

ITEM 5. ENVIRONMENTAL PERFORMANCE GRANT PROGRAMS – ALLOCATION FOR 2014/15**FILE NO: S087106****SUMMARY**

The City's Grants and Sponsorship Program is an important mechanism to assist our residents and business communities to deliver against *Sustainable Sydney 2030* and environmental targets. On 15 September 2014, Council adopted a revised Grants and Sponsorship Policy that included three new Environmental Performance Grant Programs. This report contains recommendations arising from the first assessment of grants under these programs.

These grant programs have been designed to help address barriers to action and to help catalyse the innovative solutions that will be required to deliver *Sustainable Sydney 2030*. The three new grant programs are:

- Environmental Performance – Innovation: in which funding is available for feasibility and demonstration projects that seek to prove the feasibility of new technologies and processes that are currently not implemented in the local market, but that have the potential to achieve greenhouse gas emission reductions and resource efficiencies at scale within the City of Sydney;
- Environmental Performance – Building Operations: in which funding is available to help lower the costs of implementing building operation efficiency measures, such as water retrofits in apartment buildings; and
- Environmental Performance – Ratings and Assessment: in which funding is available to undertake building performance ratings, such as a National Australian Built Environment Rating System (NABERS), and assessments that will enable a building or facility owner to understand their opportunities to improve environmental performance.

The City has assessed 10 applications that were received by the 8 April 2015, against the criteria and guidelines set in the revised Grants and Sponsorship Policy. This report recommends a total of nine grants, which includes a total value of \$108,280 in cash. No requests for revenue forgone/value-in-kind (VIK) were received in these applications.

All grant recipients will be required to sign a contract, meet specific performance outcomes, and acquit their grant.

All figures in this report exclude GST.

RECOMMENDATION

It is resolved that:

- (A) Council approve the cash grant and revenue forgone/value-in-kind (VIK) recommendations for 2014/15 under the Environmental Performance – Innovation Grant Program listed as follows:

| Applicant | Project Name | Project Description | \$ Amount Recommended | VIK Recommended | Conditions |
|--|----------------------------|--|------------------------------|------------------------|---|
| Strata Plan 68853 | BotanyCope Solar | A demonstration project to catalyse change in the residential apartment sector which will involve the installation of a 5 kilowatt, 15 panel, single inverter solar photovoltaic system to power common building areas of 1-3 Botany Road, Waterloo. | \$7,000 | Nil | Submit revised communication plan and work with sustainability team; Applicant to provide access to building to monitor the meter for energy data collection; Applicant to be open to speak at workshops and participate in a case study. |
| Investment Advantaged Software Pty Limited | Virtual Energy Assessments | A feasibility study of a new technology designed to create online energy saving reports, enabling residential owners' corporations to identify potential energy savings and compare benchmarks across strata's. | \$10,000 | Nil | Applicant to participate in post project surveys and meet with sustainability team; Applicant to participant in a case study. Results of the feasibility study to be made available to the public |
| Planet Ark Environmental Foundation | Coffee 4 Planet Ark | A feasibility study and business case to consider options for the collection and processing of spent coffee grounds from Sydney businesses, that could be reused and thereby reduce landfill waste. | \$20,000 | Nil | Nil |

| Applicant | Project Name | Project Description | \$ Amount Recommended | VIK Recommended | Conditions |
|--|--|---|------------------------------|------------------------|-------------------|
| Sydney Renewable Power Company Limited | Sydney Renewable Power Company | The establishment of a community-funded solar project at the Sydney International Convention Centre, including an engagement with the local community to communicate the outcomes of this project and of its potential to include further community energy sites in the City. | \$40,000 | Nil | Nil |
| Talent with Energy Pty Ltd | Bay St Depot Renewable Hydrogen Refuelling Station - Feasibility Study | A feasibility study for a renewable hydrogen refuelling station at the Bay Street depot. | \$20,000 | Nil | Nil |

