - B. for electricity, the wholesale electricity cost equals the Annual Average Volume Weighted Price (**AAVWP**) for the preceding 12 months for the most expensive region
 - C. for gas, the wholesale gas cost equals the highest financial year average cost in the preceding five years in the Declared Wholesale Gas Market (**DWGM**) or Short Term Trading Markets (**STTM**).

⁷ POE50 demand conditions refers to 'mid-range' demand outcomes, that is, a demand outcome with a 50 percent probability of exceedance.

k) Present financial information for the scenario where:

- i. the customer acquisition path is 200% higher than that specified in the baseline business plan; and
- ii. for electricity, the average wholesale electricity cost equals the ASX-traded Base Future Contract Price for contracts that are available over the next 12-month period (from the time the licence application is submitted to the commission).

Notes regarding financial inputs

- **Electricity:** The AAVWP for each region is published following the close of the calendar year and financial year in the Australian Energy Regulator (**AER**)'s Wholesale markets quarterly report. Note: If an applicant has applied or intends to apply for a retailer authorisation with the AER, or holds a retailer authorisation with the AER, then it should use the most expensive region. If the applicant intends to solely retail electricity in Victoria, then the Victorian region should be used.
- **Gas:** The financial year average gas price for the DWGM and STTM are published on the AER website in the wholesale statistics subsection of the wholesale markets section.⁸ If an applicant has applied or intends to apply for a retailer authorisation with the AER, or holds a retailer authorisation with the AER, then it should use the most expensive region (STTM or DWGM). If the applicant intends to solely retail gas in Victoria, then the DWGM should be used.
- **Futures:** The Average ASX-traded Base Future Contract Price (ASXFC) are published on the ASX Energy website.

SEC Energy Response

Refer to **Attachment 34 – Financial model (confidential attachment)**.

4. Fit and proper person

The applicant must answer all questions in this section.

In deciding whether to grant or refuse a licence application, the commission will consider whether the applicant is a fit and proper person to hold a licence in Victoria.

⁸ <https://www.aer.gov.au/wholesale-markets/wholesale-statistics/gas-market-prices>

The concept of a 'fit and proper person' is established by common law and takes its meaning from its context, from the activities in which the person is or will be engaged, and the ends to be served by those activities.

In considering whether an applicant is a fit and proper person, we will have regard to the applicant's honesty, integrity and reputation. These are relevant factors as they can inform an assessment of the likelihood of future conduct.

We will also consider the conduct of officers. We will also consider the conduct of related bodies corporate or entities that can exert control over the applicant.

SEC Energy Response

SEC has completed a comprehensive assessment of its directors and persons with significant managerial responsibility over SEC Energy and controlling entities. This assessment has been provided in **Attachment 35a – Fit and Proper Person Disclosure, Board of Directors (confidential attachment)** and **Attachment 35b – Fit and Proper Person Disclosure, Key Management (confidential attachment)**.

- a) Have 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:
- (i) been declared bankrupt,
 - (ii) had their affairs placed under administration,
 - (iii) been disqualified from managing a company,
 - (iv) been subject to debt judgements,

SEC Energy Response

Refer to **Attachment 35a – Fit and Proper Person Disclosure, Board of Directors (confidential attachment)** and **Attachment 35b – Fit and Proper Person Disclosure, Key Management (confidential attachment)**.

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

If yes, provide details:

SEC Energy Response

Refer to **Attachment 35a – Fit and Proper Person Disclosure, Board of Directors (confidential attachment)** and **Attachment 35b – Fit and Proper Person Disclosure, Key Management (confidential attachment)**.

- c) Has 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 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 Investments Commission Act 2001 (Cth)*)?

If yes, provide details:

SEC Energy Response

Refer to **Attachment 35a – Fit and Proper Person Disclosure, Board of Directors (confidential attachment)** and **Attachment 35b – Fit and Proper Person Disclosure, Key Management (confidential attachment)**.

- d) Has the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility or influence on the applicant been involved in any material breaches of obligations regulated by the commission or any other regulator?

If yes, provide details:

SEC Energy Response

Refer to **Attachment 35a – Fit and Proper Person Disclosure, Board of Directors (confidential attachment)** and **Attachment 35b – Fit and Proper Person Disclosure, Key Management (confidential attachment)**.

- e) Has the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility been under investigation in relation to its regulatory obligations or is currently bound by an enforceable undertaking?

If yes, provide details:

SEC Energy Response

Refer to **Attachment 35a – Fit and Proper Person Disclosure, Board of Directors (confidential attachment)** and **Attachment 35b – Fit and Proper Person Disclosure, Key Management (confidential attachment)**.

- f) Has the applicant, any related body corporate or any person with significant managerial responsibility or influence on the applicant, been refused a licence or authorisation, or had restricted, suspended or revoked any such licence or authorisation (in any jurisdiction)?

