



INVESTING IN AUSTRALIA'S CLEAN ENERGY TRANSITION



Cutting greenhouse gas emissions remains a substantial business and investment challenge for Australia. We welcome the level of private investment we have catalysed alongside our own finance. There is considerably more work to do, right across the economy, beyond renewable energy. Our goal is to increase the impact of our capital, supporting innovative approaches to cutting greenhouse gas emissions with private investors.



The CEFC set new records in the number and value of investment commitments in 2017-18, delivering a heightened focus on some of the nation's toughest emissions challenges through our support for innovative projects, technologies and investment partnerships. We made new commitments of \$2.3 billion, with 39 direct investments across the clean energy sector, in renewable energy, energy efficiency, transport and waste-related projects.

In five years of investing, CEFC commitments have now contributed to clean energy projects Australia-wide, with a total project value of \$19 billion. We have directly invested in more than 110 individual transactions and delivered finance for more than 5,500 smaller-scale projects.

We are proud to report that each dollar of CEFC investment commitments has been matched by more than \$1.80 of private sector finance. Equally important, our portfolio of investment commitments is targeting annual cuts to greenhouse gas emissions of 10.8 million tonnes of CO₂-e, and lifetime cuts to greenhouse gas emissions of more than 190 million tonnes of CO₂-e.

In FY18 we maintained our role as a leading investor in Australia's renewable energy sector and further extended our reach into emissions reduction activities in infrastructure, agriculture, property, transport and waste. In addition, our venture capital finance for innovative clean energy companies saw continued significant growth.

Five years is a relatively short investment period for any organisation. Each year we have materially increased the scale and impact of our investments, together with the co-investors and project developers who share our commitment to lower emissions. We look forward to facilitating continued strong investment that delivers a positive return on the public funds entrusted to us.



A handwritten signature in black ink, appearing to read 'Ian Learmonth'.

Ian Learmonth
CEFC CEO

RENEWABLE ENERGY

The CEFC continued its role as a substantial investor in renewable energy, which represented 53 per cent of the portfolio at 30 June 2018, with the balance in energy efficiency (44 per cent) and low emissions technologies (3 per cent).

In FY18, the CEFC invested in 10 large-scale solar projects and four wind farms, to deliver an additional 1,100MW in clean energy Australia-wide.

This included the Kennedy Energy Park, Australia's first fully integrated wind, solar and battery project, as well as projects delivering low-cost energy to large industrial and commercial energy users through innovative power purchase agreements.

Since inception, our investment commitments have included four large-scale renewable energy projects that also include a storage component, reflecting the critical role of storage technologies in extending the benefits of low cost solar and wind power across the electricity market. A further 24 smaller-scale storage projects have been financed through our co-finance partnerships.



We have now financed more than 20 large-scale solar projects and more than 10 wind farms Australia-wide. Together these projects are targeting more than 2,400MW of additional renewable energy, sufficient to power more than 800,000 homes.



INDUSTRY IMPACT

CEFC investments in agribusiness, infrastructure, transport and property included new partnerships with leading sustainability-focused investors, including Dexus, IFM Australia, Lend Lease, Macquarie Infrastructure and Real Assets and Mirvac.

These investments are characterised by accelerated emissions reduction programs, to deliver stronger technology and construction standards, and new mechanisms to share insights and performance.

It is simply not possible for the CEFC to directly influence the emissions and energy profile of every asset in the economy.

By working with these industry leaders, we are providing finance for market-leading projects, which can also provide practical insights for others to adopt. This is an innovative way for us to maximise the impact of our finance. It's also an important way of developing new investment vehicles to meet the growing investor appetite for deeper exposure to sustainable investment.

ASSET FINANCE

As an investor on behalf of Australian taxpayers, the CEFC has a strong focus on extending the reach of our finance to enable smaller-scale investors to switch to clean energy technologies.

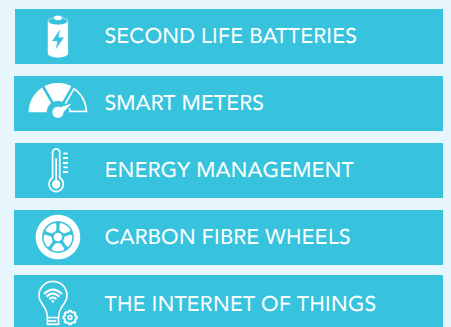
These partnerships have helped finance more than 5,500 individual projects, involving farmers, small businesses, manufacturers, schools, local community facilities and more. Projects range from \$10,000 to \$5 million, with an average investment of \$125,000.



