

CLEAN ENERGY FINANCE CORPORATION

Financing Clean Energy – CEC Australian Clean Energy Summit

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CEFC Mission

Accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction

Agenda

1. How the CEFC works
2. Outlook & opportunities for investment
3. Barriers to investment and case studies



About the CEFC

Facilitating increased flows of finance into clean energy in Australia

- Australian Government-owned corporation that operates like a traditional financier
- Finance for renewable energy, energy efficiency, and low-emissions technologies
- Access to \$2 billion a year over 5 years
- Tailors finance terms to accommodate specific project needs
- Can work on projects that are smaller, more complex or new to the Australian market
- Facilitate the participation of private sector banks by sharing our expertise, acting as a co-financier and pioneering new financing structures.



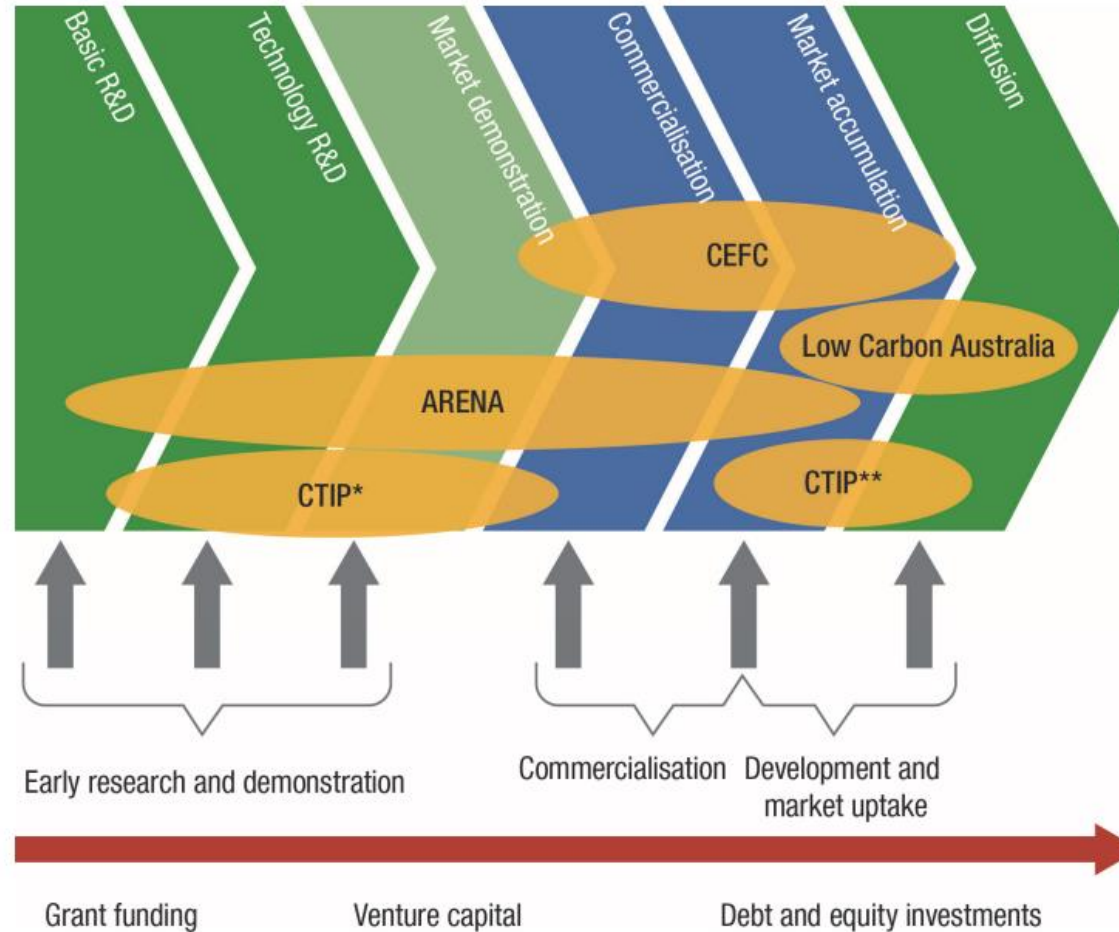
How the CEFC model works

- Commercial approach - with tight criteria and filtering of investment projects to build a sustainable investment portfolio.
- Partners with ARENA and financial institutions to co-finance
- Our job is to overcome financing barriers to clean energy in Australia:
 - From relatively new through to developed technology
 - Innovative financing structures
 - Projects that are struggling to obtain finance



Where the CEFC invests

Figure 3.1 Position of the CEFC on the innovation chain




RECOMMENDATION 3.3

The CEFC focuses on projects and technologies at the later stages of development but does not exclude projects in the demonstration stage that can pass the commercial filter.

