CLEAN ENERGY FINANCE CORPORATION

Presentation by Paul Greenop, Head of Portfolio Management, CEFC
October 2014

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

NSW Clean Energy Forum 2014

1. Role of the Clean Energy Finance Corporation
2. Finance options available
3. Case studies
4. Summary

How the CEFC works …

- Adopts a commercial approach - with tight criteria and filtering of investment projects
- It seeks investments with externalities that benefit the Australian economy:
  - Assisting technologies to move down the cost curve
  - Building skills and supply chain capacity
  - Providing a demonstration effect
  - Emissions reduction
- Co-financing and private sector leverage is integral to the CEFC strategy

Outcomes

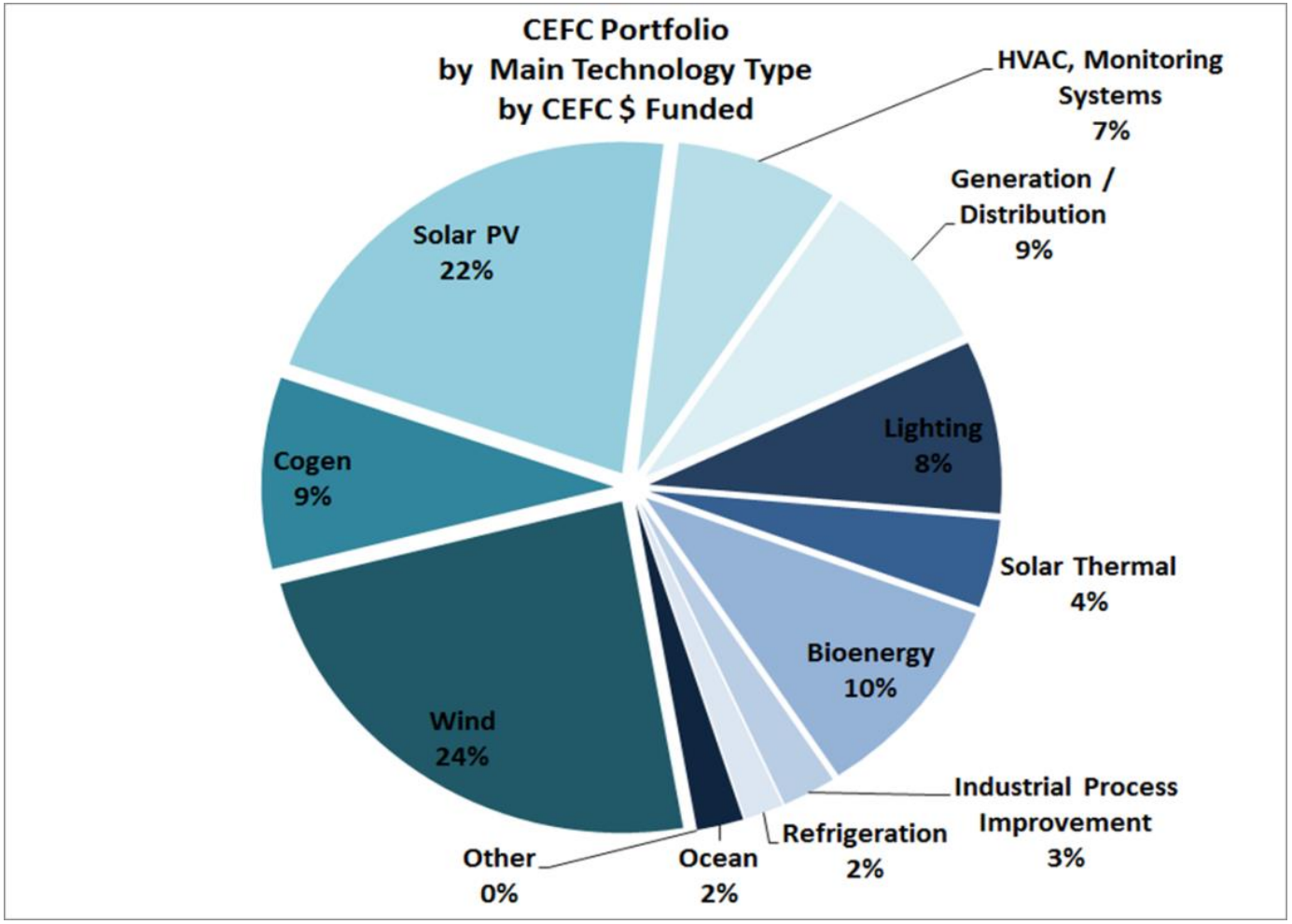
After 12 months in operation…

- Provided over $931 million in finance for $3 billion of projects. Helping deliver:

  - Lower energy costs for businesses, helping improve competiveness
  - 700MW of clean electricity generation capacity
  - Once constructed, funded projects will deliver emissions reduction of 4.2 million tonnes CO2e annually.
  - Unlocking lowest cost abatement– positive return of $2.40 p/tonne of carbon saved

Our current portfolio

Investing across the economy and in a range of technologies



CEFC finance can be used for investment in:

CEFC
CLEAN ENERGY FINANCE CORPORATION

- Waste heat capture & reuse in mining and industrial processes.
- Energy efficiency upgrades to plant & machinery including air compressors, motors, variable speed drives etc
- Renewable energy fuels
- Capture waste coal mine gas and mine vent air methane and use it to generate electricity
- Optimise vehicle fleet to maximise fuel efficiency
- Remote power generation from renewable sources including solar
- Generate power using waste-to-energy technology
