

CLEAN ENERGY FINANCE CORPORATION

Forum on Doubling Energy Productivity

Ms Jillian Broadbent AO – Chair of the Board of the CEFC



3 April 2014

The Economic Context

- Two decades of economic growth
- Large fall in productivity growth since 2003
- Lost cycle of business investment outside the mining sector



Productivity

➤ **Opportunities to increase productivity through energy productivity:**

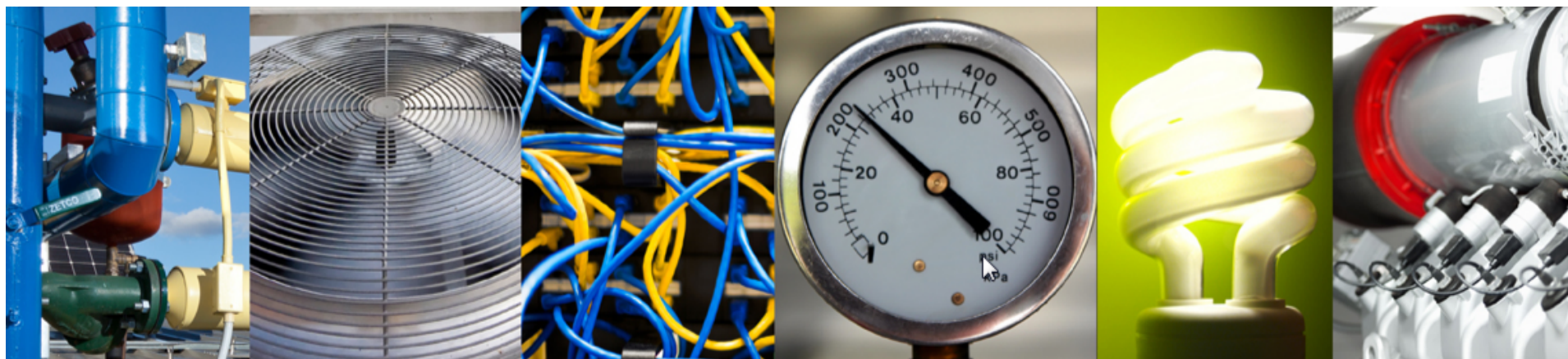
- Invest in new equipment
- Upgrade existing equipment
- Change company practices
- Employ alternative energy systems, such as biomass and cogeneration.

➤ **Barriers:** There are barriers for business to improving energy productivity.



Barriers to Energy Productivity

- General barriers to investment include: low business & consumer confidence, high dollar & economic uncertainty
- Added barriers facing energy productivity projects:
 - Not on the radar of many business, particularly given comparatively **low cost & ease of access to energy inputs**
 - **Scale & size** of many investments is too small
 - Access to **finance** (internal & external)
 - Limited **knowledge & perceived risk** about adopting new technologies



What the CEFC does...

- The CEFC was set up to catalyse investment in renewable energy, energy efficiency and low-emissions technologies.
- It is a specialised financier, partnering with co-financiers, project proponents and technology owners and adopters.
- Around 50 per cent of its portfolio is in energy productivity projects
- It provides capital and works with partners to tailor financing solutions
- It shares and builds knowledge to improve the understanding of risk.



How the CEFC Works ...

- Adopts a commercial approach - with tight criteria and filtering of investment projects
- It seeks investments with externalities that benefit the Australian economy:
 - Assisting technologies to move down the cost curve
 - Building skills and supply chain capacity
 - Providing a demonstration effect
 - Emissions reduction
- Co-financing and private sector leverage is integral to the CEFC strategy
- Provide project finance, corporate facilities and aggregation finance



CEFC Investments – Helping businesses on the way to 2XEP

Manufacturing

- **Crafty Chef** a Sydney based company which produces frozen meals, has achieved 2XEP through new refrigeration.
- Using a CEFC and CBA Energy Efficient Loan, **Labelmakers** installed three new energy efficient presses which will achieve 2XEP.
- **Global Roto-Moulding** manufactures plastic products such as water tanks and children's playground equipment and will achieve 2XEP through new rotational ovens.

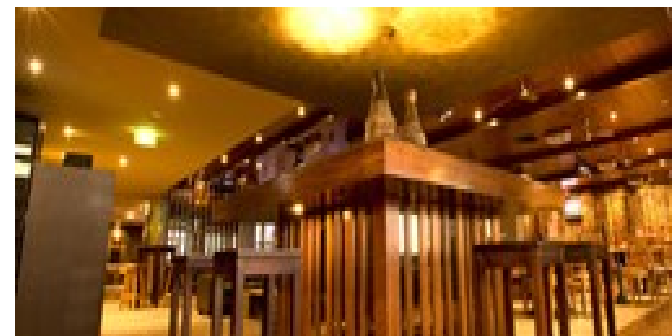


CEFC Investments – Helping businesses on the way to 2XEP



Hospitality

- Under an Environmental Upgrade Agreement, a **Melbourne Hotel** complex will deliver 2XEP by installing a tri-generation system, occupancy sensors and double glazing.



Local Government

- **Warrnambool City Council** in Victoria is replacing 2,200 lights in residential streets, achieving more than 2EXP on lighting energy costs.



CEFC Investments – Helping businesses on the way to 2XEP

Agribusiness

- **Radevski Coolstores**, a major Goulburn Valley supplier of apples, installed a new refrigeration system which will achieve 1.3XEP.
- **Darling Downs Fresh Eggs**, will use chicken manure and other organic waste from its egg production business to generate power through an anaerobic digester, reducing grid electricity by 60%.



CEFC Achievements and the Future

- The CEFC portfolio is now over \$700 million.
(700mn + \$1.8bn in co-finance = total \$2.5bn in capital expenditure)
- Around 50 per cent of our portfolio is in energy productivity – these projects are demonstrating the potential to deliver 2XEP for business
- It has attracted new financiers and used new financing models.
- In our pipeline, there are a further 150 project proponents seeking CEFC finance of approximately \$4 billion (for total project costs of around \$11 billion).



Visit our website for more information
cleanenergyfinancecorp.com.au

Follow us on Twitter **[@CEFCAus](https://twitter.com/CEFCAus)**

