

DC Power Co.
Energy Market Review Submission
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To whom it may concern

DC Power Co. is a Victorian based start-up company and a new entrant into the electricity market. We aim to be the first crowd-sourced funded, customer-owned, solar household focused energy retailer and services company.

We launched our crowd-sourced funding campaign on the 15th March 2018 and in just over 2 weeks we already we have close to 13,000 ordinary Australians pledging on average \$90 each to support the establishment of a new kind of energy retailer. Of those 13,000, approximately 4,000 are Victorians.

Throughout the planning phase of our business we have been tracking the development in energy policy in Victoria, and specifically the implications of the "Thwaites Report". It is noteworthy that the proposal to "re-regulate" energy retail pricing in Victoria, along with similar statements made in other States and Federally, directly resulted in significant investment interest in our business concept to evaporate.

We generally support the recommendations of the Thwaites Report, which highlights the poor practices of the existing energy retail market; practices that we seek to expose, challenge and disrupt with our business model.

We are however concerned about Recommendations 1 & 2 and what it will mean for a new innovative entrant such as us. We acknowledge the industry has performed poorly with respect to innovation over the past 20 year. However, it is a result of that there is now a significant opportunity for businesses like our to challenge the status quo, as long as the market is to remain a competitive one.

Our specific concerns with Recommendation 1 & 2 are:

- it potentially favours the incumbents who have deeper pockets to absorb any costs implications, and yet they are largely the ones to be held account for the poor practices in the market
- setting a Basic Service Offer has the potential to stifle innovation and new pricing models such as ours (see below)
- setting a retail energy prices has the potential to impact on generation investment (specifically in renewable energy generation, of particular interest and concern to us) as the risk/reward as a retailer for investing in generation assets in a fixed priced market is reduce

With regard to our pricing model, we have proposed to implement a "kilowatt indifferent" model whereby we charge a monthly service fee, then provide customers access to wholesale energy rates and a fair feed-in-tariff. This divorces our margin from the amount of energy used and will enable us to drive down customer prices. We are concerned that such an innovative pricing model, that will deliver real value to customers, will not be possible

through the establishment of the Basic Service Offer built on the conventional energy retail pricing models.

Should you require any further information on the DC Power Co. model please feel free to contact me. We eagerly await the outcomes of this review and the direction the Victorian Government will take. It will be very disappointing for us as a Victorian based company if we are unable to operate in Victoria, especially given thousands of Victorians that have already signalled their personal commitment to be part of an energy retailer of the future.

Kind regards,

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