



# Enabling Investment

Brian Dean

Singapore, 16 July 2019

# Using policy to enable investment

---

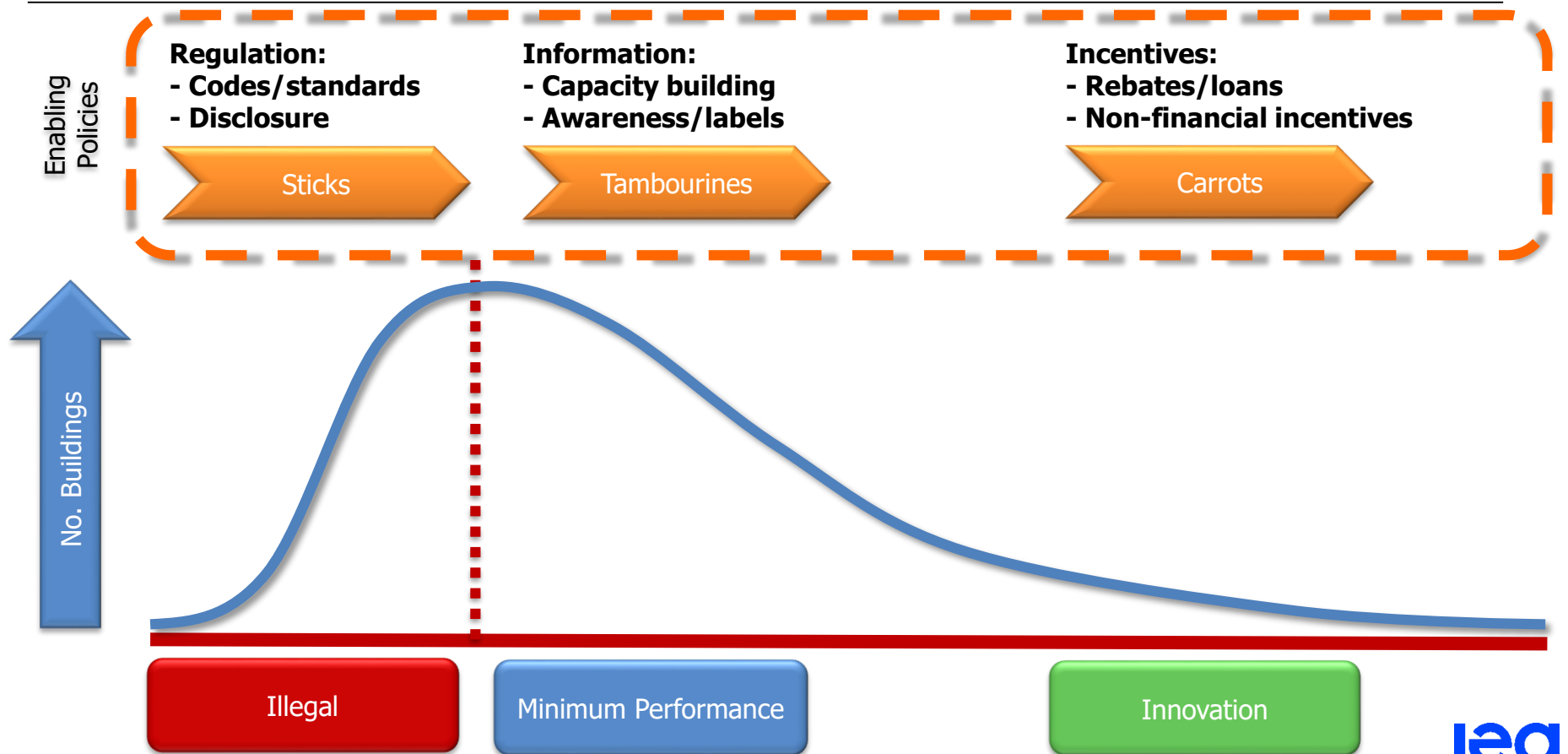
## What is **energy efficiency** policy?

A set of strategies, legislation, regulations, measures and programmes that together stimulate energy efficiency improvement

## What is **investment-grade energy efficiency** policy?

A set of strategies, legislation, regulations, measures and programmes that together **stimulate investment in energy efficiency**

# Using policy to enable investment



# Using policy to enable investment: regulation

---

## Mandatory regulation

- **Codes:** regulation for energy efficiency and sustainability for a whole building.
- **Standards:** regulation for individual products or services, often referenced within a building code for individual building components.
- **Mandatory disclosure:** regulation that requires organisations or individuals to report or disclose how their building is performing, such as disclosing the energy performance certificate or energy usage.

