

CLEAN ENERGY FINANCE CORPORATION

NSW Resources & Energy Investment Conference
Ted Dow, Chief Investment Officer, CEFC
July 2015



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

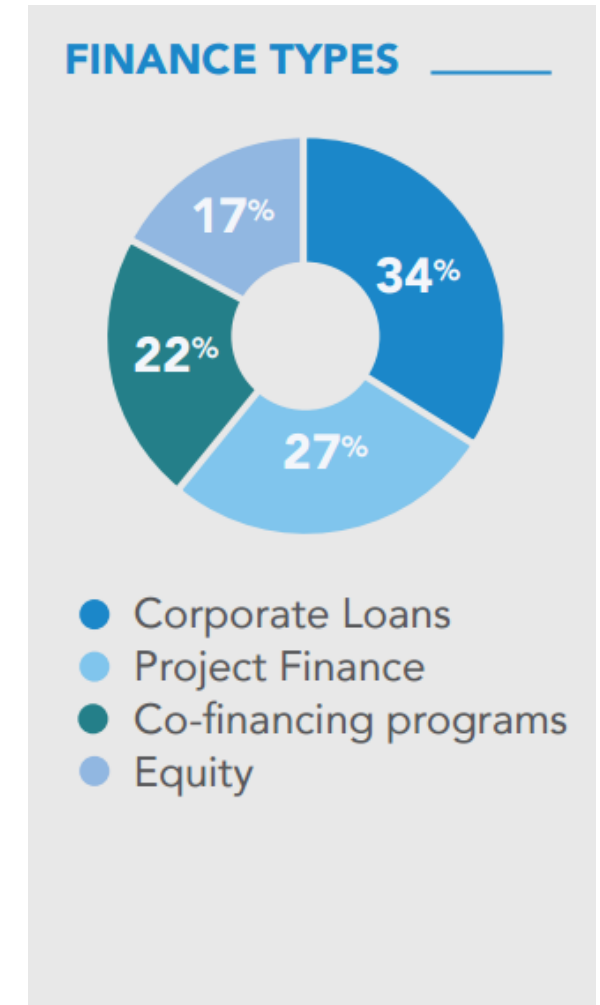
1. About the CEFC
2. Australia's renewable energy investment opportunity
3. Case studies



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
- \$10 billion of investable funds out to 2018
- 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 innovative financing structures.



