

Metcash: Lighting upgrade certificates across the distribution network

Canonical: <https://northmoregordon.com/case-studies/metcash-cashes-in-on-energy-efficient-lighting/>

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Case-study summary

This historical case study records the project, delivery approach and reported results behind Metcash: Lighting upgrade certificates across the distribution network . It has been reorganised for clearer reading and linked to current Northmore Gordon guidance so the project evidence can be used without treating an earlier result as a present-day quote.

Evidence note: The source page is dated March 28, 2019. Figures, scheme names, equipment assumptions and client circumstances belong to that project period. Opportunities, targets and forecasts remain distinct from implemented or verified outcomes, and current eligibility should be checked before using the case as a new-project benchmark.

Project record

The savings made the business case a no-brainer for us. Our energy bills have been cut by \$300,000 a year. – Leon Fairfield Logistics Operations Manager, Metcash Trading Ltd

The Client

Metcash Trading Ltd is an Australian distribution company that supplies Victorian supermarkets, liquor outlets and hardware stores.

Key Facts

Equipment Upgraded 2,000 light fittings

Annual Energy Savings \$300k

Certificate Value > \$230k

Project Payback Period < 12 Months

Program Victorian Energy Efficiency Certificates (VEECVictorian Energy Efficiency Certificate)

Northmore Gordon Partner Littil LED Lights

The Work

Metcash, was interested in finding out the best way to save on energy bills and increase their energy productivity. By working with an installation business Littil for LED Lights, and Northmore Gordon Environmental for certificates, Metcash upgraded over 2,000 light fittings across four distribution warehouses and offices.

Challenges

Rapidly rising electricity costs

Accessing the financial incentives can be challenging and complex

Limited understanding of the Victorian energy efficiency certificate process

Fast payback critical to project success

Outcomes

Over 2,000 light fittings were upgraded across four
distribution warehouses and offices

The cost of purchasing energy efficient lighting was halved through certificates

Rapid installation time ensuring minimal impact to operations

A brighter and safer workplace

Australia's largest wholesale distribution and marketing company, supporting independent retailers in grocery, fresh food, liquor, and hardware across urban and regional areas.

Using the results for a new project

Start with the site's current operating profile, asset condition and business objective. Define the baseline, project boundary, variables that affect energy use and the evidence available before selecting a technology or incentive pathway. This makes the comparison auditable and keeps physical savings separate from grants, certificate revenue and other financial benefits.

For a comparable project, confirm current program rules and product requirements, document installation and commissioning, and plan post-project measurement early. Historical results can show what was possible in one setting, but they do not establish current eligibility, pricing, payback or emissions outcomes.

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Why did Metcash's lighting upgrade project work financially?

Metcash achieved a rapid payback of less than 12 months through a combination of three financial streams: annual energy bill savings of \$300,000 from reduced electricity consumption, Victorian Energy Efficiency Certificates worth over \$230,000, and halved equipment costs because the certificate revenue offset the upfront lighting purchase. This layering of benefits—energy savings, certificate proceeds, and capital cost reduction—created a commercially compelling case. The project demonstrates how energy efficiency upgrades can generate multiple funding sources simultaneously when the activity meets scheme eligibility requirements and is properly structured to capture available incentives.

What made the Victorian Energy Efficiency Certificate process complex for Metcash?

Metcash faced limited understanding of how the Victorian Energy Upgrades scheme operates, along with challenges in accessing and navigating financial incentives across four separate distribution sites. The complexity likely stemmed from scheme-specific eligibility requirements, evidence documentation, and the coordination needed to register projects across multiple premises. Our role as environmental

certificates adviser helped Metcash translate the regulatory pathway into actionable steps. This experience illustrates why businesses often need specialist support to move from identifying an energy opportunity to successfully capturing certificate revenue under government schemes.

How did the scale of Metcash's lighting upgrade affect project viability?

Upgrading over 2,000 light fittings across four distribution warehouses and offices created both a material energy saving and a substantial certificate opportunity. The scale generated sufficient annual savings (\$300,000) and certificate value (>\$230,000) to justify the coordination effort and investment decision. For warehouse and logistics operations, lighting is typically a large and controllable consumption stream, making it a practical priority. Our involvement in scoping the certificate pathway suggests the project's scale and structure were assessed against Victorian Energy Upgrades requirements to confirm eligibility before final investment commitment.

What operational benefits did Metcash gain beyond energy and cost savings?

Installation was rapid with minimal operational disruption, and the upgraded lighting created a brighter and safer workplace. These non-financial benefits are important for distribution and warehouse environments where lighting affects staff safety, product visibility, and working conditions. While energy bills and certificates provide the economic case, improved workplace lighting supports operational continuity and employee welfare—factors that strengthen the overall business justification. Our project management role included managing installation timing and coordination to minimize impact on Metcash's active distribution operations across multiple sites.

Why is Metcash's experience relevant to other Australian distribution businesses?

Metcash operates a model typical of large logistics and wholesale distribution: multiple warehouse and office sites with continuous high-energy consumption. Lighting represents a controllable, standardized upgrade opportunity across many similar facilities. The project structure—engaging a specialist installer (Littil), a certificate adviser (Northmore Gordon), and pursuing Victorian Energy Efficiency Certificates—provides a replicable pathway. Distribution businesses facing rising electricity costs can use Metcash's experience as a reference for assessing lighting upgrades, understanding certificate funding potential, and evaluating payback timeframes. Each similar business would need its own site assessment, baseline data, and certificate eligibility review.

How does Metcash's project illustrate the importance of early certificate pathway assessment?

Metcash's rapid payback period depended on securing Victorian Energy Efficiency Certificates from the outset. This required understanding the scheme's requirements, identifying eligible activity and equipment, and structuring the project to meet those conditions before installation. Had certificate eligibility not been confirmed early, the project would have faced different economics. The experience demonstrates why certificate specialists should be engaged during project scoping and business case development, not after installation is complete. Our involvement ensured the activity met Victorian Energy Upgrades requirements and that the certificate pathway supported the financial case without retrospective claims or eligibility uncertainty.

What did Northmore Gordon deliver as the environmental certificates adviser for Metcash?

We supported Metcash in navigating the Victorian Energy Efficiency Certificate process, translating scheme requirements into project structure, and documenting evidence for certificate registration and creation. This likely included activity eligibility assessment across four sites, certificate calculation and quantity forecasting, supporting installation verification, and liaison with accredited providers. The outcome was over \$230,000 in certificate revenue realized through the project, reducing Metcash's net equipment cost and accelerating payback. This roles demonstrates how certificate advisory expertise helps businesses move from identifying energy opportunities to successfully capturing eligible incentive value under government schemes.

