

- Adaptive Assets -
- Energy Performance Contract -

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Policy Context

- December 2007
 - *“any action that has a less than 10 year payback (based on expected future utility price rises and GreenPower purchases) will be implemented as soon as possible”*
- Establishment of annual Adaptive Assets Fund (\$250,000)
- Development of ROI investment model applied to larger capital works projects

Strategic Commitments

- Yarra Environment Strategy October 2008
 - become a carbon neutral organisation by 2012;
 - reduce Council energy use by 30% by 2012, 50% by 2015; and
 - generate 10% of councils energy requirements from local low carbon energy generation by 2012, 25% by 2015

Carbon Neutral Action Plan and Funding Decisions

- CNAP adopted in 2010:
 - Action 14: *‘Investigate potential to enter into an Energy Performance Contract (EPC) for Council’s largest facilities’*
- September 2011
 - increased annual Adaptive Assets commitment by \$420,000 to \$670,000 for ‘local actions towards achievement of the energy reduction and local low carbon energy generation targets’
- Green Power
 - determination to transfer ‘Green Power’ spend to support local activities

Energy Performance Contract

- September 2012 Council report recommended:
 - Scope Determination – November 2012
 - Request for Proposal – February 2013
 - Detailed Facility Study – April 2013 (non-refundable)
- Council Funding Approval – July 2013
- EPC Provider Approved – December 2013
- Installation of Works – 03/14 to 02/15
- Measurement and Verification – 02/15

Due Diligence

- DTF EPC Framework applied throughout process
- Greener Government Building Program – Panel of Providers
- Partnership approach with DTF
- Independent Probity Advisor to procurement process
- Internal corporate services review of process
- 3rd Party Review
 - Acquisition Process
 - Delivery Process
 - Governance Process

The Business Case

- Council has committed:
 - approx. \$3.5m to EPC
 - Consolidates Adaptive Assets work from 3 years
- Majority works - 10 year financial ROI
- Additional works fall outside criterion
- Achievement of Council targets:
 - additional 16% to achieve 48% energy reduction
 - achieving 25% target for local generation

