BLUEWATER MARINA

POLICY: ENERGY MANAGEMENT

FOR BOAT OWNERS AND VISITORS

Policy

Bluewater Marina's Energy Management policy is to ensure that its customers receive regulated electricity supply to meet their energy requirements through our accredited embedded electricity network.

As an Authorised Exempt Electricity Reseller and Network owner electricity will be supplied through the most efficient, equitable, transparent, and cost effective manner available.

All electricity usage and associated costs will be charged on an actual consumption user-pays basis under 'pass through costing' recovery principles at competitive market rates for our customers.

Procedures

Introduction

Bluewater Marina (BWM) has recently embarked upon a systematic upgrading of all facilities at the marina. The most significant of these asset management improvements has been the installation of new bollards at every berth. These bollards distribute water and individually metered electricity for boat owners' use.

BMW has also invested significantly into implementing our own electricity distribution network which is called an "Embedded Electricity Network." As an Authorised Exempt Network Distributor this means that we own, manage, and control the electricity distribution system across all of our site including berths and landside.

We are also an Authorised Reseller of Electricity under the National Energy Law.

We undertook this substantial capital investment and responsibility to ensure that our boat owner guests and tenants had continuous and reliable access to essential electricity, at a competitive rate, to meet their electricity requirements, amenity, and business continuity in an easy, safe, transparent and well managed environment.

The easiest way to understand the advantages for customers of an embedded network is to think of shopping centres or multi-storey unit complexes which are owned by the one principal entity (e.g. Westfield) but where there are a large number of lessees of small businesses or residential unit owners that may benefit from aggregated bulk-buying capacity, the ease of on-going account management, and connection/disconnection.

These same principles apply to our over 180 berths. We provide a simple and transparent one-stop-shop for ease of connecting, using, and paying for the electricity consumed by each boat for the time it is berthed. The same principles apply for our landside tenants.

Regulations

Government Regulations: Owning and managing an embedded electricity network and charging for the on-selling of electricity required approval from the Federal Government's Australian Energy Regulator (AER), which BWM achieved on 2nd March 2026. Commensurate with this approval, owners of embedded electricity networks must comply with a significant number of obligations and regulatory controls which are managed by the AER.

AER: The AER controls the energy distribution, wholesalers, and retailers of electricity and gas across most of Australia. Apart from providing an approval process for embedded network owners, the AER sets rules and regulations with which all owners of embedded networks across Australia must comply. These are monitored both by independent third parties and AER conducted compliance audits.

QCA: Whilst the AER provides oversight, management, and regulatory control of electricity distribution of behalf of the Federal Government across most of the east coast of Australia, its jurisdiction within Queensland is limited to the southeast corner of the state referred to as "SEQ."

The balance of Queensland falls under the management and control of the Queensland Competition Authority (QCA). The QCA is an independent statutory authority that promotes competition as the basis for enhancing efficiency and growth in the Queensland economy and was established by the Government of Queensland in 1997.

Accordingly, Bluewater Marina falls under the jurisdiction of the QCA. The QCA attempts to harmonise its management of the Queensland electricity market with the principles of the AER, whilst preserving its right to vary these for the benefit of the state economy where it is deemed appropriate.

Retailers: Bluewater Marina currently sources its electricity from an authorised energy retailer. BWM calls for tenders every two years to ensure that we are receiving the most competitive market rate which we pass on to our customers.

Pricing: After taking submissions from all interested stakeholders, but specifically each electricity retailer (such as Energy Australia, Ergon, Energex, Engie etc), the AER makes a determination each year on what the following year's Default Market Offer (DMO) will be for electricity in each state. The DMO (introduced in 2019 to protect residential consumers and small businesses) is the maximum rate that each retailer is allowed to charge the various tariff classification customers in their region within that state.

The QCA conducts its own analysis whilst having regard to the AER's established DMO rates. The QCA has been setting the Regulated Retail Price (RRP – also referenced as Notified Rates) since 2007 and like the AER's DMO, it represents the maximum price across various tariff classifications that electricity retailers are allowed to charge across regional Queensland.

