



**SMART  
POWER**  
TOTAL ENERGY MANAGEMENT

## Making life simple — and making more money — with an embedded network.

Imagine owning the electricity network inside a multi-tenanted commercial property or a subdivision containing dozens of homes. In return for owning this internal or 'embedded' network, you'd be paid a portion of the power bills of every connection within your boundaries.

This margin would come from the local network owner's share, i.e. a lines company such as Vector. Your tenants or occupants would pay no more than normal, and they'd still have a choice of energy retailer.

But sometimes a situation changes. What happens if a company, with no experience in energy management, buys the property and wants to change the ownership structure? Things could get messy. That was the dilemma facing CapitalGroup.

### **14 storeys, 21 tenants, zero hassles.**

CapitalGroup had the opportunity to purchase a 14-level office tower in Wellington with a mix of office and retail tenants. The plan was to buy out all of the individual titles and replace them with a single ownership structure.

It was an attractive proposition for all parties, and the sale proceeded smoothly. However, the process of transferring ownership from multiple titles raised the question of what to do with the embedded network installed by the property's previous owners.

The tenants would still need separate energy accounts and connections – but now CapitalGroup would have to take responsibility for managing the network at every point from the incoming gate meter. CapitalGroup had a savvy team but energy management was not one of their areas of expertise.

CapitalGroup executive Tim Yates summarised the situation: "It made sense, because of the set-up, for the owner of the building to take over ownership of the embedded network, but it wasn't an area we had experience in. "It was clear we'd need some expert assistance."



### **Smart Net empowers owners.**

Fortunately, the outgoing owners had engaged Smart Power's embedded network team, trading as Smart Net. Tim Yates met with Smart Net GM Nick Oldham and discussed the situation. Nick was able to suggest a clever work-around that would enable CapitalGroup to manage the transition with no disruption and minimal expense.

The solution involved Smart Net using its existing distributor code and relationship with the external network provider to save CapitalGroup from being obliged to register as a distributor. Smart Net also checked and clarified the location of all meters and connections inside the building, so CapitalGroup and its tenants had transparency on their power supply arrangements.

### **Common area costs controlled.**

In addition to managing the transfer of the network's ownership, Smart Net helped sort out energy costs for the common areas. Lighting and power points provided for the benefit of all needed their own separate connection to the embedded network, with the power bill sent directly to CapitalGroup.

Smart Net went to the energy market, sourced quotes from retailers, analysed offers, identified the best options, and made a recommendation to CapitalGroup. Job done.

### **A simple solution with a rewarding outcome.**

Tim Yates was pleased to find the changeover totally seamless, and far simpler than he had expected.

*"Smart Net were really helpful. They took care of all the arrangements. Basically, all we had to do was provide our bank account details."*

This was an unexpected bonus for CapitalGroup. When purchasing the building they hadn't realised that they'd be getting an extra revenue stream. Now money flows into their account every month.

CapitalGroup enjoys the benefits of an efficiently run network, without the need to manage it directly. There's a passive income stream that boosts their overall return. The building's tenants have their own connections, and control of their own power bills, without paying any extra margins.

Everyone can focus on what they do best, with Smart Net taking care of the embedded energy network.

Since being established in 1993, Smart Power has been dedicated to providing our clients with the specialist advice needed to ensure they are running their business as energy efficiently as possible. Our independence, and the ability to offer our clients access to the entire spectrum of energy management services, sets us apart from our competitors, and enables us to take a holistic approach to energy needs within our clients' business.

Our success to date is attributed to our commitment in building long-term relationships with our vast range of clients, from Government agencies to large corporates and commercial clients. We are dedicated to helping them save money, minimise their energy use and also assist them with their day to day operations. Today, Smart Power is based across both Australia and New Zealand, with offices in Melbourne, Wellington and Auckland.



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