Embedded Network

Case Study

The future of electricity supply in commercial sector

In a significant conversion and implementation exercise, multi-utility solutions provider Simply Group overhauls Precinct Properties' electricity supply systems across entire portfolio.

It's all taken care of.

Embedded Network
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In a 12-month process, Simply Group was commissioned by Precinct Properties to roll out embedded networks across its 14 commercial properties in Auckland and Wellington, via its subsidiary company Tenco.

The move came about following Precinct's purchase of the Downtown Shopping Centre from Westfield in Auckland in 2013, which was already running an embedded network.

Tenco General Manager Nick Price who oversaw the operation, says Precinct examined its operating costs against the $80,000 return of Downtown Shopping Centre at the time sparking a comprehensive investigation into its electricity supply.

> **"Precinct were quick to recognise the opportunities in implementing embedded networks across their portfolio to reduce their operating costs, free up resources, achieve revenue returns and increase the capital value of their assets."**

Precinct Development Manager Mike Patching says Tenco made the process significantly easier by its customer-centric approach and vast industry knowledge and contacts base, resulting in substantial commercial benefits for the company.

> **"There were a few drivers behind our decision to pursue embedded networks across our portfolio. The portfolio has grown historically over time and our assets have included different electricity regimes with different revenue expectations.**
>
> **A significant driver behind this approach was to streamline our processes and be able to offer our clients choice of retailer. Many of our clients were keen to pursue their own electricity supply which previous to having embedded networks we were unable to offer."**

Precinct was charging electricity at cost price for several of its portfolio assets, and having to fund maintenance and processing costs internally and carry a significant debt risk from each billing cycle. Patching says the old regime was not commercially feasible.

> **"Essentially we were buying electricity, processing it, paying to read the meters, paying for administrative resources, and selling it back at the same price, while carrying the debt risk until it was paid. Other issues added to complicate the process further such as arrears and disputes. It was commercially unsound to continue this model."**

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Simply Group and Tenco have been managing customers' secondary networks for more than 15 years. This has involved the conversion or setup of more than 100 embedded networks since 2005. Price says as commercial property operators become more astute, there is an increasing demand for embedded networks.

"Our clients include shopping centres, airports, commercial office buildings, apartment buildings and retirement villages. We work with New Zealand's largest property owners throughout New Zealand including property that is owned or managed out of Australia.

Tenco and Simply Group's combined experience, technology and industry knowledge means it has all the necessary facets required to operate successfully across the full spectrum of the New Zealand electricity market.

We have agreements with all the main industry participants including local network companies, large electricity generator and retailers, metering equipment providers, meter reading services providers and their contractors."

Embedded Network
Precinct Properties / Snapshot

12

12 month process to roll out embedded networks for Precinct Properties across...

14

14 commercial properties in Auckland and Wellington

5

Current Precinct Developments that Tenco is implementing Embedded Network's on in conjunction with Precinct

100

Tenco have rolled out over 100 embedded networks since 2005

client solutions

It's all taken care of.

Embedded Network
Diagram

Tenco

Incoming Electricity
Supply Owned by
Lines Company

Transformer

Meters where electricity
cost is paid to a retailer

Gate Meter
Installed by Tenco/Landlord

**Property of
Local Network Company**

**Property of
Building Owner**