



**Tenco**

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No.1

# Case Study

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## Embedded Network

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### **Keeping it simple at Clyde Quay Wharf development**

Developers Willis Bond & Co chose a \$180 million destination project – the exclusive Clyde Quay Wharf development – for their first venture into the territory of embedded power networks for the benefit of, primarily, residential end users.



**WILLIS BOND & CO**

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## Embedded Network



### The Challenge

**The complexity involved in the planning and development of the Clyde Quay Wharf development – featuring 76 luxury apartments, concierge, movie theatre, gym, offices and retail premises – would be enough to put some developers off adding ‘extras’ like a tenant owned electricity network.**

Willis Bond & Co saw this as an added value opportunity. Megan Bibby, development assistant at Willis Bond & Co. said:

**“I was aware of the revenue stream that a company like TENCO could deliver for a commercial property, but we were interested to see if we could do the same for the body corporate at Clyde Quay Wharf”.**

Megan had some experience in previously retaining a small company to set up an embedded network in a commercial property some years ago – when embedded networks (a privately owned electricity distribution network) were still relatively new – but whilst delivering an adequate return the delivery and transparency of information for the end user lacked the professionalism that this high end asset required for ongoing management.

**“TENCO has provided regular reports on the network since commencement and also has had a representative meet with me to go over the results, and during the set-up phase, was in regular communication to ensure this project was on track,” Megan said.**

### The Opportunity

**While many building owners and developers see an embedded network as an additional revenue stream for themselves, Willis Bond & Co wanted to offer an additional benefit to the body corporate (effectively all the owners) at Clyde Quay Wharf.**

**“This is a very high-end development, and it’s expensive to run, as we were not prepared to quibble on the quality of the service providers we brought into the development. We saw the embedded network as an opportunity to offer the residents a means to earn revenue – that could help offset annual operational costs,” said Megan.**

TENCO’s proposal estimated that an embedded network, post development, had the potential to return \$28,000 per year to the body corporate.

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## The Objective

The project called on Tenco to:

1. Plan for providing power to the site during construction from one central electricity meter at the gate, instead of multiple meters that usually characterise similar building sites, and this was made possible as a benefit of Tenco being part of the broader Simply Group.
2. The ability to apply for just one Installation Control Point (ICP) at a once off cost of \$160, instead of a separate application for every single apartment, office and retail tenancy at a cost of \$160 each (every residence, commercial or retail site is required to have an ICP number that allows them to buy power).
3. The provision of smart meters to every tenant when the construction neared completion.
4. A licensed agreement and the benefits of the embedded network – efficiencies and cost savings – to the body corporate once it was established.
5. Ensure that all compliance, registrations and billing services are provided to the body corporate.

## The Solution

**"I trusted the team to get it right and they did – it was a huge benefit to me that somebody was managing the process so well. I had an expert on my side within a specialist area that was largely unknown to us, and they had the appropriate contacts to make sure it ran smoothly.**

**I was concerned that this could end up costing the body corporate, so we included in the contract a provision to disestablish the project if legislation changed, or if the embedded network became unviable at any stage."**

**We are more than happy with the outcome to the extent that we will now look to work with Tenco to implement embedded networks in our future developments."**

**Tenco provided Willis Bond & Co with one point of contact, and the project rolled through smoothly, with no issues and no wasted time.**

1. Power was provided via Simply Energy during construction through one bulk meter, instead of dozens of smaller meters, which simplified the process and produced cost savings for the developers during the project.
2. Willis Bond & Co choose to partner with Meridian Energy and Tenco facilitated with Meridian Energy for the installation of the apartment, office and retail metering. Tenco issued individual ICPs to each tenant – saving approximately \$15,000 in ICP costs alone – and ensured that individual contractors were able to attend to multiple tenant meters at a time through one central point of liaison, instead of having to go through 0800 numbers.
3. Megan confirmed the installation of the smart meters and related processes went very smoothly.

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**“Having one point of contact on a big project like this, and not having to deal with 0800 numbers to call centres that did not understand the project was a huge benefit during the transition phase when new connections are taking place,” she said.**

- Once the body corporate was established, TENCO introduced a licensed agreement and necessary cloud infrastructure to enable the body corporate to reap the benefits of the embedded network – in effect, the de facto power company for tenants.

## Outcome

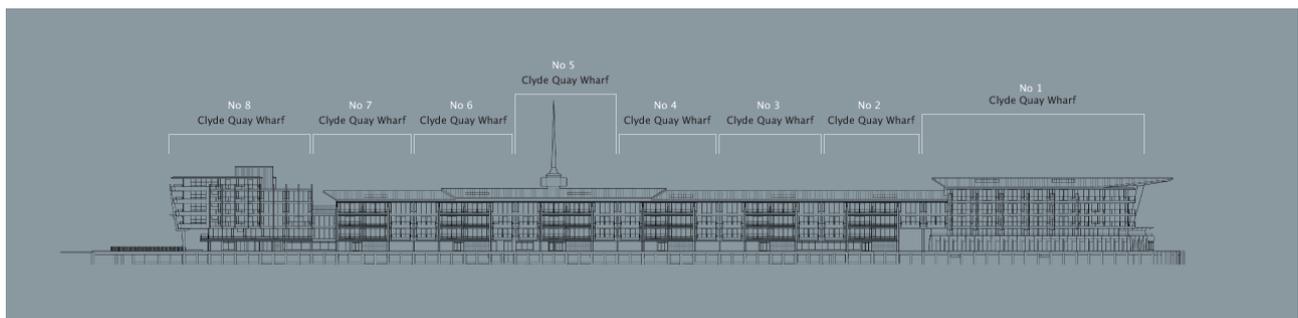
**The implementation and transition of ownership of the embedded network took place over a period of two years and has been in place for some time. In 2015 the embedded network earned the body corporate \$62,740.00 in revenue.**

The additional revenue is used to offset body corporate fees, a saving of roughly \$600 per owner per year. Owners and tenant power bills are no more than they would have been had there been no embedded network established.

