

Building Upgrade Finance Cost Savings Methodology
Sub-method P2 – Renewable Energy (predicted)

1. Purpose

This document sets out the sub-method for estimating the predicted electricity savings arising from upgrade works under a building upgrade agreement that installs new renewable energy equipment on the building.

2. Definitions

Exported Energy is annual electricity generated by the installed renewable energy system and exported from the building.

Generated energy is the annual electricity generated by the installed renewable energy system

Number of RECs is the RECs created for the system installed as part of the upgrade works, as detailed in the REC Registry.

REC is a Renewable Energy Certificate that can be created and registered under the *Renewable Energy (Electricity) Act 2000* as part of the upgrade works, and includes small-scale technology certificate (STCs) created under the Small-scale Renewable Energy Scheme and large-scale generation certificates (LGCs) created under the Large-scale Renewable Energy Target.

REC Registry is the public registry of RECs maintained by the Australian Government.

REC registration period is the number of years for which the RECs have been calculated for the system installed under the upgrade works, as recorded in the REC Registry.

Utility meters are meters that comply with the accuracy requirements set out in the National Measurement Institute documents M6 (for electricity meters), R 137 (for gas meters), or R 49 (for water meters).

3. Eligibility to use this sub-method

This calculation sub-method may be applied when RECs can be created and registered for a renewable energy system installed as part of the upgrade works.

4. Utility Savings

The utility savings for this upgrade works is equal to:

$$\text{Utility Savings (MWh)} = \text{Generated energy (MWh)} - \text{Exported energy (MWh)}$$

Where:

- Exported Energy is an estimate of energy generated by the system and exported from the building on an annual basis, made by a person that is qualified to make such an estimate, such as a Clean Energy Council Accredited Designer; and
- Generated Energy is either
 - o an estimate of energy that will be generated by the system on an annual basis, made by a person qualified to make such an estimate, such as a Clean Energy Council Accredited Designer, or;
 - o an annualised Number of RECs that may be created by the system, calculated as:

$$\text{Generated Energy (MWh)} = \frac{\text{Number of RECs}}{\text{REC registration period}}$$

5. Supporting evidence

For verification purposes, the following records should be retained in relation to the Activity:

- A copy of the REC Registry records for the installed renewable energy system
- A record of generated energy and/or exported energy estimate calculations.