

# CEFC

CLEAN ENERGY FINANCE CORPORATION



# An overview of the CEFC's finance programs for bioenergy

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BIOENERGY BREAKFAST 2016

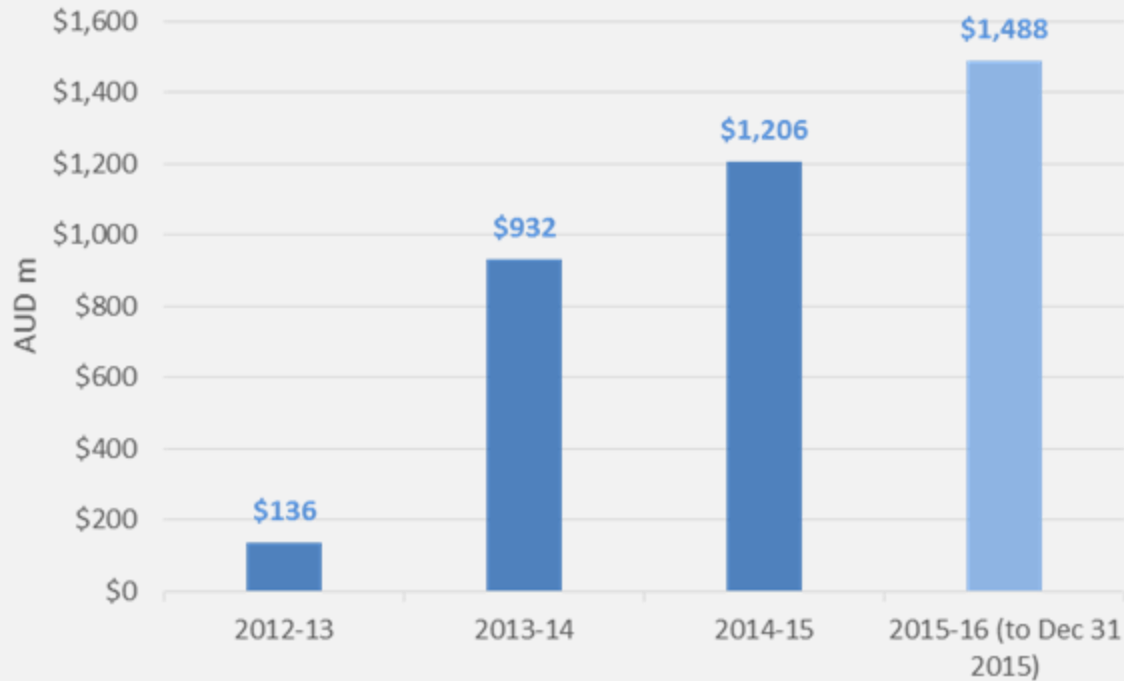
Henry Anning  
Associate Director

# About the Clean Energy Finance Corporation

- Independent, Australian Government institution that operates like a traditional financier
- Private sector expertise with public purpose - Finance for energy efficiency, low-emissions and renewable energy projects and programs across the economy
- Access to \$2 billion a year over 5 years
- Expect a return on investment (debt or equity)
- Can work on projects that are smaller, more complex or new to the Australian market
- Operates as a co-financier to encourage greater participation in the sector from banks and other financiers