## Obligations

- **Utility obligations:** rules for regulated utilities that enable increasing investment in energy efficiency and passing the costs system-wide in the energy prices
- **Public procurement:** rules for government organisations to purchase products and services that meet certain criteria, such as energy performance or certification.

# Using policy to enable investment: information

---

## Data and information

- **Energy performance certificates:** documentation of basic building information plus energy performance
- **Building passport:** documentation of most buildings data and information, including basic information, construction materials, systems, renovations and energy use.

## Awareness

- **Labels and branding:** easily identifiable visual that enables consumers to recognise product or service as efficient.

## Capacity building

- **Education and training:** learning efforts to increase the knowledge of building sector professionals or general population.
- **Labour certification:** searchable documentation of professional expertise in delivering energy efficiency.

# Using policy to enable investment: incentives

---

## Non-financial incentives

- **Time:** expedited approval for permits
- **Scope:** increased floor area, building height or number of floors

## Financial incentives

- **Finance:** enabling private investment ,including through loan guarantees, preferential loan terms or increased access to funds
- **Direct fiscal credit:** improving the cost of energy efficiency to consumers through rebates, tax credits and discounts

# Using non-financial incentives to enable investment

---

## What do building investors/developers want?

- **Height and density bonuses:** extra height or floor/area ratio (FAR) can be given in return for achieving high levels of sustainability.
  - This is also valuable to cities where there is limited land for construction, achieving multiple benefits including improved efficiency, profitability and tax base.
- **Expedited permitting:** Buildings require construction permits and occupancy permits, which can often take a long time. Expedited permitting sustainable and efficient buildings are incentivized by receiving priority during their permit appraisal.
  - This is also valuable to cities that have a large number of permits, where the sustainable and efficient buildings that are surpassing the requirements of law are easier to evaluate.

# Using standardisation to enable investment

---

## What do financial investors want?

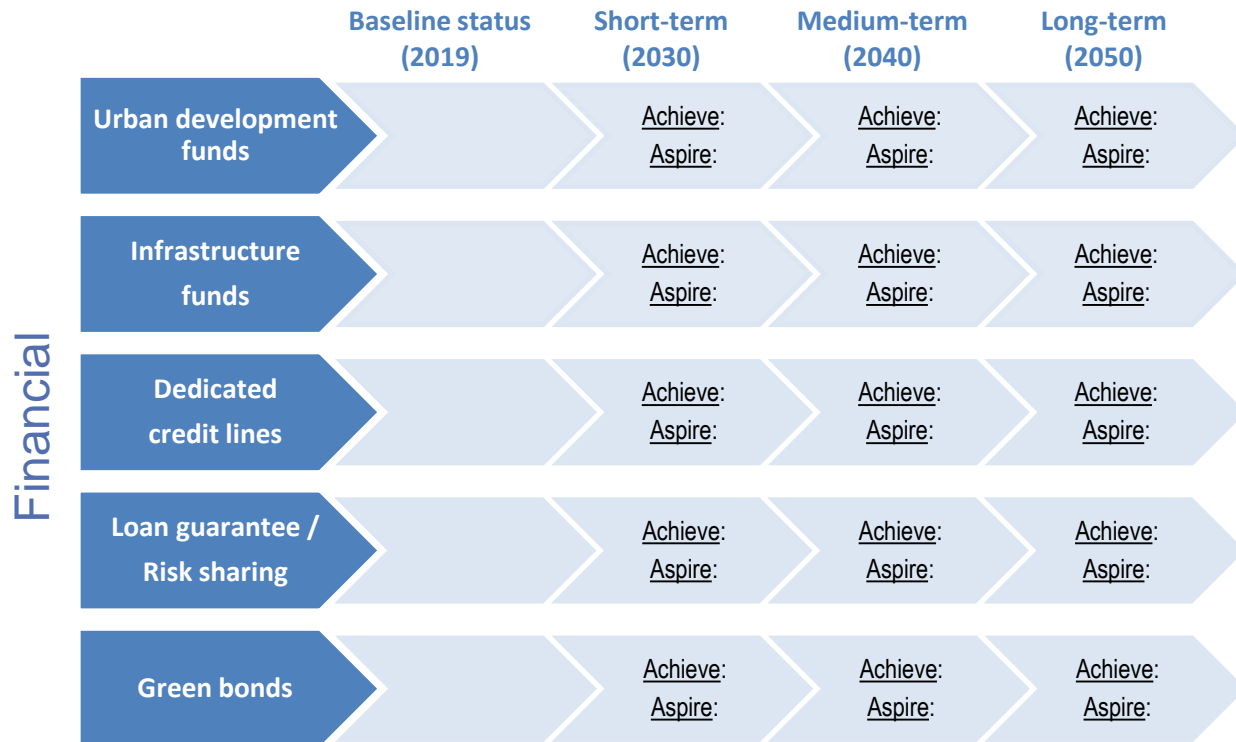
- **Clear and transparent construction or renovation project plan based on industry best practices**
- **Evidence of the qualification of professionals**
- **Third-party measurement and verification**
- **Consistent documentation**
- **A project label that represents these components and can live with the project**



