

# CEFC and the City of Melbourne accelerate sustainability initiatives

The City of Melbourne is undertaking a \$30 million program of clean energy initiatives to help it reach its goal of zero net emissions by 2020, using finance from the Clean Energy Finance Corporation. The CEFC's finance is helping the City to accelerate its program of works and reduce its energy use and carbon emissions, while also encouraging commercial property owners to implement their own energy saving initiatives. The program will support:

- \$14.8 million on replacing public lighting with more than 16,000 energy efficient LEDs
- \$10 million proposed for the Sustainable Melbourne Fund (SMF) to finance Environmental Upgrade Agreements, expanding the SMF's work to retrofit commercial property
- \$800,000 to complete the installation of 300kW of rooftop solar panels on Council and community facilities, such as the Carlton Baths and Carlton Resource Centre
- \$4.4 million on other sustainability initiatives based on the outcomes of a five-year Council emission reduction plan.

"The City of Melbourne takes its leadership role in the area of sustainability seriously. You don't get to be the most liveable city in the world without a strong focus on sustainability and prosperity."

**Lord Mayor Robert Doyle**  
*City of Melbourne*



## PROJECT IMPACT

By using CEFC finance, the City of Melbourne is accelerating the upgrade of more than 16,000 street lights to energy efficient LEDs. Public lighting accounts for nearly half of the City of Melbourne's energy use, with the City expecting to save about \$1 million annually on its electricity bills.

The City of Melbourne is also planning to fast track its rooftop solar program and introduce a further 300kW of rooftop solar on Council and community facilities. The combined annual carbon emissions abatement from these two programs is estimated to be the equivalent of taking almost 2,800 cars off Melbourne's roads for a year.

### COUNCILS AUSTRALIA-WIDE ARE EMBRACING CLEAN ENERGY SOLUTIONS

<p><b>Street lighting</b></p>	<p><b>Warrnambool City Council</b> replaced 2,000 mercury vapour lamps</p> <p>CEFC finance \$600,000 Project cost \$1.2 million</p>		<p>LED technology is expected to reduce lighting operation and maintenance costs by nearly 70 per cent</p>
<p><b>Solar, internal lighting, insulation and ground source heat-pump</b></p>	<p><b>Tumut Shire Council</b> Riverina Highlands building upgrade</p> <p>CEFC finance \$1.18 million Project cost \$2.1 million</p>		<p>Building energy use reduced by 66 per cent, which exceeded forecasts</p>
<p><b>Building lighting</b></p>	<p><b>Mount Alexander Shire Council</b></p> <p>Upgrade of heritage-listed Castlemaine School of Mines building, including CEFC financed lighting upgrade</p> <p>CEFC finance \$100,000</p>		<p>Building lighting energy bills reduced by about 40 per cent</p> <p>Carbon emissions reduced by about 53 tonnes per year</p>
<p><b>Lighting and onsite gas-fired cogeneration</b></p>	<p><b>Wagga City Council</b> Lighting upgrades at three facilities, installation of cogeneration at Oasis Regional Aquatic Centre</p> <p>CEFC finance \$417,000 Project cost \$660,000</p>		<p>Lighting energy use reduced by 7 per cent</p> <p>Cogeneration provides around 85 per cent of aquatic centre energy needs</p> <p>Council carbon emissions reduced by about 25 per cent across the 4 facilities</p>
<p><b>Waste-to-energy</b></p>	<p><b>New Energy Corporation</b></p> <p>Installation of waste-to-energy facilities to process municipal, industrial and commercial waste</p> <p>CEFC finance \$50 million</p>		<p>Pilbara plant expected capacity of 16.6MW, abating 135,000 tonnes carbon emissions per year</p> <p>Rockingham plant expected capacity of 16.9MW, abating 215,000 tonnes carbon emissions per year</p>

### BUILDING A SUSTAINABLE MELBOURNE

The City of Melbourne is internationally recognised for its leadership in sustainability and has an ambitious target to achieve zero net emissions for the municipality by 2020.

The City includes 16 inner city suburbs covering 37.7 square kilometres and is the central precinct for Greater Melbourne. It is a thriving residential, entertainment, cultural and educational precinct with a rapidly growing population and many business, work, study and social opportunities.

More than 18,200 businesses operate within the Council's boundaries and there are around 124,000 residents, with 854,000 people visiting the central city every day.

