

Funding for energy efficiency and electrification upgrades for local governments

Canonical: <https://northmoregordon.com/grants-and-programs/funding-for-energy-efficiency-and-electrification-upgrades-for-local-governments/>

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Funding program archive

This page preserves a dated funding-program record and links it to current project-planning guidance.

Publication date: the source publication date.

Status note: This archive does not confirm that applications are open, funds remain available or the earlier eligibility and co-funding settings still apply. Verify the current administrator page and guidelines.

What this article reported

Community Energy Upgrades Fund Round 2

The Community Energy Upgrades program will co-fund energy efficiency and electrification upgrades for local governments to deliver reduced energy bills and emissions from local government owned and/or operated facilities.

What do you get?

Grants between \$25,000 and \$2,500,000 to cover up to 50% of eligible expenditure.

Who is this for?

Local government bodies.

About the program

The Community Energy Upgrades Fund Round 2 will provide matched funding of up to \$2.5 million of eligible expenditure for energy efficiency and electrification upgrades for local governments to deliver reduced energy bills and emissions from local government-owned and/or operated facilities. The program will also support the Commonwealth led National Energy Performance Strategy (NEPS).

The objectives of the program are to support:

the Government's broader efforts to reduce emissions and improve energy performance, and contribute to Australia meeting its emission reduction targets of 43 percent by 2030, Net-Zero emissions by 2050, and 82% renewable electricity generation by 2030

local governments to decarbonise their operations and reduce energy bills through energy efficiency and load flexibility upgrades, and electrification of their existing facilities

the improvement in energy performance necessary to more easily utilise renewable electricity and improve system reliability.

The intended outcomes of the program are:

reduced energy bills and emissions from local government-owned and/or operated facilities

installed energy efficiency, load flexibility and electrification technology that is commercially available

improved capability of local governments and the wider community to implement energy upgrades and electrification projects in their existing facilities

increased capacity of domestic supply chains and labour force to support significant future investment in energy efficiency upgrades

improved workforce skills in delivering and operating energy transition projects.

The program will deliver \$100 million over 2 funding rounds and will run over 4 years from 2024-2025 to 2027-28.

Check if you can apply

You can apply if you meet the eligibility criteria. The eligibility criteria are a set of rules that describe who we can consider for this grant. You can apply if you:

are an eligible entity

have an eligible project

have eligible expenditure.

The rules are in the grant opportunity guidelines.

Closing date: Friday 13 June 2025

How to use this information now

Before relying on a grant, confirm the current round, applicant and project eligibility, eligible expenditure, co-contribution, assessment process, closing date and evidence obligations. Build the technical case so the project remains understandable with grant support shown separately.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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What types of energy upgrades are eligible under the Community Energy Upgrades Fund Round 2?

The program supports energy efficiency and electrification upgrades for local government facilities. Eligible activities typically include improvements that reduce energy consumption, shift peak demand, or convert gas-dependent systems to electricity. The grant guidelines specify which equipment, technologies and installation standards qualify. Before committing capital or applying, confirm that your proposed upgrade—whether HVAC replacement, boiler conversion, lighting retrofit or renewable

integration—meets the administering body's current criteria. We can assess your site's opportunities, verify technical eligibility against the scheme rules, and help build the investment case needed for your application.

How should a local government approach the application process for the Community Energy Upgrades Fund?

Start by preparing a project brief that describes your site, existing energy consumption, proposed upgrade, baseline conditions, and available evidence. Confirm applicant eligibility (that your council meets the administering body's criteria), project eligibility (that your upgrade falls within eligible activities), eligible expenditure (which costs the scheme will fund), and any conditions attached to approval and release. Assemble energy bills, interval data, equipment quotes and any prior studies. A practical first step is a funded-pathway assessment to establish whether the program suits your project and what evidence you need to gather before the closing date. We can help scope the upgrade, confirm eligibility, and prepare the supporting documentation.

Why is establishing a clear baseline important before applying for an energy upgrade grant?

A baseline establishes your site's energy performance before works begin and is essential for demonstrating savings and compliance with funding conditions. The funding guidelines require documented evidence of current consumption, operating conditions, and equipment age. Without a clear baseline, you cannot verify that the implemented upgrade achieved the expected energy reduction or meet the administering body's reporting obligations. A formal measurement and verification plan should identify what data will be collected before installation, during commissioning, and after the system operates normally. We can help establish a practical baseline, plan your measurement approach, and build the evidence file needed for both funding approval and post-project verification.

