

CLEAN ENERGY FINANCE CORPORATION

Clean Energy Week 2014 Conference and Expo

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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

Clean Energy Week 2014

Outline

1. About the CEFC
2. The CEFC and the solar industry
3. Solar case-studies
4. Future of solar and CEFC – new financing models, new technologies.



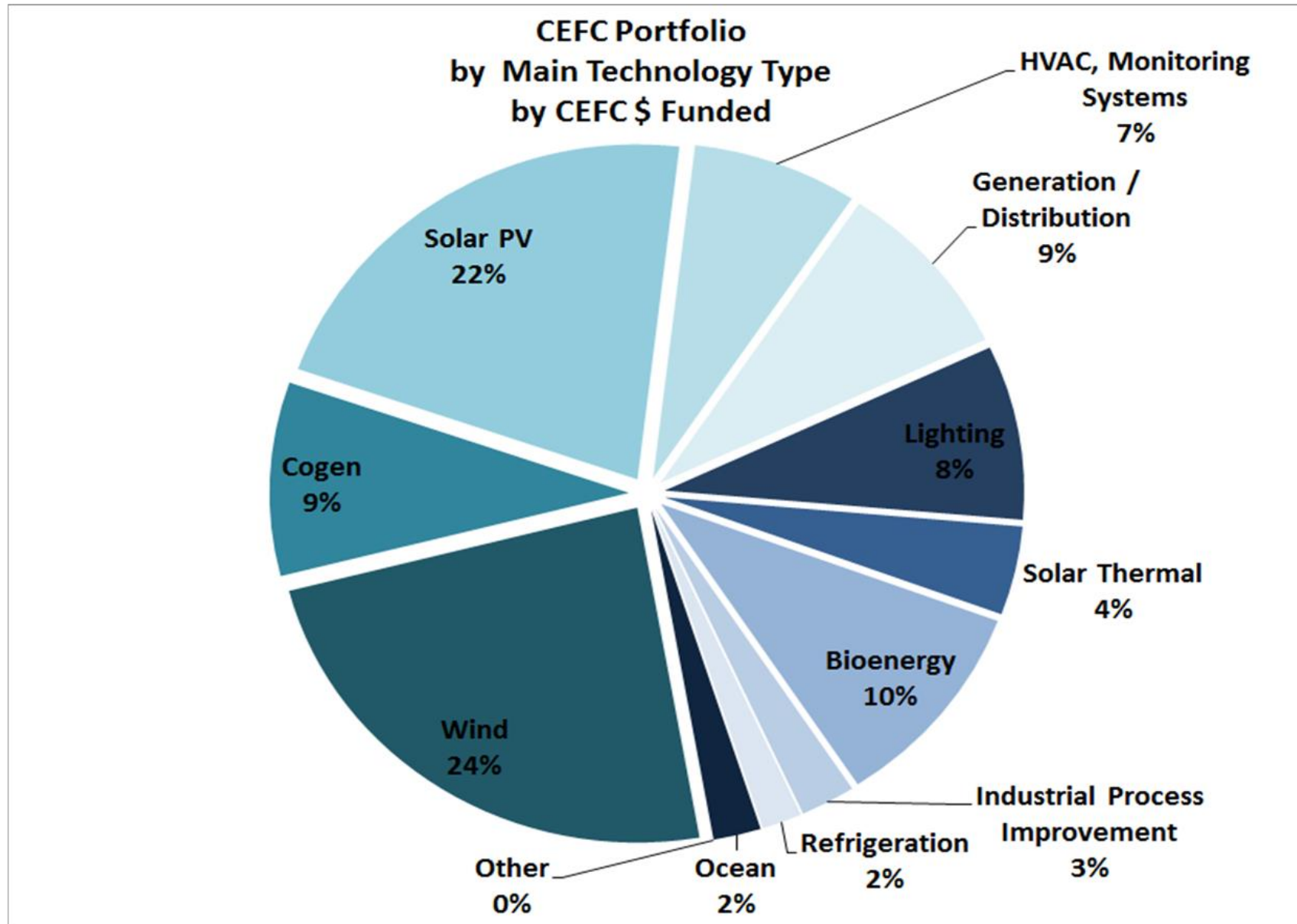
About the CEFC

Our role catalysing investment in clean energy

- Specialist financier & have access to \$2 billion p.a.
- Mobilise finance in clean energy
- Take a commercial approach
- Operate as a co-financer to encourage greater bank participation in the sector.
- Specialised private sector finance experience and expertise in energy efficiency and renewable energy



Working with a range of technologies



After 12 months in operation...

- Provided over \$900m in finance for over 40 projects worth \$3b in total value. Helping deliver:
 - Lower energy costs for businesses, helping improve competitiveness
 - 700MW of clean electricity generation capacity
 - Emissions reduction of 4.2 million tonnes CO₂e annually.
 - Unlocking lowest cost emissions reduction – we earn \$2.40 per tonne of carbon saved.
 - Investments are profitable for businesses we work with.