- Efficient ventilation & AC; absorption chillers; smart controls or lighting

Potential project outcomes:

- Lower cost of energy through on-site generation
- Improved energy efficiency through better equipment
- Improved productivity & competiveness (cost reductions)
- New products lines and opportunities for export
- Improved environmental performance of company operations, including lower emissions
- A more sustainable company operation

NSW Clean Energy Forum 2014

1. Role of the Clean Energy Finance Corporation
2. Finance options available
3. Case studies
4. Summary

Some finance structures the CEFC uses:

- **Project Finance:** for larger utility scale renewable projects as well as smaller projects that have specific features that may make them harder for commercial banks to finance alone
- **Corporate Finance:** for corporates that may have one or more efficiency or clean energy projects of various sizes
- **Aggregation funding:** to provide finance for numbers of smaller projects in conjunction with commercial banks or other service or finance providers

CEFC
CLEAN ENERGY FINANCE CORPORATION

Energy Efficient Loans with CBA

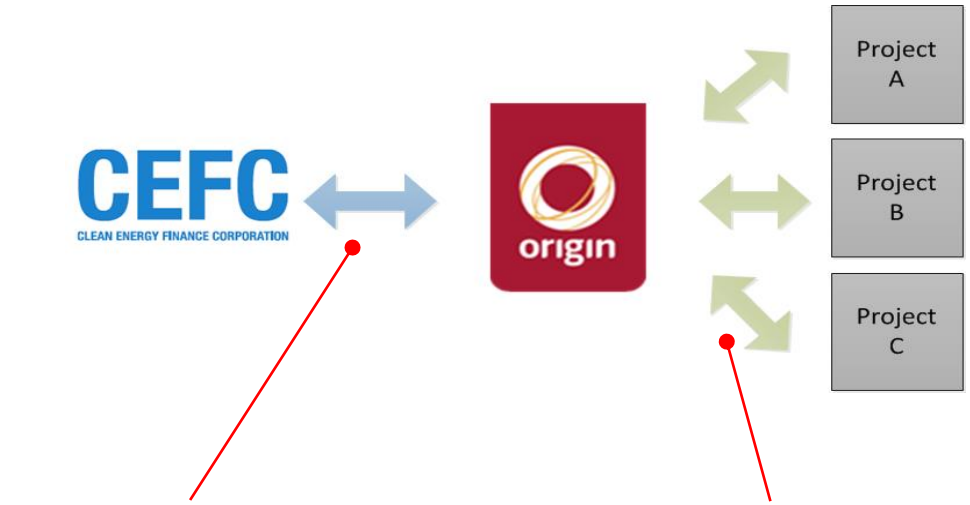
- $200 million co-finance with CEFC & CBA to fund clean energy projects with not-for-profits, local councils, manufacturers and other businesses
- Loan value range from $500,000 to $5+ million
- Can be used for solar installations as well as new, more energy efficient equipment, including lighting system upgrades, building management systems, A/C, refrigeration & cogeneration for aquatic and leisure centres and sporting venues
- Available nationwide from Commonwealth Bank for project opportunities which meet CEFC eligibility criteria
- Want to know more? Contact Sarah at CBA: Sarah.lalor@cba.com.au

