

\$200m in grant funding to local governments for energy efficiency – but you have to be quick!

Dear Local Council,

As of 13 February 2012, and through to 23 March 2012, local governments can apply for grant funding for energy efficiency projects under round 1 of the Community Energy Efficiency Program (CEEP).

This is a rare opportunity to access grant funding to cut energy bills and carbon emissions in the face of rising prices.

Projects well suited to CEEP are:

- Energy efficiency upgrades of town halls and municipal offices.
- Energy efficiency upgrades of leisure centres.

Merit criteria and eligibility

\$200m in grant funding will be made available on a matching basis to local government. Funding is available on a competitive basis with the merit criteria being:

- Energy efficiency improvement potential
- Potential to encourage improved energy management practices
- Project design, funding and management
- Value for money.

Eligible organisations include local governments and community organisations with a letter of support from a local government. Not eligible are state government agencies, for-profit organisations, primary and secondary schools, aged care facilities, universities, individuals or unincorporated groups.

Funding available

Councils can apply for up to \$5m in funding. Small regional and rural councils must apply for a minimum of \$20,000, medium sized regional councils a minimum of \$35,000 and metropolitan and large regional councils a minimum of \$50,000. At least half of the eligible project costs must be sourced from non-commonwealth government sources.

Up to \$3,000 spent on an energy audit can be retrospectively claimed in the funding application.

Energy audit, matching loan funding, guaranteed energy savings

CarbonetiX can assist local government access CEEP funding as follows:

- ✓ Identify projects by undertaking an **energy audit**.
- ✓ Apply for **loan funding** from Low Carbon Australia (LCA). CarbonetiX has been recently appointed as a referral partner to LCA. Small regional and rural councils, and medium sized regional councils can use loan funding facilitated through LCA as matching funds in their submission.
- ✓ Achieve real energy savings, through its **guaranteed energy savings** offer, which is very similar to an Energy Performance Contract. Under this arrangement CarbonetiX guarantees the energy savings that will be achieved. This is looked on favourably by financial institutions when seeking matching loan funding, as in effect CarbonetiX is providing assurance that any loan repayments will be met, or else it will make up the shortfall. CarbonetiX is one of a small number of companies on the Victorian State Governments panel of Energy Performance Contractors. Admission to this panel has been based on a technical assessment of our ability to deliver guaranteed energy savings and a financial assessment of our ability to honour a guarantee.
- ✓ Encourage improved **energy management practices** through its range of energy display, monitoring and reporting systems.

Operating since 2002, CarbonetiX has extensive experience with local government. Case studies on our expertise can be accessed at <http://www.carbonetix.com.au/resources/case-studies/local-government/>

For example, let's say you apply for a \$50,000 grant to put towards a \$100,000 project. Assume this project has an energy savings guarantee that says you will save at least \$20,000 a year on energy bills. This provides a minimum payback of no more than 2.5 years, guaranteed!

Timeline – you need to move fast

There is less than six weeks to apply for funding. To be able to lodge an appropriate submission you need to:

- ✓ Decide whether or not you want to participate by no later than 23 February. Any later than this and there is unlikely to be sufficient time to complete the application. And if you wish to apply for matching loan funding from Low Carbon Australia you must advise LCA by 24 February.
- ✓ Have an energy audit complete by no later than 9 March.
- ✓ Lodge the completed application by 23 March.

My estimate is that you will need to allocate 20 to 40 hours of time to your application, plus get CEO sign off. In deciding whether you wish to apply now, or wait for future rounds, consider the following:

- The dates of future rounds of funding have not been announced.
- It is clear that there is a budget limit of \$200m to the program.
- When the National Solar Schools Program was announced, the promise was that every school in Australia would be able to access funding. Virtually all schools which applied in the first round were funded. Half the schools which applied in the second round were funded, but only one third in the third round. The final round is about to open, and when the program closes less than half of Australian schools will be funded.

I believe that you will significantly improve your chances of getting funding by applying in this first round.

Assistance offer

To assist local governments improve their chances of funding CarbonetiX is offering the following:

1. Energy audit of either a leisure centre, town hall or municipal office, or any other facility that uses in excess of \$60,000 a year in energy for a cost of \$3,000 plus GST in Queensland, NSW, ACT, Victoria, South Australia or Tasmania.* Note that if you already have an energy audit of a major facility we may be able to use this as a basis for an offer of guaranteed energy savings. Talk to us also about multi-site audits.
2. Assistance in contacting Low Carbon Australia to help tailor an appropriate financial package.
3. An offer of guaranteed energy savings.
4. Templated text to include in your application.

*Some conditions apply depending on exact geographical location, please contact us for details.

If you wish to avail yourselves of these services you MUST lodge a purchase order with CarbonetiX for the Energy Audit by no later than Thursday 23 February 2012. To get the ball rolling please fill in the form at:

www.carbonetix.com.au/ceep

or phone us on **1300 311 763**.

The CEEP application guidelines can be found at www.climatechange.gov.au/ceep

Looking forward to hearing from you!

Sincerely,

Bruce Rowse,
Director - CarbonetiX Pty Ltd