CLEAN ENERGY FINANCE CORPORATION



Why use debt for your clean energy investments?



HOW TO FINANCE RENEWABLES & ENERGY EFFICIENCY APRIL 2016 Melanie Madders CEFC Sector Lead Local Government

About the Clean Energy Finance Corporation



Driving productivity gains, lowering energy costs and reducing emissions

- Independent, Australian Government institution
- Operates like a traditional financier
- Public purpose accelerate investment in clean energy
- Finance for energy efficiency, low-emissions and renewable energy projects
- Heightened focus on cities and the built environment
- Co-financing arrangements with commercial banks to support the sector and encourage investment



CEFC \$250m Local Government Financing Program





Tailored finance to help councils adopt clean energy technologies

- Delivers a committed and available funding source to councils for up to 3 years
- Finance is tailored matching repayment profiles to project cash flows
- Fixed-rate loan provides cashflow certainty for council budgeting
- Available for a single council or groups of councils
- Simple approval process and documentation to speed implementation

CEFC COMMITMENT \$250 million

FINANCE AVAILABLE FOR

Street lighting Rooftop solar PV Battery storage Building upgrades Low emission vehicles Energy-from-waste

SECTOR Local government





What are the features of clean energy projects?



- **Program of works** multiple projects over a period of years
- **Reduced Costs** operational and energy costs
- Asset Life typically long asset life
- Better cities reduced emissions, delivering on sustainability agenda

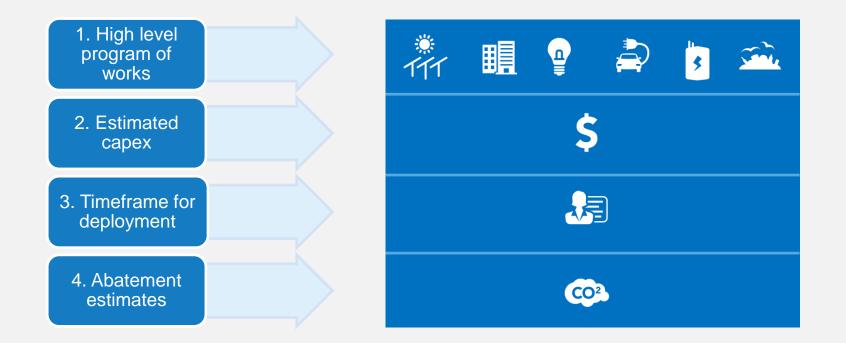
Why does debt suit clean energy investments?



- Capital funding committed and available finance for program of works
- **Cashflow neutral** debt (P+I) often repaid from the forecast cost savings
- **Budget certainty** fixed rate loan means annual repayments are known
- **Liability matching** no upfront capital required, cost benefits continue after debt is repaid

A simple roadmap for councils to secure CEFC finance





The process is simple



COUNCIL

- Identify projects
- Develop business case
- Manage council approval

THE CEFC

- Assess eligibility
- Assist with appropriate finance structure
- Manage CEFC investment approval

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