

CLEAN ENERGY FINANCING IN PROPERTY SECTOR

PFA Masterclass – August 2017
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SCALE SOLAR CLEANER POWER BIOENERGY LARGE-SCALE SOLAR GRID AND STORAGE
BIOENERGY SOLUTIONS WASTE GRID AND STORAGE WIND BIOENERGY AGRICULTURE
SOCIAL HOUSING INFRASTRUCTURE BETTER BUILT GOVERNMENTS INFRASTRUCTURE
TRANSPORT PROPERTY INDUSTRY ENVIRONMENT UNIVERSITIES NOT FOR PROFITS
CO-FINANCIERS CLIMATE BONDS EQUITY FUNDS CLIMATE NEW SOURCES INNOVATION
BONDS INNOVATION EQUITY CLIMATE BONDS CO-FINANCIERS OF CAPITAL EQUITY FUNDS



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ABOUT THE CEFC

**WHO
WE ARE**

**WHAT
WE OFFER**

- Established in 2012
 - Independent government organisation
 - Proven track record in clean energy investment
 - National focus
-
- Finance for cleaner power solutions and a better built environment
 - \$10 billion capital
 - Innovative finance, including debt and equity
 - Private sector expertise with a public policy purpose

ELIGIBLE TECHNOLOGIES

RENEWABLE ENERGY

- Wind
- Solar PV
- Solar Thermal
- Bio-energy
- Ocean (wave and tidal)
- Transmission, storage or management of renewable energy.

ENERGY EFFICIENCY

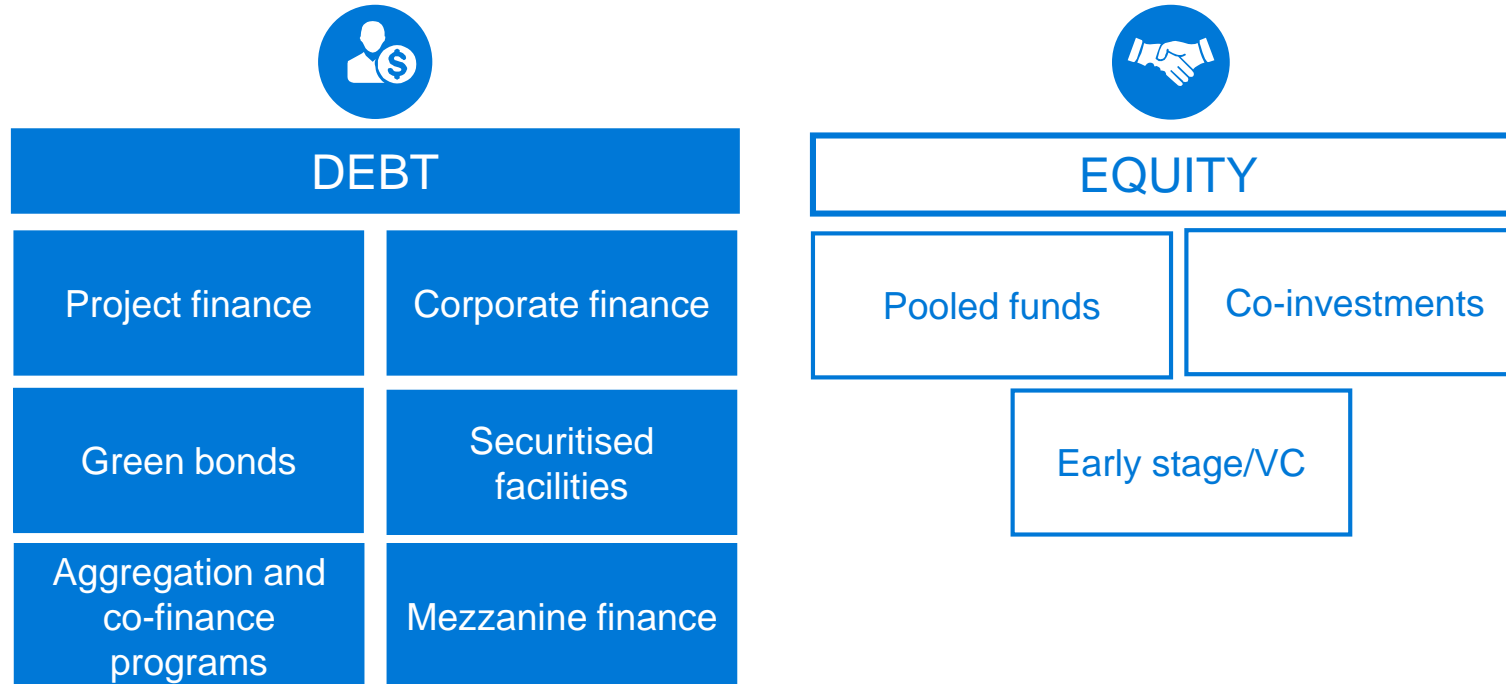
- LED Lighting
- Heating, ventilation and air-conditioning (HVAC)
- Co-generation
- Window glazing and shading
- Building management systems
- Efficient processing/loading plant and equipment

