

# CLEAN ENERGY FINANCE CORPORATION

**Clean energy finance for the local government sector**



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# The Clean Energy Finance Corporation



- A statutory corporation which invests in renewable energy, low-emission technology and energy efficiency in Australia
- Commenced investing from 1 July 2013
- \$10B in funds – \$2B/yr. from 2013 to 2017 inclusive
- Operates commercially with a public policy purpose. Investment decisions made by experienced private sector board, independent of Government
- Invests responsibly and manages risk to achieve its target rate of return and achieve financial self-sufficiency before 2016
- No impact on government net debt

## **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 the clean energy sector

## The CEFC's future

- The CEFC (Abolition) Bill passed the House of Representatives and was rejected in the Senate
- The CEFC is continuing to invest responsibly and commercially, carrying out its statutory purpose and functions
- The Government has committed to honour all payments necessary to meet CEFC's contractual obligations
- The CEFC is getting on with business and progressing new investments

## CEFC Investment Policy

- Eligibility Constraints
- Investment Selection Criteria
- Portfolio Diversification Strategy





## CEFC's Product "Menu"



- Clean Energy Loans for the Not-for-Profit Sector (**CBA**)
- Clean Energy Loans for the Commercial and Industrial Sectors (**CBA**)
- Environmental Upgrade Agreement (EUA) finance (**NAB/EFM & ANZ/EFM**)
- On-bill Finance (**Origin**)
- Lease finance for small to medium enterprises (**Flexi**)
- ....more in the pipeline!!

# Energy Efficient Loans for Not-for-Profits

## A \$100 million co-financing arrangement between the CEFC and CBA to fund clean energy projects with not-for-profit clients

- Not-for-profits including local government
- CEFC co-administers overarching fund with CBA
- Commercial loan agreement
- Loan value will range from ~\$500,000 to \$5m +
- Loan terms offered up to 12 years
- Competitive finance
- Security provision over general rates income
- Available nationwide where projects meet CEFC eligibility criteria
- Technology agnostic
- Marketing and communications

# Example local council projects financed since 2010



## Baw Baw Shire Council Energy Efficiency Loan

- Local council street lighting upgrade
- \$162,441/annum savings over 20 years
- 18% reduction in council carbon footprint  
(street lighting ~40% of footprint)
- Project cost \$1,036,529
  - Australian Government grant \$489,547
  - CEFC energy efficiency loan \$546,982
- Longer term will allow energy savings to repay finance





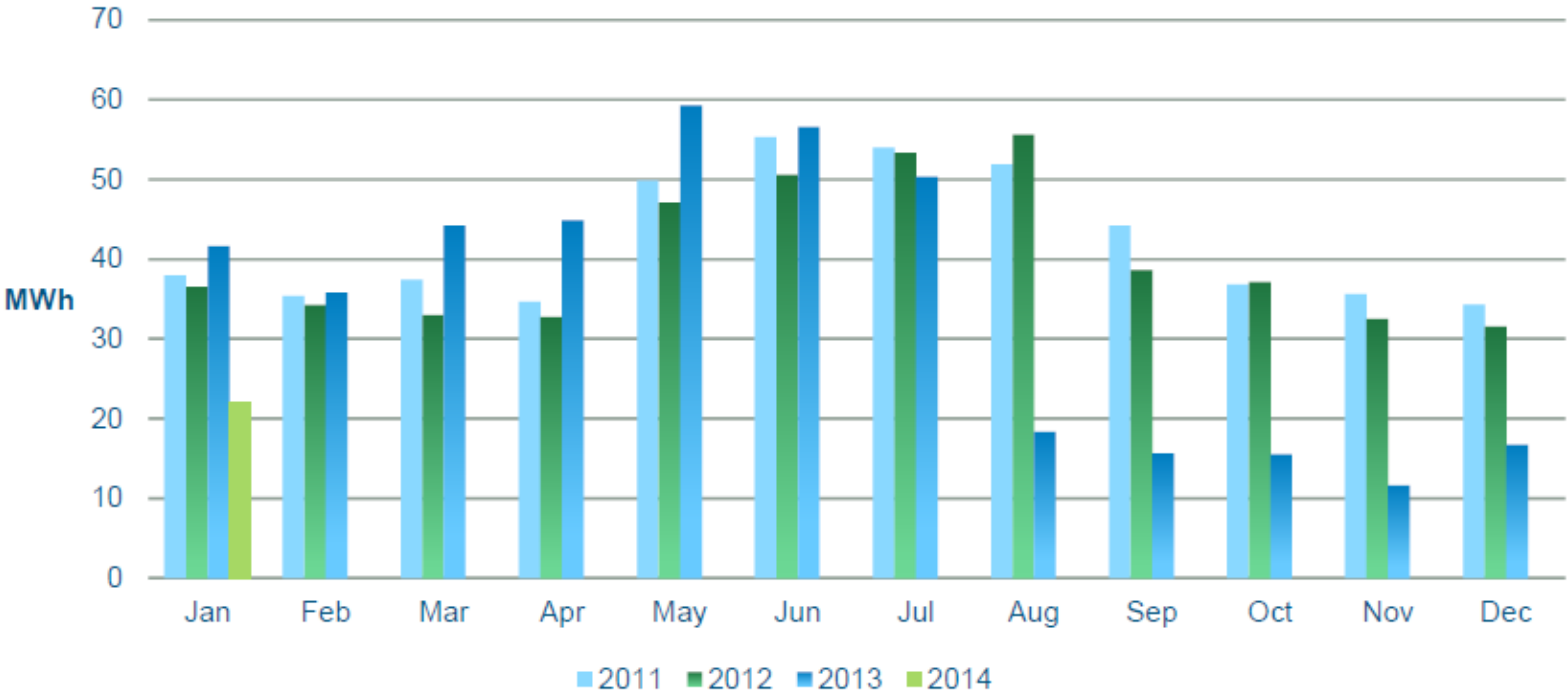
# Tumut Shire Council Energy Efficiency Loan

## Electricity consumption

Total electricity consumption has reduced from 528 MWh pa to 199 MWh pa<sup>4</sup>, this represents a total saving of 62%. Actual monthly consumption can be seen in Figure 1 below.



Figure 1



# Plant saves \$300,000 ☆

By Ashleigh Gleeson Aug. 13, 2013, 7 a.m.



**COST SAVER:** Oasis Aquatic Centre manager Ben Creighton checks out the recently commissioned gas-fired cogeneration plant.

Picture: Michael Frogley

THE Oasis Aquatic Centre has slashed its energy costs by an average of \$320,000 per year after a gas-fired cogeneration plant became fully operational last week.

Previously, a typical power bill for the centre would cost between \$400,000 and \$450,000 each year.

*By Ashleigh Gleeson*  
The Daily Advertiser  
13 August 2013

# In Summary

- Available funds for clean technology projects via partner products
- No dedicated funding rounds
- Key design elements across all products includes:
  - Longer term allowing anticipated energy savings to repay finance (cash flow positive/neutral outcome)
  - Competitive finance tailored to suit project
  - Marketing and communications support including media and case studies



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