



REVOLVING ENERGY FUND WORKSHEET & CHECKLIST

A Revolving Energy Fund (aka ‘Green Revolving Fund’ or ‘Sustainability Revolving Fund’) is an internal fund that provides financing to implement energy efficiency, renewable energy, and other sustainability projects that generate cost savings. These savings are tracked and used to replenish the fund for the next round of investments, thus establishing a sustainable funding cycle while cutting operating costs and reducing the environmental impact of an organisation.

1. BACKGROUND WORK

- Find out how electricity bills are distributed and paid.
- Investigate how money is transferred internally.
- Determine stakeholders that contribute to decisions about facility, asset management & project finance.
- List of stakeholders that need to be consulted to build buy-in for the fund.

2. PITCHING THE FUND

- Determine the basic structure.
- Create a mission, scope (operations, entire community), goals and objectives for the fund.
- Identify logistical, political, and financial barriers.
- Develop a strategy for overcoming these barriers.
- For the first few rounds of investment determine the pipeline of projects.
- Forecast how the portfolio of projects as a whole will perform.

3. STAKEHOLDER ENGAGEMENT AND BUY-IN

- Determine essential stakeholders and decision makers.
- Organise a meeting and explain what has been done to date, including the first draft of how the fund will be set up
- Adjust the structure of the fund according to the feedback from stakeholders.
- Ensure you get stakeholder buy-in.

4. SIZE OF THE FUND AND SEED CAPITAL

- Determine the size of the fund.
- Get the seed capital (loan, operational budget, savings from current EE projects, grant, other).
- Decide whether the fund is allowed to go into a deficit.

5. FINANCIAL FLOWS

- Determine who pays the project invoice and which account they will use.
- Decide which account will be making repayments over the course of the loan, how often the repayments will occur and whether they will be fixed or adjustable.
- Decide whether projects have to repay a only portion of their savings, the full loan value, or an amount greater than the original loan.
- Determine whether the repayments will attract an interest rate, or administrative fee, or whether the payments will be increased along with the CPI.
- Decide how the flows of money will appear on the various departmental budgets and balance sheets.

6. MANAGEMENT OF THE FUND

- Formalise guidelines and other necessary guiding documents.
- Develop project criteria (payback period, environmental benefits, community benefits, other)
- Make stakeholders aware of the documentation and get their buy-in.
- Determine who can lodge an application for a project to be funded.
- Decide on who will be the fund manager (committee, staff members from various teams, community members, councillors, etc.)
- Decide on who will sign off on an application.
- Decide on how the savings of a project will be determined (estimated, calculated based on actual performance, mix of both methods depending on the project, estimated savings plus verification that project performs to specs, other).
- Decide on the key roles and responsibilities of the fund.
- Determine how often the financial and project status of the fund will be reported and to whom.
- Determine how the energy and cost savings will be monitored.
- Create a communication plan to share success stories with staff, management, councillors, community and the media.
- Optimise and improve the fund based on changing circumstances and new findings.