LOW EMISSION

- Other activities that reduce emissions below a relevant baseline
 - Energy production
 - Electricity generation
 - Transportation
 - Construction
 - Waste management

TYPES OF FINANCE AVAILABLE

We tailor our financial solutions to meet the needs of individual project proponents and reflecting their risk/return profile.

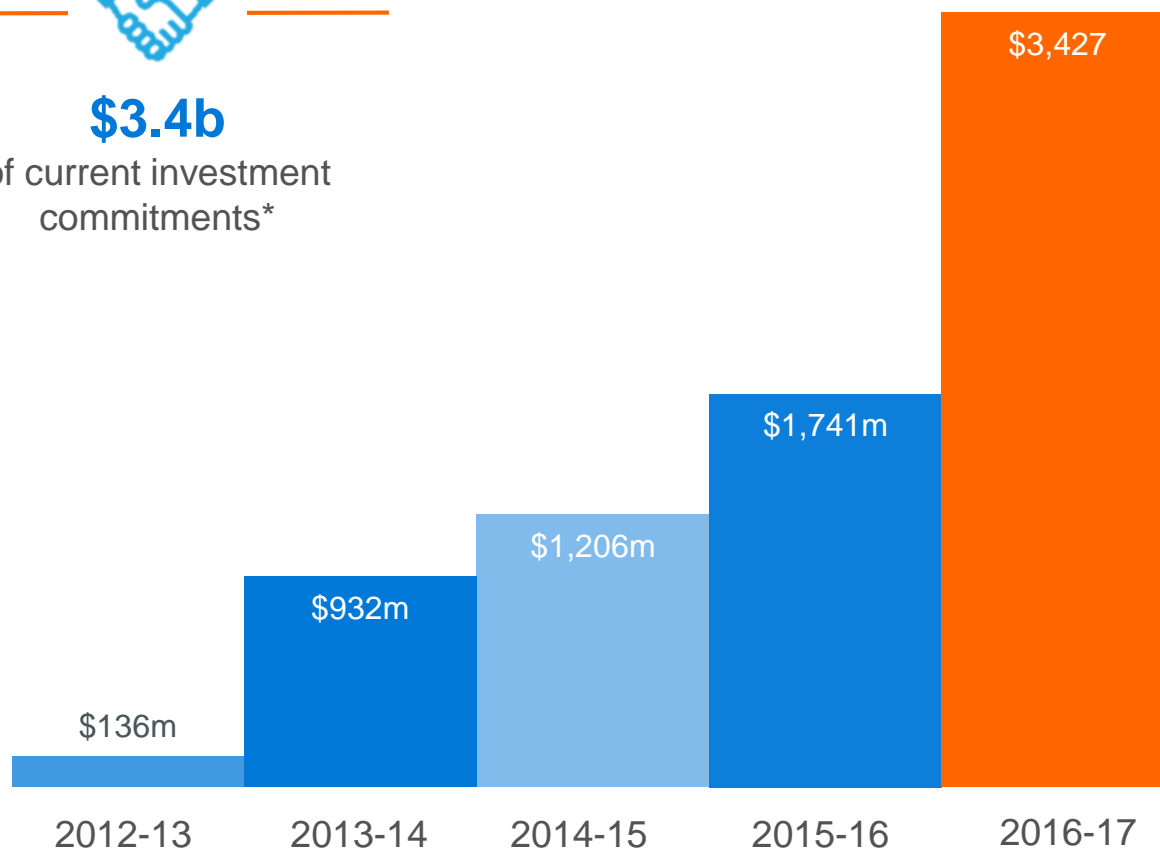


CEFC CLEAN ENERGY PORTFOLIO



\$3.4b

of current investment commitments*



79 direct projects since inception totalling **\$11b** in project value

7 co-finance and aggregation programs that have delivered over **\$300m** in finance to more than **2000** smaller projects and businesses across Australia

*After allowing for new investments in each year, minus loans fully amortised, repaid or exited, and expired or cancelled undrawn commitments, at June 30 2017

CEFC PROPERTY FINANCING

OUR PROPERTY PORTFOLIO AND PIPELINE

PORTFOLIO

Mostly active in commercial office property

12 projects and over **\$600m** of investment commitments



PIPELINE

Mix of residential and commercial

20 projects seeking over **\$1.5b** in CEFC finance towards projects worth **\$5.5b**

