

CLEAN ENERGY FINANCE CORPORATION

AUSTRALIAN SUSTAINABILITY CONFERENCE



9 October 2013

About the CEFC

- The CEFC was established to accelerate Australia's transition to a low carbon future
- CEFC is a specialist financier that bridges the gap between private and public sector funding for renewables, energy efficiency and low emissions projects
- Access to \$10 billion in funds legislated to the CEFC Special Account as \$2 billion per annum from 2013 to 2017 inclusive
- Operates commercially with a public policy purpose, with investment decisions made by experienced private sector board, independently of Government
- Invests responsibly and manages risk to achieve its target rate of return and achieve financial self-sufficiency before 2016
- In a short timeframe, the CEFC has achieved significant carbon abatement at a negative cost through its 11 recent investments, investing almost \$500 million

CEFC Mission

Accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction

Why is the CEFC needed?

Catalysing private sector investments by:

- Providing liquidity
- Catalysing transactions
- Assisting Australian industry and jobs
- Facilitating commercial bank participation in the sector
- Matching financing to the asset life
- Changing the risk profile
- Enabling projects without a PPA
- Lower required returns
- Aggregation funding



What has CEFC achieved so far?

- CEFC investment has catalysed over **\$2.2 billion of investment** into clean energy, energy efficiency and low emissions projects, including \$536 million from the CEFC
- CEFC investments are responsible for **3.88 million tonnes of carbon abatement**
- Emissions reduction is generated at a **negative cost (net benefit) of \$2.40 per tonne of CO₂e abated**
- CEFC committed investments to date are earning an average return of approximately 7% which is **4% above the 5 year government bond rate**
- The CEFC has a **strong pipeline** of emissions reductions proposals that support current government policy and a **dedicated and experienced team** ready to execute these transactions

What has the CEFC financed?

Wind

- \$37.5m of senior debt finance for the construction and operation of the Taralga Wind Farm
- \$50m towards the refinancing of Macarthur Wind Farm
- \$70 million in debt financing for Pacific Hydro's Portland Wind Farm

Solar

- \$40m of senior debt to co-finance a major solar greenhouse development near Port Augusta
- \$60.0m of senior debt for Moree Solar Farm

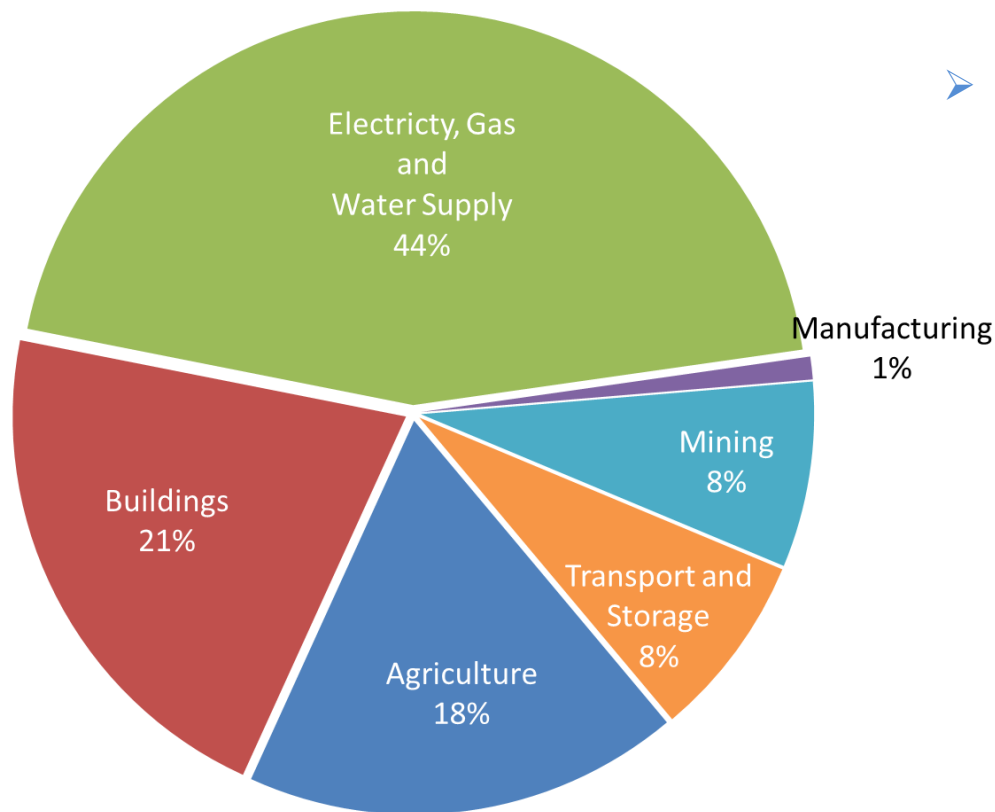
Energy Efficiency

- \$50m funding for CBA Energy Efficiency Loans for businesses
- \$50m funding for CBA Energy Efficiency Loans for not-for-profits
- \$550,000 loan to Baw Baw Shire Councils to upgrade street lights
- \$7.0m of on-bill financing for Origin Energy customers

Low Emissions

- \$75 million corporate loan to EDL for waste to energy projects

Project Pipeline



- Strong forward pipeline of energy efficiency and emissions reduction opportunities
- Received emission reductions proposals seeking \$3.4 billion investment, to contribute in total project costs of nearly \$11.5 billion, including:
 - \$1bn for energy efficiency in buildings, manufacturing and other commercial sectors
 - \$800m for large scale remote renewable energy generation
 - \$200m for community renewable projects
 - \$300m for solar PV projects and aggregation funding
 - \$270m for the mining sector
 - \$850m from Gas & Infrastructure, Transport & Storage and Renewables sectors

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cleanenergyfinancecorp.com.au

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