Clean Energy Finance Corporation

Helping drive Australia's push to a competitive clean energy economy

CEFC HIGHLIGHTS

\$1.4b

**TOTAL CEFC
COMMITMENTS**

\$3.5b

**TOTAL
PROJECT VALUE**

55

**DIRECT
INVESTMENTS**

34

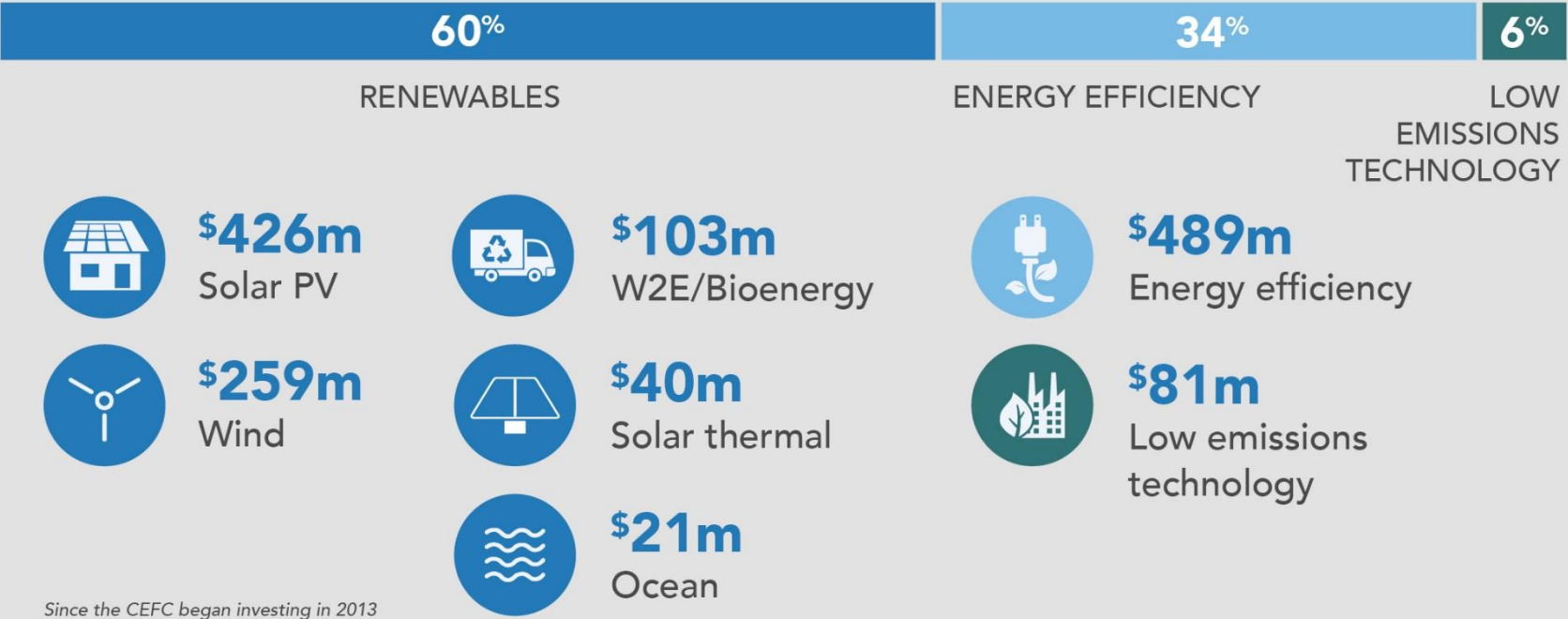
**PROJECTS
CO-FINANCED**

Since the CEFC began investing in 2013

Clean Energy Finance Corporation