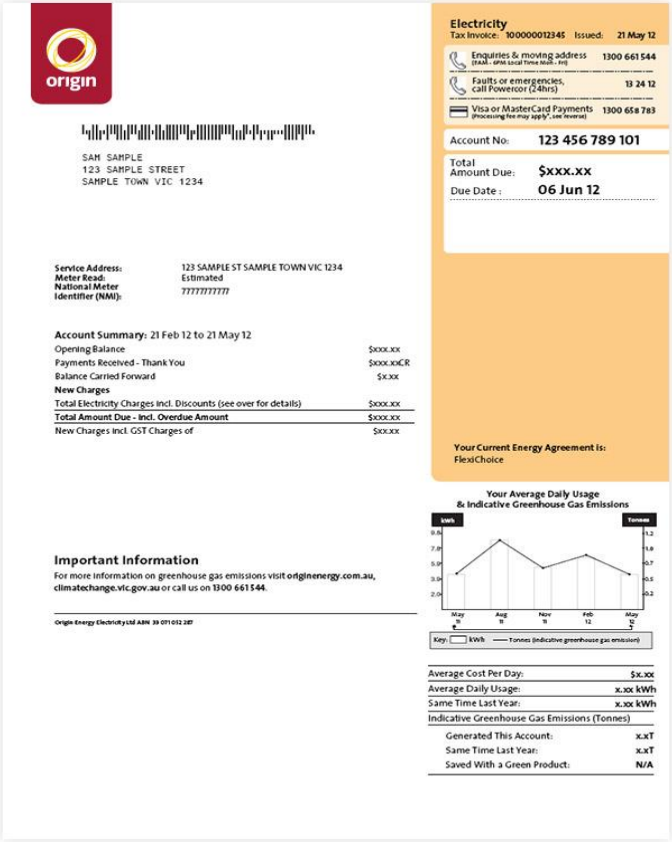
Environmental Upgrade Agreements

- Environmental Upgrade Agreements (EUA) enable ageing commercial property to be retrofitted (e.g. lighting, HVAC, elevator upgrades).
- EUA – three way partnership between financier, local council and property owner
- On average, retrofits result in a 45% reduction in building energy costs.
- Want to know more? Contact Ashley Robertson Associate Director, NAB ashley.robertson@nab.com.au

CEFC and Origin on-bill finance for energy projects

Want to know more? Contact: Daniel at Origin
Daniel.TrujilloEscomel@originenergy.com.au




origin

Electricity
Tax Invoice: 100000012345 Issued: 21 May 12

Enquiries & moving address 1300 661 544
Faults or emergencies, call Powercor (24hrs) 13 24 12
Visa or MasterCard Payments 1300 658 783

SAM SAMPLE
123 SAMPLE STREET
SAMPLE TOWN VIC 1234

Account No: 123 456 789 101
Total Amount Due: $xxx.xx
Due Date: 06 Jun 12

Service Address: 123 SAMPLE ST SAMPLE TOWN VIC 1234
Meter Read: Estimated
National Meter Identifier (NMI): 7777777777

Account Summary: 21 Feb 12 to 21 May 12

Opening Balance	$xxx.xx
Payments Received - Thank You	$xxx.xxCR
Balance Carried Forward	$x.xx
New Charges	
Total Electricity Charges incl. Discounts (see over for details)	$xxx.xx
Total Amount Due - incl. Overdue Amount	$xxx.xx
New Charges Incl. GST Charges of	$xx.xx

Your Current Energy Agreement is: FlexiChoice

Your Average Daily Usage & Indicative Greenhouse Gas Emissions

Important Information
For more information on greenhouse gas emissions visit originenergy.com.au, climatechange.vic.gov.au or call us on 1300 661 544.