(B) Council approve the cash grant and revenue forgone (VIK) recommendations for 2014/15 under the Environmental Performance – Building Operations Grant Program listed as follows:

| Applicant | Project Name | Project Description | \$ Amount Recommended | VIK Recommended | Conditions |
|-------------------|---------------------|---|------------------------------|------------------------|-------------------|
| Strata Plan 67253 | Water sub-metering | Installation of water sub-meters at Bauhaus Apartments, 209 Harris Street Pymont. | \$5,000 | Nil | Nil |

- (C) Council approve the cash grant and revenue forgone (VIK) recommendations for 2014/15 under the Environmental Performance – Ratings and Assessment Grant Program listed as follows:

| Applicant | Project Name | Project Description | \$ Amount Recommended | VIK Recommended | Conditions |
|--|---------------------------------------|---|-----------------------|-----------------|------------|
| The Trustees for Hunt's Service Trust | Hunt & Hunt | A NABERS rating assessment to be undertaken on the applicant's tenancy (Levels 11, 12 and 13) at 1 Macquarie Place. | \$1,320 | Nil | Nil |
| Strata Plan 52659 | Rockwall Apartments Energy Efficiency | A level 2 energy audit to be undertaken at 7 Rockwall Crescent, Potts Point. | \$1,610 | Nil | Nil |
| Maps Hotels and Resorts Sydney 1 Pty Ltd | NABERS Energy Rating | A NABERS rating assessment to be undertaken on the Four Seasons Hotel at 199 George Street. | \$3,350 | Nil | Nil |

- (D) Council note that all grant amounts in the subject report are exclusive of GST; and
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with any organisation approved for a grant or sponsorship under agreements consistent with this resolution and the Grants and Sponsorship Policy.

ATTACHMENTS

- Attachment A:** Recommended 2014/15 Environmental Performance – Innovation Grant Program
- Attachment B:** Not Recommended 2014/15 Environmental Performance – Innovation Grant Program
- Attachment C:** Recommended 2014/15 Environmental Performance – Building Operations Grant Program
- Attachment D:** Recommended 2014/15 Environmental Performance – Ratings and Assessment Grant Program

BACKGROUND

1. In 2013, the City commenced a strategic review of the Grants and Sponsorship Policy and Program. The review provided an opportunity to improve the program's governance and better align funding allocation with the City's strategic and corporate objectives, reduce duplication across the various funding streams, and introduce a consistent evaluation and monitoring approach.
2. The review led to a revised policy, adopted by Council on 15 September 2014, which sets the key priority areas for grants and sponsorship, one of these being ensuring environmental sustainability.
3. Three new Environmental Performance Grant Programs have been established with the aim of building capacity and addressing barriers to the implementation of environmental actions within key customer sectors. The grant programs are:
 - (a) Environmental Performance – Innovation
 - (i) this program aims to support the development or implementation of new technologies or processes that are currently not implemented in the local market, but have potential to achieve greenhouse gas emission reductions and resource efficiencies that could be rolled out at scale within the City of Sydney Local Government Area (LGA); and
 - (ii) funding is available for feasibility studies and for demonstration projects;
 - (b) Environmental Performance – Building Operations
 - (i) this program aims to improve the environmental performance of buildings by lowering the costs and mitigating the barriers of implementing building operations efficiency measures, such as water retrofits in apartment buildings; and
 - (ii) funding provides support for environmental measures that reduce energy and water consumption, or reduce waste in buildings and facilities;
 - (c) Environmental Performance – Ratings and Assessment
 - (i) this program aims to address barriers to the uptake of building performance ratings and assessments across energy, water, waste and other sustainability aspects. The ratings and assessments enable the building owner to understand their opportunities to improve environmental performance; and
 - (ii) funding is available for credible industry accepted environmental performance ratings such as the National Australian Built Environment Rating System (NABERS) and energy audits. Applicants are expected to implement all cost-effective opportunities identified.

