

Green Property Summit

2019

Mission and Objectives

NZGIF Mission

To accelerate domestic low GHG emissions investment

Objectives



Make investments that lower emissions



Make investments on a commercial basis



Crowd-in private finance



Undertake a market leadership role

Mandate

- NZGIF is a commercial investor, but one with a purpose.
- Initially capitalised by the Crown
- A flexible and permissive mandate defined by the mission and objectives.
- Flexibility to invest across the capital stack; debt, equity & hybrid instruments



Scope

Focus

- Open to market leading opportunities across a range of sectors
- Looking to co-invest on a complementary and additional basis with other funders
- Preference for mature GHG reduction technology deployment opportunities

NZGIF points of difference

- Innovative (fit for purpose) financing terms
- A higher risk tolerance than commercial financiers
- Strong understanding of Government climate policy developments & other Crown funding agencies
- Green finance expertise and international networks

Areas where the GIF could invest

- Transport (*eg. electric buses*)
- Process heat (*eg. replacing coal boilers for drying milk*)
- Energy efficiency (*eg. commercial buildings*)
- Agriculture (*e.g. precision agriculture applications*)
- Distributed Energy Resources

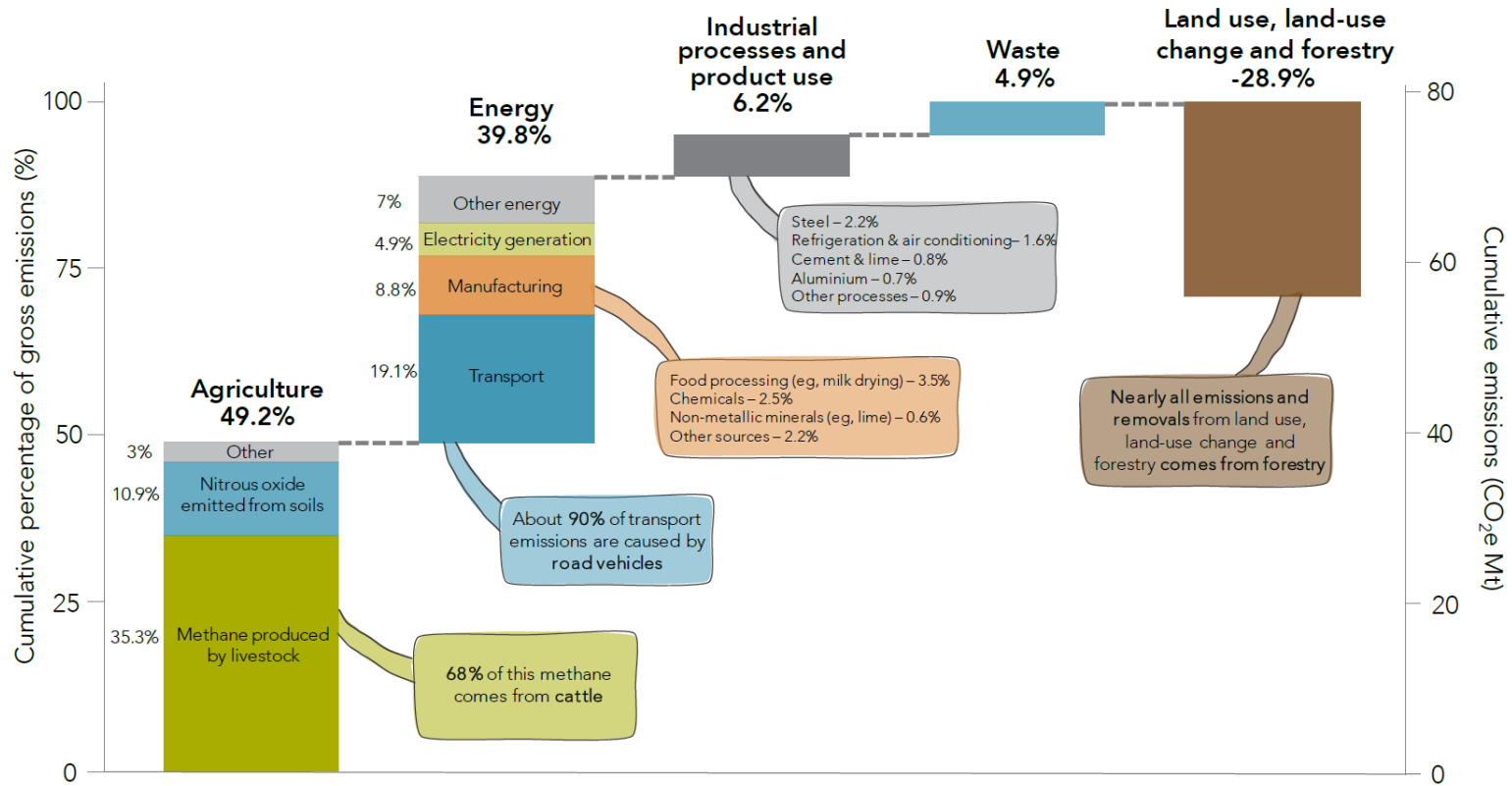
Exclusions

- Large scale electricity (*no evidence of financing gaps*)
- Forestry (*One Billion Trees programme underway*)
- Central government (*other levers exist*)
- Carbon Capture and Storage (*for the time being*)



The New Zealand Challenge

New Zealand's GHG emissions and removals by source, 2016



Source: MfE (2018e).

Emissions from electricity are low, with 85% of electricity produced from renewable sources in 2016.

Built Environment

Emissions

- Worldwide, GHG emissions could be reduced ~30% through better building design / operation (IPCC)
- Estimated 80% of buildings will still be here in 50 years
- Up to ~90% of built environment GHG emissions come from operational energy use (space & water heating) drives (UNEP)
- Material manufacturing and building construction only 10 – 20% of emissions for long life buildings
- ~5% of total NZ GHG emissions are building related (Productivity Commission)
 - ~2% direct fossil fuel combustion (natural gas)
 - ~2% peak electricity demand (met using fossil fuels)

IPCC – Intergovernmental Panel on Climate Change

UNEP - United Nations Environment Programme



NZGIF Establishment Timeline

