From:	Bill Kirby
To:	EPWA Alternative Electricity Services
Subject:	thoughts on embedded networks
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Hi and thanks for the opportunity to have voice on this matter

- **How satisfied you are with your embedded network service?**

I am very disappointed and angry that I was:

  a. unaware that landlords could source energy for as low as *13-15 cents per unit through a retailer and then on-sell to (us) tenants at the Synergy Tariff rate of much more than this 40cents per unit. We only found this out as we had a freehold commercial business that was paying (at the time) 18 cents per unit elsewhere before we started operating another similar business at another location within an embedded network.
  b. Being a larger electricity user in our business resulted in our budgets for electrical costs being well over expectations.
  c. the inability to have benefit from solar power in real money terms, and the large financial benefit of solar systems only goes to the landlords/developers/on-sellers.
  d. We have had frequent power surges at one of our sites within an older shopping centre, we have no ability to transparently seek a real resolution, and it continues to affect our business and at times causes a cost to us having to turn customers away and provide refunds.

- **What is the best and worst thing about being an embedded network service customer?**

  a. No need to plan or pay for upgrading of transformers, noting though these are often a once off expense (I know through our freehold experience) and not commonly requiring attention after the initial construction.
  b. No need to directly maintain or resolve power issues, again from experience this has not once in 16yrs been an issue for us at our freehold site.

- **Is there anything that surprised you about your embedded network service?**

  a. The fact on-sellers can get over 100% margin on the power they pass onto us.
  b. The fact that even with solar panels and after a 5 year payback period on-sellers are able to make even better margins for the power they generate/on-sell.
  c. The fact that after talking with developers, they actively price into their rate of return a % of money to be made just from on-selling power – One of agents gladly told us some years ago that one development he las makes over $200,000 pa just in on-selling power to the tenants.

- **Is there something you wish you had known before moving into an embedded network?**

  a. Before signing a lease I would loved to have known of this as we as tenants are a major power consumer, since knowing this we all of our subsequent leases have clauses to protect us better.

- **Is there anything you think needs to change with how embedded networks are regulated right now? Why/why not**

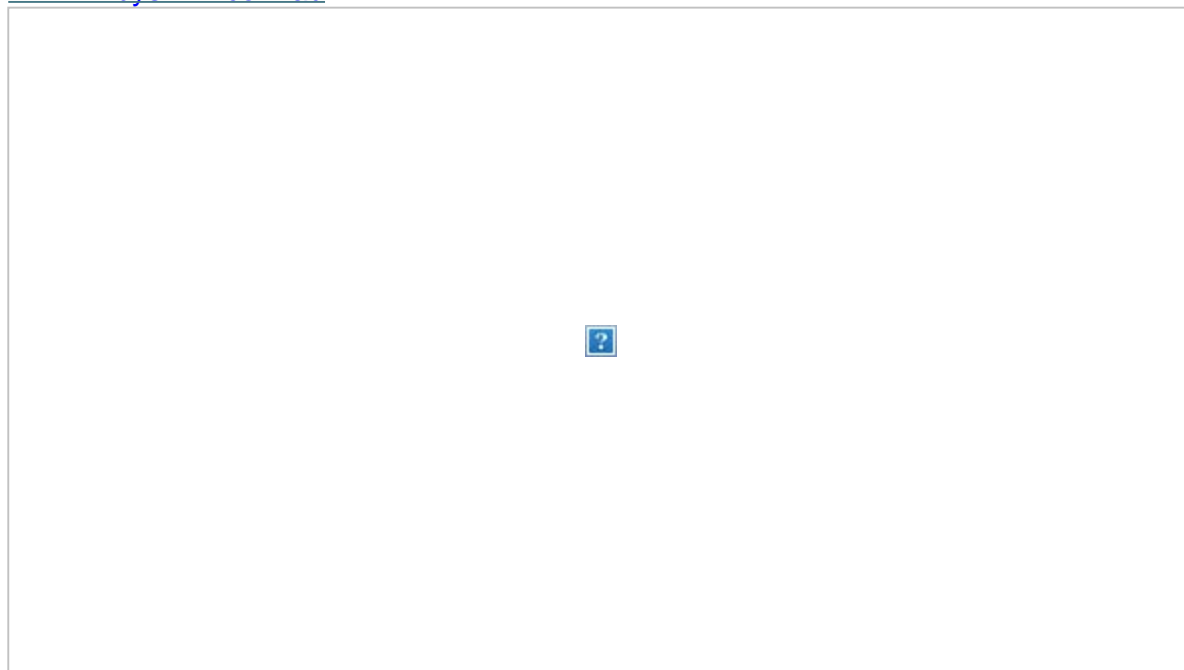 a. Yes we need to have a regulator that further assists tenants that are medium to large power users.

b. We need to ensure the regulator has powers to act, reasonably and quickly to tenants that are not passing on energy savings, or upgrading systems well enough for businesses to continue to thrive.

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