

CEFC finances Taralga Wind Farm

\$37.5 million senior debt finance from CEFC (project cost approximately \$280 million)

SUMMARY

The Clean Energy Finance Corporation (CEFC) is providing \$37.5 million in senior debt finance as part of a financing package of approximately \$280 million for the construction and operation of the Taralga Wind Farm, 45 km north of Goulburn, NSW. The project involves construction for 51 Vestas wind turbines, with a 10-year Power Purchase Agreement (PPA) with Energy Australia to supply the grid.

The CEFC is a co-lender as part of an international consortium of Australian and overseas financiers. The other parties are ANZ, with EKF (the official export credit agency of Denmark), and the primary equity sponsor for the project, Santander (a major international retail and commercial bank based in Spain), along with CBD Energy.

The project is fully permitted and construction is now getting underway.



PROJECT IMPACT

The Taralga Wind Farm will have the capacity to generate 106.8MW of wind power and supply power to approximately 45,000 homes. It is estimated to avoid Australian carbon emissions by 250,000 tonnes a year.

- CEFC's financing was important in helping enable the transaction to proceed, bringing in new investors, ensuring efficient market pricing and participation of other financiers.
- The CEFC investment is facilitating use of Australian-engineered and built towers, aiding the further development of local market manufacturing capability and supply chain scale in the Australian wind industry. It also helps create valuable business and regional manufacturing employment.

One typical (2 MW) wind turbine in Australia can be expected to produce over 6000 megawatt hours of electricity each year. If this replaces coal-fired power, then the CO₂ released to the atmosphere will be reduced by 6000 tonnes each year; if it replaces oil or gas-fired power, CO₂ released each year is reduced by about 3000 tonnes.

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Project Impact continued...

Transitioning to a low carbon economy will require a significant transformation of the electricity sector. Renewable energy sources such as wind, as well as solar, geothermal heat and wave power, will have a key role in moving Australia to the clean economy of the future. Australia has some of the world's best wind resources and CEFC is playing its part in helping drive innovation and investment in this sector.

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"This is an important project which demonstrates the role the CEFC can play along with private sector financiers in maturing renewable energy investment in Australia. The project will utilise Australian manufactured towers made in Portland from BlueScope steel. The integrated Australian supply of inputs enabling this project - from materials, through to finished goods, know-how and finance - demonstrates Australia's capability across the whole value chain for the clean energy sector."

Oliver Yates
CEO, Clean Energy Finance Corporation

FINANCE

- Santander and CBD Energy are the project sponsors and are providing equity finance.
- Santander and CBD Energy will fund 35% of the capital costs.
- ANZ and EKF are co-lenders along with the CEFC.
- The CEFC will be providing senior debt finance of \$37.5 million towards the total project cost of approximately \$280 million.

"The joint venture between CBD Energy and Santander combines the considerable experience of Santander, one of the world's leading developers and financiers of renewable energy, and CBD, an entrepreneurial Australian developer of wind and solar assets both in Australia and internationally."

Gerry McGowan
CEO and Executive Chairman, CBD Energy

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Santander is the primary equity sponsor. It is a retail and commercial bank based in Spain and a major international bank, the largest in the Eurozone. Santander is a major investor in the clean energy sector globally. It is currently recruiting to establish a permanent presence in Australia. Santander was named Best Bank in the World in 2012 and has about Euro 1.39 trillion of total assets.

EKF has provided a guaranteed loan through its ELO program. EKF is Denmark's official export credit agency, and globally recognised for its expertise in wind farm financing. EKF helps Danish companies to attract customers from abroad to buy goods and services from Denmark by helping to get financing.



"I am pleased that CEFC involvement in the deal has helped the project become a reality."

Danny Nielsen
Managing Director, Vestas Australia

"The Taralga wind farm project's decision to use Australian engineered and built towers is a major boost for the Australian wind engineering sector. This project comes at a critical juncture for the development of the Australian wind tower industry, helping it to maintain competitiveness and assisting its position for potential for growth in the coming years."

Stephen Garner
General Manager, Keppel Prince Engineering

Australia has some of the world's best wind resources and CEFC is playing its part in helping drive innovation and investment in this sector.

The Clean Energy Finance Corporation (CEFC) has been established by the Australian Government to mobilise capital investment in renewable energy, low-emissions technology and energy efficiency in Australia.

The CEFC's flexible mandate and commercial approach provide an opportunity to achieve genuine market-based change by helping overcome the financial barriers that have previously prevented clean energy investment at scale.

Learn more at www.cleanenergyfinancecorp.com.au

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