Owners of embedded electricity networks are not covered or bound by the DMO or Notified rates, yet in the interests of delivering best value for their embedded network customers, these embedded network owners invariably try to meet or better the DMO or Notified rates whenever they can.

The DMO, and indirectly the Notified prices include wholesale cost of the electricity; cost recovery of the poles and wires; energy loss cost through transmission; retailer administration and overhead cost; retailer bad debts; funding of the AER; funding of AEMO, funding of emergency outages, environmental levies, ROI, and a number of other retailer oncosts.

Embedded network owners incur these same costs as they are effectively running a mini-electricity distribution system akin to the mega-distribution systems of Energex and other retailers, but without their tens of thousands of customers.

One of the essential obligations of any embedded electricity owner is that they cannot exploit the captive customer base that they have to price-gouge or profiteer from the re-selling of electricity.

Embedded network owners are allowed to recover from their customers the costs of their investment over time, their overheads and administration, metering costs, and common area usage costs.

In essence, embedded network owners are expected to 'pass-through' to their customer base both the assessed actual input together with any bulk-buy savings they may achieve plus their allowable on-costs.

Pricing

Most Queensland regional small business customers – those outside the SEQ catchment – are on a regulated tariff called 'Tariff 20'. Under this tariff, small businesses pay the same rate for each unit of electricity consumed plus a fixed daily charge. This is as opposed to a time-of-use (peak/off-peak) tariff.

To-date, BWM has not received any substantial aggregated or bulk-buying discounts to pass through to its customers. Whilst BWM has a moderate number of berths (180) as well as land-based tenants, the amount of electricity consumed by the average boat customer is small per day. The exceptions to this are super yachts and live-aboards which are charged the same rates based upon their actual meter readings.

Whilst BWM has many daily berth hire customers, the total aggregated amount of electricity consumed is not yet sufficient for us to obtain significant bulk-buy discounts.

Additional Charges

In addition to the above charges, Queensland Energy law allows embedded network owners to pass-on to customers the following additional costs: metering fees (installation, meter reading, maintenance), administration costs (administration, finance, invoicing, and account management), and a share of common area usage costs associated with conducting the business (of a marina) on a shared equity basis (pontoon lighting, land-based lighting, security, common services and facilities).

Price Comparisons

For the forthcoming year 2026-27, the QCA determined that the Notified Rate for small business customers on Tariff 20 is:

- Variable Usage Charge: 27.8750 c/kWh (ex GST), plus
- Service Fee: 194.944 c/day (ex GST), plus
- Network and management service charges as outlined above.

Methodology

The nature of Bluewater Marina's business is not like other static businesses such as shopping centres or multi-storey units where the tenancy is for a specified length of time (e.g. minimum 2-3 year leases).

Marina guests hire the berth per day/night and usually of short stay duration. Given this frequency of berth turnover and the complexity of electricity retailer's invoices with over 40 line items, the only equitable way for us to recover our direct costs from our electricity retailer is to convert the daily service fee to a cents per hour rate, then add our allowable other on-costs also converted to a cents per hour.

This is then shown as a usage charge and a network & management charge on invoices with all figures being based upon actual electricity usage as recorded on each bollard's meter.

The same system and rates therefore also apply to BWM's landside tenants based upon their actual meter readings.

For the current period 01/07/2026 – 31/12/2026 the Bluewater Marina electricity rates are:

	Ex GST c/kWh	Inc GST c/kWh
• **Usage & Consumption Charge:**	**27.8979**	**31.0**
• **Energy Network & Management Charge:**	**7.4834**	**8.0**
• **Total Electricity charge:**	**35.3813**	**39.0**

Tenders: BWM calls tenders for its total electricity supply on a biannual basis to ensure that it is receiving a competitive rate to then on-charge its customers. A new contract commences 01/01/2027 with lower rates.

