

CLEAN ENERGY FINANCE CORPORATION

3rd Annual Smart Lighting Summit
Paul McCartney
8 September 2015



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

Financing strategies for street light LED retrofits

1. About the CEFC
2. Financing options for street lighting
3. Case studies



Driving productivity gains, lowering energy costs and reducing emissions

- Australian Government-owned corporation that operates like a traditional financier
- Finance for renewable energy, energy efficiency, and low-emissions technologies
- Access to \$2 billion a year over 5 years
- Tailors finance terms to accommodate project needs. We take a commercial approach and expect a return on investment.
- Can work on projects that are smaller, more complex or new to the Australian market
- Facilitate the participation of private sector banks by sharing our expertise, acting as a co-financier and pioneering new financing structures.



Clean Energy Finance Corporation

Helping drive Australia's push to a competitive clean energy economy

CEFC HIGHLIGHTS

\$1.4b

**TOTAL CEFC
COMMITMENTS**

\$3.5b

**TOTAL
PROJECT VALUE**

55

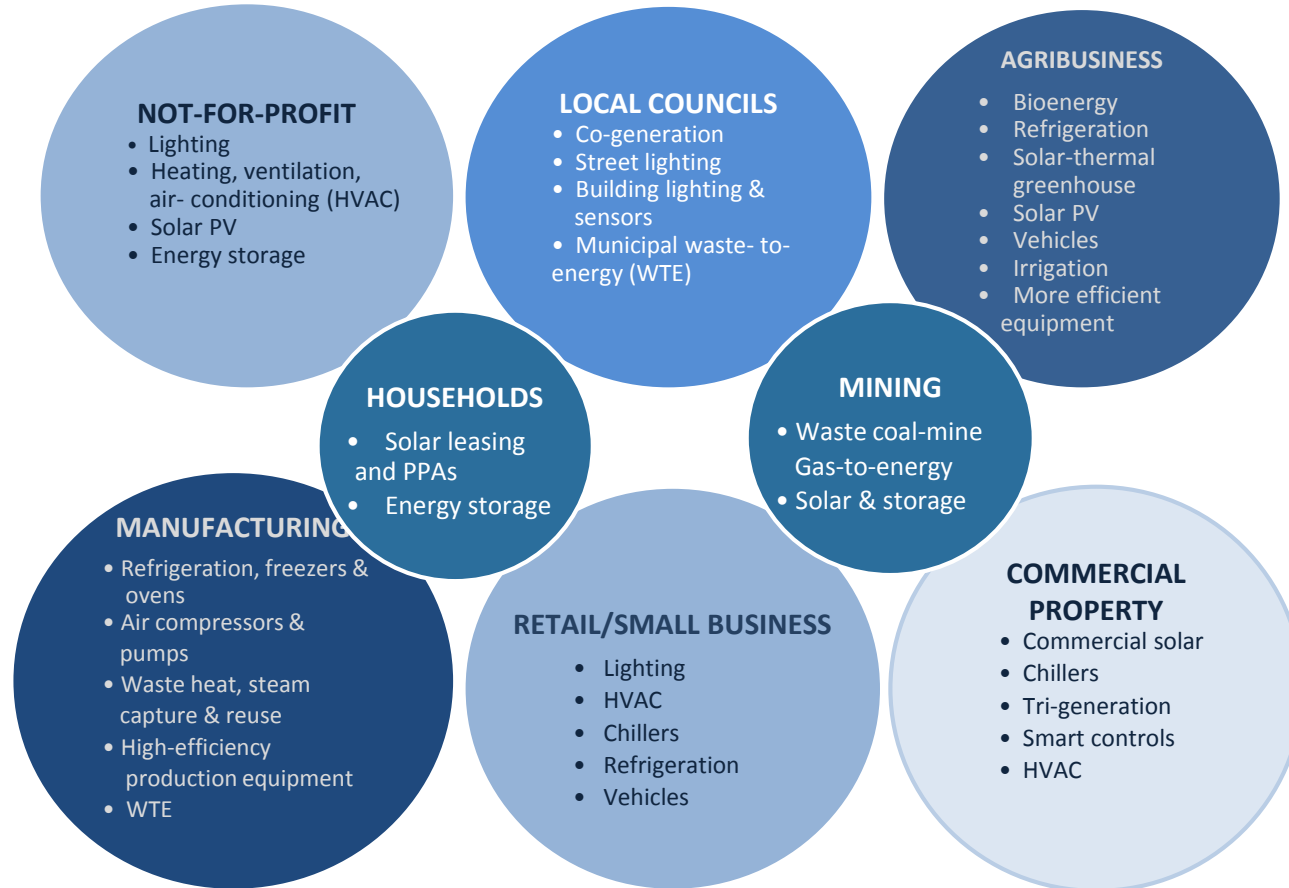
**DIRECT
INVESTMENTS**

34

**PROJECTS
CO-FINANCED**

Since the CEFC began investing in 2013

Who the CEFC is financing



What the CEFC is financing

OFF-GRID

- Solar-thermal greenhouse
- Solar PV for businesses & councils
- Energy storage
- Waste coal-mine gas to electricity
- Off-grid wind & solar for mine sites.

BIOENERGY

- Municipal waste-to-energy
- Biogas in piggeries, poultry, abattoirs & rendering
- Plant waste-to-energy
- Biofuel
- Bagasse

ENERGY EFFICIENCY

- Lighting & sensors
- Irrigation and equipment
- Heating & Ventilation
- Air-Conditioning
- Chillers
- Insulation
- Smart controls