The council is working collaboratively to reduce carbon emissions across the municipality by focusing on council operations, commercial buildings and industry, residential buildings, stationary energy supply, transport and freight and waste management.

"The emissions saved each year through the upgrade of our public lighting network and the installation of solar panels will be equivalent to taking almost 2,800 cars off Melbourne's roads for a year, or planting more than 13,300 trees."

*Chair of the City of Melbourne's Environment Portfolio, Councillor Arron Wood*



### ENERGY SAVINGS FOR AUSTRALIAN COUNCILS

Australia's 560 local councils spend more than \$32 billion annually on infrastructure, community, recreation and other public services. CEFC is financing innovative solutions to cut council costs.

#### Street lighting

Street lighting is the single largest source of energy costs and greenhouse gas emissions for the local government sector and typically accounts for 30 to 60 per cent of emissions. Councils and their ratepayers pay the energy and maintenance costs of street lighting even though the assets are typically owned and operated by energy suppliers. CEFC finance to cover the upfront cost of more efficient street lighting is helping councils navigate what has traditionally been a complex issue.

#### Council facilities

Local governments across Australia administer a vast network of community centres, libraries, sport and recreation facilities and other public-access buildings. There is potential for operational savings through improved air conditioning and lighting systems, as well as the installation of onsite generation using solar PV and gas-fired generators. By working with the CEFC, councils have been able to tackle several technology upgrades at once, enabling them to maximise ongoing savings while minimising inconvenience to residents and ratepayers during upgrade works.

"The City of Melbourne is at the forefront of Australian councils taking proactive steps to reduce carbon emissions. We're keen to support other councils become more sustainable and deliver the flow on benefits of energy efficiency and renewable energy to ratepayers."

#### Oliver Yates

CEO, Clean Energy Finance Corporation



#### Landfill gas emissions

Landfill gas emissions can create up to 90 per cent of the total carbon footprint for smaller regional councils. These emissions can be harnessed to provide a new localised energy source for councils that can be fed back into the grid.

The CEFC has financed waste-to-energy projects in Western Australia and Queensland that will directly benefit several local councils in those states:

- In WA, non-recyclable municipal, commercial and industrial waste is being converted to energy, to provide a sustainable waste management solution.
- In Queensland, CEFC finance for landfill waste-to-energy projects is supporting the delivery of carbon credits under the Australian Government's Emissions Reduction Fund.

### CEFC CREATES DIVERSE FINANCE SOLUTIONS FOR AUSTRALIAN COUNCILS

The CEFC has developed a number of programs to help councils manage their energy costs and lower their emissions, through renewable energy, energy efficiency and low emissions technology.

- The provision of **direct finance** to councils, similar to the City of Melbourne program
- The **Energy Efficient Loan** program with Commonwealth Bank, which has up to \$100 million available to councils seeking finance for energy efficiency improvements
- The **Energy Efficient Bonus** with National Australia Bank, which provides loans and asset leasing to achieve savings on heating, cooling and lighting bills, generate energy from waste and lower vehicle and equipment fuel costs
- Support for **Environmental Upgrade Agreements**, an innovative mechanism for financing upgrades of commercial properties to improve their energy or water efficiency, reduce waste and reduce greenhouse gas emissions. EUAs involve a financing agreement between a building owner, a financier and a local council.
- The Origin **Solar as a Service** program, to drive power purchase agreements for commercial and residential solar
- A \$50 million **asset finance** agreement with Firstmac, to help accelerate the adoption of low emissions and electric vehicles, as well as solar and energy efficient equipment.



The Clean Energy Finance Corporation (CEFC) invests using a commercial approach to overcome market barriers and mobilise investment in renewable energy, energy efficiency and low emissions technologies.

Since its inception, the CEFC has committed over \$1.4 billion in finance to investments in clean energy projects valued at over \$3.5 billion.

The CEFC invests for a positive financial return, with its more than 55 direct investments and 34 projects co-financed under aggregation programs expected to achieve a positive net benefit for the taxpayer. These projects help to improve energy productivity for businesses across Australia, develop local industries and generate new employment opportunities.

The CEFC operates under the *Clean Energy Finance Corporation Act 2012*. More information is available on our website [www.cleanenergyfinancecorp.com.au](http://www.cleanenergyfinancecorp.com.au)

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The CEFC has specialist advice for Councils. Councils wishing to discuss financing opportunities with the CEFC are invited to contact **Melanie Madders, Associate Director, Corporate and Project Finance on 1300 002 332**