

Investing in Australia's net zero transition

Investment update 2022-23



Driving decarbonisation, transforming our economy

2022-23

\$1.9b

Investment commitments

\$1.2b

Record renewables, grid commitments

\$5.02:\$1

Private sector leverage

\$11.7b

Total transaction value

30

New transactions financed

\$54.5m

Record backing via Clean Energy Innovation Fund



Commercial rigour is at the foundation of the CEFC investment approach. It's why we have seen repayments and returns average close to \$1 billion for each of the past four years - capital which is available for reinvestment.

All figures to 30 June 2023.
30 new transactions financed excludes 20 follow-on commitments in the 2022-23 year.
All other figures reflect new and follow-on commitments.

Forging the path to net zero



The 2022-23 year was notable in many ways for the clean energy sector, in Australia and globally. Heightened ambition towards the achievement of net zero emissions shaped policy and investor action. Economic disruption and uncertainty challenged project delivery. And evidence of the negative impacts of climate change gained frequency.

As Australia's 'green bank', the 2022-23 year was no less momentous for the CEFC, with difficult market conditions underscoring our specialist role in investing to progress the achievement of Australia's goal of 82 per cent renewables by 2030, and net zero emissions by 2050.

Across our portfolio, the CEFC made \$1.9 billion in new investment commitments in the 2022-23 year. Notably, a record \$1.2 billion was invested in renewables, including \$933.4 million to help finance 14 large-scale solar, wind and storage transactions with a total value of \$5.7 billion. CEFC investments in large-scale renewables and transmission-related projects since inception have contributed to transactions with a total project value of \$18.8 billion at 30 June 2023.

I am pleased to advise that private sector leverage for CEFC investment commitments in the 2022-23 year reached an all-time high, with each \$1 of CEFC capital attracting an additional \$5.02 in private sector capital. This strong leverage reflects our investments in large-scale transformational projects, including a \$100 million commitment to the NSW Waratah Super Battery, one of the largest standby network batteries in the world. We also made our single largest investment in a wind project, committing up to \$222.5 million to Victoria's 756 MW Golden Plains Wind Farm.

In parallel, we were active in delivering new investment to opportunities across natural capital, property and asset finance, alongside the development of new economic sectors, in both climate tech and hydrogen.

New capital, new ambitions

At the start of our second decade, the Australian Parliament approved the first material change to the CEFC Act since we were created, expanding our role in driving investment towards the achievement of Australia's net zero ambitions. In parallel, the Government made the first increase in our capital allocation since 2012, empowering the CEFC to drive investment across priority areas critical to the clean energy transition with an additional capital allocation of \$20.5 billion.

We welcome the heightened expectations that come with these important changes, notably in Australia's transmissions infrastructure. We also recognise and appreciate the shared commitment and considerable contribution of the investors, project proponents, industry and market participants, Government and regulatory agencies, who work with us in addressing the urgent task of decarbonisation.

We look forward to continuing our work with you on this important mission.

Ian Learmonth
Chief Executive Officer, CEFC

2022-23 Investment update

The CEFC completed 30 new and 20 follow-on investment commitments in the 12 months to 30 June 2023, committing an additional \$1.9 billion to transactions with a total value of \$11.7 billion.

\$1.9b

New commitments
2022-23

\$11.7b

Total transaction value

Lifetime CEFC commitments were \$12.7 billion across more than 300 large-scale transactions to 30 June 2023. Together with our co-investors, the lifetime total transaction value reached \$48.8 billion, underscoring our role as Australia's 'green bank' in driving additional public and private investment in net zero ambitions.

In 2022-23, the CEFC also invested a record \$54.5 million in new and follow on commitments via the Clean Energy Innovation Fund, which is managed by Virescent Ventures. Each \$1 of Innovation Fund capital attracted an additional \$6.47 in private sector capital, delivering a combined \$407.3 million to emerging climate tech businesses.

The strength of the CEFC investment approach is evidenced by the repayments and returns which have averaged close to \$1 billion for each of the past four years, allowing us to continue to reinvest capital from our original \$10 billion allocation.

