



## Financing Your Building Retrofits

Energy efficiency measures are smart investments that pay for themselves over time and add value to your building. The sooner you start your project, the sooner you can start saving on your energy bills and investing in future projects.

The challenge for many organizations is to find the initial funding. You should include someone from your finance group on your project team to help you explore your financial options.

### Internal Financing

If you have cash on hand or can borrow the funds inexpensively, you can self-finance your project and immediately retain all the resulting savings, while still balancing the books. You should consider the potential of internal financing if you do not have a more profitable alternative for using your capital or operating funds.

### Direct Loan or Lease

You can arrange a direct loan or equipment lease agreement with a lender or lessor to finance the project. In a capital lease, the risks and benefits are passed to the owner and, like a loan, are shown as a debt on the balance sheet. In an operating lease, the risks and benefits are the responsibility of the lessor, and at the end of the term, the assets revert to the lessor or you have the option of purchasing them at market value.

### Energy Performance Contracting

If you have a large building or a number of small buildings, you can hire an energy service company, or ESCo, to plan, finance, implement and monitor your comprehensive retrofit project. This turnkey engineering and general contracting service can guarantee the energy-cost reduction of your project since it is paid for from the energy cost savings.

### Financial Incentives

Take advantage of financial incentives to help reduce the payback period of your project and increase your return on investment. Natural Resources Canada's Office of Energy Efficiency (OEE) offers ecoENERGY Retrofit – Small and Medium Organizations ([ecoaction.gc.ca/retrofit](http://ecoaction.gc.ca/retrofit)) and ecoENERGY for Renewable Heat ([ecoaction.gc.ca/heat](http://ecoaction.gc.ca/heat)). Some energy utilities and other government organizations also offer rebates, grants and complementary incentives.

### For More Information and Financing Links

Visit the Web site below and follow the link to "Financing options" for more details. The OEE also offers a Dollar to \$ense workshop on energy efficiency financing and links to many financial incentives across Canada. If you have questions about the options and incentives listed above, contact the OEE at [info.services@nrcan.gc.ca](mailto:info.services@nrcan.gc.ca) or toll-free at 1-877-360-5500.

[ecoaction.gc.ca/buildings](http://ecoaction.gc.ca/buildings)

Natural Resources Canada's Office of Energy Efficiency  
*Leading Canadians to Energy Efficiency at Home, at Work and on the Road*

