

LGFA Sustainable Water Action Loan Programme Loan Application Form

1. Apply for a Sustainable Water Action Loan

Please complete the relevant fields and send this application form, together with the Wastewater Treatment Plant Reporting form and requested supporting evidence, to LGFA's Sustainability team.

The loan (in the form of debt securities issued under the Multi-issuer Deed) itself is transacted through the same process as LGFA's usual loan process.

LGFA aims to process applications within ten working days to determine whether the Borrower is eligible for Sustainable Water Action Loan (SWALe) financing.

Accordingly, LGFA encourages Borrowers to complete and return the application form well in advance of the borrowing requirement. LGFA must receive all supporting evidence before giving feedback on the application. Please refer to LGFA's Sustainable Water Action Loans – Lending Programme Criteria for an outline of SWALes.

If you require assistance, or have any questions or comments, please contact LGFA's Sustainability team who will be able to assist you.

2. Application

Member details

1. Name of member

2. Date of the application

3. Member contact person

First and last name

Title

E-mail address

Telephone number

4. Amount of initial SWALe
(NZ\$ million) sought

SWALe Requirements

All Borrowers must report against two KPIs: the compulsory Nitrogen & Phosphorus KPI, and any one of the three optional KPIs - Biogenic GHG Emissions, Embodied Carbon, or Water Efficiency. For the full criteria for each KPI please refer to the SWALe Lending Programme Criteria document.

Compulsory KPI

Each Borrower must report against the compulsory Nitrogen & Phosphorus KPI. Please confirm you have attached the reporting requirements for this KPI to your application.

Key Performance Indicator (KPI)	Sustainability Performance Target (SPT)	Reporting Requirements at commencement of the Borrower being approved to enter into SWALes	Evidence provided	Comments
Nitrogen & Phosphorus: Reduction in Concentration of Total Nitrogen and Phosphorus per litre of wastewater discharged to the environment.	Within 5 years of each wastewater treatment plant that discharges to land and freshwater receiving environments obtaining a New Consent, the Concentration of Total Nitrogen and Phosphorus per litre of wastewater must be no greater than the most stringent of: - Wastewater Environmental Performance Standards 2025 (WEPS) Limits (WEPS Limits), OR - A percentage reduction in alignment with the Planetary Boundaries, compared to the Borrower's concentration baselines - determined by the discharge renewal consent year (see table for % improvement requirements in Appendix A of the Sustainable Water Action Loans- Lending Programme Criteria). Where the wastewater treatment plant: - Achieves a Concentration of Total Nitrogen and Phosphorous per litre of wastewater discharged to the environment below WEPS Limits, AND - Can evidence the Concentration of Total Nitrogen and Phosphorous represents the Best Currently Feasible Concentrations, then the reduction targets no longer apply in relation to that wastewater treatment plant, and the requirement is to maintain the Concentration of Total Nitrogen and Phosphorous at or below this level. [This threshold may be tested / apply from either the outset of the SWALe or at Annual Review periods thereafter].	Please provide a list of all wastewater treatment plants that discharge to land and freshwater receiving environments and are up for consent renewal in the following 10-year period, and the expected consent renewal timing of such plants. Refer to the Wastewater Treatment Plant Reporting form.		

Optional KPI

Please select the one optional KPI that you will report against and confirm you have attached the reporting requirements to this application.

Key Performance Indicator (KPI)	Sustainability Performance Target (SPT)	Selected KPI Y/N	Reporting Requirements at commencement of the Borrower being approved to enter into SWALes	Evidence provided	Comments
Biogenic GHG Emissions: Improved measurement of GHG emissions produced from wastewater treatment processes and biosolids disposal.	Level 2 Measurement of Biogenic GHG Emissions has been implemented within 2 years of the Borrower being approved to enter into SWALes and maintained annually thereafter until 2040. Level 3 Measurement of Biogenic GHG Emissions has been implemented by 2040.	☐ Y ☐ N	Confirmation of whether the Borrower is already measuring Biogenic GHG Emissions using Level 2 or Level 3 Measurement.		
Embodied Carbon: Assessment of Embodied GHG Emissions in Borrower's forward Capital Works Programme.	Measure prospective Embodied GHG Emissions from the Borrower's projected Infrastructure Capital Spend Programme for at least 80% of anticipated spend in a 3-5 year period that starts one year after the Borrower being approved to enter into SWALes.	☐ Y ☐ N	Confirmation of whether the Borrower is already measuring Embodied GHG Emissions.		
Water Efficiency Reduction in Gross Water Consumption per capita across the network (including withdrawals and losses).	At least 7% reduction in Gross Water Consumption per capita achieved across the network (includes withdrawals and losses) per 5-year period from Baseline Gross Water Consumption per capita. Where a Borrower achieves a Gross Water Consumption of 190 litres per person per day, the reduction targets no longer apply, and the Borrower is required to maintain Gross Water Consumption at or below this level. [This threshold may be tested / apply from either the Borrower being approved to enter into SWALes or at annual review periods thereafter].	☐ Y ☐ N	Baseline Gross Water Consumption per capita.		