4. The type of organisations that face these known barriers to action and can undertake feasibility and demonstration projects that will help catalyse innovation across the City LGA, include for profit/ businesses as well as not-for-profit, social enterprise, owners corporations and property owners. These types of organisations are eligible to apply for grant funding under the Environmental Performance Grant Programs.
5. To date, six applications for Environmental Performance – Innovation Grants have been received and assessed, five of which are recommended for funding in this report and one of which is not recommended for funding (details are included in Attachments A and B). One application for an Environmental Performance – Building Operations Grant has been received and assessed and is recommended for funding in this report (details are included in Attachment C). Three applications for Environmental Performance – Ratings and Assessment Grants have been received and assessed, all of which are all recommended for funding in this report (details are included in Attachment D). City staff will offer feedback to applicants that are not awarded funding at this time.
6. It is expected that all successful applicants will work co-operatively with relevant City staff throughout the project for which they have received funding. Contact details for the relevant City staff are provided to all successful grant recipients.
7. All grants and sponsorships are recommended on the condition that any required approvals, permits and development consents are obtained by the applicant.
8. All grant applications received were assessed against the program assessment criteria as set out in the publicly available Grants and Sponsorship Guidelines. The assessment panel for the Environmental Performance Grant Programs was comprised of the Manager Sustainability Programs, Sustainability Program Leader, Manager Carbon Strategy, Grants Officer, CitySwitch Program Manager, Sustainability Programs Coordinator – EUA, Sustainability Programs Officer and Waste Programs Coordinator.
9. All applicants in the Environmental Performance – Innovation Grant Program are required to demonstrate that their request for funding for the proposed activity meets the matched funding assessment criteria appropriate to the category of Innovation Grant they are applying for (either Demonstration or Feasibility). The panel assessed each applicant's proposed funding model, and cash grant recommendations have been made that are in-line with the assessment criteria. In all cases, applicants either met, or exceeded the matched funding condition.

ENVIRONMENTAL PERFORMANCE – INNOVATION

10. This report recommends five grants under the Environmental Performance – Innovation Grant Program, which includes a total value of \$97,000 in cash. Below is a summary of each project and the benefits to the City.

Botanycoppe Solar

11. Strata Plan 68853, an Owners Corporation, will install a solar photovoltaic system on their residential apartment building in Waterloo. Residential apartments are a key customer sector for the City, with solar technology considered a significant measure to reduce greenhouse gas emissions. This project has strong potential to demonstrate to the broader sector how to overcome barriers to the approval, installation and operation of solar photovoltaics on apartment common property.

12. It is anticipated that only a small number of solar photovoltaic demonstration grants will be recommended for funding in this grant program. This application is being recommended for funding as it demonstrated a strong and comprehensive communication plan to communicate the lessons learned and benefits to the market. The application also demonstrated that this project is a component of an overall environmental program managed by a highly engaged and proactive apartment building community.

Virtual Energy Assessments

13. Investment Advantaged Software Pty Limited, a for-profit organisation, will confirm the feasibility of an online energy assessment platform in creating accurate energy assessment reports for 10 apartment buildings across the City LGA.
14. The project will test new ways to engage owners corporations, and test the effectiveness of a simple, low cost means to identify energy efficiency opportunities for residential apartment buildings. The results of the feasibility study will be made available to the market more broadly.

Coffee 4 Planet Ark

15. PlanetArk Environmental Foundation, a not-for-profit organisation, will conduct a study to determine the feasibility of the collection and processing of spent coffee grounds for recycling. With over 500 cafes in the City LGA, an opportunity exists to recycle a ready, large and clean 'waste' stream.

Sydney Renewable Power Company

16. The City's Decentralised Energy Master Plan for Renewable Energy seeks to maximise the installation of solar energy generation across the City LGA. The Sydney Renewable Power Company Limited is seeking to establish a local community-funded solar project located at the Sydney International Convention Centre.
17. Sydney Renewable Power Company Limited, a for-profit organisation, will finance the installation of a solar photovoltaic system at the Sydney Harbour Foreshore Authority owned Sydney International Convention Centre, using funding provided by community investors. Community members investing in the project will own a shareholding in the Sydney Renewable Power Company, entitling them to annual dividends from the revenue generated from the output of the system.
18. A Lend Lease company is responsible for the installation of the solar photovoltaic system that will be integrated with the overall site development. The solar photovoltaic system will be owned by the Sydney Harbour Foreshore Authority, with the operator of the site purchasing the output of the system over a 25-year period.
19. This community-funded solar project will enable residents and other community members who are unable to install solar photovoltaic on their dwellings to still be able to facilitate the uptake of solar energy generation within the City LGA by becoming a funder and shareholder.
20. The City's grant funding will enable the applicant to seek further solar sites in addition to the Sydney International Convention Centre and to more fully communicate the outcomes and benefits of the project to City community member.

