CEFC
CLEAN ENERGY FINANCE CORPORATION

FACT SHEET

CEFC and Commonwealth Bank finance for not-for-profits

Energy Efficient Loans to help local governments, educational institutions, hospitals and others

SUMMARY

The Clean Energy Finance Corporation (CEFC) and Commonwealth Bank are financing loans designed for not-for-profits, including local governments, to save on energy costs. The $100 million co-financing arrangement between CEFC and Commonwealth Bank is funding clean energy projects undertaken by not-for-profit clients.

Under the Energy Efficient Loan program:

- The CEFC will co-administer the overarching fund with Commonwealth Bank
- Commonwealth Bank enters into individual loan agreements with eligible customers (and will negotiate terms and conditions on a case-by-case basis); and
- Loan values are up to $5 million or more, and can be for the full value or part thereof.
- Terms offered up to 12 years, allowing energy savings to repay the finance and provide a cash flow positive or cash flow neutral outcome
- Favourable loan rates
- Available nationwide for project opportunities that meet CEFC eligibility criteria
- Local council loans will include a security provision over general rates income. Other organisations will have a minimum security requirement to be taken over the financed project equipment; and
- Energy Efficient Loans are designed for projects which result in significant energy or carbon savings.

"This loan program is designed to help organisations in the not-for-profit sector to upgrade their facilities and improve their energy efficiency. They can receive finance for up to 100 per cent of the project cost and achieve operating cost savings by using new equipment, helping them better serve their constituents."

Oliver Yates
CEO, Clean Energy Finance Corporation

The Energy Efficient Loan program for not-for-profits is in addition to a similar $100 million facility that CEFC and Commonwealth Bank announced in June 2013 to co-finance energy efficiency, low emissions technology and renewable energy projects in the commercial and industrial sectors.

All loans will meet CEFC project eligibility criteria and cover the following technologies and projects:

- Street lighting upgrades to long-life efficient bulbs
- Building upgrades including lighting, building monitoring systems, heating, ventilation and air conditioning (HVAC) systems, insulation, installation of solar panels, and other forms of building and equipment upgrades
- Building and aquatic centre cogeneration and tri-generation; and
- Waste management systems upgrades including landfill gas management and waste-to-energy systems.

The Bank is responsible for establishing Energy Efficient Loans with individual customers and undertaking necessary credit assessment processes.

PROJECT IMPACT

The Energy Efficient Loan program for not-for-profits is designed to meet the needs of organisations defined as not-for-profit by the Australian Taxation Office and it is anticipated there will be a strong response from the local government sector.

Local government

There are 562 local government bodies in Australia which, combined with community facilities, represents eight per cent of 2020 projected emissions and eight per cent of projected energy consumption from existing non-residential buildings.

The local government sector has energy and cost saving opportunities related to street lighting upgrades. Public lighting is the single largest source of local governments' greenhouse gas emissions, typically accounting for 30 to 60 per cent of their emissions. It's estimated there are more than 2.28 million street lights in Australia costing more than $400 million per annum in energy and maintenance costs[1].

Replacing the most energy intensive lights (mercury vapour lights) with more efficient options would cost about $590 million, save approximately $34 million per annum and reduce greenhouse gas emissions by 410,000 tonnes per annum[1].

Education

There are 41 universities, 71 colleges and over 16,000 schools in Australia. The education sector is a large employer, delivers direct social returns, and consumes approximately one per cent of the nation's energy.

The education sector could improve its cost base by becoming a large-scale adopter of clean energy technologies and employing on-site clean energy technologies/generation.

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Project Impact continued...

Such projects can showcase knowledge of clean technologies, increase the clean technology skill base and provide opportunities for future research.

A recent study on energy efficiency retrofits in the Australian tertiary education sector found considerable scope for improvement in energy performance[2]. Savings identified in case studies of Australian tertiary education institutions buildings showed how reductions in energy consumption of up to 40 per cent can be achieved.

Hospitals

There are 1,345 hospitals in Australia of which approximately 55 per cent are public hospitals. It has been estimated that energy costs for hospitals could be reduced by between 20 and 35 per cent through introducing energy efficiency measures.

Public hospital expenditure in 2011-12 was recorded at over $40 billion. Audits of both New South Wales and Victorian public hospitals found that energy costs have increased substantially in recent years.

In New South Wales, hospital energy costs increased by about 50 per cent over the last three years to approximately $100 million in 2011-12, despite a small (two per cent) reduction in energy use. Similarly in Victoria, energy costs have been increasing and public hospitals account for about 20 per cent of the State's public sector greenhouse gas emissions.

CASE STUDIES

Tumut Shire Council building halves energy use

The Tumut Shire Council administration building's grid electricity consumption has been more than halved through the introduction of energy efficient lighting, an upgraded air conditioning system and solar photovoltaic panels. An energy audit was performed on the building before work was carried out through the NSW Government's Office of Environment and Heritage Energy Saver program.

