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To: [EPWA Alternative Electricity Services](#)
Subject: Comments on Embedded Networks
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Hi,

Thanks for providing the opportunity to comment on embedded networks as we are currently involved in a couple with our business operations.

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

Not very happy at all with our embedded network experience:

1. We were 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. As a larger consumer of electricity, we can get far better rates going direct to the provider when compared to the Tariff rates offered (even considering the Tariff off-peak rates). It seems like embedded networks may be ok for low energy use businesses?
2. Being a larger electricity user in our business resulted in our budgets for electrical costs being well over expectations. We are currently paying around double what we could get in an open market.
3. With landlords now installing solar panels we have no ability to have any benefits from solar power in real money terms. It appears that the large financial benefit of solar systems only goes to the landlords/developers/on-sellers by increasing their margin.
4. We have had frequent power surges and brown outs at one of our sites within an older shopping centre, we have no ability to transparently seek a real resolution. This continues to affect our business and at times causes a cost to us having to turn customers away and provide refunds as well as having staff attend at odd hours to restart pumps etc.

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

1. 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.
2. 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?**

1. The fact on-sellers can get over 100% margin on the power they pass onto us.
2. 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.
3. 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?**

1. Before signing a lease it would have been great to know the Tariff rates.
 - **Is there anything you think needs to change with how embedded networks are regulated right now? Why/why not**
1. Yes we need to have a regulator that further assists tenants that are medium to large power users.
2. 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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