

AUSTRALIAN CARBON TRUST & CLIMATEWORKS

MEDIA RELEASE

GREENING AUSTRALIA'S BUILDINGS –

REPORT REVEALS POTENTIAL FOR ENERGY EFFICIENCY RETROFITS TO REDUCE CARBON

2 December 2010 - Sydney

Australian Carbon Trust and ClimateWorks Australia today released a report which identifies the significant carbon emission reduction opportunities and energy and cost savings achievable by making Australia's commercial buildings more energy efficient.

The report: "*Commercial Buildings Emissions Reduction Opportunities*" produced by ClimateWorks Australia for Australian Carbon Trust will be launched at the annual Energy Efficiency Council (EEC) conference in Sydney today and provides in-depth analysis, insights and research.

The report highlights the need for innovative funding solutions and partnerships to achieve real emissions reductions and cost savings for large and small businesses.

Key report findings include:

- New builds have been the main focus of energy efficiency policy and investment to date - e.g. Green Star
- Yet, 80% of emissions in 2020 will be from buildings which exist today
- There is a big opportunity to achieve significant results through retrofits as most existing commercial buildings have low energy efficiency
- Commercial buildings include a broad range of sectors – not only offices
- Total investment of \$13bn is required to deliver least-cost emissions reductions of 16.3MtCO₂e by 2020
- While most projects have a positive long-term financial return, high up-front capital costs and split incentives create barriers to energy efficiency investment in commercial buildings sector
- Greatest potential for energy savings are in retail, office and education buildings, which account for 59% of total energy use by commercial buildings
- While existing policy and green building market focus is on energy efficiency in large commercial offices, there is significant opportunity in other commercial buildings where structural issues increase complexity

- Energy savings of 23,000 GWh across all sectors is identified, representing average energy savings of 37% on projected 2020 levels

Meg McDonald, CEO of Australian Carbon Trust, said the report highlights the opportunity from building retrofits across Australia.

“Greening Australia’s building stock to increase its energy efficiency performance is essential to effective business action to address climate change. With \$13 billion total investment required to deliver least-cost emissions reductions, unlocking investment in this area is critical to boosting energy efficiency improvements.

“Australian Carbon Trust is working with businesses to develop and co-invest in new sources and types of finance for energy efficiency projects nationwide.

“This report will inform design of programs to help unlock the energy savings across the commercial building sector.”

Anna Skarbek, Executive Director of ClimateWorks Australia, said “Our research shows that energy efficiency in buildings is the most cost effective way to reduce carbon emissions across the economy. It is critical that we unblock implementation barriers to accelerate investment in energy efficiency.”

“The volume of energy to be saved is worth over \$3.5 billion each year in 2020 – this will be wasted if we don’t harness these energy efficiency improvements.”

Robert Murray-Leach, CEO of the Energy Efficiency Council said that this report demonstrated that energy efficiency is a win-win for business and the environment.

“Greening Australia’s offices, shopping centres and governments through energy efficiency will save businesses money and slash greenhouse gas emissions “

“The data keeps piling up that energy efficiency in buildings and industry is the single biggest opportunity that we have to simultaneously save money and cut emissions. We need all sides of politics to support a national energy efficiency scheme and a national goal to improve energy efficiency by 30 per cent.”

The EEC conference in Sydney today is sponsored by the Australian Carbon Trust.

Last week, Australian Carbon Trust announced its first intended investments in a pipeline of energy efficiency projects which are targeted at helping small, medium and large businesses and the public sector in Australia.

The initial set of projects will provide new sources and types of finance for energy efficiency equipment and expertise to help business unlock the gains from improved energy efficiency in Australian commercial buildings.

The projects include:

- **NAB, Eureka Funds Management and Australian Carbon Trust** will develop and deliver an Environmental Upgrade Loan program anticipated to grow to over \$200 million over the next two years for the energy efficiency retrofit of non-residential buildings, initially starting in Melbourne as part of the \$2 billion City of Melbourne 1200 Buildings program.
- **Alleasing and Australian Carbon Trust** will create a strategic relationship to bring to market a new equipment lease financing product called The Energy Efficiency Equipment Lease. This initiative will provide up to \$100 million in funds dedicated to financing the retrofit of commercial buildings across Australia with energy efficient equipment.
- **Origin Energy and Australian Carbon Trust** will deliver up to \$12.7 million for an energy savings program to accelerate the uptake of energy efficiency equipment and services by businesses across Australia.
- **Australia Post and Australia Carbon Trust** will form a strategic alliance to communicate the benefits of energy efficiency to the wider community through the extensive Australia Post network. They will work together to develop a pipeline of energy efficiency projects in Australia Post facilities that achieve energy efficiency improvements as demonstration projects, providing opportunities for wider adoption across business and the community sector.
- **Melbourne City Council** will receive funding and support totalling \$200,000 from Australian Carbon Trust to assist the City of Melbourne 1200 Buildings program through the creation of an online toolkit to be used by Australian building owners and tenants when evaluating the energy and carbon savings of retrofits of their buildings.

The report is available at www.australiancarbontrust.com.au and www.climateworksaustralia.org

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BACKGROUND - AUSTRALIAN CARBON TRUST

Australian Carbon Trust was established to encourage and promote take-up of energy efficient technologies and practices to help accelerate the move to a low carbon economy.

To do this, Australian Carbon Trust will work with businesses to showcase leading edge approaches to energy efficiency investment, initially by providing financing and

advice for energy efficiency improvements through retrofitting of commercial buildings.

The financial vehicles being created through the Energy Efficiency Program will enable property owners, business and public sector organisations to access innovative finance solutions for upgrades to energy efficiency equipment.

Australian Carbon Trust manages two innovative programs:

- An Energy Efficiency Program to provide finance and advice to eligible businesses and the public sector for the retrofit of commercial properties.*
- The Carbon Neutral Program which provides accreditation for organisations that have products or operations being certified as carbon neutral under the National Carbon Offset Standard.*

Australian Carbon Trust was set up by the Australian Government in 2010 as a company limited by guarantee, with an independent board of directors.

For more information about Australian Carbon Trust visit
www.australiancarbontrust.com.au

BACKGROUND - CLIMATEWORKS AUSTRALIA

ClimateWorks Australia is a new non-profit organisation that provides practical solutions dedicated to a sustainable and prosperous low carbon society. It was formed through a partnership between The Myer Foundation and Monash University and has international links with the US-based ClimateWorks Foundation.

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ENERGY EFFICIENCY COUNCIL

The Energy Efficiency Council and the Carbon Trust have brought Dr Eoin Lees to Sydney this week to discuss ways that efficiency schemes can help keep energy affordable. Dr Lees is one of the world's top experts in energy efficiency and will be speaking at the Energy Efficiency Council's National Conference today- 2 December 2010.

The Energy Efficiency Council is the peak body for energy efficiency in industry and commercial buildings. For more information contact Rob Murray-Leach on 0414 065 556 or ceo@eec.org.au

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