Megan said that Willis Bond & Co have had absolutely no issues from tenants and owners and, from the developer’s perspective, it’s a big positive to be able to give something back to the body corporate.

**“It’s a point of difference for us as a developer. TENCO was conservative with their initial estimates and accordingly they have over delivered, that is a nice bonus for the body corporate.**

**We are more than happy with the outcome to the extent that we will now look to work with TENCO to implement embedded networks in our future developments.”**



# Case Study Snapshot



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one bulk meter  
simplified the  
process  
one point of contact  
made it easy

**\$28,000**

estimated revenue  
return to body  
corporate

**\$62,740**

actual revenue earned  
by body corporate

**\$600**

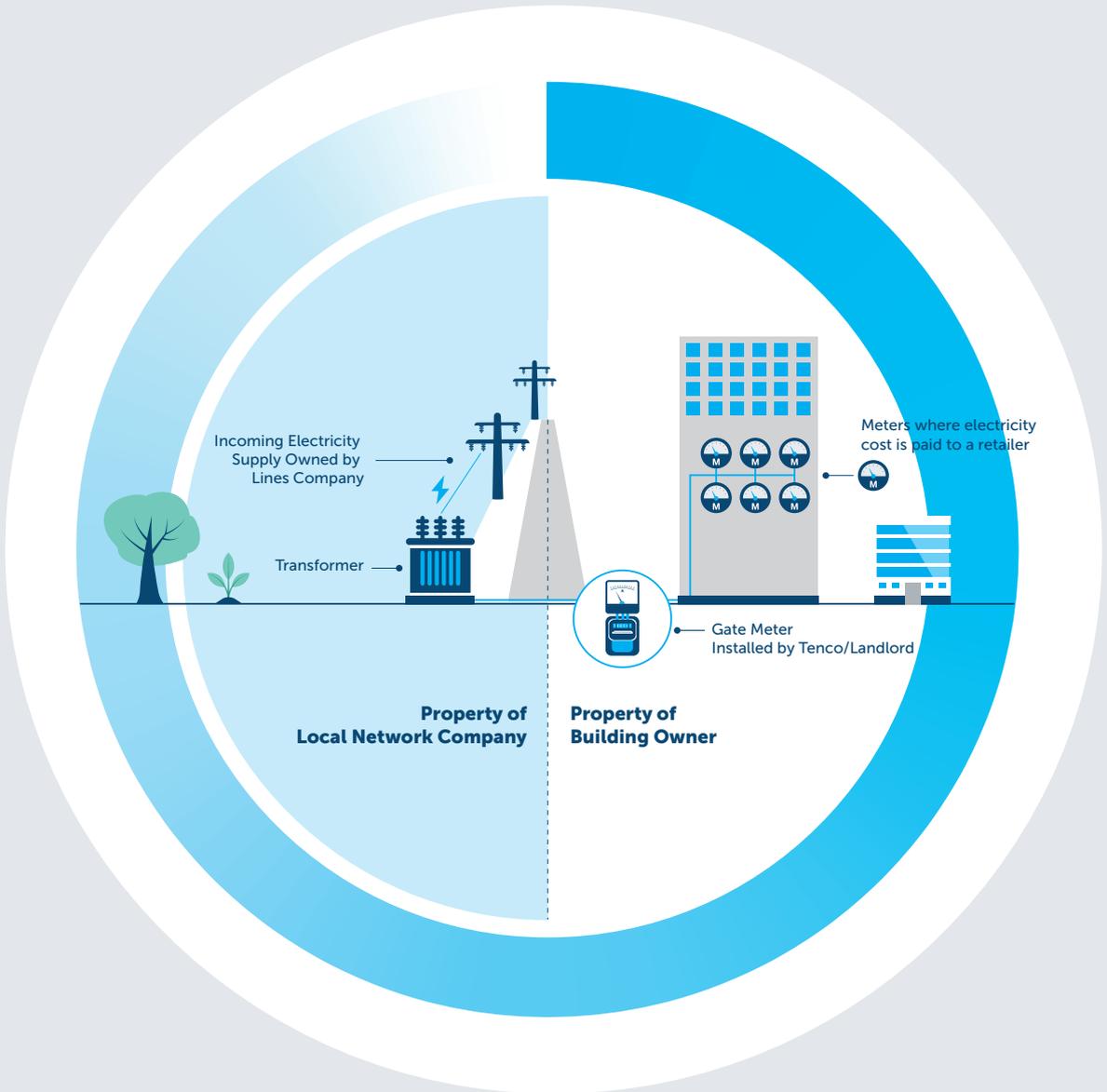
savings per owner  
per year when  
offset against body  
corporate fees

**client  
solutions**



# Tenco

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Simply Group



*It's all taken care of.*