Helping drive Australia's push to a competitive clean energy economy

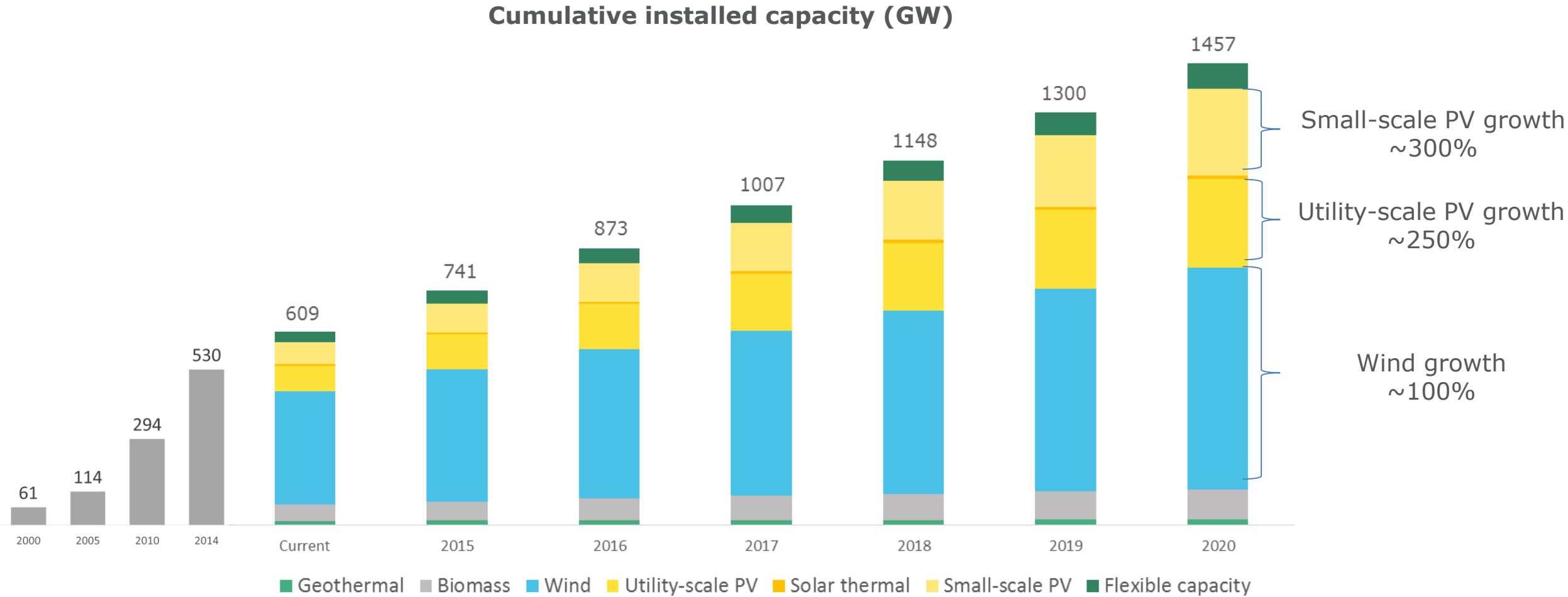
DIVERSE INVESTMENTS



Since the CEFC began investing in 2013

Global trends for solar and wind technologies

\$1.2 trillion dollar investment opportunity to 2020

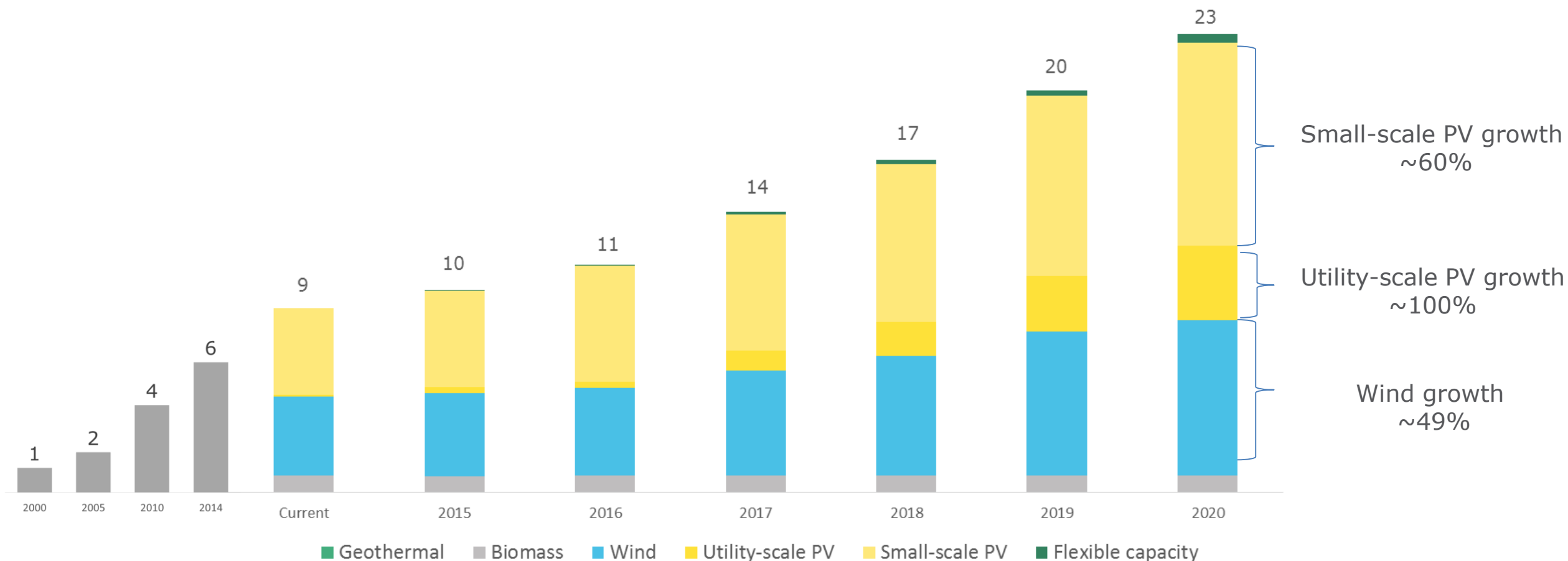


Source: Bloomberg New Energy Finance (BNEF)