- Variable speed drives
- Light vehicles – electric, hybrid and best in class fuel efficient
- Trucks – high performance vehicles and electric

UTILITIES

- Solar Farms
- Wave Energy Technology
- High-efficiency gas
- Hydro
- Energy storage

INDUSTRIAL

- Refrigeration, freezers & ovens
- Printing presses
- Air compressors & pumps
- Chillers
- New or upgraded high-efficiency production equipment
- Cogeneration
- Trigenation

What types of finance we offer

PROJECT FINANCE

larger utility scale renewable projects and new manufacturing facilities incorporating as well as smaller projects with specific attributes

CORPORATE FINANCE

for organisations or councils that have one or more renewable, low emissions or energy efficiency projects of various sizes.

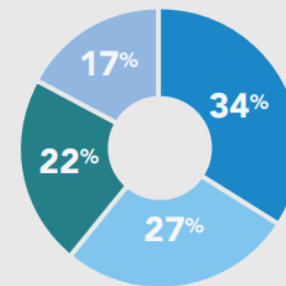
CO-FINANCING & POOLED FUNDS

to catalyse large numbers of smaller projects in conjunction with co-financiers

EQUITY

Where sector or technology characteristics make equity more effective than debt.

FINANCE TYPES



- Corporate Loans
- Project Finance
- Co-financing programs
- Equity

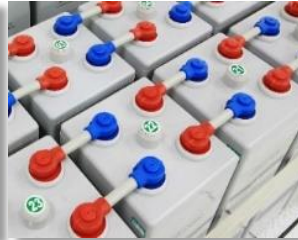
LED street lighting is part of a broader shift to smarter, cleaner and more modern energy technologies



Ubiquitous LED lighting



Solar everywhere



Energy storage



Smarter energy management



Widespread bioenergy



Electric and hydrogen vehicles

CEFC finance is available for all of these technologies

Why aren't we seeing more street lighting upgrades?

Technical challenges

- Streetlight approval process
- Lack of experience with performance
- Perceived performance risk

Complexity

- Complexity to negotiate and arrange street lighting upgrades
- Cost for distributors and councils to arrange lighting upgrades

