

CEFC and Firstmac \$50m asset finance fund targets cleaner cars, solar and clean technology

Businesses and homes can lower power bills

This financing program is available for a wide range of commercial activities including manufacturing, logistics, agribusiness, retail and all levels of government, as well as schools, hospitals and clubs.

INVESTMENT PROGRAM

The Clean Energy Finance Corporation is providing \$50 million through Firstmac to fund business and personal asset finance leases and loans to boost the uptake of energy efficient equipment and low emissions and electric vehicles.

This program is designed to offer Australian consumers significant potential to cut their energy costs while also lowering carbon emissions.

Asset financing is an important option for consumers, particularly businesses, providing opportunities to more effectively deploy business capital and support investment in jobs and growth.



PROJECT IMPACT

Technological innovation is creating new opportunities for Australian businesses and homes to take proactive steps to cut their energy costs, while also reducing their carbon emissions.

Already 1 in 7 households have turned to rooftop solar as an effective means of reducing energy bills. Businesses can also benefit from solar, which can be expected to become increasingly attractive as battery storage technology evolves.

The installation of more energy efficient lighting, building and manufacturing equipment makes compelling sense for businesses that are focused on better managing their operating costs.

Businesses that have taken up CEFC finance for clean technology have typically seen significant reductions in their energy

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Project Impact continued...

use and operating costs. Benefits have been experienced after the introduction of cleaner industrial and manufacturing equipment, building heating and cooling, and refrigeration.

In today's low interest rate environment, investment in higher energy efficient clean technology can be an important opportunity for businesses to better manage their operating costs and strengthen their ability to grow.

ASSET FINANCE BACKS CLEAN TECHNOLOGY

The CEFC works to catalyse investment in the Australian market, with the goal of overcoming market barriers to the adoption of clean technology.

Businesses that invest in more energy efficient clean technology to substantially reduce their energy and business operating costs are better positioned to be more competitive in a carbon constrained world.

The CEFC is working with established finance providers to offer financing programs which create new or additional opportunities for businesses and consumers wishing to benefit from clean technology without tying up capital.

"This is great news for anyone who wants to drive a new-generation low emission vehicle, or save on energy costs by installing solar."

Kim Cannon
Managing Director, Firstmac



ACCELERATING THE SWITCH TO CLEANER VEHICLES

The CEFC/Firstmac finance program will support the private and commercial purchase of a range of passenger vehicles which are included in the best performing quartile in the Australian Government's Green Vehicle Guide, which categorises vehicles in terms of their CO2 savings, fuel consumption and overall pollution rating.

It will also finance vehicles that achieve emissions of 20% less than the most recent average carbon emission figure as published by the National Transport Commission.

The asset finance program includes commercial vehicles/materials handling, such as courier and light delivery vans, garbage trucks, forklifts and vehicles used in warehouses and logistics.

Australians buy more than 1.1 million new vehicles a year, with some 80 per cent of these purchased through consumer or business loans and leases.

While sales of hybrids and electric vehicles remain a small component of the overall sales figures, private buyers are leading the conversion to lower emissions vehicles, where there is an increasing range of available models.

This program is also designed to accelerate interest from business and government fleet managers in purchasing low emissions and electric vehicles.

'If every new car buyer chose the lowest emissions car available, our national average carbon emissions would improve by 50 per cent.' – National Transport Commission

SOLAR BECOMING INCREASINGLY ATTRACTIVE

By 2030, Australia is expected to have around 23GW of large, commercial and residential solar PV installed, including an expected 5 million commercial and residential systems, with an increasing proportion of solar installations in the commercial sector.

The CEFC/Firstmac finance program will support the accelerated uptake of solar systems by residential and commercial users, including solar panels and inverters for rooftop installation.

Leasing for solar thermal, including for hot water, and for batteries that form part of a solar installation, will also be eligible.

Market analyst Green Energy Markets estimates commercial owners now account for 23 per cent of new solar PV installations, up from 5 per cent three years ago, with continued growth and expansion in the sector expected.

The opportunities for commercial solar are significant. Most commercial and industrial demand profiles match solar generation profiles, which peak during the day and taper off at night.

The potential for solar in Australia is also expected to be further enhanced with the development of affordable battery technology. Storage technology will give solar users greater flexibility and control over their grid energy use and costs, allowing them to use excess solar generated during the day, at night.

CLEAN TECHNOLOGY WITH BIG POTENTIAL

Commercial equipment energy costs are a significant business expense. These energy costs can be offset by the introduction of a broad range of energy efficient clean technology options, from heating, ventilation and air conditioning to refrigeration, hot water and LED lighting.

On average, Australia's commercial buildings stock is nearly 30 years old. The CEFC's experience shows that retrofits deliver an average base building energy use reduction of up to 40 per cent.

Reducing equipment related energy costs represents significant upside for Australia's 2.4 million small businesses in particular. Small businesses are the engine room of the Australian economy, accounting for nearly half of private sector employment. Funds saved on energy operating costs can be redirected to more productive investment in business growth and employment, with the potential to improve productivity and business performance.



CEFC finance has already helped small businesses control their energy costs, by installing new efficient equipment and solar PV. Examples include:

- A plastics manufacturer, with operations in Victoria and Queensland, halved the energy use of its ovens through a technology upgrade
- A Victorian fresh produce supplier slashed its cool room energy costs by about a quarter through a major refrigeration upgrade
- A New South Wales foam manufacturer more than halved its lighting bills through upgrading with induction lamps.



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 billion in finance to investments in clean energy projects valued at over \$3 billion.

The CEFC invests for a positive financial return, with its more than 40 direct investments and 25 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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Firstmac Limited is an independently-owned, Australian financial services provider with more than 35 years' experience in home and investment loans. Firstmac has written in excess of 84,000 home loans since 2000, and manages approximately \$6.5 billion in mortgages and \$150 million in cash investments.

"Firstmac is very pleased to be working with CEFC to deliver this initiative which will save customers money and result in reduced carbon emissions."

Kim Cannon
Managing Director, Firstmac