

## The local energy alternative

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By [Grant Bradley](#)

An independent energy retailer is cranking up its business to provide services for a state-owned enterprise, feeding electricity into the wholesale market.

Simply Energy has struck a deal to sell power from Solid Energy's coal seam gas trial near Huntly into the wholesale market.

Solid Energy is producing about a megawatt of electricity from its coal seam project, which could be expanded this year, and Simply Energy has provided advisory, transaction and generation settlement services.

Wellington-based Simply Energy was set up in 2005 to connect independent generators with commercial and industrial consumers. The independent or small generation sector can provide a total of about 200MW of power a year – a tiny but growing portion of the country's 9500MW.

Late last year Simply Energy brokered a deal between Clearwater Hydro – set up by the King Country-based The Lines Company – and West Auckland drink maker Charlie's Trading Company in an illustration of how the company works.

"Independent generators have traditionally had to go to the big five generator/retailers and get them to take their power into the market. We for the first time are providing an alternative," said Simply Energy director Murray Dyer.

"What we're finding is there's an appetite for the independent generators to get together with regional customers and share in the benefit of putting in a deal directly."

Dyer said his company had been working closely with individuals and other lines companies in rural areas where rivers, wind and geothermal resources provide generation opportunities.

Maori incorporations were also among clients. "They have the land and the engineering expertise but we're assisting them with the market access and expertise around power offtake deals," says Dyer.

High wholesale prices during the past few years had attracted more players.

A small turbine in little more than a tin shed could generate hundreds of thousands of dollars in revenue over a year.

Dyer said one small South Island client had been locked into a fixed term contract and had been getting between \$15,000 and \$30,000 a month by selling through one of the big generators.

It saw revenue soar to \$200,000 a month by switching to supply the spot market during last winter's price spike.

Simply Energy works with consumers who spend \$25,000 on power or more, and Dyer said they too were looking more closely at what they pay for energy.



Murray Dyer. Photo / Greg Bowker