

CEFC

CLEAN ENERGY FINANCE CORPORATION



Funding models for commercial solar



CITY OF MELBOURNE
COMMERCIAL SOLAR EVENT
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About the Clean Energy Finance Corporation

Driving productivity gains, lowering energy costs and reducing emissions

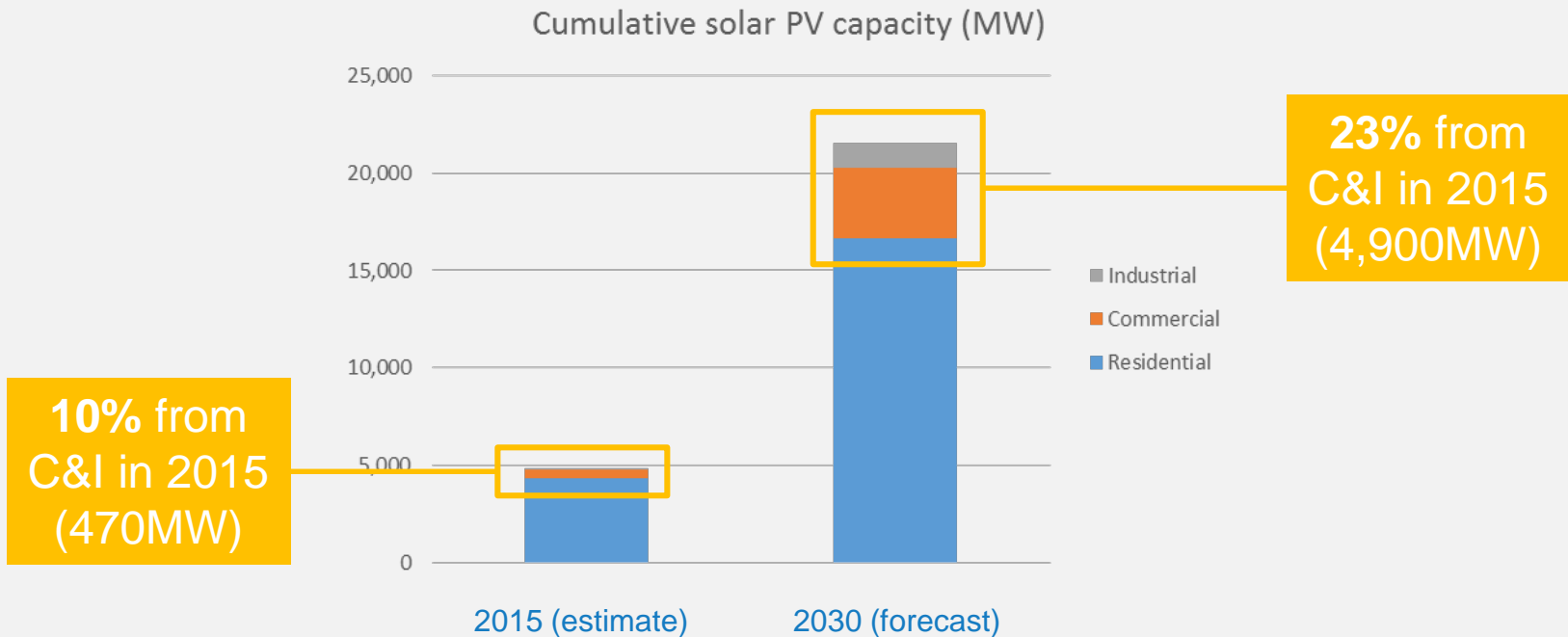
- Independent, Australian Government institution that operates like a traditional financier
- Private sector expertise with public purpose: finance for energy efficiency, low emissions and renewable energy projects and programs across the economy
- Access to \$2 billion a year for five years
- Commercial return on investment – debt or equity
- Projects that are smaller, more complex or new to the Australian market
- Operates as a co-financier to encourage participation from private sector financiers





Future distributed solar power stations?

We want to see greater than BAU growth in C&I solar

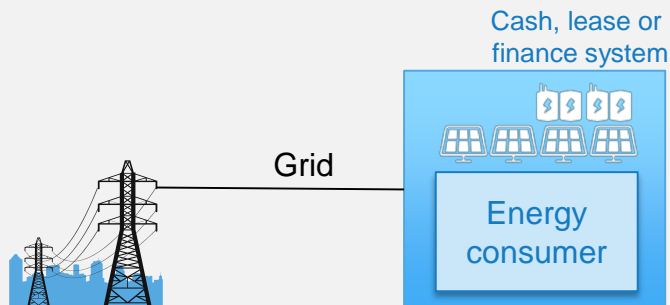


Source: Bloomberg New Energy Finance

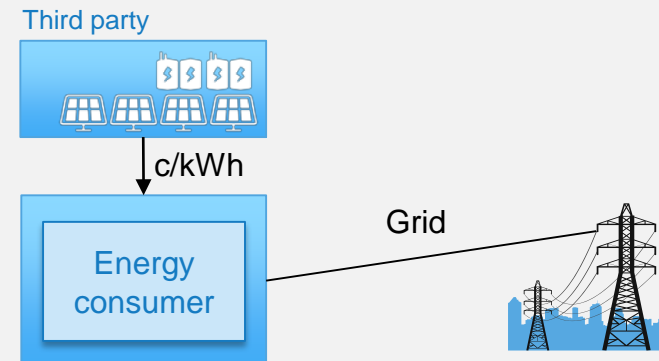
Will we see third party models take off for C&I?