Origin Energy Electricity Ltd ABN 33 071 052 287

Average Cost Per Day:	$x.xx
Average Daily Usage:	x.xx kWh
Same Time Last Year:	x.xx kWh
Indicative Greenhouse Gas Emissions (Tonnes)	
Generated This Account:	x.xT
Same Time Last Year:	x.xT
Saved With a Green Product:	N/A

Commercial building solutions

CEFC
CLEAN ENERGY FINANCE CORPORATION

Balmain finance for commercial property upgrades

- CEFC partnered with Balmain Funds to provide up to $100 million in finance for commercial property upgrades to reduce energy consumption & emissions.
- It will be used for major building retrofits that lift the NABERs rating of a property by at least two stars, up to at least four stars.

"This finance from the CEFC will help provide an incentive to invest in energy efficiency and improve sustainability, while cutting building operating and maintenance costs."
Balmain Funds CEO Stephen Tunley

Want to know more? Contact Stephen at Balmain: STunley@balmain.com.au

Solar PV for commercial buildings and industry

- Finance to lease solar panels to places like mine sites, manufacturing plants, commercial buildings or to offer power purchase agreements
- Could be used by aged-care facilities, sporting and community clubs, franchise food operations, hotels, shopping centres, government buildings and more
- Offer range of systems: small systems through to 100kW plus commercial installations
- No upfront payment required and can be structured to be cash-flow positive from day one

NSW Clean Energy Forum 2014

1. Role of the Clean Energy Finance Corporation
2. Finance options available
3. Case studies
4. Summary

Case Study: School upgrades

CEFC
CLEAN ENERGY FINANCE CORPORATION

CEFC-Origin on-bill finance for Melbourne school lighting upgrade

Action:
- $123,000 retrofit
- Included new lighting in gymnasium & classrooms (T5 lamps and LED lights)
- Used CEFC's on-bill finance

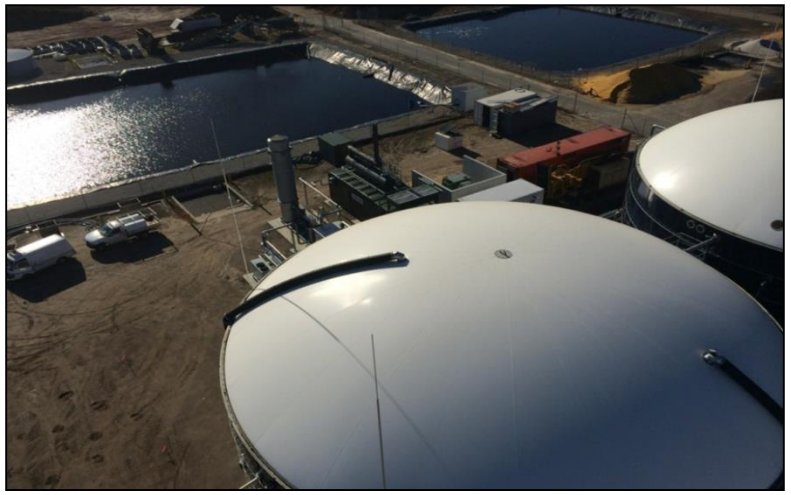
Outcomes:
- Cut lighting energy costs by over 50%
- Cut maintenance costs by $13,500 p.a.
- Cut carbon emissions by 250 tonnes p.a.