CEFC & the Australian Solar Industry

Seeking to address key gaps in solar financing market and further advance development of solar industry:

- **Term** – longer term financing
- **Liquidity** – bring more financing to solar industry
- **International financial market interest**
- **New technologies**
- **Catalysing small projects** – aggregation funding
- Bring globally successful **business models** to Australia
- **Power Purchase Agreement (PPA)** – limited appetite to accept merchant risk
- **Increase distributed PV take up** across SME, corporate & govt



Projects the CEFC can finance in the solar sector

LOCAL COUNCILS

- Solar PV on council buildings & facilities

COMMERCIAL PROPERTY

- Solar thermal heating for buildings
- Solar PV for office & industrial buildings

MANUFACTURING

- Solar PV for manufacturers

AGRIBUSINESS

- Solar-thermal greenhouses for agricultural producers
- Solar PV in rural areas for agribusinesses

UTILITIES

- Large-scale on-grid solar farm with tracking technology
- Small/Medium sized solar power plants (<10MW)

RETAIL/SMALL BUSINESS

- Solar PV for small businesses & supermarkets

HOUSEHOLDS

- Rooftops Solar PV for households

OFF-GRID

- Small to mid size solar projects

CEFC Solar Finance: A range of structures to suit businesses & technology developers

PROJECT FINANCE

For large scale solar & solar thermal

- Large one-off projects usually >\$20m
- E.g. 50MW solar farm

ENVIRONMENTAL UPGRADE AGREEMENTS

Solar PV for commercial property

- Loan to help building owners implement upgrades
- Loan repayments through local council charge on land.

ON-BILL FINANCING

Solar PV for businesses

- Offered with Origin Energy
- No upfront cost, regular repayments through energy bills
- Ownership transferred on last payment

LEASE FINANCING & POWER PURCHASE

Solar PV for businesses and households

- No upfront payment, regular lease or power purchase payments.

ENERGY EFFICIENCY LOANS

Solar PV for businesses

- Offered with Commbank
- Projects \$0.5 - \$5m

Project finance for small utility scale projects

- Finance to construct 3.1 MW Uterne 2 solar power plant in Alice Springs - a geographic area dominated by diesel and gas
- Utilise solar tracking technology for optimum production.
- Small scale project financing solution needed



Image courtesy of SunPower

Moree Solar Farm

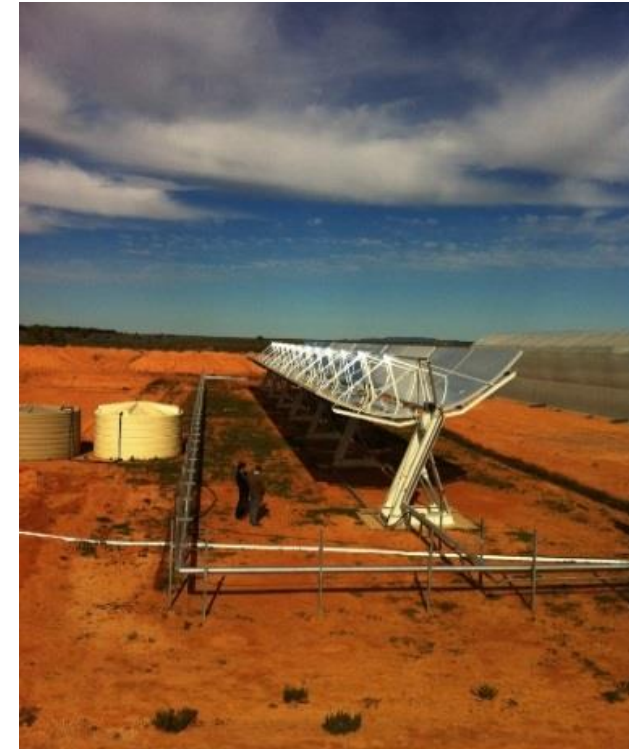
- One of the first utility scale Solar PV developments in Australia
- \$48m for development and construction of 56 MW Moree Solar Farm
- CEFC **underwrote the senior debt**
- Investment will enable further development of **on-grid, large scale solar** (in particular **single axis tracking**)
- CEFC taking **merchant power price risk** – lack of PPA had previously stymied efforts to secure funding. Project also has the benefit of ARENA grant



CEFC finance for innovative agribusiness to bring new co-financiers to the market

Sundrop Farms - Solar thermal greenhouse

- \$40m in finance to Sundrop Farms for a “world first” project providing important demonstration impact
- Will enable sustainable food production using solar thermal energy for heating, cooling and irrigation from desalinated water.
- Innovative deal where CEFC was a catalyst in helping to raise private sector finance
- Creates 200 local jobs



A new financing model for the Australian Solar PV market

- CEFC finance of \$120 million for power purchase agreements or solar leases to the Australian market in partnership with Tindo, Kudos Energy and SunEdison
- Benefits: promotes high quality panels & high quality installation and makes solar accessible to all – at no money down.



Solar leasing & power purchase agreements – making solar more accessible for homeowners & tenants

- Expect to install 120MW over 2 yrs:
 - Around 70 MW for small & medium size business
 - 10MW for large industrial users (100KW+)
 - Around 40 MW on homes & apartment blocks
- 75% of new solar homeowners are choosing to lease not buy in California.
- Will use high quality Tier 1 panels using accredited, experienced installation companies



Unlocking solar power in the commercial and industrial sector

- Majority of solar lease and power purchase finance will be targeted at the commercial and industrial sector
- Could include major and mid-size retailers like childcare operators, franchise food operations, hotels, large hardware, shopping centres, car dealerships or government buildings (schools & hospitals).
- Would include tenanted commercial/govt property not just owner-occupied.



Summary

- CEFC is here to help you to get renewable energy projects done, working right across the technology spectrum.



Visit our website for more information cleanenergyfinancecorp.com.au

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