



**PAYLESS ENERGY**



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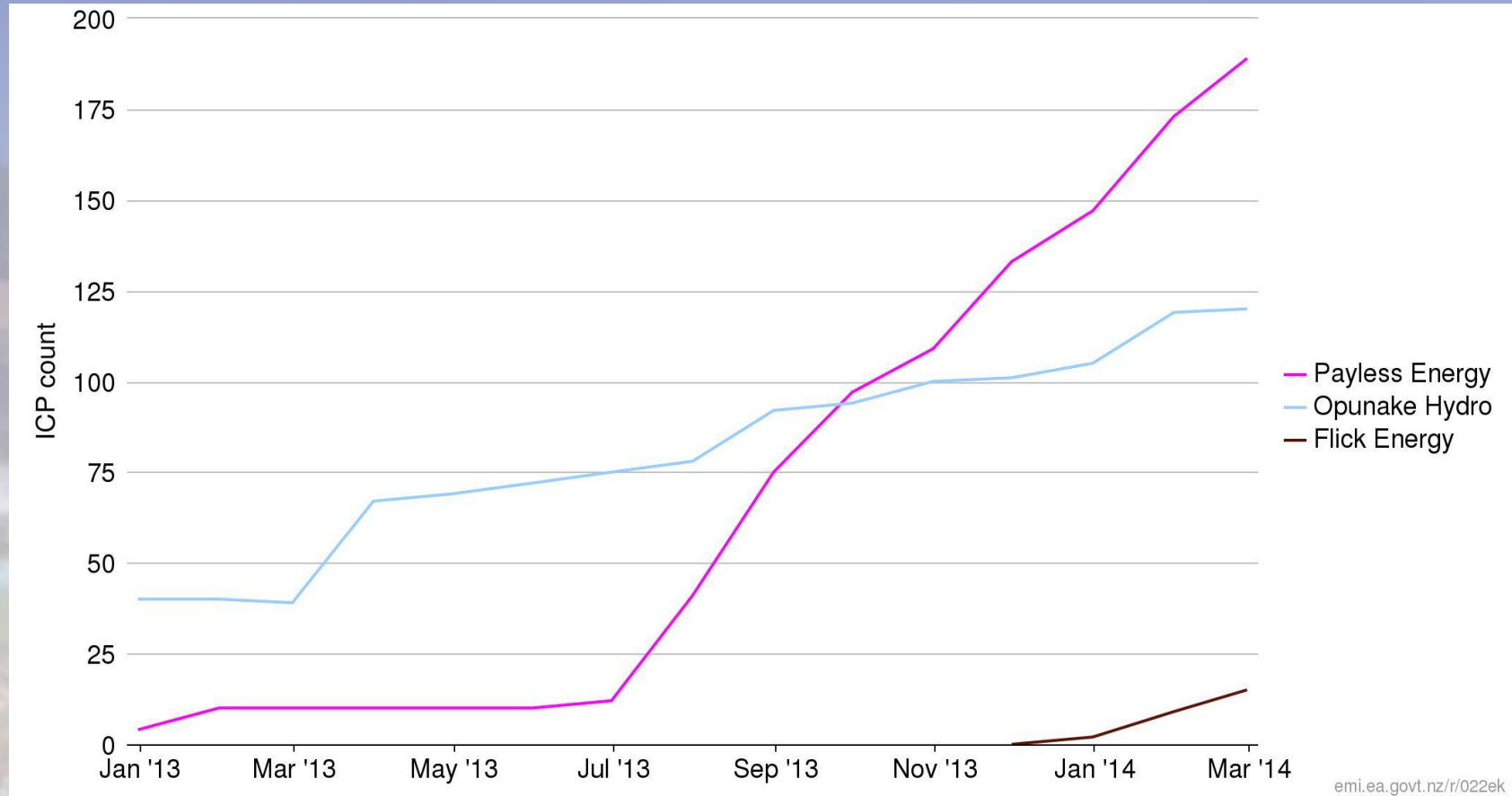
# ABOUT PAYLESS ENERGY

Payless Energy is 100% Dunedin owned and operated electricity supplier selling electricity to residential and commercial customers. Our mission is:

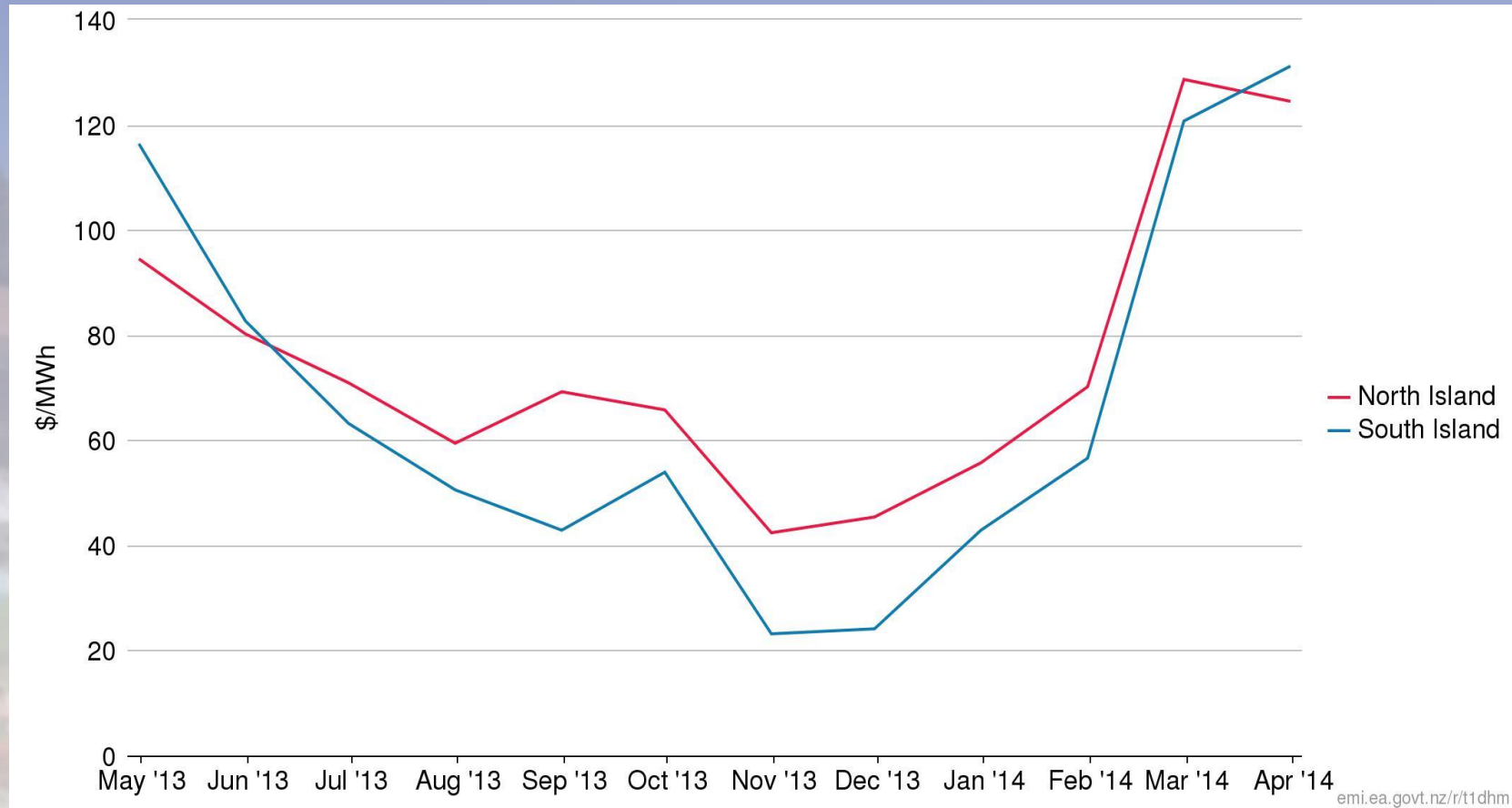
- To assure the best value for money to our Customers;
- To become the preferred electricity supplier; and
- To support our local community.

Our proprietary cloud based system and our online business approach will ensure we will always be able to offer competitive electricity deals.

# MARKET TREND



# MONTHLY WHOLESALE PRICES





# ASX FUTURES

- Minimum contract size is 1 MW of electrical energy per hour at the Otahuhu and Benmore grid reference points;
- Minimum contract time is one month;
- Cash Settlement is on the 4th business day after contract expiry.