\$1.4 billion

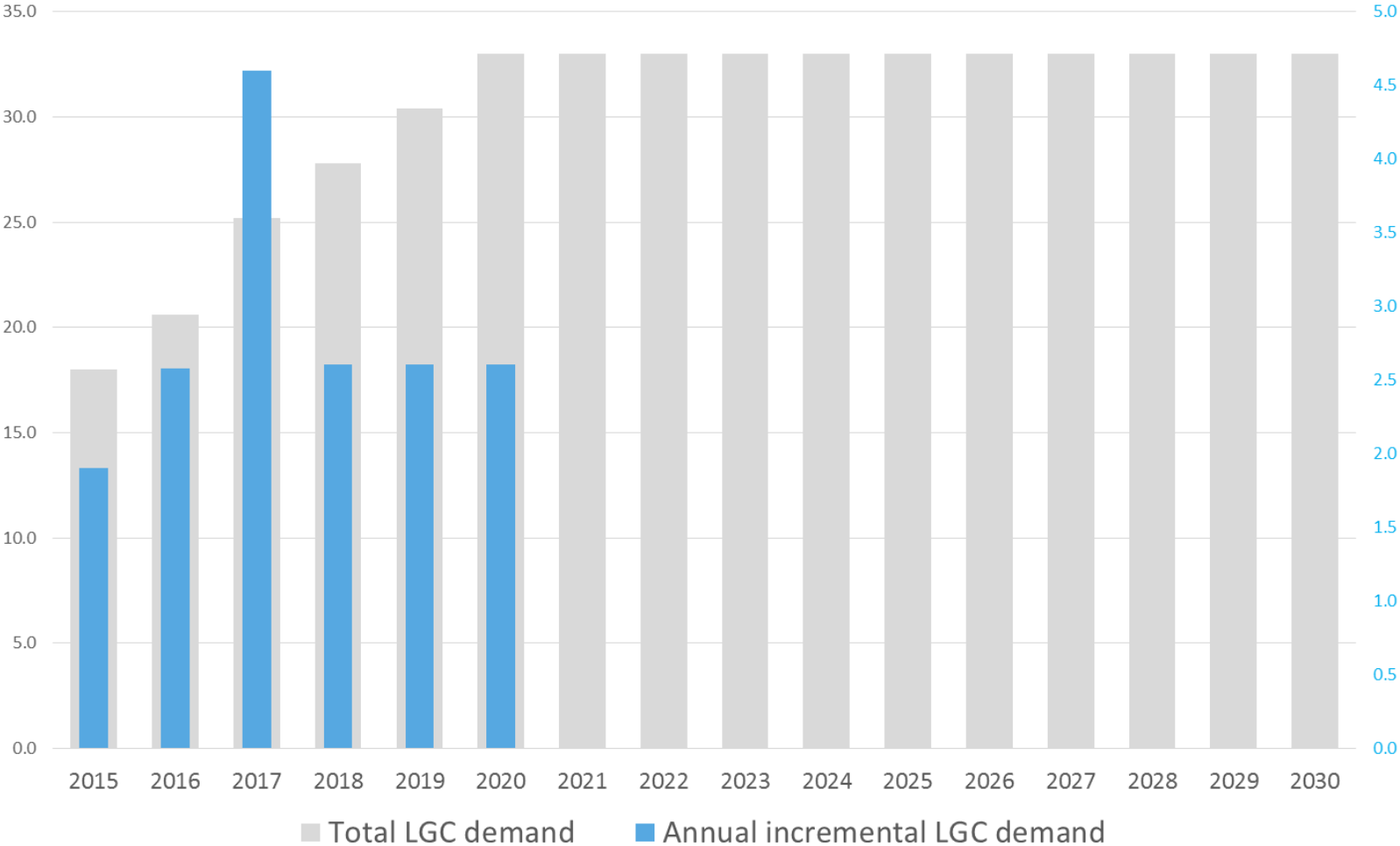
Investing alongside the private sector across industries to make Australia's buildings, equipment, vehicles and power generation cleaner and more efficient.

\$484m in 14/15



Waste gas	\$10m
Climate bonds	\$75m
Solar	\$105m
Energy efficiency	\$120m
Green Buildings	\$125m

