Energy Retrofit Grants

WHAT THEY ARE

Retrofit grants are an incentive in the buildings policy package. Grants can reduce upfront costs for energy efficiency technologies and make them more attractive and financially viable for consumers, builders and developers. This can help create a market pull, supporting stakeholders in implementing energy efficiency measures to comply with regulations to achieve higher levels of building energy performance.

Grants usually provide payment before the retrofit happens and cover part of the costs, such as adding insulation, upgrading heating or cooling systems, or installing solar PV. Grants may include requirements to improve the overall energy performance of the buildings (typically based on a theoretical assessment of the measures) and are sometimes linked to energy performance certification programmes. In addition to traditional grants, there are also market mechanisms that reward improved performance or pay-for-performance instruments.

HOW TO IMPLEMENT

The process depends on the depth of the retrofit, eligible measures, grant size and country context. Common implementation steps are:

1. **Objectives**: Identify goals, such as reducing energy consumption and emissions, or supporting vulnerable households. They should be specific, measurable, achievable, relevant and time-bound.
2. **Target audience**: Determine the recipients of the grant, which can include homeowners (or specific groups based on income, dwelling type, household size, etc.) and businesses. Tailor the programme to the specific needs of the target audience.
3. **Design**: Outline the eligibility criteria, application process and compliance process. Provide clear guidelines to ensure potential participants understand how to qualify and apply. Make the process simple, preferably accessible online or through physical forms, where owners can submit details about the building and the retrofit project. **Performance criteria**: Define criteria that projects must meet to qualify for the grant, including the types of retrofits eligible, the energy savings required, a method to determine these savings (e.g. theoretical or metered data) and any relevant certification standards.
4. **Budget**: Establish a clear budget for the grant, identify funding sources and secure the funds. This can involve government funds, private investments, or public-private partnerships.
5. **Administrative capacity**: Establish a team or designate an agency responsible for administering the program. This includes processing applications, disbursing incentives and monitoring compliance.
6. **Raising awareness**: Provide information about the programme to the target audience. Use websites, social media, press releases and community events to promote the programme and its benefits.
7. **Monitoring and evaluation**: Develop mechanisms to monitor the progress and evaluate its impact on energy efficiency. This involves tracking participation rates, energy savings and cost-effectiveness.

HOW TO MONITOR

Monitoring and evaluation (M&E) of grant programmes for energy-efficient building retrofits are critical for assessing the effectiveness, impact, and efficiency of these initiatives. This process involves collecting, analysing and using data to track programme progress against its objectives and to inform future policy and programme design. Key steps include establishing clear metrics and indicators for success, such as energy savings, cost-effectiveness and participant satisfaction. Data is gathered through methods like metering, surveys and audits.

It is important that the process includes comparing pre- and post-retrofit energy use to quantify savings and determine if the programme met its goals. Measuring actual savings is important, as estimated savings risk being higher than reality if measures were not adequately implemented. This process helps identify best practices, areas for improvement, and supports data-driven decision-making to enhance the performance of energy efficiency programmes. It could also be beneficial (from the point of maximising energy savings) to provide larger grants to the achieved improvements in energy performance beyond what is required in the building regulations and/or link the grant to a Pay-for-Performance (P4P) scheme.