



# SAVANT ENERGY

SUSTAINABLE UTILITY SOLUTIONS

## CASE STUDY #3

# EXISTING BULK HOT WATER NETWORK

An apartment building in Victoria with 116 residential tenancies had an existing bulk hot water system in place. The operating costs of the bulk hot water plant were being borne by the Owners Corporation (OC) and the gas input costs were being billed by a third party to the tenants of the building.

Savant Energy identified the benefits embedded networks can offer and the significant advantages Savant Energy has over its competitors: outstanding local customer service along with a dedicated Account Manager ensuring every query is resolved within a reasonable time. The proposition provided the OC with two options:

Option 1

### Outright Ownership

Procurement and ownership rights of the embedded bulk hot water and gas network with an upfront purchase price of over **\$50,000 + GST.**

Option 2

### 15 Year Term

Procurement and ownership rights of the embedded bulk hot water and gas network for a 15-year term for an upfront purchase price of **\$40,000 + GST.**

### Outcome / Benefits

- After significant discussions with the Savant Energy team, the Owners Corporation chose to proceed with Option 2.
- Removal of the maintenance costs for the bulk hot water plant from the OC, resulted in savings of more than **\$2,500** per annum for the OC.
- Reduced the sinking fund liability for eventual replacement of the bulk hot water plant by **\$518** per apartment.
- Implemented a user-pay system where tenants are billed based on their actual consumption, instead of the OC or owners having to pay on the basis of a lot entitlement.
- Savant Energy pays all gas supply charges to the site, protecting the OC from any financial liability.