	2021-22	2022-23	Lifetime
CEFC commitments	\$1.4b	\$1.9b	\$12.7b
New transactions financed	29	30*	>300
Transaction value	\$4.8b	\$11.7b	\$48.8b
Leverage	\$2.30: \$1.00	\$5.02: \$1.00	\$2.82: \$1.00
Renewable energy	\$715.7m	\$1.2b	\$7.0b
Energy efficiency	\$330.4m	\$402m	\$4.2b
Low emissions	\$400.8m	\$370.3m	\$1.4b
Capital deployed	\$1.8b	\$929m	\$10.1b
Capital repaid or returned	\$837m	\$1.2b	\$4.5b

Notes:

To 30 June 2023, the CEFC had drawn a net \$4.93 billion from the original \$10 billion capital allocation, including \$6.46 billion drawn from, and \$1.53 billion returned to, the CEFC Special Account.

Figures reflect investment commitments drawing on the original \$10 billion CEFC capital allocation. We expect to make investments drawing on the additional \$20.5 billion allocation from 2023-24.

* New transactions financed excludes 20 follow-on commitments in the 2022-23 year. All other figures reflect both new and follow-on commitments.

2022-23 Transaction highlights



Golden Plains Wind Farm

\$222.5m

CEFC commitment

Single largest CEFC project financing, for 756 MW project in Victoria, with TagEnergy.



Waratah Super Battery

\$100m

CEFC commitment

One of the world's largest standby network batteries, with BlackRock Alternatives.



Walla Walla Solar Farm

\$100m

CEFC commitment

Largest solar farm financing for the CEFC, for 300 MW project in NSW, with FRV Australia.



Hines T3 Collingwood

\$69.3m

CEFC commitment

Backing development of Melbourne hybrid mass timber building with Madigan Capital.



Paraway Pastoral

\$75m

CEFC commitment

Cutting on-farm methane emissions by at least 30 per cent, in line with the Global Methane Pledge.



Adamantem Capital

\$35m

CEFC commitment

Environmental Opportunities Fund to lift the sustainability of mid-market companies.



Electric vehicles

\$20m

CEFC commitment

EVs for rideshare passengers via Splend, Australia's largest rideshare platform.



Climate tech ecosystem

\$54.5m

CEFC commitment

Record climate tech backing via the Clean Energy Innovation Fund, managed by Virescent Ventures.

New commitments	Purpose	CEFC \$m
TagEnergy	Victorian 756.4 MW Golden Plains Wind Farm	175.0m
Commonwealth Bank	Green Home Offer for home builders and renovators	125.0m
BlackRock Alternatives	NSW 850 MW/1680 MWh Waratah Super Battery	100.0m
FRV Australia	NSW 300 MW Walla Walla Solar Farm	100.0m
Mulpha Australia	NSW Norwest Quarter sustainable urban precinct	80.0m
Crescent Capital Partners	New private equity fund to decarbonise mid-market companies	80.0m
Pacific Equity Partners	New private equity fund to decarbonise mid-market infrastructure assets	80.0m
Mirvac	Cornerstone investment in new \$1.8 billion build-to-rent sustainable housing venture	75.0m
Paraway Pastoral	Natural capital investment to cut on-farm methane emissions by at least 30 per cent	75.0m
Rino Recycling	Large-scale recycling facility in Brisbane for construction and demolition waste	75.0m
ACEN Australia	8 GW portfolio of solar, wind, battery and pumped hydro assets	75.0m
Octopus Investments	Cornerstone investment in OASIS renewable energy fund	75.0m
Madigan Capital	T3 Collingwood, one of Melbourne's tallest hybrid mass timber buildings	69.3m
RATCH-Australia	Participation in landmark \$495 million refinancing syndicate across renewable energy assets	48.3m
Firstmac	Discounted finance for electric vehicles via Clean Green Cars program	40.0m
Plenti	Green bond backing discounted consumer finance for renewables and electric vehicles	38.2m
Infradebt	Neoen Australia 100 MW Capital Battery	35.5m
Adamantem Capital	Cornerstone investment in new Environmental Opportunities Fund	35.0m
MaxCap	Refurbishment and redevelopment of Adelaide office building by Quintessential Equity	34.5m
Palisade Investment Partners	Cornerstone investment in new Intera Renewables renewable energy platform	22.7m
Taurus	Discounted finance for green car loans program	20.5m
RCF Jolimont	New private equity fund targeting private mining equipment, technology and services companies	20.2m
University of Melbourne	Green bond backing the construction of six energy efficient buildings	20.0m
Splend	Discounted finance for electric vehicles in the rideshare sector	20.0m
Plenti	Green bond backing discounted consumer finance for electric vehicles	7.6m
SunDrive	Backing for Australian startup commercialising copper-based solar cell technology	7.0m
Gunn Agri Partners	Cornerstone investment in sustainable agriculture platform, with CDPQ	3.4m
Hydrogen Park Murray Valley	10 MW green hydrogen production facility, in NSW	3.2m
HydGene Renewables	Backing for Australian startup converting biomass to green hydrogen	2.0m
Wilga Farming	Equity investment into a sustainable agricultural fund	0.4m

