

Simply Energy implements electricity supply system for international airlines

Matt Ritchie on Wednesday, 26 May 2010 - 14:31



Specialist electricity retailer Simply Energy has implemented an electricity supply and billing solution for the international airlines which connect and draw electricity from Auckland International Airport (AIA) landing gates.

Planes landing at the airport have the option of maintaining power supply through running their ancillary engines, or plugging in at the gate and drawing supply through the airport's network.

Simply Energy worked with the Board of Airline Representatives (BARNZ), Auckland Airport, and a Wellington based IT provider to put in place a bespoke electricity supply system, which went live at the end of last year and has been running successfully since.

A CardEx swipe card system is in place at the gates, where airlines swipe an identification card when they connect to the electricity supply, and again when they disconnect. Usage is measured with half hour meters.

The CardEx system and half hour meters were in place before Simply Energy took the contract on, but director Murray Dyer says the new software provides for significantly improved billing accuracy.

"We have put an additional piece of software in that keeps a better audit trail. The software is automated to pick up the half hour meter data, feed that back into the CardEx system, and that then feeds into our billing system," he says.

The individual companies need to have a supply contract with Simply Energy, and a standardised contract has been negotiated through BARNZ.

Airlines' electricity consumption was previously billed on a tariff system, though the companies are now being sold their power at wholesale.

While drawing power supply from the wholesale market exposes the airlines to the volatility which accompanies spot prices, Dyer says that some airlines were not using the gate power supply, running their jet fuel-powered ancillary engines to generate their electricity and incurring very high costs.

The hours at which many international airlines are drawing power from the gates at AIA are frequently outside peak periods when wholesale prices are high, and Dyer says that taking power from the spot market will prove to be the cheaper option over the long term.

"Our view has always been that if electricity is a small part of your opex, you're better off on wholesale prices over the long run.

"When you look at the cost structure of an airline, and of having an aircraft sitting on deck, if prices go from \$70MW/h to \$280MW/h it's not a huge issue in the context of what their opex is. It paled into insignificance when they started looking at it," he says.

BARNZ executive director John Beckett says airlines have been happy with the solution Simply has put in place.

"With so many diverse issues affecting airlines having Simply Energy take care of the electricity supply issues was immensely helpful," he says.