Materiality

All Borrowers must report against one of the three optional KPIs - Biogenic GHG Emissions, Embodied Carbon, or Water Efficiency. When deciding which optional KPI to choose, it is recommended that Borrowers assess which KPIs are most material to their organisation or operations and use this to inform their KPI selection.

Please confirm the optional KPI you have selected and why this KPI is deemed as the most material to your organisation or operations.

Performance Reporting Requirements

If this application is approved, you will need to meet annual performance reporting requirements that are required to be submitted to LGFA within five months following each Sustainability Reference Period¹ (i.e. by 30 November each year). Please provide confirmation that you will meet the applicable performance reporting requirements.

No	Performance reporting requirements	When	Borrower confirmation that this requirement will be met if approved as a SWALe borrower
<i>Compulsory KPI</i>			
Nitrogen & Phosphorus: Reduction in Concentration of Total Nitrogen and Phosphorus per litre of wastewater discharged to the environment.			
1	Progress update on performance towards the SPT.	Annually, within five months following each Sustainability Reference Period ¹ until the SPT Date.	
2	For each wastewater treatment plant that obtains a new consent, the concentration of Nitrogen and Phosphorous per litre of wastewater discharged to the environment.	Annually, within five months following each Sustainability Reference Period, for two consecutive years from the SPT Assessment Date.	
<i>Optional KPI – Please complete this section for the optional KPI you have selected</i>			
Biogenic GHG Emissions: Improved measurement of GHG emissions produced from wastewater treatment processes and biosolids disposal.			
3	An inventory incorporating Level 2 Measurement of Biogenic GHG Emissions.	Within 2 years of being approved to enter into SWALes, and annually within five months following each Sustainability Reference Period thereafter until 2040.	
4	Confirmation of the borrower measuring Biogenic GHG Emissions using Level 3 Measurement, and an inventory incorporating Level 3 Measurement of Biogenic GHG Emissions.	By 2040.	

¹ Each reference to 'Sustainability Reference Period' in this SWALe Criteria means the reporting period for the Borrower, being 1 July to 30 June.

No	Performance reporting requirements	When	Borrower confirmation that this requirement will be met if approved as a SWALe borrower
Embodied Carbon: Assessment of Embodied GHG Emissions in Borrower's forward Capital Works Programme.			
5	An inventory of prospective Embodied GHG Emissions from the Borrower's projected Infrastructure Capital Spend Programme, covering at least 80% of anticipated spend over a 3-5 year period that starts one year after being approved to enter into SWALes.	Within five months of the Sustainability Reference Period, following the first year of being approved to enter into SWALes.	
6	A progress update on whether the Borrower has achieved any Embodied GHG Emission reduction opportunities identified in the Borrowers prospective Embodied GHG Emissions Inventory.	Annually, within five months of each Sustainability Reference Period.	
7	An updated inventory for subsequent reporting periods e.g. if the first inventory covers 3 years, the second inventory will be prepared for the following 3 years. [This will be required to be provided to LGFA prior to the maturity of the existing reporting period.	Within five months of the Sustainability Reference Period, following completion of each 3-5 year measurement period.	
Water Efficiency Reduction in Gross Water Consumption per capita across the network (including withdrawals and losses).			
8	Gross Water Consumption per capita for each Sustainable Reporting Period.	Annually, within five months of each Sustainability Reference Period.	

Verification Requirements

If this application is approved, you will need to meet verification requirements for the compulsory and selected optional KPI. Please provide confirmation that you will meet the applicable verification requirements.

