



NOTICE TO MEMBERS

As members may be aware, on 19 July 2022, Andrew MacNeill and Justin Howlett of SMB Advisory were appointed Joint and Several Administrators of Power Club Limited (“PCL”).

PCL was placed into Voluntary Administration by resolution of the Company’s Directors as PCL was insolvent or about to become insolvent.

Please find below, a list of Frequently Asked Questions (FAQ) that may resolve any potential queries you may have as a Member of PCL.

All major correspondence from the Administrators will be made available for download from the following URL: <https://www.smbadvisory.com.au/power-club>

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Why is PCL in Voluntary Administration?

The wholesale electricity market has recently experienced significant volatility with wholesale energy rates spiking to levels that could no longer be sustained by PCL.

Funding that had previously been relied upon to support PCL's operational shortfall over the past few years was also exhausted.

Accordingly, to avoid further deterioration of PCL's financial position, the Directors were forced to appoint Voluntary Administrators.

Will my electricity supply be interrupted?

As an essential service, the Essential Services Commission (ESC) initiated the 'Retailer of Last Resort' (RoLR) process prior to the Administrator's appointment that would have automatically transferred your account to another retailer based on your jurisdiction.

Your supply would have been transferred on 12 July 2022, and while it might take a few days for this to be sorted, your new retailer will then make themselves known to you.

You do not need to do anything for this process to take place.

Is this a Hoax? (new)

It is not. PCL was formally removed from the market at midnight 11th July 2022.

The new retailer you have been transferred to will have carriage of your electricity account from that date. They will have/should have already been in touch with you. You may have received several emails or text messages since the Administrators were appointed on 19 July 2022.

The Administrators will also be communicating with you further as all PCL accounts are finalised. Some members will have credit balances and some debit.

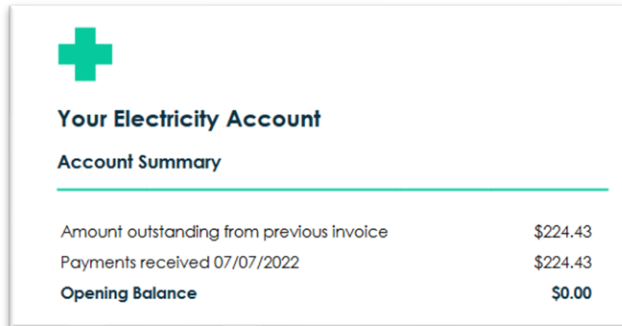
Why have I received multiple invoices? (new)

Unless your normal billing cycle aligned with PCL exiting the market on 11 July 2022, you would have received your normal monthly bill a few weeks before that and then you would have received another bill for the remaining days to 11 July 2022. In some cases that would only be a week or so.

If your Powerbank had a negative balance, you would have received an invoice similar to the below example, but with what you owe and your other details in the following format:



Your regular electricity invoice would have details similar to the following along with the applicable charge to your account:



Your Electricity Account	
Account Summary	
Amount outstanding from previous invoice	\$224.43
Payments received 07/07/2022	\$224.43
Opening Balance	\$0.00

So, you may have received up to three (3) bills in the last month from PCL. The following would apply:

- If you received your final electricity bill before the earlier bill was paid, then the final bill will have a carried forward balance from the earlier bill and you owe all of the final electricity bill.
- If you paid your earlier electricity bill just before receiving the final electricity bill, then your credit may not show on the final bill. In that case you only need to pay the new charges on the final electricity bill.
- If you received a bill because your Powerbank had a negative balance, then in all cases this bill is due to be paid in addition to any other electricity bill as described above.
- You will receive a bill as above for each property you had with PCL.

Will my account still be Direct Debited?

No, all Direct Debits have ceased as a result of the RoLR process, therefore your bank account will no longer be direct debited. All current and outstanding invoices will now need to be paid via BPay to avoid your account becoming overdue.

Why does the invoice say it will be direct debited? (new)

There has been some confusion around the use of BPay. PCL no longer has authority to Direct Debit your bill so your only payment option is to pay by BPay.

Unfortunately, invoices still stated there would be direct debits which was incorrect and confusing. PCL were unable to have the invoice templates changed to remedy this statement in the final bills. We apologise for the confusion this caused.

What if I don't have a credit card? (new)

BPay allows you to pay invoices via credit card or directly from your savings account. If you are unable to pay the outstanding bill by credit card, please pay via online banking or your local bank branch.

My last invoice was huge, and it was only for a few days – how can this be true? (new)

There are a couple of reasons for this:

- PCL rates had a very large increase on 1 July 2022, which members were informed of via email on 27 May 2022. Some members may not have read the Rate Change Notice of that day; however, many rates went up by 50% to 100%. This is unfortunate but is in-line with the change in wholesale pricing that hit the market in the last few months.
- Many non-Victorian based members are on basic meters. These only get read every three months and estimates are calculated for the months between. This has been a particularly cold and wet winter with members often having more use than usual. If the prior month underestimated that use, when the final reading came in, the additional usage would be incorporated into the final bill.