# IMPLICATIONS

- Payless Energy has to grow 4 fold before taking advantage of minimum size ASX futures contract;
- Based on Stress Test scenario of combined capacity and energy shortage, Payless Energy has to have cash reserves of over \$520,000 to cover its exposure up to minimum ASX futures contract size.

# SUGGESTED SOLUTION

- Reduce minimum ASX contract size to 0.1 MW per hour;
- Clearing Manager to register as agent on ASX;
- Contract settlement offset directly against monthly electricity settlement;
- Contract position to be factored into prudential security requirement.



# PAYLESS ENERGY LIMITED

PO Box 2105  
Dunedin 9044

[radek@paylessenergy.co.nz](mailto:radek@paylessenergy.co.nz)

ph 027 525 5596

[www.paylessenergy.co.nz](http://www.paylessenergy.co.nz)

opens as [www.plelnz.com](http://www.plelnz.com)

# APPENDIX 1 - FACTS & MILESTONES

- February 2010 – Payless Energy Limited incorporated.
- September 2011 – Registered as an Electricity Industry Participant.
- April 2012
  - Signs Use of System agreement with Aurora Energy Limited with provision for metering services by Delta.
  - Granted exemption from compliance with Clause 15.38 of the Electricity Industry Participation Code.
  - Joins Electricity and Gas Complaint Commission (EGCC).

# APPENDIX 1 - FACTS & MILESTONES

- May 2012**
  - Submits "Purchaser notice of initial bid".
  - First residential customer switched over.
- November 2012**
  - First commercial customer switched over.
- March 2013**
  - Awarded Q-Base Code quality management certification by Telarc SAI Limited (Q-Base is equivalent of ISO 9001).
- June 2013**
  - Becomes a Certified Reconciliation Participant.
- July 2013**
  - Official Opening at Dunedin Centre.



# APPENDIX 1 - FACTS & MILESTONES

- July 2013 – Launches fundraising program with Dog Rescue Dunedin as its first subscriber.
- October 2013 – Launches new Payless Energy logo and branding
- November 2013 – Passess 100 ICPs
- January 2014 – Coverage extended to Central Otago
- March 2014 – Passess 200 ICPs

# APPENDIX 2 - MANAGEMENT TEAM

**Chessa Mierzejewski**  
**MANAGING DIRECTOR**

- 28 years experience in the New Zealand energy industry ranging from working for the NZED MoE, and then Electricity Corporation of NZ, to Managing Director positions in private renewable energy and consulting companies.
- Author of "Economic Analysis for Residential/Commercial Photovoltaic Systems Inter-tied with NZ Electricity Network" published in 1998.
- Holds a Masters Degree in Electrical Engineering and a Teaching Diploma from the then Dunedin Teachers College.

# APPENDIX 2 - MANAGEMENT TEAM

**Paul Mierzejewski**

**OPERATIONS DIRECTOR**

- 28 years experience in the New Zealand energy sector starting with NZED MoE, then Electricity Corporation of NZ, and finally Director level positions with various multinational and private energy companies. His experience includes power generation as well as power systems design and operation.
- Paul is also the founder and past Chairman of PCM-Southtile Ltd, a specialist R&D company developing high density heat storage media in cooperation with Industrial Research Ltd (Crown Research Institute) in NZ.
- Holds a Masters Degree in Electrical Engineering.



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## Radek Mierzejewski FINANCIAL DIRECTOR

- 17 years professional accounting and business experience including Director level positions with Fortune500 companies in Europe and CFO/Company Secretary for public listed companies in Australia.
- Qualified as a Chartered Accountant in 1998 while working for the Dunedin office of Audit New Zealand. Qualified as a Chartered Accountant in Australia in 2004 and in 2009 gained Certificate of Public Practice.
- Graduate of Otago Boys' High School and University of Otago with Bachelor of Commerce in Accounting and Diploma for Graduates in Finance.

# APPENDIX 2 - MANAGEMENT TEAM

**Peter Mierzejewski**

**QUALITY MANAGER**

- Responsible for successfully developing Payless Energy's quality management systems and gaining Q-Base certification in March 2013.
- 12 years broad experience covering such fields as marketing, research and administration in both commercial and NGO organisations.
- Graduate of King's High School and University of Otago with Masters in Social and Community Work. He also has a Bachelor of Arts, a Postgraduate Diploma and a Diploma for Graduates.