

CEFC

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

1. High level program of works

2. Estimated capex

3. Timeframe for deployment

4. Abatement estimates



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

Melanie.Madders@cleanenergyfinancecorp.com.au

CEFC

CLEAN ENERGY FINANCE CORPORATION

Contact us

Clean Energy Finance Corporation
Suite 1702, 1 Bligh Street, Sydney NSW 2000

Telephone
1300 00 2332
1300 00 CEFC

www.cleanenergyfinancecorp.com.au
contact@cleanenergyfinancecorp.com.au