No	Verification requirements	When	Borrower confirmation that this requirement will be met if approved as a SWALe borrower
<i>Compulsory KPI</i>			
Nitrogen & Phosphorus: Reduction in Concentration of Total Nitrogen and Phosphorus per litre of wastewater discharged to the environment.			
1	The Borrower must obtain a letter from a suitably qualified third-party to confirm that the Borrower has achieved the SPT, by the Sustainability Performance Target Assessment Date.	Within 5 years of a New Consent for each wastewater treatment plant (as applicable).	

No	Verification requirements	When	Borrower confirmation that this requirement will be met if approved as a SWALe borrower
<i>Optional KPI – Please complete this section for the optional KPI you have selected</i>			
Biogenic GHG Emissions: Improved measurement of GHG emissions produced from wastewater treatment processes and biosolids disposal.			
2	The Borrower must obtain a letter from a suitably qualified third-party for the first year of Level 2 Measurement and the first year of Level 3 Measurement to confirm process Biogenic GHG Emissions have been measured in accordance with the most current Water New Zealand Wastewater Carbon Accounting Guidelines (Water NZ Guidelines). Biogenic GHG's that are measured as part of a verified GHG inventory can be provided. The verifier (or another qualified party) must confirm that the Biogenic GHG Emissions are measured in accordance with the Water NZ guidelines. Further verification is required if there is a material change to the GHG emission sources or methodology used for Level 2 Measurement of Biogenic GHG Emissions in any subsequent years. The letter(s) must confirm that at a minimum, the Borrower's Biogenic GHG Emissions have been measured in accordance with the most current Water NZ Guidelines for Level 2 Measurement, or Level 3 Measurement (as applicable). This includes a review of: • The completeness of the data, • GHG emissions factors for accuracy and appropriateness, and • Source data, testing for accuracy of data inputs and calculations.	For Level 2 Measurement: within 2 years of being approved to enter into SWALes, and annually thereafter until 2040. AND For Level 3 Measurement: by 2040, with subsequent frequency to be determined once the Level 3 Measurement methodology has been established.	
Embodied Carbon: Assessment of Embodied GHG Emissions in Borrower's forward Capital Works Programme.			
3	The Borrower must obtain a letter from a suitably qualified third-party to confirm that their Embodied GHG Emissions Inventory has been estimated using a prospective life-cycle assessment (LCA) approach, consistent with the principles and framework of ISO 14040 / ISO 14044 or an equivalent standard. This requirement is repeated at each subsequent update to the Borrower's prospective Embodied GHG Emissions Inventory. The letter(s) must at a minimum confirm that Embodied GHG Emissions have been estimated using a prospective life-cycle assessment (LCA) approach, consistent with the principles and framework of ISO 14040 / ISO 14044 or an equivalent standard. This includes a review of: • The completeness of the data, • GHG emissions factors for accuracy and appropriateness, and • Source data, testing for accuracy of data inputs and calculations.	By 30 November, following the first year of being approved to enter into SWALes. At each subsequent update to the Borrower's prospective Embodied GHG Emissions inventory from the Borrower's projected Infrastructure Capital Spend Programme.	

No	Verification requirements	When	Borrower confirmation that this requirement will be met if approved as a SWALe borrower
Water Efficiency Reduction in Gross Water Consumption per capita across the network (including withdrawals and losses).			
4	The Borrower must provide evidence that it has submitted to Taumata Arowai ² , Gross Water Consumption per capita data, every year, for the 5-year measurement period relevant for the Sustainability Performance Target Assessment Date. This includes evidence of receipt by Taumata Arowai. Gross Water Consumption Data must meet a minimum Data Confidence Level of 4 or above.	Every year, for the 5-year measurement period relevant to the Sustainability Performance Target Assessment Date.	

Confirmation

Loans financed by a SWALe are included in LGFA's financial reporting. We need to be able to assure ourselves and stakeholders that the SWALes meet the criteria for SWALes. Therefore, please confirm the following points:

- ☐ The information provided is correct.
- ☐ Any information provided about the SWALe loan can be used in LGFA's reporting, including as set out at [section 3.9](#) of the Criteria.

Signed

Dated

² The Water Services Authority – Taumata Arowai is a Crown entity that serves as the national water regulator in New Zealand.

Contact us

LGFA will provide assistance in answering any questions on the Criteria or the process for applying for a SWALe Loan.

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About this Form

This LGFA Sustainable Water Action Loan Application Form is available at www.lgfa.co.nz



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