Does the customer invest and manage demand, or does a third party deliver BTM solar and storage as a service?

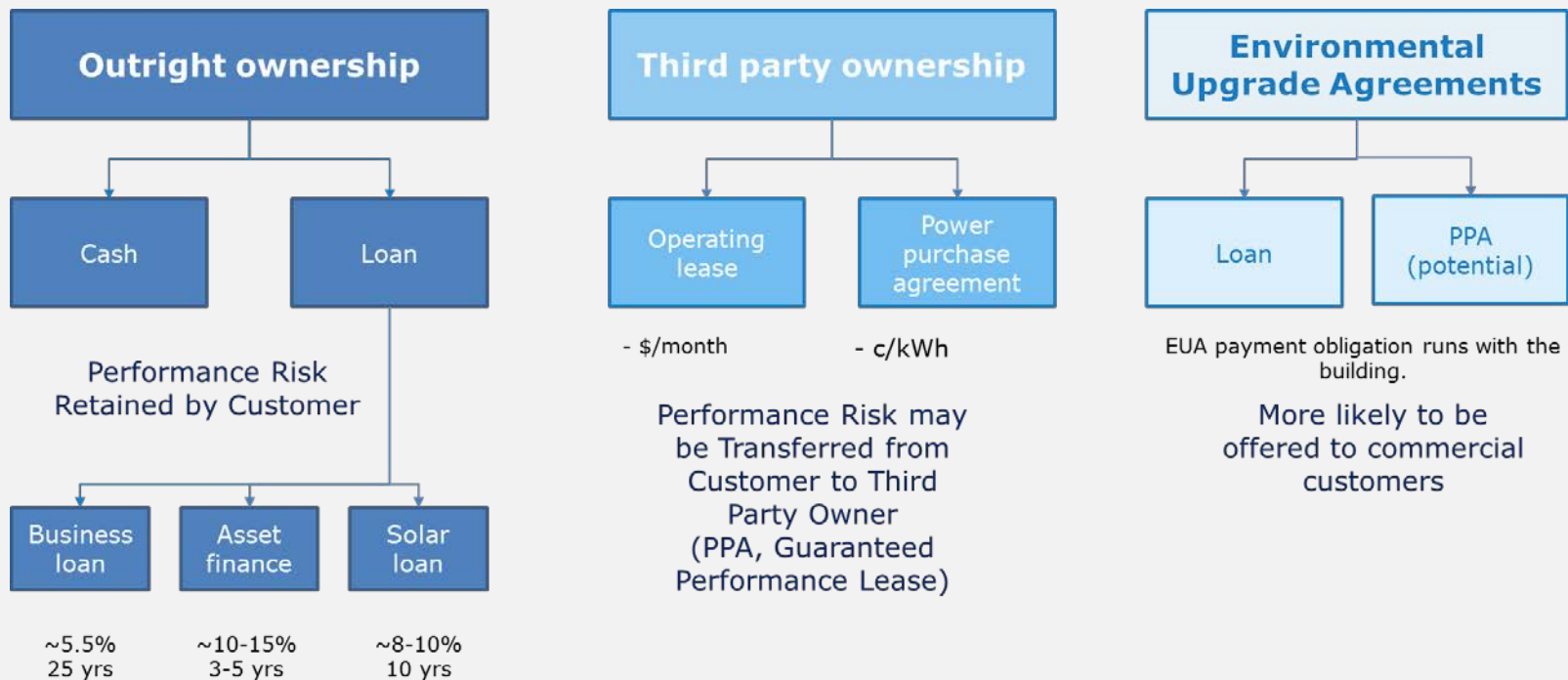
OPTION 1: Customer invests and manages demand



OPTION 2: Third party delivers BTM solar and storage as a service



What types of solar financing options are available?



When does finance make sense?

- Customer does not have available funds
- Business customer wants to manage cashflow
- Customer can deploy available capital in better investment alternatives (e.g. own business)
- Customer wishes to pass operating risk to third party and only pay for performance (PPA or guaranteed performance lease)
- Borrower wants to procure energy not an asset (PPA)
- Borrower is able to access solar funding at a cheaper rate than their own borrowing cost (EUA)



*100kW PV system for Col
Crawford car dealership in Sydney*

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