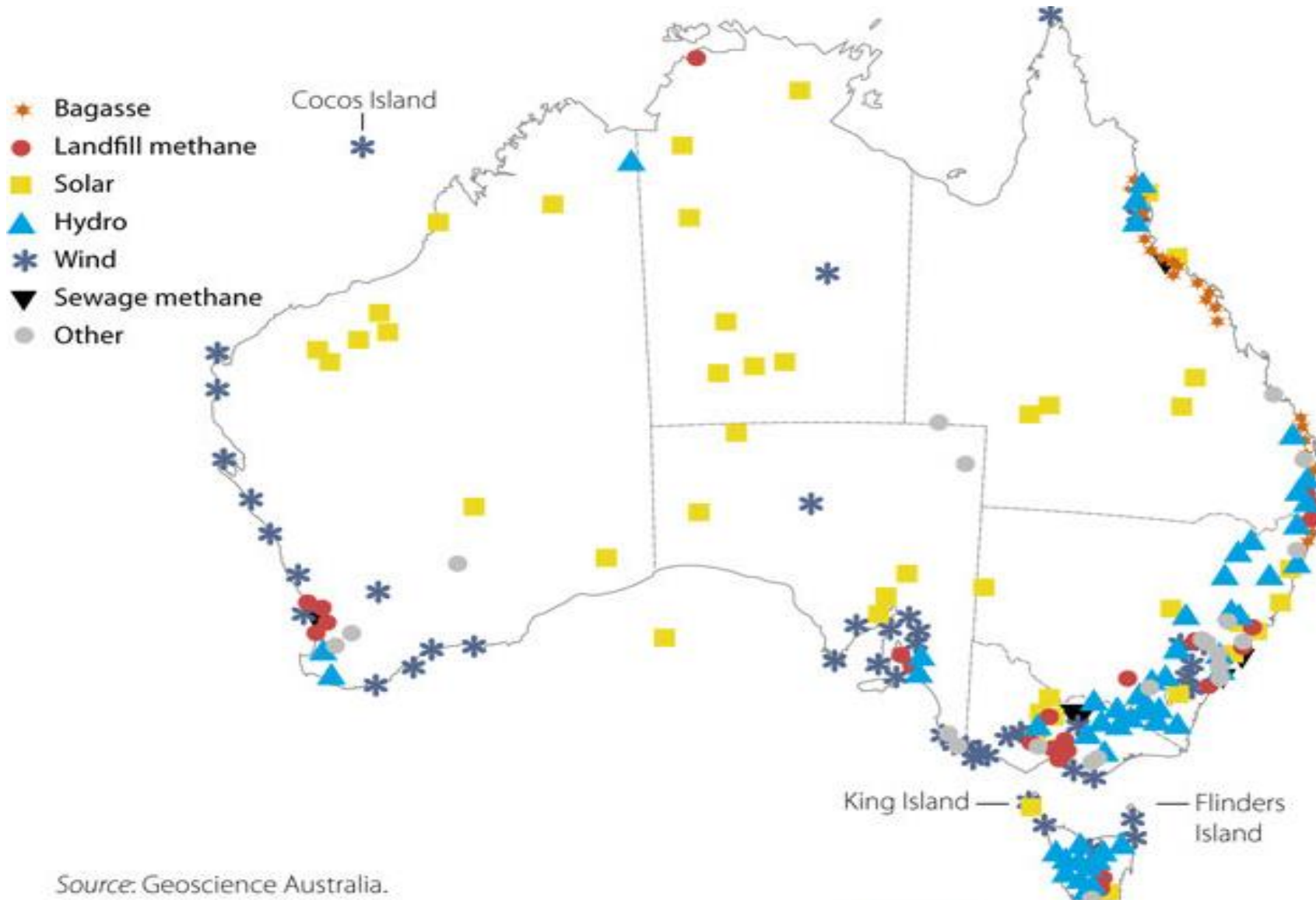
Solar and wind in Australia

A \$30 billion investment opportunity to 2020?