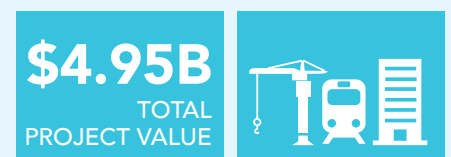
This is about delivering the benefits of clean energy right to the energy user, whether on the farm, in the home, on the road or in a factory.



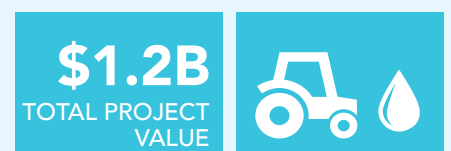
CLEAN ENERGY INNOVATION FUND



SUSTAINABLE CITIES INVESTMENT PROGRAM



REEF FUNDING PROGRAM

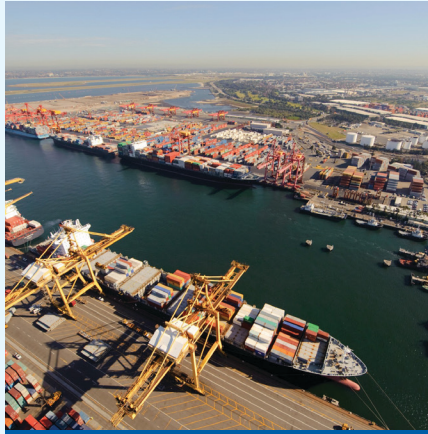




RENEWABLE ENERGY

\$94m debt finance

Queensland's Kennedy Energy Park is Australia's first fully-integrated wind, solar and battery project. With 43.2MW of wind, 15MW (AC) of solar and 2MW of battery storage, it is expected to deliver lifetime emissions abatement of more than 3 million tonnes. The battery component provides increased grid stability, for local communities, and relieving demand on long transmission lines.



INFRASTRUCTURE

\$150m equity

The \$12 billion IFM Australian Infrastructure Fund aims to cut carbon emissions at some of Australia's leading ports, airports and electricity infrastructure assets, including Ausgrid, Brisbane Airport, Melbourne Airport, Sydney's Port Botany and the Port of Brisbane. Initiatives may include on-site solar PV, battery storage, electric vehicles, and optimised energy efficiency for assets.



PROPERTY

\$90m debt finance

New Mirvac developments in Brisbane and Sydney will give first and new home buyers built-in solar-plus-battery systems, to reduce household energy costs by as much as 90 per cent. The Mirvac homes will each come with a ready-to-operate 5.1kW rooftop solar system, alongside a 10kWh battery system. The homes will also incorporate high-grade insulation, LED lighting and energy efficient appliances.



AGRICULTURE

\$100m equity

The agricultural platform of Macquarie Infrastructure and Real Assets will manage large-scale row cropping and permanent crops to improve farm energy efficiency and cut emissions. The key objective is to cut the energy intensity per unit of production, with technical and on-farm insights to be shared across the farm sector, working alongside the CEFC and the CSIRO.



RENEWABLE ENERGY

\$59m equity

The Granville Harbour Wind Farm* will deliver a one third increase in Tasmania's wind capacity. The 112MW project is located on a 1,200 hectare cattle farm on Tasmania's west coast. Once operational, the \$280 million development is expected to generate enough electricity to power more than 46,000 homes. The development is the CEFC's largest investment in Tasmania.



SMART METERS

\$35m debt finance

intelliHUB is a new business aiming to accelerate the use of smart meters, extending the benefits of distributed clean energy to Australian households and businesses. There are some nine million metering points in the National Electricity Market. By accelerating their conversion to smarter technologies, customers will benefit from more meaningful information about their energy use.

CEFC INVESTMENT COMMITMENTS

CONTRIBUTING TO LOWER EMISSIONS

FY18 COMMITMENTS

\$2.3B

NEW INVESTMENT
COMMITMENTS

39

DIRECT
INVESTMENTS

\$1.80:\$1.00

PRIVATE SECTOR
LEVERAGE

FY18 TECHNOLOGIES

\$1.1B

RENEWABLE ENERGY

\$939M

ENERGY EFFICIENCY

\$100M

TRANSPORT

\$127M

WASTE, BIOENERGY

CEFC PORTFOLIO

\$5.3B

COMMITMENTS*

110+

DIRECT INVESTMENTS

5,500+

SMALLER-SCALE
PROJECTS

9+

INNOVATION COMPANIES

PORTFOLIO IMPACT

10.8M tCO₂-e

ANNUAL ABATEMENT EST

190M tCO₂-e

LIFETIME ABATEMENT EST

2,400MW

RENEWABLE ENERGY

20+

SOLAR FARMS

10+

WIND FARMS



**After allowing for new investments in each year, minus loans fully amortised, repaid or exited, and expired or cancelled undrawn commitments, at 30 June 2018*