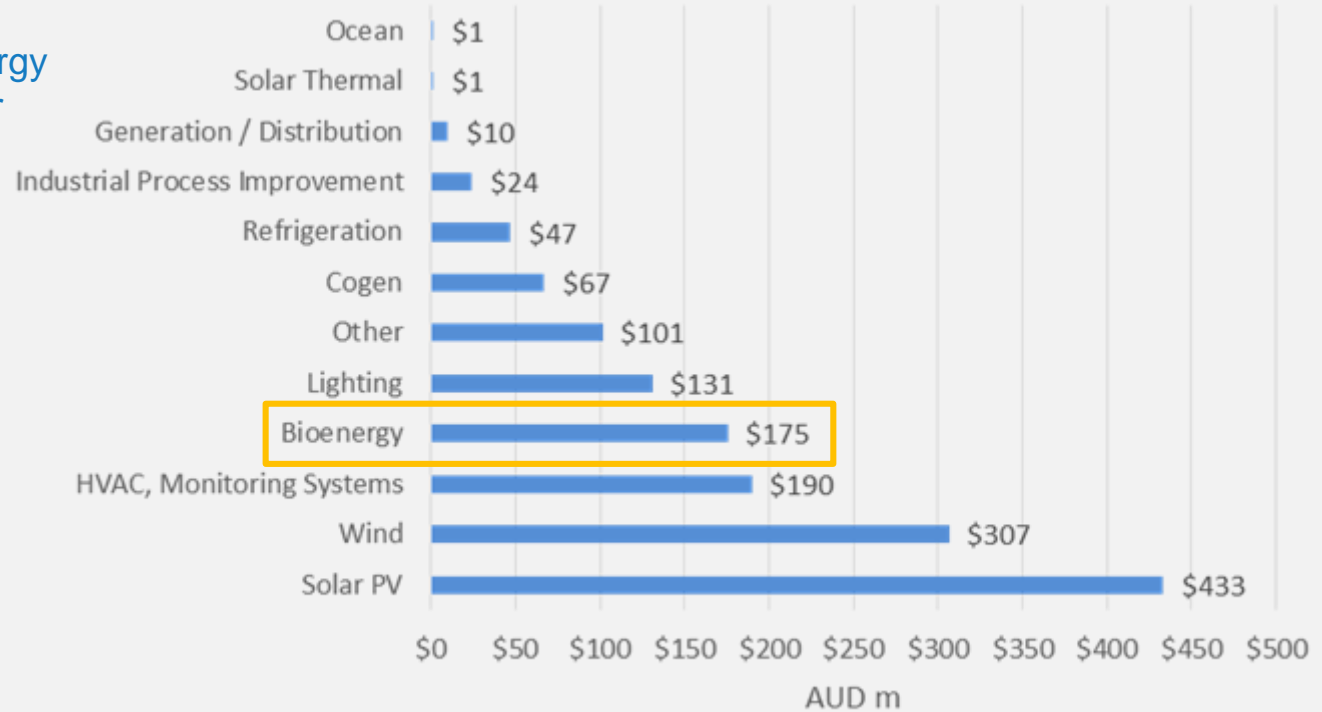


# A growing portfolio of clean energy investment commitments



# The CEFC has a diverse portfolio of investment commitments

At Dec 31 2016, bioenergy made up \$175 million or nearly 12% of our total portfolio of commitments



# Where are the opportunities in bioenergy?

Urban  
waste



Food and garden  
organics, waste  
wood and timber,  
wastewater and  
residual waste

**\$2.2-3.3bn**  
investment  
opportunity to  
2020

Intensive  
livestock and  
food  
processing



Organic waste from  
poultry farms, cattle  
feedlots, piggeries,  
dairy farms and  
abattoirs

**\$0.7-1.1bn**  
investment  
opportunity to  
2020

Plantation  
forest  
residues



Stem  
tops and branches left  
after harvest, as well  
as plantation forest  
sawmill residue and  
pulplog

**\$0.45-0.65bn**  
investment  
opportunity to  
2020

# The challenges of financing bioenergy

- Capital availability: equity and debt
- A lot of the bioenergy market (particularly urban waste and biofuel) in earlier stage of maturity
- Bioenergy technology more complex conversion process of source to energy
- Limited projects developed in Australian market compared to overseas (e.g. biofuel market in US and Brazil, energy from waste in Europe/UK)
- Complexity of the project & the number of parties involved
- Different sizes of projects



# How the CEFC can finance bioenergy

DEBT	EQUITY	AGGREGATION PARTNERS
Direct debt financing through the CEFC (for amounts greater than \$10m)	Indirectly through a cornerstone commitment to the <b>Australian Bioenergy Fund</b>	For smaller projects seeking corporate debt, through banks and other financiers the CEFC is working with: <ul style="list-style-type: none"><li>• <b>NAB Energy Efficiency Bonus</b></li><li>• <b>CommBank Energy Efficient Loans</b></li></ul>



# \$100 million for Australia's first equity fund for bioenergy and energy-from-waste: The Australian Bioenergy Fund



## Cornerstone investment into bioenergy-focused equity fund

- Cornerstone commitment of \$100m from the CEFC
- Establish a dedicated Australian bioenergy and energy from waste fund
- Targets deployment of new bioenergy and energy from waste capacity
- Equity investments in project vehicles and companies

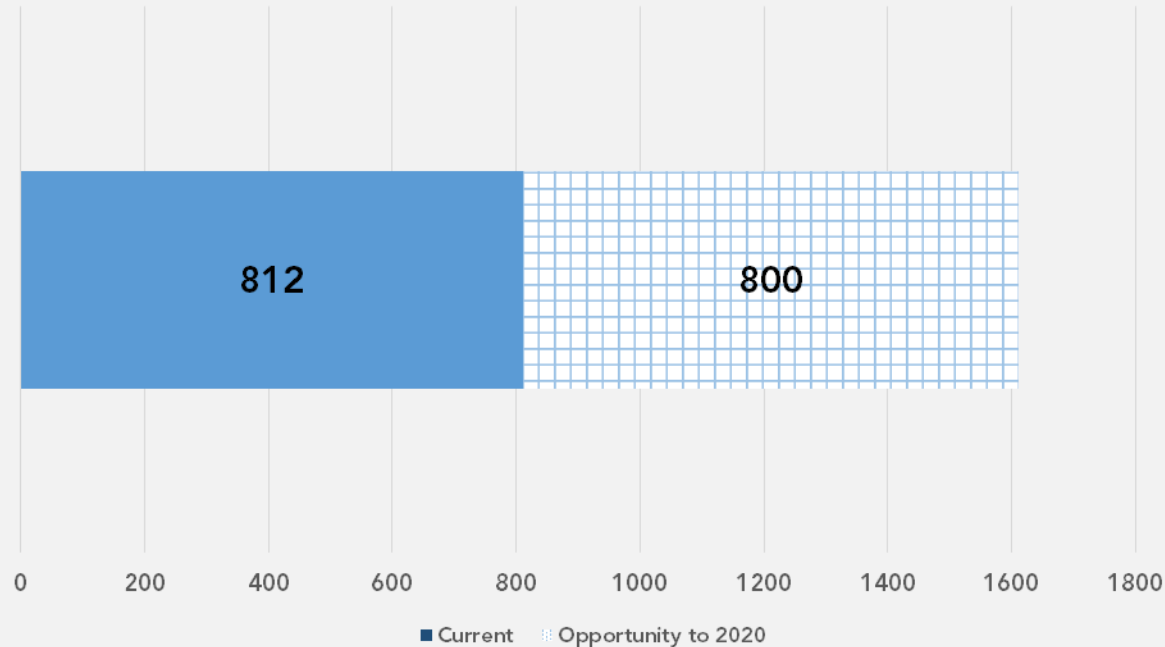
CEFC COMMITMENT  
**\$100 million**

TOTAL FUND SIZE  
**~\$200 million**



# By 2020, Australia could double its installed bioenergy electricity capacity

Australia's installed bioenergy capacity and potential to 2020 (MW)



# CEFC

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