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Resources for Building a Business Case for Deep Retrofits

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This is the first version of the primer and may be missing information. We value your feedback. Please e-mail drai@hci3.ca with comments or suggestions for additional resources.

Introduction

To make a business case, a project sponsor must deliver a package of compelling information to senior decision-makers requesting to spend resources for a desired result – in this case, a deep building retrofit. Depending on your organization, there may be a set template used. Key components of the business case will often include:

- Setting the Context: background, issue, community and organizational engagement, and project scope.
- Identifying the Value: value proposition, project benefits, organizational alignment.
- Options Analysis: Identifying and evaluating options, including the status quo.
- Risk Assessment: Identifying and assessing risks and providing mitigation strategies.
- Financial Assessment: For a building project, this may include a project proforma. A proforma may list project costs (capital, operation, renewal/disposal) and revenues (utility savings, facilities renewal, grants), outline cashflow, and provide a sensitivity analysis. Project financials are compared to the status quo using financial metrics such as internal rate of return (IRR), return on investment (ROI), net present value (NPV), and payback period (PP).
- Recommendations

Resources

The following resources are from existing public organizations. Please email us if you have a good resource that you think should be highlighted. Resources are listed in alphabetical order by the author, date (when available), and title, which is hyperlinked. A short description provided by the author is also included. Resources were selected that are relevant to making the business case for deep building retrofits.

- Business Development Bank of Canada (BDC). [Buildings Retrofit Savings Calculator](#). Use the calculator to estimate your long-term savings in energy costs, payback period and the reduction in greenhouse gas emissions.
- Canada Green Building Council (2019). [Making the Case for Zero Carbon Buildings](#). The report makes a strong business case for making every new building zero-carbon.
- Canadian Federation of Municipalities - Green Municipal Fund. [Developing a Business Case for an Energy-Efficiency Retrofit](#). This factsheet for housing providers explains the requirements for a business case, including its purpose and how you can develop one for an energy-efficiency retrofit.
- Rocky Mountain Institute (2012). [Guide to Building the Case for Deep Energy Retrofits](#). This guide provides a framework for preliminary considerations in the value of deep energy retrofits for commercial buildings, and it offers guidance on how to conduct further analysis.

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- Toronto Atmospheric Fund (2020). [The Case for Deep Retrofits](#). This report reviews the business case and financing options for deep retrofits in the multi-unit residential building sector and makes recommendations for improving business case evaluation and financial supports.
 - Treasury Board of Canada (2009). [Business Case Guide](#). The purpose of this document is to support the development of a strong business case that links investments with program results and, ultimately, with the strategic outcomes of the organization.
 - UK Green Building Council (2024). [Building the Case for Net Zero: Retrofitting Office Buildings](#). This report focuses on deepening understanding of how to retrofit large (>1,000 m²) commercial office buildings towards net zero, the retrofit measures required, potential impacts, and associated costs.
 - US Department of Energy (2016) [Making the Business Case for Energy Efficiency in Commercial Buildings](#). This toolkit includes a selection of resources to support commercial building operational staff in making the business case for the implementation of energy efficiency projects to their upper management.