If yes, provide details:

SEC Energy Response

Refer to **Attachment 35a – Fit and Proper Person Disclosure, Board of Directors (confidential attachment)** and **Attachment 35b – Fit and Proper Person Disclosure, Key Management (confidential attachment)**.

- g) Is the applicant a resident of, or does it have permanent establishment in, Australia?

If no, provide details:

SEC Energy Response

SEC is permanently established in Victoria, Australia.

- h) If any of the following apply, please provide details:

- i. the applicant is external administration (as defined in the *Corporations Act 2001* (Cth)) or under a similar form of administration under any laws applicable to it in any jurisdiction; or
- ii. the applicant is not capable of being sued in its own name in a court of Australia.

SEC Energy Response

These do not apply to SEC.

Additional information

- i) Provide any other information the applicant considers is relevant to the commission's fit and proper person assessment.

SEC Energy Response

Refer to **Attachment 35a – Fit and Proper Person Disclosure, Board of Directors (confidential attachment)** and **Attachment 35b – Fit and Proper Person Disclosure, Key Management (confidential attachment)**.

5. Commission objectives

The applicant must answer all questions in this section.

In deciding whether to grant or refuse an electricity or gas retail licence application, the commission must consider its objectives under the *Electricity Industry Act 2000* and/or *Gas Industry Act 2001* and the *Essential Services Commission Act 2001 (ESC Act)*.

Our primary objective under the ESC Act, when performing our functions and exercising our powers, is to promote the long-term interests of Victorian consumers. In seeking to achieve this objective, we must have regard to the price, quality, and reliability of essential services and the matters set out in section 8A to the extent they are relevant.

An applicant must clearly demonstrate how its proposed retail business model or project, such as an electricity transmission or generation project, is consistent with the commission's statutory objectives.

Applicants must provide a statement regarding why granting a licence would address the objectives outlined in:

- Section 8 of the ESC Act (also see section 8A of the ESC Act),
- Section 10 of the *Electricity Industry Act 2000*, and/or
- Section 18 of the *Gas Industry Act 2001*.

Specifically, the applicant must positively satisfy the commission that the entry of the applicant into the retail market will promote the long-term interests of Victorian energy consumers with respect to the price, reliability and quality of energy.

SEC Energy Response

SEC recognises the important role of the Essential Services Commission of Victoria (ESCV), and SEC's purpose and vision align with many of the ESCV's objectives. SEC has set a vision to accelerate Victoria's transition to an affordable, reliable, equitable and zero-emissions electricity system that enables decarbonisation across the economy, in partnership with Traditional Owners, the private sector and in coordination with government initiatives.

Price, quality and reliability of essential services

Our purpose is to create renewable, affordable, reliable energy for all Victorians, and we have a clear strategy to achieve it. This includes investing in renewable energy generation and storage;

supporting households to go all-electric; and helping build the renewables workforce needed to drive the transition. SEC will support the objectives to support competitive pricing and provide quality and reliability of electricity by:

- Investing an initial \$1 billion towards delivering 4.5 GW of new renewable energy and storage projects. By ensuring new renewable energy and storage capacity will be available as coal generators transition out, this will allow Victoria to maintain reliability and affordability for consumers.
- Develop options for future investment in long duration storage assets and offer capacity products in the market. This reduces retailers' and C&I customers' exposure to high, volatile prices through the offering of capacity products.
- Combine existing renewable projects with new storage assets and offer 100% renewable electricity products. This supports customers, including government, to achieve their renewable energy and decarbonisation goals.
- Serve C&I customers with firmed electricity supply agreements, helping them achieve their goals, which enables small C&I customers who are currently unable to access power purchase agreements to meet their cost and decarbonisation goals.

Collectively, these actions promote the long-term interests of Victorian energy consumers.

Promote the development of full retail competition.

SEC will invest in renewable and storage generation which will improve the liquidity in the market for both energy and capacity products. This will have a direct impact on full retail competition by addressing a current market challenge for small to medium sized C&I customers who are unable to directly access renewable electricity (e.g., power purchase agreements (PPAs)) and bespoke firming agreements to meet their complex energy needs due to their smaller scale. This could deliver on cost and decarbonisation goals (vs. large industrials who have the influence to compel wholesalers to create bespoke products for them).

Promote protections for customers, including in relation to assisting customers who are facing payment difficulties.

While SEC will not retail electricity to small customers, SEC fully supports protections for all customers, including those facing payment difficulties. Although not directly related to SEC's retail electricity licence, over the medium term, SEC will educate and engage industry and households on the options and benefits of home electrification, including how they can access trusted resources to support their energy decisions and lower their energy costs by switching from gas to all-electric.

