

Where should you spend your money: Green energy generation or a conservation project?

By Richard Morris

We hear this question a lot: "Am I better off to invest in green energy projects, like installing solar panels, or do I use my resources on energy-saving measures in our building? We cannot afford to do both right now, but want to start making some changes."

The answer is that both energy generation and conservation projects will increase your building's value and operational efficiency, but generally speaking you will see a shorter payback period and bigger return on investment from conservation projects.

Focus on conservation before generation

The return on investment for most conservation projects is 15 to 30 percent on average, with a simple payback period of under 10 years - in many cases well under 10 years. In comparison, the return for energy generation projects averages around five to 10 percent, with a simple payback period of 10 to 20 years. So for property owners and managers who need a quicker return on their investment, the conservation project is the place to start.

There's another important consideration that might steer you toward a conservation-first approach. Naturally, the more energy efficient you make your building, the less energy you need to generate to operate that building. Relatively simple measures such as installing more efficient lighting or making the cooling system more efficient will reduce the amount of power required to keep your building running and will therefore be an important part of properly sizing any kind of a new generation system.

To some, conservation measures might not seem as exciting as installing a windmill in your back lot, but they are very effective. If you are considering both energy generation and energy conservation projects, we recommend starting first with conservation measures so that cost savings you generate through conservation can then be plowed back into green energy generation.

Green energy generation does have a lot to offer. It can be more easily incorporated when you have an overall green strategy that includes conservation. For example, Sunnybrook Health Sciences Centre last year invested in an innovative solar photovoltaic installation that will help in part to power the hospital and help to reduce its carbon dioxide emissions. The 140 solar panels installed on the parking garage, together with conservation measures that include a lighting retrofit and infrastructure upgrades, will reduce Sunnybrook's energy costs by \$2.6 million annually. We have a great profile on the Sunnybrook project in this issue of Conservation Conversations, which I encourage you to read.

There's another very important piece of news that is highlighted in this issue that I want to draw your attention to. BBP is pleased to have recently announced that the incentive dollars for programs for existing buildings have doubled. Incentives for energy retrofits, with the exception of lighting measures, have increased to \$800 per kW peak reduction and to \$0.10 per kWh annual reduction. BBP's Multifamily Program (MEER) also recently officially launched its new enhanced program. In addition to new Prescriptive and improved Calculated incentives for energy savings projects, MEER offers an Energy Audit Rebate of \$35 per dwelling unit up to the full cost of the audit.

So if your organization has been asking those same generation vs. conservation questions, we encourage you to contact BBP and find out how you can apply for these incentives. Every day we see how they make the difference in getting a retrofit project off the ground. We look forward

to hearing from you and helping get your organization started on its green journey.

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