

HECA - Northmore Gordon

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HECA stands for the High Efficiency Commercial Appliances method, as defined by the Australian federal government. It sets out the rules for projects that reduce emissions by improving the efficiency of air conditioners, close control air conditioners, refrigerated display cabinets and liquid-chilling packages in commercial or industrial buildings, or in common areas of residential buildings. HECA is significant because it provides a structured pathway for organizations to pursue emissions reductions through equipment upgrades while potentially accessing environmental certificate value.

Related guidance

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What does HECA stand for and what is its significance in energy efficiency projects?

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What types of equipment and settings does HECA cover?

HECA covers air conditioners, close control air conditioners, refrigerated display cabinets and liquid-chilling packages. Projects can be implemented in commercial or industrial buildings, or in common areas of residential buildings. The method allows three implementation options: replacing existing equipment, supplementing existing equipment, or installing equipment where there was none previously. This flexibility accommodates different retrofit scenarios and expansion situations across various building types.

How does HECA relate to environmental certificate creation and funding?

HECA is one of several methods under Australia's environmental certificate schemes that enable eligible projects to create tradable instruments representing emissions reductions. Organizations implementing HECA-eligible equipment upgrades may access certificate pathways as a source of project funding or value. However, eligibility depends on meeting specific activity, equipment and site requirements defined in the method. Organizations should verify their project's applicability to HECA

before committing resources, as technical compliance is necessary before certificate creation.

What practical assessment steps should an organization take before pursuing a HECA project?

Organizations should first establish their building type, existing equipment details, and proposed intervention (replacement, supplementation, or new installation). They should then verify that the proposed equipment and installation location meet HECA's specific requirements. An energy audit identifying efficiency opportunities in cooling and refrigeration systems provides a foundation for assessing technical viability. Early measurement planning is important where outcomes will need verification. Organizations should also determine the project stage and timing before committing to equipment purchases, as these factors affect eligibility and funding pathway options.

How does HECA differ from broader energy efficiency and carbon management approaches?

HECA is a prescriptive method focused specifically on high-efficiency commercial appliances and cooling equipment, whereas broader energy optimization approaches assess entire facilities across multiple systems including HVAC, process heat, refrigeration, compressed air and utilities. HECA projects address a narrower technical scope but offer a defined pathway to emissions reduction and potential certificate value. Organizations with multiple efficiency opportunities may benefit from comprehensive energy audits that identify options both within and outside HECA's boundaries, allowing them to prioritize investments across their full asset base.

How can Northmore Gordon assist with HECA project assessment and implementation?

We provide energy audits and equipment assessment services that can identify efficiency opportunities in cooling and refrigeration systems potentially eligible under HECA. We conduct measurement and verification services to quantify energy savings and support certificate claims. We can also advise on project timing, funding pathways including certificate eligibility, and investment case development. For organizations facing multiple facility decisions, our comprehensive optimization services can situate HECA-eligible projects within a broader energy and carbon strategy.

What role does baseline establishment play in HECA project success?

Establishing a clear baseline—the documented reference point for equipment performance before intervention—is critical for HECA projects because it allows measurement and verification of energy savings. The baseline must capture the existing equipment's performance, operating conditions and energy consumption patterns. This baseline then enables comparison with post-upgrade performance to demonstrate the actual reduction achieved. Early baseline planning, including data collection and equipment documentation, ensures that evidence remains available and credible for certificate claim purposes.

What investment considerations should organizations evaluate for HECA equipment upgrades?

Organizations should develop an investment case comparing capital cost, operating and maintenance expenses, energy savings, and any environmental certificate proceeds. Equipment selection should be based on both operational requirements and efficiency performance, not solely on certificate value. The investment case should show energy savings, tariff effects, maintenance benefits and certificate revenue as separate line items, avoiding overlap. Organizations should also present the project with and without conditional certificate support, enabling management to understand the decision if funding is delayed or unavailable. Simple payback and financial viability should be assessed against our investment criteria.