Introduction to Retrofitting - Financing

Michele Leembruggen, Green Building Coordinator
City of Melbourne

melbourne.vic.gov.au/1200buildings
Overview

Financing in the context of a retrofit project

Mechanisms and incentives

• Environmental Upgrade Finance (EUF)
• Tax Breaks for Green Buildings
• Business Resource Efficiency Program
• Victorian Energy Efficiency Target (VEET)
• On-bill financing
Financing and the retrofit process

1. Baseline Assessment
2. Retrofit Action Plan
3. Financing
4. Undertake Retrofit Works
5. Complete Works
6. Final Assessment

...and set target
Environmental Upgrade Finance

Innovative financial mechanism providing competitive finance for retrofit works

**Benefits**

1. Greater access to finance
2. Option for tenants to contribute
3. Longer tenor (up to 10 years)
4. Fixed interest

123 Queen Street
Environmental Upgrade Finance

How it works
Environmental Upgrade Finance

Common list of improvement

• Building envelope – window treatments, shading, green roofs
• HVAC – chillers, boilers, heat recovery
• Domestic hot water – Insulation lagging
• Pools – covers, pump motors
• Electrical – control systems
• Renewable energy – solar PV
• Hydraulic systems – rain harvesting, greywater systems
• Landscaping – soil moisture sensors
Introduction to Retrofitting - **Financing**

Environmental Upgrade Finance

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Kings Technology Park
Tax Breaks for Green Buildings

• Commences on 1 July 2012
• $1 billion to the property sector over 8 years
• Eligible existing buildings -
  • office
  • hotel
  • shopping centres
• Retrospectively disbursed for completed retrofit works
• Assessed before and after the retrofit by an accredited NABERS assessor

www.climatechange.gov.au
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Victorian Energy Efficiency Target (VEET)

State government called Energy Saver Incentive Program

Objective

• To reduce greenhouse gas emissions by encouraging the purchase and installation of energy efficient products
• Energy providers subsidise efficiency works
• Purchase certificates representing tonnes of CO₂-e mitigated

Benefits

• Provides direct subsidies for energy efficiency activities
Victorian Energy Efficiency Target (VEET)

~ 28 Prescribed Activities and more are planned.

**Prescribed Activities include:**

- Gas to gas boosted solar hot water
- Gas ductwork replacement
- Underfloor insulation
- Window replacement
- Weather sealing
- Standby power controllers
Business Resource Efficiency Program
City West Water

Objective

• Partners with businesses to identify, investigate and implement water, energy and waste reduction opportunities

Offers a suite of resources available to customers to:

• identify opportunities for improvement - waterMAP and expert staff
• investigate barriers to improvement through R&D
• implement water, energy and waste efficiency opportunities through CWW co-funding

www.citywestwater.com.au
Low Carbon Australia Ltd

Funded by Low Carbon Australia Ltd – Federal government agency

**Objective**

- Provide financial solutions and advice to industry, government, community to encourage action on energy efficiency

**On-bill Financing**

- No up front cost
- Paid back via utility bills
- Turn key solution
- Verification of savings
Follow up Financing Seminar:

25 July 2012
Swanston Hall, Melbourne Town Hall
Start - 8:00am
Concludes – 9:30am

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[Link to Green Building Coordinator's webpage](melbourne.vic.gov.au/1200buildings/)