What is the practical difference between eligible expenditure and total project cost under this grant?

Eligible expenditure is the portion of your project costs that the grant can fund; total project cost includes all expenses. The Community Energy Upgrades Fund covers up to 50% of eligible expenditure, so your local government may need to fund the remainder from internal capital budgets or other sources. Eligible items typically include equipment, installation labour, and commissioning; ineligible items might include contingencies, administrative overhead, or preliminary studies. A practical investment case should separate eligible costs from ineligible costs and model the project with and without grant support, so management understands the decision if funding is delayed or reduced. We can help distinguish eligible from ineligible items in your quotes and build a resilient investment case.

How does project timing affect eligibility and funding approval for energy upgrades?

Many grant schemes have specific timing rules: work must not commence before defined dates, equipment must be ordered or installed within particular windows, and registration or nomination may need to occur before installation. Committing to a purchase or signing a binding contract before understanding these requirements can disqualify your project or forfeit funding options. Before finalizing equipment orders or construction schedules, confirm the scheme's exact definitions of 'commencement' and 'eligible dates.' Document the chronology of your feasibility study, final investment decision, equipment purchase, installation and commissioning. Our project-timing guidance helps you preserve evidence and funding options by raising these questions while the project is still being scoped, not after commitments are made.

What role does measurement and verification play in securing and reporting on grant funding?

Measurement and verification (M&V;) demonstrates that your upgrade achieved the claimed energy savings and meets the grant's reporting obligations. The administering body will require documented evidence: what your energy use was before the project (baseline), what it is after (post-project), and

how those were measured. M&V; separates genuine savings from reductions caused by weather, production changes, or operating-hours variation. Without a credible M&V; plan agreed before installation, you risk disputes over savings claims or inability to verify compliance with funding conditions. We provide M&V; services including baseline establishment, measurement boundary definition, calculation methodology, and reporting. Engaging M&V; expertise early supports both funding approval and robust performance tracking.

Should a local government include unconfirmed funding in its investment decision for an energy upgrade?

No. Funding should be treated separately from the project's operating merit. Prepare your investment case with and without the grant, so management understands the decision if funding is delayed, reduced, or unavailable. A grant page remaining online does not confirm that the current round is open or that your application will be successful. Before treating the \$2.5 million as secured funding, verify the round's status, application deadline, approval likelihood, and payment conditions. Keep the project's economic viability visible alongside the funding scenario: does the upgrade deliver acceptable returns on the council's capital even without the grant? This approach protects against projects that depend entirely on unconfirmed external support. We can help build a resilient business case that shows both scenarios.

What information should be verified before submitting an application for the Community Energy Upgrades Fund?

Confirm that your local government meets applicant eligibility criteria; your proposed upgrade meets project eligibility (falls within eligible activities and equipment standards); the application round and closing date (13 June 2025) remain current; the costs you are claiming as eligible expenditure match the administering body's definition; and you understand the conditions attached to approval, fund release, and post-project reporting. Gather supporting evidence: energy bills and interval data showing current consumption; equipment quotes with scope and exclusions clearly stated; site documentation confirming existing equipment and operational requirements; and any prior studies or audit reports. A common mistake is submitting without confirming that a grant page remaining online actually means the round is open. Contact the administering body directly, not just the program website. We can help verify your project's eligibility and prepare the evidence checklist.

How can Northmore Gordon assist local governments with the Community Energy Upgrades Fund application process?

We offer services across the project lifecycle: energy audits to identify upgrade opportunities and establish current consumption; funding-pathway assessment to verify your project's eligibility and identify other potential grants or certificates; feasibility studies and investment cases to support your business decision; measurement and verification planning to meet funding reporting requirements; and project management and procurement support during delivery. Our six-stage delivery approach—Assess, Build the Case, Capture Value, Deliver, Procure and Perform—aligns with the typical grant-funded project flow. A practical first step is a project brief describing your site, decision deadline, energy data and proposed upgrade. We can then scope an appropriate assessment, confirm eligibility, and help prepare the documentation needed for your application.