Promote a consistent regulatory approach between the electricity industry and the gas industry.

Although SEC is only applying to retail electricity, SEC fully supports a consistent approach between the gas and electricity industry.

6. Statutory declaration

SEC Energy Response

A statutory declaration from the CEO of SEC Energy is attached as **Attachment 36 – CEO Statutory Declaration (confidential attachment)**.

Appendices

SEC Energy refers to documents attached as appendices throughout this application. The below list sets out each of these appendices and details whether the document should be treated as confidential.

Ref	Document title	Confidential
1	Attachment 1 - SEC Energy ASIC Registration	No
2	Attachment 2 - Organisational chart, including Board	Yes
3	Attachment 3 – Organisational chart, detailed	Yes
4a	Attachment 4a – Energy Markets Risk Policy	Yes
4b	Attachment 4b – Counterparty Credit Risk Policy	Yes
5	Attachment 5 – Retail Marketing Plan	Yes
6	Attachment 6 – Retail Electricity Contract	Yes
7a	Attachment 7a – SEC RFT_Customer Solution_Front Page	Yes
7b	Attachment 7b – SEC RFT_Customer Solution_Part A (Conditions)	Yes
7c	Attachment 7c – SEC RFT_Customer Solution_Part B (Specifications)	Yes
7d	Attachment 7d – SEC RFT_Customer Solution_Part C (Proposed Contract)	Yes
8	Attachment 8 Customer Solutions Contract Variables and eServices (EXECUTED).	Yes
9	Attachment 9 – Large Customer Complaints Policy	Yes
10a	Attachment 10a – SEC RFT_Customer BPO_Front Page	Yes
10b	Attachment 10b – SEC RFT_Customer BPO_Part A (Conditions)	Yes
10c	Attachment 10c – SEC RFT_Customer BPO_Part B (Specifications)	Yes
10d	Attachment 10d – SEC RFT_Customer BPO_Part C (Proposed Contract) (UPDATED).	Yes
10e	Attachment 10e - SEC RFT Customer BPO Attachment A (EXECUTED).	Yes
10f	Attachment 10f – Customer Operating Model	Yes
10g	Attachment 10g – Business Process Outsourcing Policy	Yes
10h	10h –Services Agreement BPO with ██████████ (EXECUTED).	Yes
11	Attachment 11 – Board Charter	Yes
12	Attachment 12 – Audit and Risk Committee Charter	Yes
13	Attachment 13 – SEC Enterprise Risk and Compliance Committee Charter	Yes
14	Attachment 14 – SEC Risk Policy	Yes

Ref	Document title	Confidential
15	Attachment 15 – SEC Risk Management Procedure	Yes
16	Attachment 16 – SEC Risk Appetite Statement	Yes
17	Attachment 17 – SEC Risk Register	Yes
17a	Attachment 17a – Key Risk Heatmap	Yes
18a	Attachment 18 – Wholesale Risk Management Responses	Yes
18b	Attachment 18b – CV of SEC’s General Manager of Trading	Yes
18c	Attachment 18c – CV of SEC’s General Manager of Market Risk	Yes
18d	Attachment 18d - Energy Markets Risk Committee Charter	Yes
19	Attachment 19 – EWOV Communication	Yes
20	Attachment 20 – AEMO Communication (9 Aug 2024).	Yes
21	Attachment 21 – Compliance Policy	Yes
22	Attachment 22 – Enterprise Compliance Procedure	Yes
23	Attachment 23 – Obligations Register	Yes
24	Attachment 24 – Breach Management Procedure	Yes
25	Attachment 25 - Intercompany Services Agreement	Yes
26	Attachment 26 – SEC Energy Annual Report FY24 and Audited Financial Statements	Yes
27	Attachment 27 – SEC Victoria Annual Report FY24 and Audited Financial Statements	Yes
28	Attachment 28 – Letter of Financial Support from SEC Victoria to SEC Energy	Yes
29a	Attachment 29a – Shareholder Register, SEC Victoria	Yes
29b	Attachment 29b – Shareholder Register, SEC Energy	Yes
30	Attachment 30 –SEC Victoria Bank Statement (28 June 24)	Yes
31	Attachment 31 – Statutory Declaration from CEO (Financial)	Yes
32	Attachment 32– Business and Investment Plan (BIP)	Yes
33	Attachment 33 – SEC Strategic Plan	No
34	Attachment 34 – Financial model	Yes
35a	Attachment 35a – Fit and Proper Person Disclosure, Directors of the Board	Yes
35b	Attachment 35b - Fit and Proper Person Disclosure, Key management	Yes
36	Attachment 36 – CEO Statutory Declaration	Yes

Ref	Document title	Confidential
37	Attachment 37 – Senior Leadership team CV summary	Yes