Trends: The net overall QCA Notified Rate for Tariff 20 2025-26 had a 3.2% increase. The rate for 2026-27 has an 11.3% decrease.

Comparison with Local Area Standing Offer: Based on our current electricity contract**,** BWM charges an electricity usage c/kWh rate which is 0% variance from the local standing offer. BWM's total aggregated electricity rate is currently 21.5% above the total aggregated local area standing offer. This variance will be significantly reduced when our new contract commences 01/01/2027.

Power of Choice

One of the principles of the Federal Government's legislation is to give consumers the "Power of Choice." This means anyone is free to choose whichever energy provider they want to use without being locked into a contract or an embedded network. Effectively, any customer can choose any energy provider they wish to use. This change of electricity supplier is easy for static, long term tenants with fixed commercial lease durations (e.g. 2-3 years such as shops) as this is all managed 'at the back end' with computers simply transferring the data ownership from one retailer to another.

However, a marina business is not of this nature.

The reality of this for Bluewater Marina customers is that if a boat owner wishes to use a different electricity supplier outside of BWM's embedded network, then they may elect to do so. Similarly with our land-based tenants.

Before exercising this choice, there are number of substantial cost and administrative matters that you must take into account before making this decision. These are listed below however this does not constitute the full list of your legal costs and responsibilities:

- You will need to arrange all power connection and disconnection yourself every time you berth. This will be at different berths on each occasion; OR

- If you elect to only supply dedicated electricity to one berth, you will be responsible for either the annual berth cost of holding that berth vacant for your exclusive use; or for the management, accounting and back-charging of electricity for all berth users at that specific berth. If this option is elected, you must apply to the AER for a Retail Exemption Authorisation as a Reseller of Electricity and comply with their conditions.

- You will need BWM's written permission to have a new dedicated cable to be run from our sub-station to your specific berth and bollard. Legally, you must bear the cost of this through an authorised electrical installer in addition to associated infrastructure work.

- You will need to install your own BWM pre-approved bollard or pay a rental fee to use BWM's existing bollard and meter.

- You are legally required to pay for the full conversion of our meters and sub-station alterations including any additional meters required in order to provide electricity to your nominated berth/bollard.

- BWM has the legal right, and will charge you, an annual rental for use of our infrastructure to run the cables across our property and/or use of our bollard and meter if you do not supply your own pre-approved bollard and meter.

- You will be responsible for settling all accounts and bad debts of other users at that berth directly with your selected electricity provider if you do not give us irrevocable permission to lease that specific berth to other customers. We will charge you an administration fee to offset our costs of managing and processing a single bollard account outside of our embedded electricity network should you allow other boating customers to use that dedicated berth.

- You will also be responsible for all maintenance and compliance matters including setting the rates charged that relate specifically to that berth / bollard and the energy management thereof.

- You will be required to negotiate your own electricity rates with an authorised retail electricity supplier.

- You will still be required to pay BWM for berth rental and use of the marina's facilities (but not for electricity).

- The above principles will apply equally to any landside tenants who may be considering using an energy retailer outside of BWM's embedded network.

Conclusion

Bluewater Marina prides itself on the high quality of professional marina services and facilities that it offers to its customers.

The provision of electricity, whilst only incidental to our business, is essential for our customers through our own modern embedded electricity network and metered bollards and is another demonstration of our commitment to quality and service for our customers.

The electricity rates that we charge are annually assessed by an independent, third party industry expert in energy management (Fuller Strategic Consulting – FSC) to ensure that out c/kWh rate conforms with, and if possible does not exceed the usage Notified rate, and that our Network and Management Fee reflects actual cost recovery incurred by us from our electricity retailers, together with our allowable infrastructure cost recovery and management.

We trust that you have found this detailed information to be helpful in understanding what is, as it applies to marinas, a very complex part of the Australian National Energy Law.

Version Control

Ver	Date	Editor	Approved	Summary of Changes	Rank
1.0	01.07.26	R Fuller		Draft New Policy	High