



Funding Energy Productivity

The energy advisors view

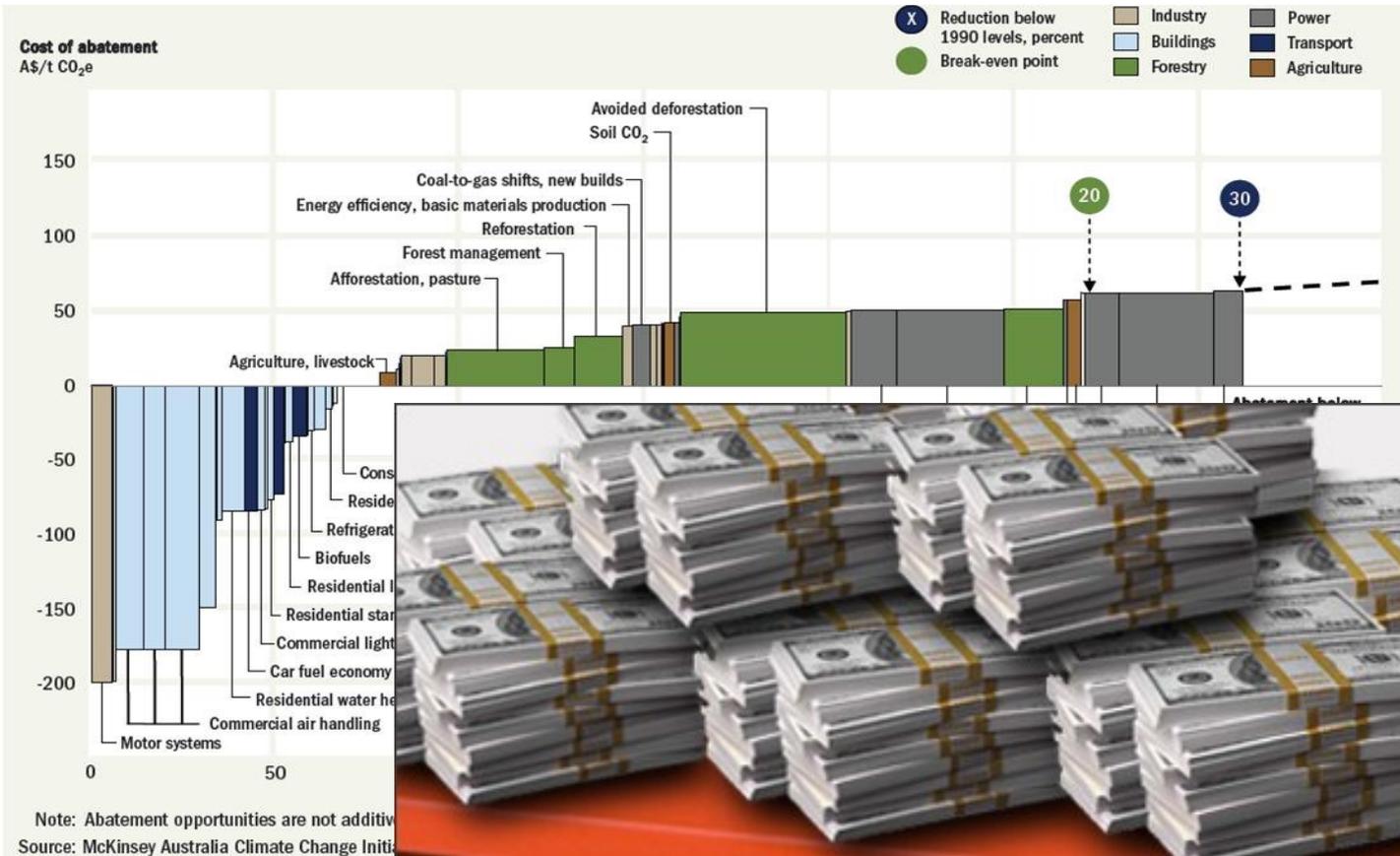
Brian Innes

energetics^o

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What we already know

There is money on the table in energy productivity



Energy prices
 Keep on Increasing
 and as does the
 size of opportunity



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Many participants circling the table



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Four main barriers

1. Site-corporate decision making

- Too small and too big/complex

2. Trust in savings claims based on history

- Trust – A key impediment we see of a “no decision”

3. Development risks

- Project risk magnified by site integration risk

4. Development capital

- Finance is plentiful but no one funding development costs

The Path Forward



1. Create Incentives for CFO's to invest their time

- Higher capex/lower opex investments decision making need:
 - Grants, white certificates, accelerated depreciation
- Sticks also work very well
 - Compliance programs, license conditions, MEPS,

2. Support a well regulated & trusted energy advisory industry

- Recognized professional accreditation, M&V in all programs

3. Educate owners on development risk management

- Owners need help to de-risk, execute contracts and sell assets

4. Create development seed capital programs

- Development equity funding (or co-funding) a key missing ingredient

Supporting efficiency investment

Client manages project, de-risks and gets development value



Energy advisors support to develop, de-risk and sell? their project

Project de-risking and development support

- Technology selection (CEM* certified analysis)
- Project approvals (DA's, network approvals)
- Procurement & tendering (engineering, procurement & construct)
- Financial contracts (Debt, PPA's)
- Service contracts (with energy performance parameters)
- Measurement and verification of outcomes (IPMVP* standards)
- Valuation, tender process and sale of assets

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*Certified Energy Manager (CEM)

*International Performance
Measurement & Verification Protocol

An urgent need for Innovation

A Last Thought on Energy Productivity



Australian Vs American approach

We need to decide if we are the sort of country who when faced with an obvious need to change our approach to energy ask ourselves the question:

–Why ?

or

–Why Not ?

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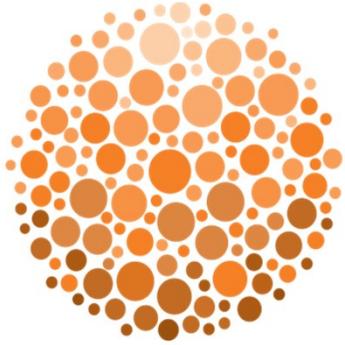
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Energetics Background

Trusted advisor on energy & carbon productivity



30 years as a trusted advisor to ASX 200 companies

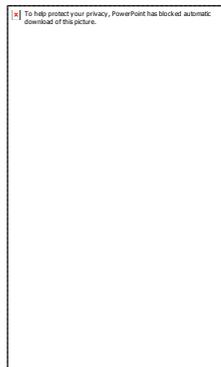
Energetics' industry experts work as mentors to executives, board members, senior site management and other decision makers, assisting them to understand the impact of a high energy cost and carbon constrained future on their operations and overall business decision making. Our clients acknowledge our expertise in assisting them to realise their goals and deliver cost reductions. Through our partnership approach we establish long term relationships, ensuring that we add value to the bottom line. Ultimately we are a mentor, trusted advisor and program manager.

As advisers on the challenges of escalating energy costs and managing carbon emissions, Energetics is unique. Our services and products combine business insight with technical and project management excellence, and range from strategic advice to developing new business opportunities, skills development, managing risk and building investor confidence. We employ about 100 multi-disciplinary professionals. Our clients achieve improved business metrics and decreased carbon and water footprints which reduce their exposure to energy and carbon price volatility



Become a Certified Energy Manager (CEM)

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Winners of three 2014 BRW Client Choice Awards:

- Best professional services firm (revenue < \$50M)
- Best consulting engineering firm (revenue < \$50M)
- Best value