Cumulative installed capacity (GW)



Renewables in Australia – a range of technologies



The CEFC is addressing financing barriers to deployment of renewables and energy efficiency

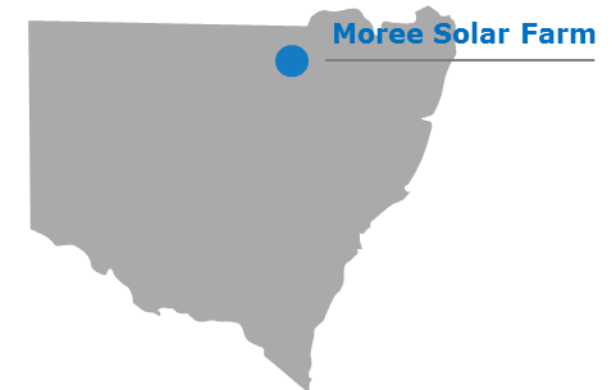
- New and innovative financing sources and models are required to overcome barriers to deployment of renewable technologies in Australia
 - ❑ Large-scale wind, utility scale solar and other renewable energy projects without long-term PPAs may struggle to obtain finance.
 - ❑ Smaller-scale solar and storage is coming down the cost curve, but still requires significant up-front capital investment.



Case study: Moree Solar Farm

\$46 million in senior debt for what will be one of Australia's largest solar PV power stations

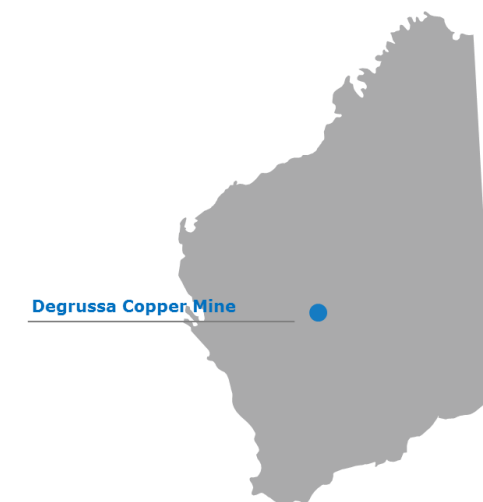
- \$46 million in senior debt from CEFC
- Total project value of \$166 million
- Invested on a commercial basis alongside an ARENA grant and private-sector finance
- Provided debt at a time when private-sector finance was not forthcoming
- Construction due to be completed by February 2016
- Once operating, the 56MW solar PV array will produce enough electricity to power 15,000 homes and reduce CO2 equivalent emissions by 95,000 tonnes per year.



Case study: Sandfire copper mine - Solar & Battery storage

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

- \$15 million in CEFC finance
- Total project value of \$45 million
- 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 the DeGrussa mine's daytime electricity requirements
- Important example demonstrating the potential for off-grid renewables.



Case study: Property Upgrade Fund –Improving Efficiency

Up to \$125 million in equity to improve commercial building controls and energy performance.

- CEFC will cornerstone a fund raising for EG's \$400 million High Income Sustainable Office Trust (HISOT).
- The Trust will acquire and refurbish older metropolitan office properties to reduce their energy consumption
- Upgrades will targeting a National Australian Built Environment Rating System (NABERS) increase of 2 stars to achieve a rating of at least 4.5 stars after upgrade on a scale of 6 stars
- EG is a proven fund manager with a long track record of making profitable, capital accretive investments of this nature in property.