# Roadmap for Buildings and Construction

## Set targets for:

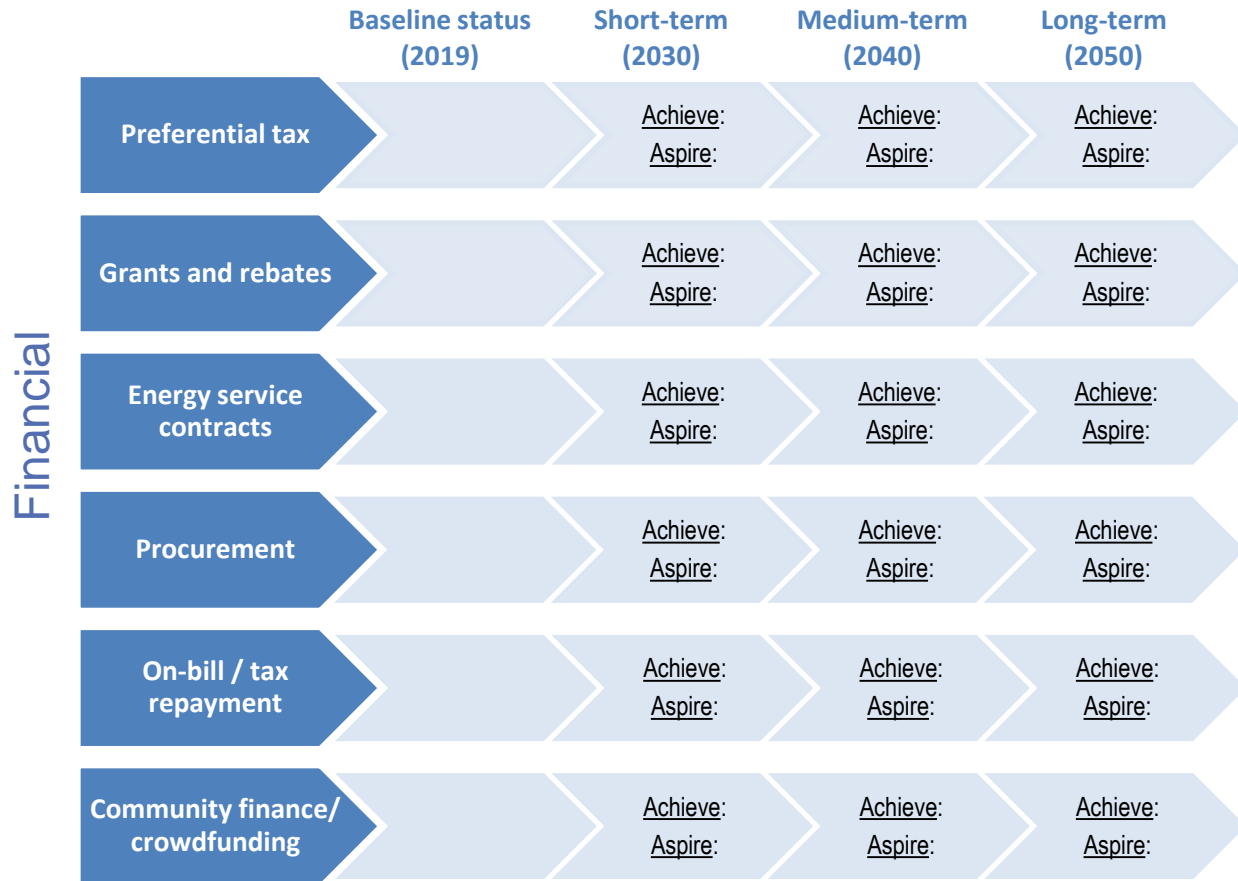
- Urban planning
- New buildings
- Building retrofits
- Building operations
- Systems
- Materials
- Resilience
- Clean energy



# Roadmap for Buildings and Construction

## Set targets for:

- Urban planning
- New buildings
- Building retrofits
- Building operations
- Systems
- Materials
- Resilience
- Clean energy



led