Case Study: Biogas from organic waste

Finance for garden product supplier to generate on-site biogas

Action:
- Garden products supplier is turning organic food waste into energy through a $4 million anaerobic digestion plant with a capacity of up to 2MW

Outcomes:
- Produce sufficient energy to power all equipment & vehicles
- Divert 35,000 tonnes commercial & industrial waste from landfill

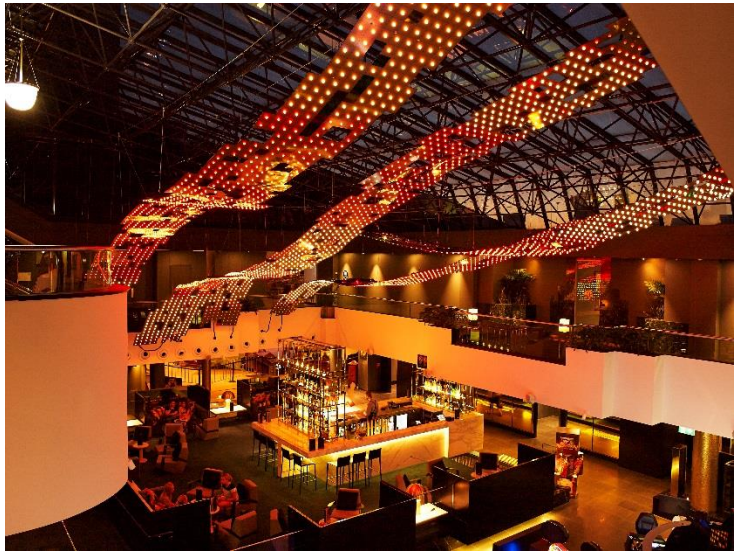


Case Study: Community club

CEFC finance used for solar and air chiller upgrade

Action:
- $2.2 million Commonwealth Bank/CEFC Energy Efficient Loan for a new chiller and cooling tower and an 85kW solar system

Outcomes:
- New chiller is 50% more efficient, saving 700 tonnes carbon p.a.
- Solar will generate 10% of the club's energy



Case Study: Apple & Chestnut grower

CEFC
CLEAN ENERGY FINANCE CORPORATION

Energy Efficient Loan to upgrade refrigeration & cut costs

Action:
- Food producer replaced R22 refrigeration with new ammonia water-cooled central plant with smart controls
- $1.2 million upgrade

Outcomes:
- Cut energy costs by 40%
- Save 488 tonnes of emissions p.a.

Case Study: Meat processor

CEFC finance to upgrade manufacturing equipment

Action:
- Large meat processing manufacturer installed a $4 million gas fired tri-generation that supplies electricity, hot water and steam

Outcomes:
- Tri-generator reduces grid electricity use and carbon emissions by about a third.
- Enhances energy supply stability and helps company achieve greater control over electricity fluctuations

Case Study: Plastics manufacturer

CEFC finance to upgrade manufacturing equipment

Action:
- Plastics manufacturer of rainwater tanks & children's playground equipment upgraded their plastic moulding ovens with new-generation rotational ovens

Outcomes:
- Halved its oven energy use.
- New ovens quicker & easier, increasing productivity
- Cut operational costs by >$150,000 p.a.

Case Study: Hotel upgrade

CEFC
CLEAN ENERGY FINANCE CORPORATION

CEFC finances Melbourne Hotel complex upgrade

Action:
- $1.3 million energy efficiency upgrade to a multi-use high-rise building
- Installed trigeneration to generate electricity, heating & cooling, as well as occupancy sensors & double glazing.

Outcomes:
- Energy cost savings greater than 50 per cent ($100,000 p.a.)
- Reduced building's carbon emissions by 27%
- Increased NABERS rating to 4.5 (from 2.5)
- Improved value of building

Case Study: Commercial office

15-storey B-grade commercial office building upgrade

Action:
- Installation of new air conditioning, lighting, and building management systems at barristers' headquarters in Sydney.