Why was my last bill an Estimate and flagged with an (E)? (new)

There are a few things to note here if your final bill has an (E) against the meter readings:

- Under the new regulations, final bills can be estimates.
- This is simply the reading applied at the time you transferred to the new retailer.
- It is calculated by the Meter Data Provider under specific rules. It is not calculated by PCL.
- This is the reading applied to both PCL and your new retailer.
- If it is estimated too high, then your first bill from your next retailer based on actuals will be lower and if it happens to be estimated too low, then the first bill based on actual usage from your new retailer will be higher.
- In any case you will not be charged for more than you used once it is washed up against the actual reading from time-to-time.

Your Meter Details

Last Actual Read:	19/05/2022	Next Read:	12/08/2022	
Bill Start:	13/06/2022	Bill End:	11/07/2022	
Meter no.	Tariff	Last Read	Current Read	Total Usage (kWh)
076367	11	20621.000	20896.000 (E)	275

(A)=Actual (E)=Estimate (C)=Customer Self-Read

The Last Actual Read: date is when your meter was last read. Sometimes it may be the same date as the Bill End: date, and it is still an estimate. If ANY one of the 5, 15 or 30-minute usage records has a quality issue, the whole period is flagged as an Estimate. It could be only one of the 8,640 5-minute usage records for the month that has a quality issue.

What happens to my Powerbank balance? (updated)

Your Powerbank account remains secured, and the Administrators are working towards returning any positive balances owed to you as soon as possible.

What is the hold up?

PCL acts as Trustee for the Powerbank Trust. Upon review of trust and security records and documentation, the Administrators have identified several parties who have, or may have, a claim on the funds held in Powerbank. In the absence of agreement, the Administrators will be required to seek the directions of the Court to determine the respective claims on the fund. Powerbank funds must be held until these matters are resolved.

Whilst we appreciate this is a difficult time for Members we want to ensure Members that the Administrators are doing everything possible to return the Powerbank funds to Members as quickly as possible.

Members will be kept updated once negotiations have concluded with the parties who may have a claim on the funds held in Powerbank and it is known whether Court Directions are required.

Why has my Powerbank dropped so much? (new)

This is one of the primary reasons why PCL has had to exit the market.

You will likely have read articles around high electricity prices and intervention in the electricity market by the Australian Energy Market Operator (AEMO). This has been an unprecedented period for the energy industry. On some days PCL was being charged over 40 cents per kWh when it was budgeting on an average closer to 6 cents per kWh. This was directly affecting every member's Powerbank balance. In that example every kWh used reduced Powerbank by 36 cents (i.e., 40 cents minus 6 cents).

For all of our members, these high prices were especially prevalent across the last two months of PCL's operations and in QLD, NSW and the ACT, many more months before that.

What if PCL was doing other work for me, like installing a new smart meter or turning off my power? (new)

Any work in progress will be taken over by your new retailer.

Please follow up with your new retailer in relation to these matters as PCL no longer has authorisation to do this work.

Can I pay or off-set my outstanding PCL invoices using my Powerbank balance?

Several members had previously opted to have their final electricity invoice paid using their Powerbank balance.

For the reasons previously outlined, this option is not currently available to members.

Accordingly, we encourage all members to pay any current and final invoices as they become due using the BPay details on your invoice.

What if my electricity account is in credit? (new)

If your electricity account is in credit, unfortunately you will rank as an ordinary unsecured creditor in the administration and will need to submit a formal proof of debt form with our office.

Having said that, if you owe money to Powerbank, your electricity account credit might be able to be offset against the amount owed to Powerbank. This option will not be known until such time as the Administrator has resolved the various claims to the funds held in Powerbank referred to in “What happens to my Powerbank balance?”

When will I receive a final invoice?

All final electricity invoices have now been dispatched. If you have not received one, please contact us using the details below under “Who can I contact if I have more questions?”.

Will my membership fee be refunded? (new)

Some members have recently paid a Powerbank top-up and have confused that with a membership fee. PCL stopped charging annual membership fees of \$45 per Residential and \$90 per Business some months ago. Under your PCL terms and conditions, the membership fee is expended by PCL in the first month as part of the licence fees it pays for the Intellectual Property used in the Powerbank product. Your membership is provided for free for the following 11 months. As such, the membership fee is not refundable.

I paid my Powerbank top-up, but it wasn't required – what happens to those funds? (new)

If you paid a Powerbank top-up just before PCL stopped trading, then it is the Administrators intention to return these proceeds to you as soon as possible. Please refer to the “What happens to my Powerbank balance?” for further information.

What dealings did PCL have with Flow Power?

Prior to the Administrators appointment, we understand that PCL were looking for ways to move forward under difficult circumstances and ultimately, together with a related entity, executed a sale transaction which essentially reduced operating costs by transferring several of PCL's employees to Flow Power. The arrangement included intellectual property that was owned by the related entity.

We are informed that no customer accounts were transferred to Flow Power unless explicitly consented to, or requested, by members themselves.

Who can I contact if I have more questions?

The Administrators will continue to update members as further information becomes available.

A dedicated webpage has been added to the SMB Advisory website, where a continually updated FAQ is located. The URL for this webpage is: <https://www.smbadvisory.com.au/power-club>

If you have a query, please contact the Administrators via the following email address: powerclub@smbadvisory.com.au or via the PCL hotline on 1800 762 238, option 3.