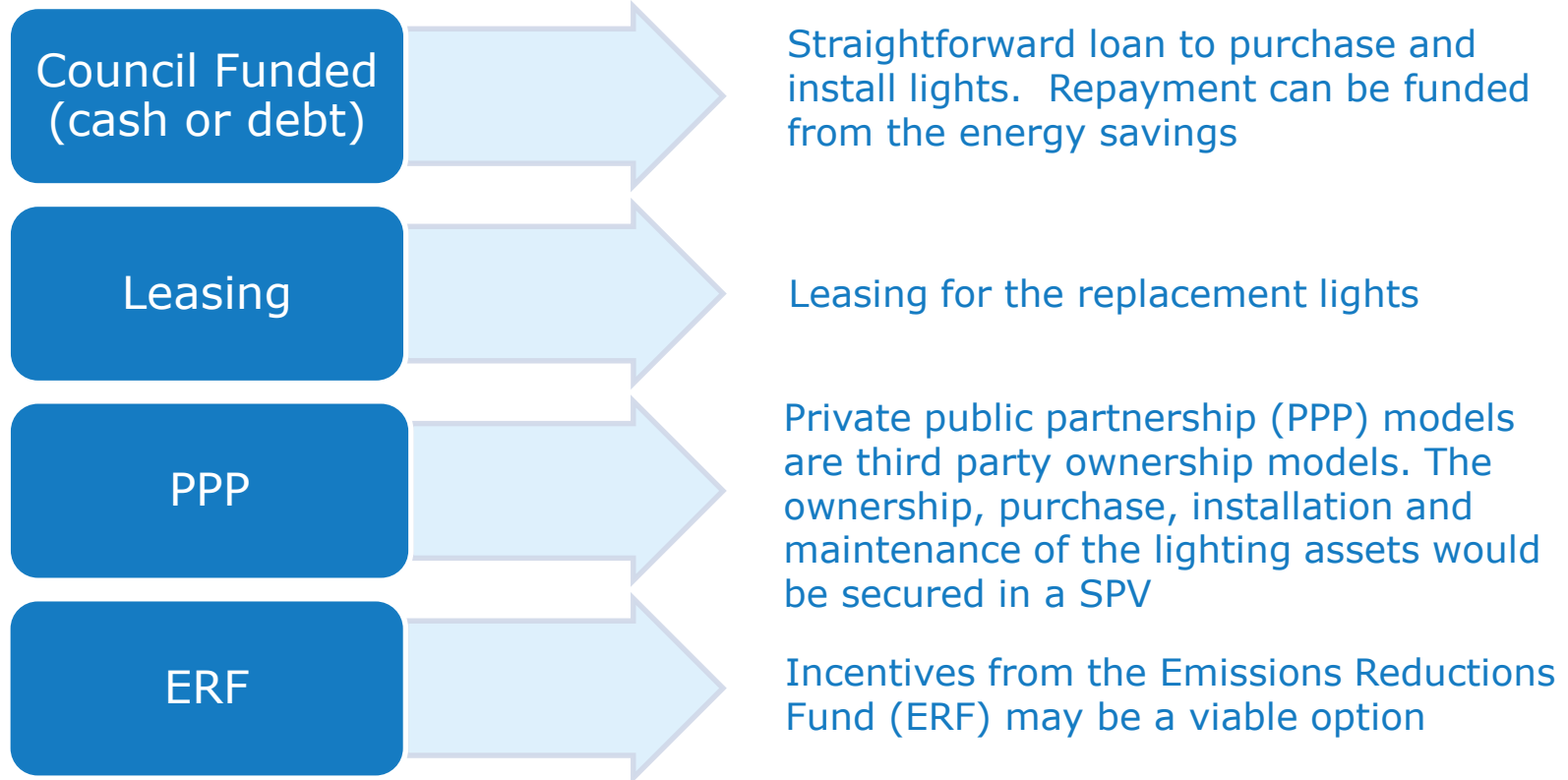
Lack of will or awareness

- Lack of awareness of the savings available and finance options
- Co-operation of the distributor required