List includes new investment commitments made in the 2022-23 year. It does not include follow-on commitments.

New capital, new ambition

Australia is targeting a 43 per cent fall in emissions by 2030 and the achievement of net zero emissions by 2050. It is widely understood that these targets require sustained effort. Perhaps less widely appreciated, is the very real economic benefits they will deliver.

New investment is already transforming our economy: from energy generation to large-scale property and infrastructure development; from transport to food production; from new investment models to innovative climate tech technologies. These gains are a precursor to ongoing economic transformation, occurring alongside economic decarbonisation.

Against the considerable progress of our first decade, we recognise the urgency of the task in the decade ahead. In this context, the substantial lift in the CEFC capital allocation, to \$30.5 billion, brings into sharp focus our role as a specialist investor in Australia's race to net zero.

Looking ahead, we will deepen our focus on transforming our energy grid, through the new Rewiring the Nation Fund; use our capital and influence to support sustainable housing via the new Household Energy Upgrades Fund and drive innovation and liquidity in the critical climate tech sector through the new Powering Australia Technology Fund.

In parallel, we will continue to invest in economy-wide decarbonisation opportunities, building on the progress of our first decade – including through our Advancing Hydrogen Fund and the Clean Energy Innovation Fund – in collaboration with our co-investors, industry and Government.



Additional CEFC capital allocation 2023

\$19b

Rewiring the Nation Fund

Investments expected to include high voltage transmission, long duration grid storage and electricity distribution network infrastructure

\$1b

Household Energy Upgrades Fund

Providing discounted consumer finance to increase sustainability across the housing sector

\$500m

Powering Australia Technology Fund

Supporting the growth and expansion of climate tech projects, businesses and funds



About the CEFC

The CEFC is an experienced specialist investor with a deep sense of purpose: we're Australia's 'green bank', investing in our transition to net zero emissions by 2050. With access to more than \$30 billion from the Australian Government, we're backing economy-wide decarbonisation, from renewable energy and natural capital to energy efficiency, alternative fuels and low carbon materials. In parallel, we're focused on transforming our energy grid, backing sustainable housing and supporting the growth of our climate tech innovators. We collaborate with co-investors, industry and Government, recognising the urgency of the decarbonisation task. We also invest with commercial rigour, aiming to deliver a positive return across our portfolio.

Acknowledgement of Country

The CEFC acknowledges the Traditional Owners and Custodians of this land, and we pay our respects to all Elders, past and present. We recognise their continuing connections to country, water and culture.

Sydney

Suite 1702, 1 Bligh Street
Sydney NSW 2000

Brisbane

Level 52, 111 Eagle Street
Brisbane QLD 4000

Melbourne

Level 37, 80 Collins Street
Melbourne VIC 3000

Perth

Level 14, Parmelia House
191 St Georges Terrace
Perth WA 6000

info@cefc.com.au

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Clean Energy Finance Corporation
ABN: 43 669 904 352

cefc.com.au