Bay Street Depot Renewable Hydrogen Refuelling Station

21. The first production line passenger hydrogen fuel cell electric vehicle in Australia was launched by Hyundai in April 2015. There has been significant investment by many companies in developing hydrogen fuelled vehicles. Hydrogen gas can be created using 100 per cent renewable electricity, such as that generated by solar photovoltaic systems, to become a zero-carbon and zero-emissions fuel source.
22. Talent with Energy Pty Limited, a for-profit organisation, will undertake a feasibility study and will develop a business case to determine the commercial viability of a hydrogen refuelling station at the City's Bay Street depot. The business case will also consider the feasibility of including hydrogen using vehicles in a commercial fleet, including that of the City of Sydney.

ENVIRONMENTAL PERFORMANCE – BUILDING OPERATIONS

23. This report recommends one grant under the Environmental Performance – Building Operations Grant Program, to a total value of \$5,000 in cash for the installation of water sub-meters at Bauhaus Residential Apartments in Pyrmont. Sub-metering will provide timely information for Strata management to reduce potable water consumption through the management of leaks and the operation of water using plant and equipment in the building.

ENVIRONMENTAL PERFORMANCE – RATINGS AND ASSESSMENTS

24. Three grants are recommended under the Environmental Performance – Ratings and Assessment Grant Program, which includes a total value of \$6,280 cash for NABERS ratings on an office tenancy and a large accommodation business, and an energy assessment on a residential apartment building in Potts Point. The information provided by these ratings and assessment will inform energy efficiency opportunities for all three applicants.
25. These applicants have committed to implementing energy efficiency actions arising from these ratings and assessments in accordance with the policy, and therefore will result in reduced energy consumption and greenhouse gas emissions.

KEY IMPLICATIONS**Strategic Alignment - Sustainable Sydney 2030**

26. This report complies with the Grants and Sponsorship Policy adopted by Council on 15 September 2014. The provision of grants and sponsorships is a mechanism for the City to further the aims identified in its social, economic, environmental and cultural policies. The City of Sydney's Grants and Sponsorship Program is a key element in the delivery of *Sustainable Sydney 2030*. All grants in this report were assessed against criteria and guidelines set in the Grants and Sponsorship Policy and how they can directly contributing to the following City of Sydney strategic targets:
 - (a) reduce greenhouse gas emissions by 70 per cent by 2030 based on 2006 levels;
 - (b) deliver 30 per cent of electricity consumption through renewable energy by 2030;

- (c) reduce mains water consumption by 10 per cent by 2030 based on 2006 levels; and
- (d) divert waste from landfill by 66 per cent.

Organisational Impact

- 27. The grants and sponsorships contract management process will involve key staff across the City of Sydney. Identified staff set contract conditions and performance measures for each approved project and review project acquittals, which include both narrative and financial reports.

Social / Cultural / Community

- 28. The City's Grants and Sponsorship Program provides the City with a platform to support cultural, social and environmental initiatives from the communities, businesses and community organisations within the City LGA.

Environmental

- 29. The recommended environmental grants under the building operations and ratings and assessments will provide direct energy, water and greenhouse gas emission savings. The innovation projects should provide a catalyst for the adoption of new solutions that improve environmental performance across several key customer sectors.

BUDGET IMPLICATIONS

- 30. A total of nine grants are recommended in this report, which includes a total value of \$108,280 in cash. This amount is provided for within the overall 2014/15 Environmental Performance Grant Program budget.

RELEVANT LEGISLATION

- 31. Section 356 of the Local Government Act 1993.

PUBLIC CONSULTATION

- 32. The Environmental Performance Grant Programs were advertised on the City's website, Green Villages website, City of Sydney Facebook page, and through the City's social media networks. Information was also emailed to interested parties.

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