The CEFC is deploying innovative finance programs to boost small scale investment

Addressing barriers to uptake of energy efficient equipment, solar and storage & green vehicles for businesses, government and households.



Clean energy is performing globally

SolarCity and Tesla have dramatically outperformed the NASDAQ and Wilder Hill Clean Energy Index since 12/13/2012, the date of SolarCity's IPO.



Sources: Google Finance and Yahoo Finance

NEX CLEAN ENERGY INDEX 2013 – 2014 YTD



Note: Values as of 23 June 2014; NASDAQ and S&P 500 rebased to 100 on 01 Jan 2013

Source: Bloomberg New Energy Finance

Bloomberg
NEW ENERGY

Michael Liebreich

REFF Wall Street

June 2014

#REFFWS

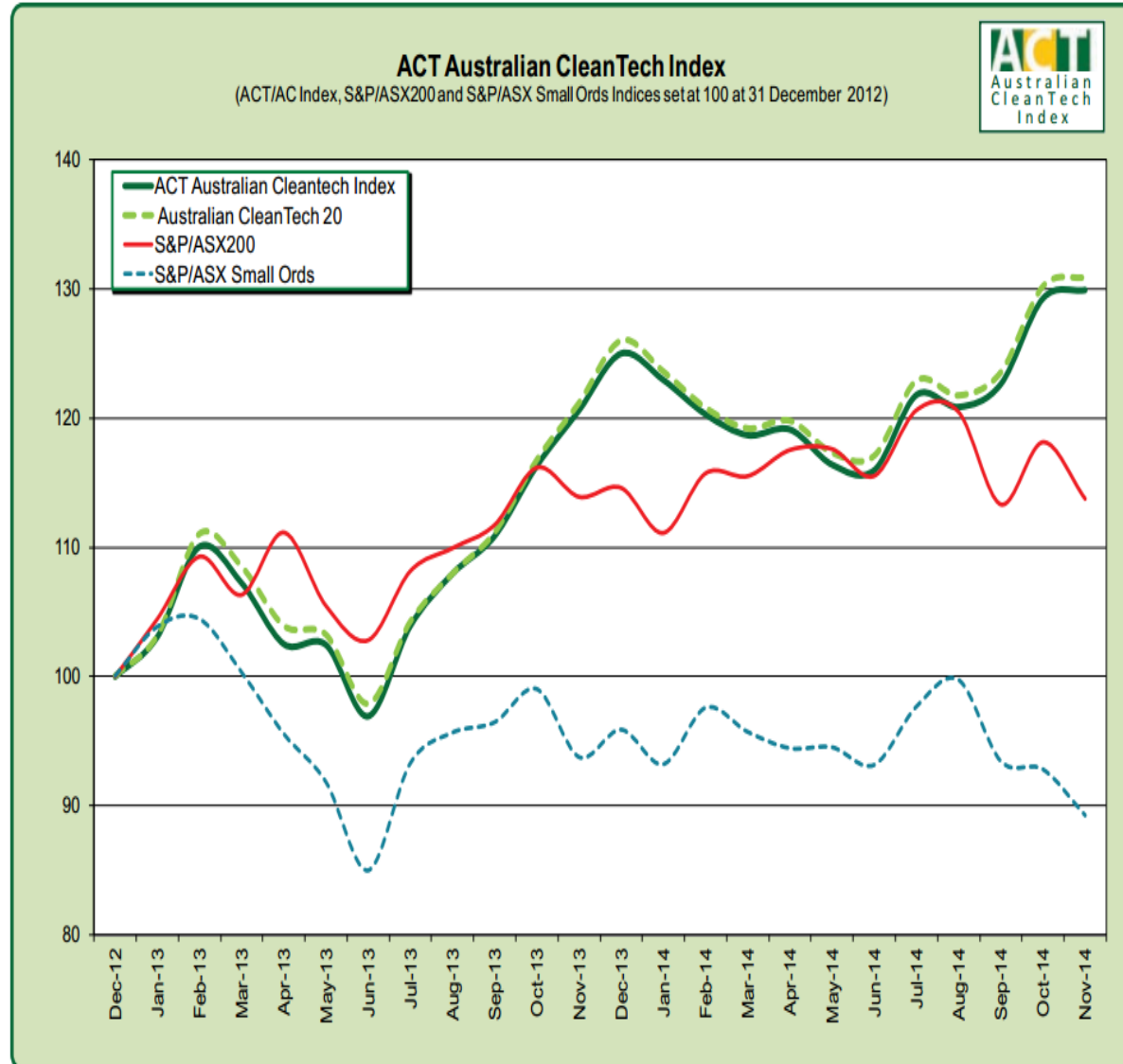
@MLiebreich

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“2013 public market equity raising by renewable energy Companies jumped 201% to \$11 billion.”

“Since mid-2013 the [NEX clean energy] index has been outperforming Nasdaq and the S&P 500.”

Clean energy is performing in Australia too



