



JASMIN SOLAR

FREE SOLAR FOR YOUR HOME

Queensland Electrical Contractor's Licence No. 75214

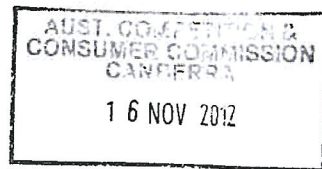
ABN: 62 158 644 225

2-3/98 Spencer Road, Carrara. QLD. 4211.

Tel: 1300 591 415 Fax: (07) 5578 1177

info@jasminsolar.com

FILE No:
DCC:
MARS/PRISM:



9th November, 2012

Dr. Richard Chadwick

General Manager

Adjudication Branch

Australian Competition & Consumer Commission

GPO Box 3131

Canberra ACT 2601

Re: Third line forcing notification N96232

Dear Dr. Chadwick,

Many thanks for your letter dated 06/11/12 re. the above matter, I appreciate your reply.

I am pleased to advise the following:-

1. We have not yet installed one customer as we are still finalising all the receipts of contracts, cooling-off period documents and authorities from all the customers. This is why we felt it prudent to check with the ACCC that all will be OK because the people of SE QLD most definitely want to take advantage of the Offer as so many have applied.
2. I include a copy of the contract, cooling off period document, and irrevocable authority relating to the Feed-in-Tariff rebate that is provided to customers for their consideration should they wish to proceed. You will note that providing there is no breach of the contract, the only amount the customer will ever pay for their system and installation – (a real component cost up to \$12,000 depending on the size of the system – and in most cases the system is 5kW in capacity) – is \$1. The \$1 is not paid until the system is installed.
3. A customer can opt not to proceed without penalty of any kind up to and including the day of system installation. Should a customer change their minds

in say two years' time after the system has been installed and been operational, they can also just phone Jasmin Solar and we shall remove the system at our cost and the customer will be liable for no extra costs or anything.

4. The Queensland Government Feed-in-Tariff Rebate scheme that this opportunity relates to is the previous 44 cents/kWh rebate for excess electricity fed back into the Grid AFTER the home has consumed all it can during the day. The 44 cents/kWh rebate was legislated, gazetted and budgeted for by the Queensland Government to apply to approved solar system installations until 30/06/2028 (ie. approx. 16 years). Thus, the tenure of the Jasmin Solar contract is the same timeline as the Feed-in-Tariff rebate scheme that applied up until 09/07/2012.
5. By supplying and installing the largest approved solar system to low income households, pensioners and seniors in SE QLD for just \$1, Jasmin Solar is hoping that this will alleviate the situation where these groups experience energy bill hardships or disconnection threats anymore. All electricity used during the day will be FREE to the homeowner (except on the few very overcast and wintery days).
6. If Jasmin Solar could achieve the 44 cents/kWh rebate for every household in SE QLD, we would install a 3kW-5kW solar system on EVERY low income, pensioner, and seniors' home for \$1 – even if that were 200,000+ homes.
7. Queensland applies a net tariff rebate whereby the house consumes the solar energy first and whatever is excess is then exported to the Grid and the rebate applies only to what is exported to the Grid. Applicants for the 44 cents/kWh rebate had to apply for this rebate BEFORE midnight on 9th July 2012 and be approved /declined by Energex (SE QLD's Energy Distributor) for connection to the Grid. Approved customers have until 30/06/13 to install and connect their solar system to the Grid before their 44 cent/kWh rebate benefit approval expires. If this date is not met, the homeowner will only be eligible for the Feed-in-tariff prevailing on 01/07/2013 – which could well be the same as the current rate of 8 cents/kWh rebate.
8. One of the primary benefits of the Jasmin Solar Offer is that once installed, homeowners that receive the system can significantly reduce their electricity bills because all electricity used during the day will be FREE because it has been generated by their own solar system (except of course on very overcast and wet days when solar energy generation is not optimal).
9. In addition, the homeowner owns the system when they pay their \$1, with the only caveat over the system relating to whether they breach the contract in the future. The only ways that the contract can be breached is if the homeowner turns the system off without advising Jasmin Solar, or if they attempt to stop the QLD Feed-in-Tariff being paid to Jasmin Solar. This is because Jasmin Solar will only earn the money it has paid up-front for the system and its installation through receiving the QLD Feed-in-Tariff over many years.

10. The majority of homeowners who take advantage of the Jasmin Solar Offer would never be able to afford a solar system and would never be able to reduce their energy bills accordingly. That is why so many applicants were happy to forgo a Feed-in-Tariff that they otherwise would never have been able to access – in order to gain an asset that adds value to their home and that will also significantly reduce their energy bills at a time when electricity bills are increasing on average 15% pa, and will continue to do so for the next decade.
11. Jasmin Solar ensures that the customer also doesn't pay any fee for the Solar Meter supply and installation, which is mandatory to enable connection to the Grid. In addition, the Diamond Energy new customer establishment fee and any management fees relating to the customer's account, are absorbed by Jasmin Solar and this is advised to the customer before they decide to proceed.
12. Should the homeowner wish to sell their home after the solar system is installed, Jasmin Solar provides no impediments to this and just asks the homeowner to advise the incoming buyer that the system on the roof is a Jasmin Solar system and that the new owner agree to Jasmin receiving whatever the existing Feed-in-Tariff is at the time of the property transfer. This is because, in QLD, when there is a change in the electricity account holder for a property with a solar system that is earning a Feed-in-Tariff, the tariff being paid stops and reverts to the tariff applicable at the time of the property transfer. Thus, once Jasmin Solar installs systems, should the property be transferred at a later date, the 44 cents/kWh will cease and a new application made for the current tariff - which is 8 cents/kWh.
13. When Jasmin Solar states that it will supply a 5kW system, this means a 5kW Inverter and 5,000W of solar panels, not a large inverter and a few panels feeding it.
14. We chose Diamond Energy as our preferred Energy retailer for the offer because it is a Solar-focused renewable energy retail company and not focused on coal-powered energy. In addition, we are a small company and couldn't manage having multiple retail energy agreements with large energy retailers because logistically we wouldn't be able to manage the process and also because most of the large energy retailers won't payout the feed-in-tariff in cash, but rather in energy credits – which won't enable Jasmin Solar to maintain its cashflow position to make the Offer. Even those large energy retailers that do offer a cash payment for the feed-in-tariff, only do so on an annual basis, and once again this payment timing would not support Jasmin Solar's financial model. If you imagine, it costs Jasmin Solar \$1.2 million just to supply and install 100 x 5kW systems. This is why we need a small energy retailer that is flexible enough to be able to pay Jasmin the feed-in-tariff rebate quarterly so as to support our cashflow in order to support the offer.
15. Jasmin Solar intends to stand-by and support all its customers for the tenure of the agreement because it is a symbiotic relationship. Jasmin Solar doesn't earn back its money outlaid upfront to purchase, supply and install all the solar

system components until after 5 years of the contract being operational, so it is a large capital expenditure upfront for the long-term benefit of both parties.

16. We seek the support of the ACCC in enabling us to continue to provide this beneficial offering to the low income households, pensioners, and seniors of SE QLD, and then hopefully those of South Australia next.

Should you have any questions or require further information, please contact me.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Matthew Starr', with a long horizontal line extending to the right.

Dr. Matthew Starr
Managing Director