



Business

Financing your project

Compare options

Refrigeration

Case study: Refrigeration

Find out how a mushroom supplier determined that they would be better off by about \$340,000 over 15 years if they invested in an energy-efficient system.

Situation

A mushroom supplier is seeking to replace their old refrigeration compressor equipped chillers. They are considering two options: two 900 kW screw compressor equipped chillers or two 900 kW high-efficiency compressor equipped chillers.

How does the energy-efficient (EE) system compare to the standard system?

Equipment type	Standard	EE
Cost to install (\$)	\$233,300	\$365,500
Operation and maintenance costs (\$ p.a.)	\$16,378	\$8,189
Electricity use (kWh p.a.)	767,000	460,000

Equipment life (years)	15	15
Electricity cost reduction in first year from the system (\$)		\$61,400
Simple payback period for the system (years)		6.9
Simple payback period for the system, with marginal capital ¹ (years)		2.5

Item	NPV
Standard system	-\$1,290,953
EE system	-\$952,501
Difference	\$338,452

Financial option selected: Energy-efficient loan.

The company decides to seek an energy-efficient loan to fund its refrigeration upgrade as this financial option results in the highest expected NPV.

¹This is the payback period for the energy-efficient (EE) option using the difference in capital outlay between the standard and EE equipment, rather than the full capital outlay for the EE equipment.

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Page last updated: 27 February 2015

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model
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Checklist

Check if an energy efficient loan is the right option for your business.

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the
checklist**

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