Availability of finance

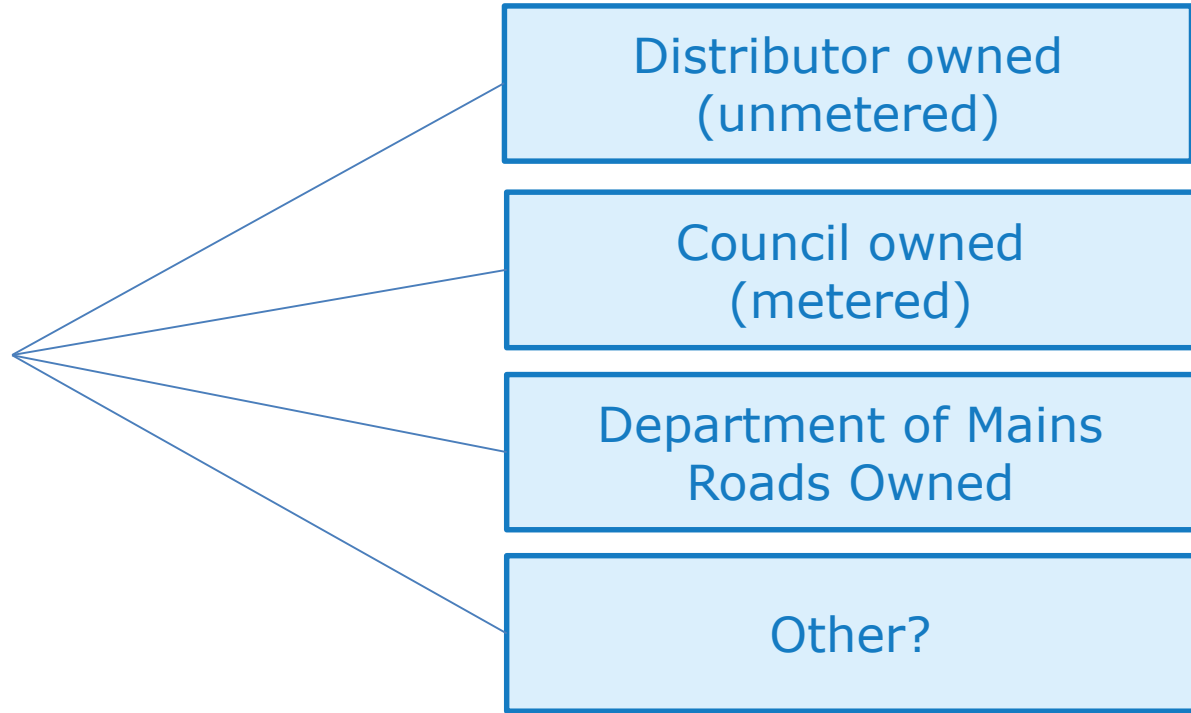
- Availability of finance can bring forward larger-scale upgrades instead of end of life upgrades
- Grant Programs (CEEP) have been discontinued
- ERF is new and of lower subsidy

What are the financing options?



Which financing option is right for you?

**It depends on
the ownership
model**



We can work with a variety of approaches to street lighting upgrades

Large-scale
upgrades

Tailored to suit your requirements and we can lend to councils

Small
Projects and
end of life
upgrades

Funding through partners like NAB and CBA

Special
purpose
vehicles

Talk to us. Need to consider risk structure, O&M contracts etc.

CEFC finance can help overcome barriers to street lighting upgrades

Flexible structure

We can work with your unique circumstances
(individual councils or groups of councils)

Flexible term

Typically up to 10 years for Councils

Fixed rate

Predictable impact on cash flow and typically no break fee for early repayment

Competitive rate

Competitively priced rate of finance

How much finance is available?

The CEFC is working with partners to make finance available for smaller-scale upgrades and we can tailor a finance package to suit large-scale upgrades.

Smaller-scale projects and end of life upgrades



TOTAL FUNDS
AVAILABLE

\$200m

\$120m

Large-scale upgrades or special purpose vehicles

CEFC

If part of a wider program of
energy efficiency upgrades,
direct financing may be
possible

Cutting costs with more efficient street lighting

The CEFC has already financed smart upgrades to street lighting

Baw Baw
Shire Council,
VIC



Street lighting
upgrades

Cut electricity
bills by
\$160,000 per
year

Warrnambool
Council, VIC



Replacing street lights
with high efficient LED
lighting

Street lighting
energy savings
of 70%

Cutting costs with a package of upgrades

Smart holistic upgrades to lighting and buildings can cut costs.

Richmond
Valley Shire
Council, NSW



Replaced around 1,000
street lights with more
efficient lamps

Reduced lighting
energy costs by
a third

Tumut Shire
Council, NSW



Installed energy
efficient lighting, solar,
heat pumps and air-
conditioning upgrades

Cut building grid
electricity costs
by 66%

The CEFC can finance lighting upgrades, come and talk to us today

- The CEFC is open for business.
- We have experience financing lighting upgrades for councils and businesses.
- Finance is available now for lighting upgrades, including street lighting.
- Our teams in Sydney, Brisbane and Melbourne welcome talking with project proponents to help facilitate finance required to upgrade lighting and save money



Thank-You

Visit our website for more information:
cleanenergyfinancecorp.com.au

Follow us on Twitter
[@CEFCAus](https://twitter.com/CEFCAus)



Follow us on
[LinkedIn](https://www.linkedin.com/company/cefc)



Follow us on
[Youtube](https://www.youtube.com/channel/UC...)

