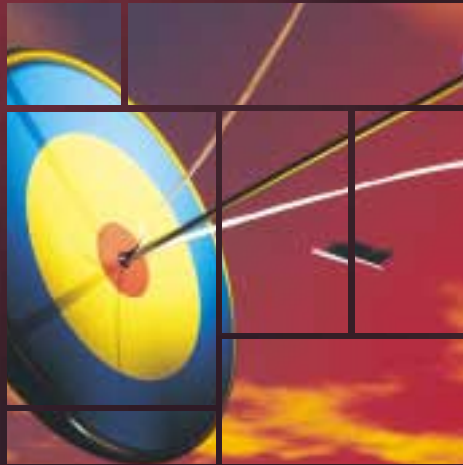


Is your energy performance on target?



Reduce costs
Guarantee results
Minimise risk



energy efficiency
best practice

Winning results

Energy performance contracting increases your competitiveness by positioning you to:

- ▶ reduce energy consumption and operating costs;
- ▶ guarantee outcomes;
- ▶ minimise risk; and
- ▶ reduce greenhouse gas emissions, water consumption, chemical use and solid waste.



Reduce costs

Today, more and more facilities of all types are achieving impressive results with an innovative form of contracting and a unique delivery mechanism which reduces operating costs and guarantees outcomes.

Case studies demonstrate internal rates of return of up to 40 per cent and total energy savings of up to 20 per cent. For tenant light and power, energy savings can be much greater—up to 75 per cent.

So, whether you manage a low, medium or heavy energy using facility, energy performance contracting (EPC) ensures you can manage and minimise energy costs without negatively impacting on your budget. Indeed, you may not even have to make an up-front capital investment, and any loan agreements can be structured to produce positive cash flow.

Guarantee results

EPC pays for itself and its unique funding arrangements enable you to use savings earned through reduced energy consumption to finance more efficient equipment as well as plant and maintenance upgrades.

EPC is a proven way of doing business, replacing traditional ‘price-driven’ contracting with a ‘results-driven’ approach that guarantees performance.

Minimise risks

EPC is a transparent method of managing risks, which enables you to clearly track and measure benefits.

You partner with an expert energy service company that provides you with a total package of services. Unique funding arrangements create incentives for that company to generate savings and provide quality products and services over the lifetime of a project. Since payment to the company depends on the level of energy savings gained, there is a high motivation to achieve. And using external expertise frees up valuable internal resources.



Proven success

Energy performance contracting has proven to be highly successful. It is widely endorsed by many stakeholders in industry, the Commonwealth Government and State Governments, as well as private and public sector facility owners and operators. It has produced solid results in the United States, Canada and Europe for more than 20 years and is being used to help Japan and Thailand hit their energy performance targets.



The EPC guide

An explanation of how to win results through this tried and proven approach is spelt out in the newly released *Best Practice Guide to Energy Performance Contracts*—a practical and easy way for your organisation to overcome traditional barriers to achieving cost-effective energy efficiency.

The guide is thorough and easy-to-use. It is part of a national suite of documents, including a standard facility study agreement and contract that can be modified to suit your specific needs. The guide walks you through the EPC process and explains the standard documents so you can:

1. understand EPC and decide whether is the best choice for you;
2. follow the recommended process to select an expert energy service company;
3. define the project's scope through a facility study; and
4. negotiate an energy performance contract.

It provides your organisation with practical tools and the skills to achieve your energy performance targets, including:

- a risk assessment table;
- check lists; and
- sample Expression of Interest.

Reach your cost reduction target—take action *now* and help your organisation through EPC. Let your energy or facilities managers know about this new and beneficial way of contracting—details on how to get the guide are at the back of this booklet.



Case study proof

State Library of New South Wales

- ▶ Project: upgraded airconditioning and lighting
- ▶ Guaranteed savings: \$104 000 per year
- ▶ Internal rate of return: 21 per cent (over 15 years)
- ▶ Greenhouse gas reductions: 998 tonnes per year

New South Wales Area Health Service

- ▶ Project: hospital and linen service equipment upgrades and improvements
- ▶ Guaranteed savings: \$60 900 per year (energy and water)
- ▶ Internal rate of return: 20 per cent (over 15 years)
- ▶ Greenhouse gas reductions: 2 756 tonnes per year

source: Honeywell/ECS



Who produced the guide?

The *Best Practice Guide to Energy Performance Contracting* was produced by the Energy Efficiency Best Practice (EEBP) program of the Commonwealth Department of Industry, Science and Resources and the Australasian Energy Performance Contracting Association Inc. (AEPCA)—the peak body representing energy performance contracting in Australia.

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