Tumut Shire Council, in the Snowy Mountains, carried out an upgrade to its administration building and reduced carbon emissions by about 250 tonnes a year.

Finance of $1.18 million was provided by Low Carbon Australia, now integrated into the CEFC, with the Council also receiving Australian Government grant funding through the Community Energy Efficiency Program.

"The extra advantage of this project is that it also benefits the operations of the building's other tenants - The Rural Fire Service, NSW Forestry and Corrective Services - who have important roles in our community."

Trina Thomson
Mayor, Tumut Shire Council

Cogeneration halves energy costs at Wagga Wagga's Oasis Aquatic Centre

Wagga Wagga City Council is expecting to more than halve the energy costs of its Oasis Aquatic Centre through installation of a cogeneration unit that provides up to 85 per cent of the centre's electricity demand.

The gas-fired generator creates 229kW of electricity for the centre, while the engine will produce 358kW of thermal heat to be used to heat the pools. Carbon emissions are being reduced by 1,332 tonnes a year.

The Council accessed $208,000 in finance from Low Carbon Australia, now integrated into the CEFC, and a grant from the Australian Government through the Community Energy Efficiency Program to cover the project cost.

Wagga Wagga City Council has also used Low Carbon Australia finance to upgrade three other buildings with new lighting and other energy saving devices that reduced energy consumption of the buildings by about eight per cent.

League club saves on energy

The Gold Coast's Burleigh Bears Rugby League Football Club reduced its lighting bills by 65 per cent through upgrading with energy efficient equipment.

The $40,000 installation of high performance LED and T5 fluorescent lights resulted in both energy savings and reduced maintenance costs. The products installed have a life of around 10 to 15 years and warranty periods of between three and five years.

Savings from reduced energy bills were used to pay back finance sourced through Low Carbon Australia, now integrated into the CEFC.

Victorian council makes street light savings

Victoria's Baw Baw Shire Council is saving more than $160,000 a year through installing energy efficient street lamps.

Street lighting is responsible for about 40 per cent of the council's carbon emissions and by replacing 2,660 mercury vapour street lights with more efficient lamps, the council is reducing its overall carbon emissions by 18 per cent.

The CEFC provided finance for $550,000 of the $1.04 million upgrade and an Australian Government Community Energy Efficiency Program grant covered the remainder.

> "Switching to more energy efficient street lighting will help reduce our overall emissions level by about 18 per cent."
>
> **Murray Cook**
> *Mayor, Baw Baw Shire Council*

Youth club stadium slashes lighting bill

The Central Coast Youth Club (CCYC) on the northern outskirts of Gosford, New South Wales, reduced its court energy use by over 60 per cent through a $58,000 lighting upgrade.

Australian designed and manufactured multi-lamp high technology reflector lighting was installed at the stadium's basketball courts, stadium entrance and trampoline area.

As well as cutting the club's total energy bill by about one third, the upgrade has reduced carbon emissions by about 70 tonnes a year. Finance was sourced through Low Carbon Australia, now integrated into the CEFC.

> "These are significant energy and cost reductions and the light levels have dramatically improved on ALL courts. We should have done this sooner."
>
> **Wayne Winiata**
> *General Manager, Central Coast Youth Club*

[1] Ironbark Sustainability, "Street Lighting Strategy" Prepared for the Equipment Energy Efficiency Program, July 2011.

[2] Liu, M. and Hyde and Hyde, R, "Retrofits to improve energy efficiency of existing buildings in the tertiary education sector – An investigation of current practice and implications", 46th Annual Conference of the Architectural Science Association, ANZAScA 2012.

APPLICATIONS FOR FINANCE

Organisations that already have an existing banking relationship with Commonwealth Bank should contact their Relationship Manager.

Interested parties who do not have an existing relationship with Commonwealth Bank should contact the CEFC for assistance. The CEFC will need to obtain the following information from you prior to making a referral to the bank:

- Company name
- Brief business description
- Brief project description including total project cost, requested loan amount, clean energy technology and location of the project
- Location of the company's head office/office for banking relationships
- Contact person name and telephone number; and
- Authorisation to provide this information to Commonwealth Bank.

Commonwealth Bank is Australia's leading provider of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, investment and share broking products and services.

The Energy Efficient Loan is available nationwide for project opportunities that meet CEFC eligibility criteria

CEFC has worked with local councils around Australia and demonstrated the potential for substantial reductions in energy usage, saving on costs and avoiding carbon emissions. ”

Oliver Yates
CEO, Clean Energy Finance Corporation

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.

As at 30 June 2014, the CEFC has contracted investments of over $900 million in projects with a total value of over $3 billion. The CEFC invests for a positive return, with its more than 40 direct investments and 25 projects co-financed under aggregation programs expected to achieve an average financial yield of about 7 per cent.

When fully operational, these CEFC investments are expected to achieve abatement of 4.2 million tonnes of CO2e per annum with a positive net benefit to the taxpayer. They 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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