Outcomes:
- Reduce base building energy use by 30%
- Reduce emissions by 460 tonnes p.a.
- Lower occupancy cost for tenants

Case Study: Office building

CEFC
CLEAN ENERGY FINANCE CORPORATION

CEFC finances lighting upgrade Parramatta office building

Action:
- Lighting upgrade to high-rise, tenanted office building (15,200 sq metres)
- Replaced old lights with e1 & LED lighting

Outcomes:
- Energy savings of 70% ($130,000 p.a.) on lighting bills following upgrade
- Savings on maintenance
- Improved value of property
- Savings shared between building owner and tenants

"A significant number of buildings in and around Parramatta are over 20 years old. These types of upgrades make properties cheaper to run, and are more attractive to tenants and potential buyers who want modern, efficient and sustainable buildings". Councillor Chedid, former Lord Mayor of Parramatta City Council,

Case Study: Corporate facility

CEFC
CLEAN ENERGY FINANCE CORPORATION

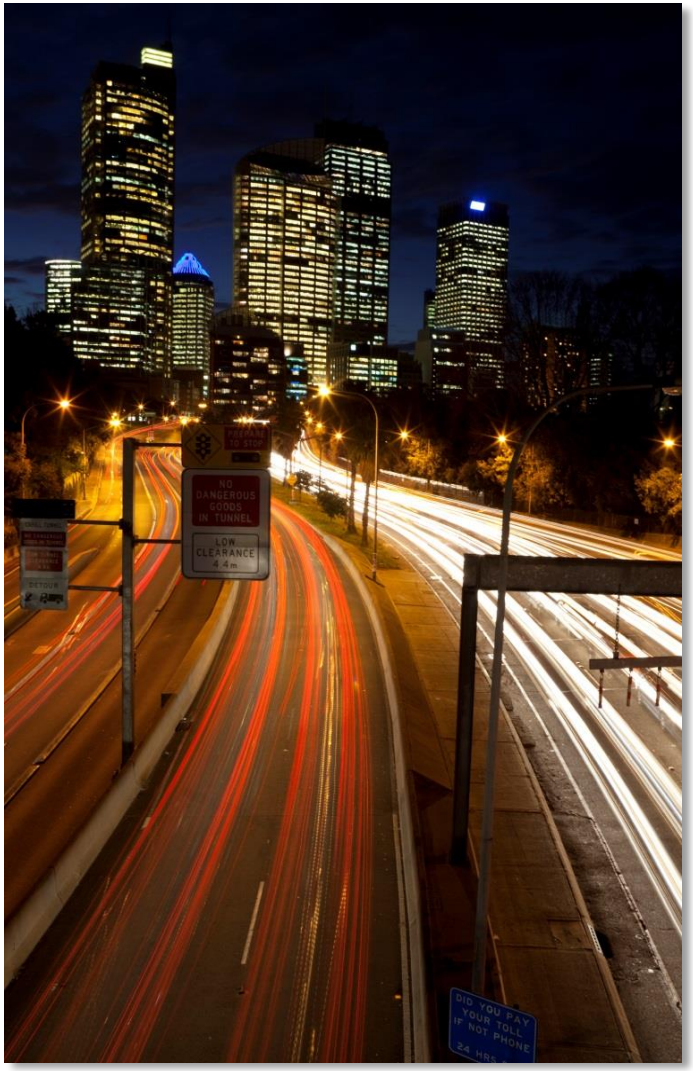
Corporate facility for beef processor

Action:
- Corporate loan facility of up to $15 million for the installation of a biodigester and energy efficient rendering facilities

Outcomes:
- Halve power bills
- Boost competitiveness
- Reduce annual carbon emissions by 75%

Summary

- CEFC is here to help finance projects that will help improve the energy productivity of businesses and organisations in all sectors
- We have specialised experience working with a range of manufacturing, large industrial companies as well as smaller retail businesses
- We can tailor finance to suit individual company and project needs
- We are happy to work with businesses looking for finance for projects which lower energy costs and improve their long-term sustainability.



CEFC
CLEAN ENERGY FINANCE CORPORATION

Visit our website for more information:

cleanenergyfinancecorp.com.au

Follow us on Twitter **@CEFCAus**

Follow us on **LinkedIn**

Follow us on **Youtube**