

CEFC backs large-scale solar with \$250 million finance program

Program to drive down the cost and strengthen supply chain

The Clean Energy Finance Corporation's \$250 million Large-Scale Solar program is aimed at encouraging greater participation in the large-scale solar sector in Australia

TRANSFORMING LARGE-SCALE SOLAR IN AUSTRALIA

The Clean Energy Finance Corporation (CEFC) has created a \$250 million program to boost construction of large-scale solar developments in Australia.

When fully deployed, the CEFC financing program will represent the largest lending commitment to the large-scale solar sector in Australia to date. The CEFC program is designed to help drive down the cost of solar development and further strengthen Australian industries in the solar supply chain.

The program will support the accelerated development of solar PV projects of more than 10MW, with loan requirements of \$15 million or more.

"The CEFC's provision of fixed-rate longer-dated senior debt finance is designed to directly support the network of financiers, project suppliers and developers in the delivery of additional large-scale solar in Australia."

Oliver Yates
CEO, Clean Energy Finance Corporation

THE PROGRAM

The CEFC finance will be available for projects which have power purchase agreements, as well as those proposing to take some merchant risk. The CEFC will also seek to catalyse other sources of finance to support large scale solar developments, through co-investment in debt and equity.

The CEFC finance is designed to help fill the funding gap in the large-scale solar sector, encouraging participation by banks and other institutions as the sector expands and develops a track record of proven credit and operational performance.

The installation of large-scale solar has lagged behind residential solar, which is estimated to reach about 5,000MW of installed capacity this year. While the costs of large-scale solar PV are decreasing, this financing boost will help Australian projects move down the cost curve, in line with international trends.



Image courtesy of Epuron

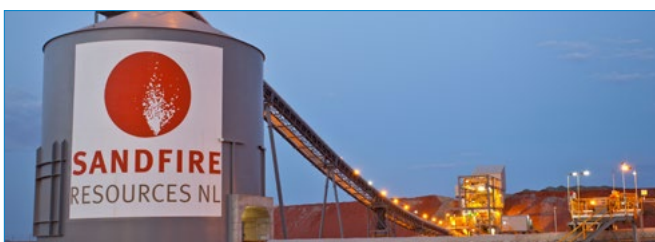
A STRONG TRACK RECORD IN SUPPORTING LARGE-SCALE SOLAR

The CEFC has a strong track record in the financing of large-scale solar in Australia, both through direct and indirect financing. CEFC involvement in large-scale solar projects continues to focus on bridging the finance gap for project proponents by encouraging other participants into the sector.

This approach saw the CEFC commit as a cornerstone investor to the inaugural NAB Climate Bond, which contributed finance to the Royalla solar farm in the ACT. Other CEFC-financed large-scale solar projects include those highlighted below.



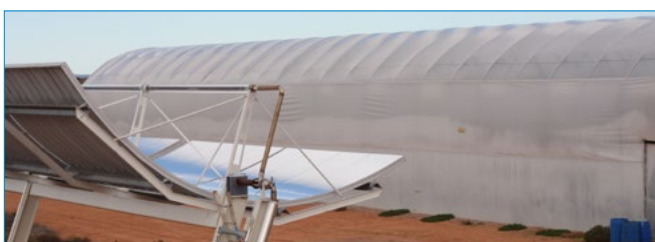
\$46 million in senior debt financing for the 56MW Moree Solar Farm in New South Wales



\$15 million towards Australia's largest solar and battery storage project to date, at Sandfire Resources' DeGrussa copper mine in Western Australia



\$17 million towards remote solar projects in the Northern Territory



The CEFC also played a leading role in helping South Australian-based Sundrop Farms Pty Ltd secure capital for its approximately \$150 million innovative application of solar thermal technology

"This is a significant commitment from the CEFC, reflecting our focus on building Australia's expertise in solar. When fully deployed, this \$250 million program will be the single largest debt financing commitment to the large-scale solar sector to date."

Oliver Yates
CEO, Clean Energy Finance Corporation

ARENA SOLAR GRANTS PROGRAM

The Australian Renewable Energy Agency (ARENA) has announced a \$100 million program that is seeking bids from major solar PV project proponents for grants of up to \$30 million. Projects must have a minimum generation capacity of 5MW (AC).

The CEFC's Large-Scale Solar program complements ARENA's funding program and provides successful ARENA grant recipients with the opportunity to secure long-term debt finance to support their projects. While separate decisions will be made by each body, for sponsors applying to both organisations, ARENA and the CEFC will coordinate during each stage of the application process.



For more information about ARENA funding for large scale solar, visit <http://arena.gov.au/programmes/advancing-renewables-programme/large-scale-solar-pv/>.

Indicative timeline for solar project sponsors who are seeking ARENA grant funding in parallel with a CEFC loan

Timing	ARENA	CEFC
9 September 2015	Expressions of Interest (EOI) opens for large-scale solar competitive round	CEFC Large-Scale Solar program opens. Project sponsors to register interest via solar@cleanenergyfinancecorp.com.au
30 September 2015		Registered project sponsors to execute Confidentiality Deed and submit completed CEFC Request for Information form
13 October 2015	ARENA EOI registration cut-off date	
2 November 2015		Registered projects undergo first stage CEFC screening
2 November 2015	EOI Due Date for submission to ARENA	CEFC evaluates proposals and may issue letters of support to projects that pass first stage screening
16 December 2015	ARENA due diligence on submitted EOIs	CEFC contributes to ARENA due diligence
16 December 2015	ARENA notifies applicants progressing to Full Application	
January to June 2016	ARENA undertakes further due diligence	CEFC loan facility agreement negotiations with applicants who have progressed to ARENA Full Application stage
June 2016	ARENA Full Application due date	CEFC issues letters of commitment to successful projects with funding subject to internal approvals and relevant conditions precedent, including ARENA grant funding
September 2016	ARENA offers to negotiate Funding Agreements	
December 2016		Execution of CEFC loan documentation for successful projects

WORKING WITH OTHER PARTIES

The CEFC is targeting support for projects within other large-scale renewable energy programs, including:

- ARENA's \$100 million large-scale solar program, targeting generation of an additional 200MW
- The Australian Capital Territory's 50MW Next Generation Solar initiative
- The Queensland Government's 40MW solar auction
- 150MW program of renewable energy project development through Ergon Energy.

Sponsors making applications under these or other solar support programs may also apply for investment under the CEFC's Large-Scale Solar program.

For more information about applying for finance under the CEFC's Large-Scale Solar program, please email your contact information to solar@cleanenergyfinancecorp.com.au.

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The Clean Energy Finance Corporation (CEFC) invests using a commercial approach to overcome market barriers and mobilise investment in renewable energy, energy efficiency and low emissions technologies.

Since its inception, the CEFC has committed over \$1.4 billion in finance to investments in clean energy projects valued at over \$3.5 billion.

The CEFC invests for a positive financial return, with its more than 55 direct investments and 34 projects co-financed under aggregation programs expected to achieve a positive net benefit for the taxpayer. These projects help to improve energy productivity for businesses across Australia, develop local industries and generate new employment opportunities.

The CEFC operates under the *Clean Energy Finance Corporation Act 2012*. More information is available on our website www.cleanenergyfinancecorp.com.au

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