Large-scale challenges for large-scale projects

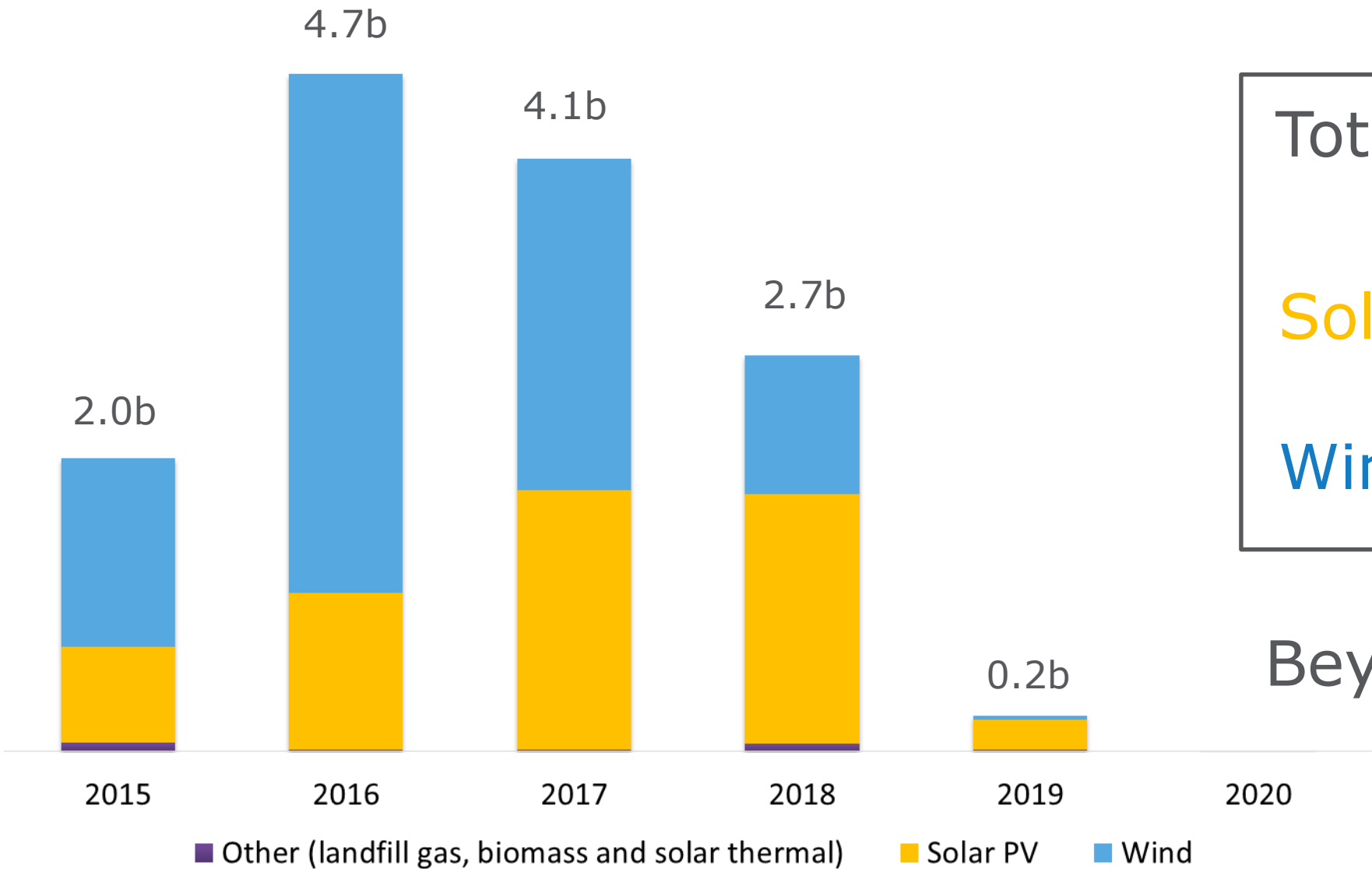


33TWh of total demand for LGCs by 2020

But no incremental demand post 2020

Source: Renewable Energy (Electricity) Act 2000

Forecast renewable energy investment opportunities to 2020 to meet LRET (AUD billions)



Total: \$13.8b
(7.75GW)
Solar: \$5.5b
Wind: \$8.1b

Beyond 2020?

Source: BNEF

Case study: Moree Solar Farm

\$46 million in senior debt for 56MW utility-scale solar PW

- \$46 million in senior debt from CEFC
- Total project value of \$166 million
- Invested on a commercial basis alongside an ARENA grant and private-sector finance
- Provided debt at a time when private-sector finance was not forthcoming



Case study: Taralga wind farm

\$37.5 million in senior debt for 107MW wind farm

- \$37.5 million in senior debt from CEFC
- Total project value of \$280 million
- Invested alongside international consortium
- Used Australian-made towers helped by an integrated Australian supply of inputs.
- Was the first Australian project for Santander, a leading global developer of renewable projects
- Estimated to reduce Australian carbon dioxide emissions by around 250,000 tonnes per year



Case study: Solar and storage for DeGrussa copper mine

\$15 million for Australia's largest solar and battery storage project to date with Sandfire Resources

- \$15 million in CEFC finance.
- Invested alongside a \$21 million grant from ARENA
- 34,000 panel, 10.6MW solar PV array with 6MW of battery storage – integrated with existing diesel-fired power station.
- Designed to provide majority of DeGrussa's daytime electricity requirements
- Will offset around 5 million litres of diesel fuel per annum, abating over 12,000 tonnes of CO₂-e annually



Summary

- > The CEFC's purpose is to facilitate increased flow of funds into the clean energy sector.
- > We have supported, and will continue to support Government policies such as the renewable energy target.
- > There is a clear investment goal but barriers remain.
- > The CEFC is uniquely placed to assist with overcoming these barriers to help Australia achieve its renewable energy target.



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