2Q FY15

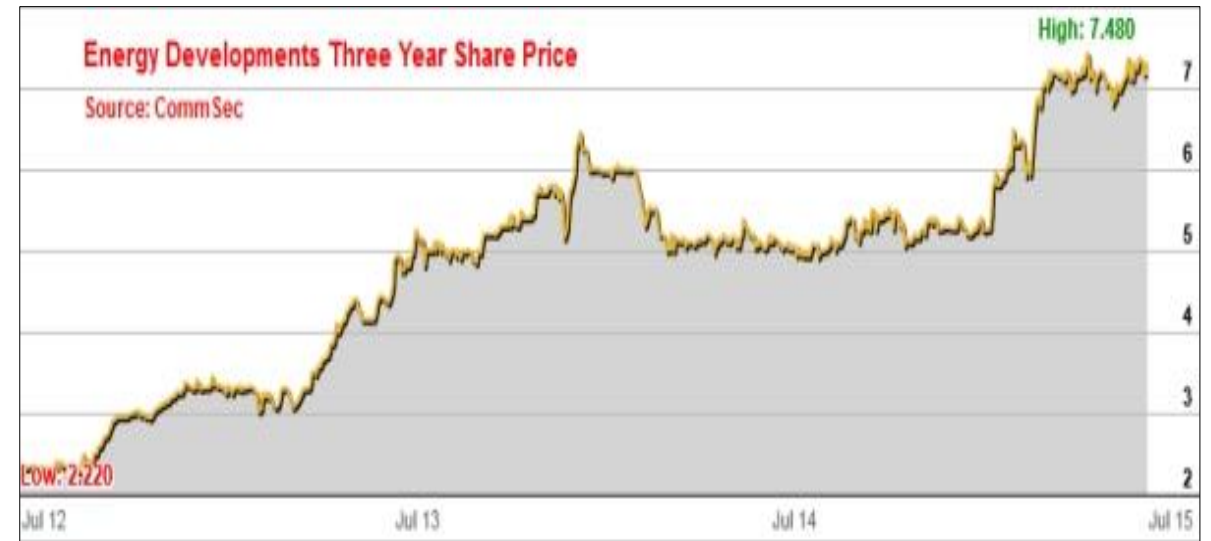
Best Performers Share Price Gain > 25%

Solco
Quantum Energy
Leaf Energy
Papyrus Australia
Beacon Lighting Corp

Nanosonics
Meridian Energy
Mighty River Power
Pacific Environment
Aeris Environmental

Energy Developments Three Year Share Price

Source: CommSec



Summary

- Opportunities for large and small scale investment in clean energy in Australia to 2020 are estimated at nearly \$30 billion.
- Solar and storage options offer a compelling economics for households, businesses and remote mines & townships.
- But financing barriers remain for small- and large-scale renewables and the CEFC will continue to work with the private sector and other stakeholders to overcome these barriers.
- The prospects for investment in global and Australian clean energy investment will present a tremendous opportunity for many years to come. NSW can position itself to maximise the potential economic upside from this opportunity.



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