PROPERTY SECTOR: OUR FOCUS AREAS

PRIORITY SUB SECTORS



Commercial:

- Office (CBD, non-capital cities)
- Retail
- Hospitality
- Industrial



Residential:

- Student accommodation
- Aged care/retirement villages
- Residential broad acre
- Residential apartments
- Community housing

AREAS OF INFLUENCE

- New build design
- Refurbishment
- Building operations
- Building/construction techniques
- New technologies
- Climate bonds
- Tenant standards

ENERGY EFFICIENCY AND CLEAN ENERGY OBJECTIVES

- Seek to drive market leading standards across sub sectors
- Primary focus/objective is driving GHG reductions
- Key rating tools include:
 - NABERS
 - NatHERS
 - Green Star Performance (**5** and **6** star)
- Where no rating system exists, target at least 25% reduction in GHG emissions

Commercial

NABERS targets:

- **Office:**

New build: 6 Star (CBD), 5.5 Star (Other)

Refurbishment: 5 Star

- **Retail/Hospitality:**

New build: 4.5 Star

Refurbishment: 4 Star

- **Other:**

Top 15% in Australia, 25% reduction in GHG emissions

Residential

NatHERS target: min 7 Star

FINANCING: KEY PRINCIPLES

APPROACH	<ul style="list-style-type: none">• Direct financing up to \$250m• Indirect asset financing programs to facilitate <\$10m financings
SCOPE	<ul style="list-style-type: none">• “Whole of Building” and portfolio financing rather than just EE and clean energy capex• Financing linked to delivering specific EE and clean energy outcomes
FLEXIBILITY	<ul style="list-style-type: none">• Ability to provide bespoke financing solutions across the capital structure
TERMS	<ul style="list-style-type: none">• Market based terms and approval processes• Additional terms include:<ul style="list-style-type: none">• Delivery and communication of EE and clean energy initiatives• AIP and WHS approvals (for projects greater than \$4m)

ENERGY IN BUILDINGS: BEST PRACTICE INITIATIVES



Download the report @
http://www.cefc.com.au/media/290062/ndy_cefc_bestpracticeguide.pdf

of coatings can be altered too. Specialised paints can be used to increase the reflectance of existing buildings. Low-rise buildings with large roof areas are ideal candidates.

Plumpton Marketplace, NSW



EXTERNAL SHADING

1	2	3	4	5	6	7	8		\$\$	<10	  	   
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REDUCES COOLING ENERGY USE

External shading is used to exclude direct sun before it reaches a building's windows and control glare. Horizontal 'fins' are the best type of 'fixed' (non-movable) shading for facades facing North (and South, for northern locations); vertical fins are best for East and West. 'Operable' (movable) shading can be used to admit direct sun when it's needed, exclude it when it's not, and improve natural daylight - but also takes longer to pay back. Shading structures must incorporate a 'thermal break' to avoid decreased insulative performance. Vegetation can be used as shading, with deciduous plants being very effective in temperate climates.

Power and Water Corporation, Darwin, NT



ENHANCED DAYLIGHTING

1	2	3	4	5	6	7	8		\$\$	<10	  	   
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REDUCES LIGHTING ENERGY USE

Beyond the built form, a number of other factors influence natural daylight (and therefore lighting energy). 'Soft-coat low-E' glass coatings on clear glass provide the best possible daylight transmission (measured as 'VLT' or 'T_v', where higher is better) while achieving good solar control. 'Light shelves' are like external horizontal shading, but they also extend inside of the building. They are light in colour, and bounce daylight deeper into the building. Products are also available that can be fixed inside the window to achieve the same effect without the shelf. 'Sawtooth roofs' and 'clerestory windows' can be useful in some built forms.

Main Assembly Building, Tonsley, SA



GREEN ROOFS & GREEN WALLS

1	2	3	4	5	6	7			\$\$\$	20+	  	   
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REDUCES COOLING ENERGY USE

Green roofs and walls provide enhanced thermal mass and insulative performance, and help keep the local air temperature around the building cooler - reducing air



CASE STUDIES



QUINTESSENTIAL
EQUITY

A NEW GOLD
STANDARD
ENERGY
EFFICIENT
COMMERCIAL
PROPERTY

CEFC | TRANSFORMING
CLEAN ENERGY
INVESTMENT



ST GEORGE
COMMUNITY HOUSING

SUPPORTING THE
DEVELOPMENT OF
**~500 ENERGY
EFFICIENT
HOMES FOR
LOW INCOME
FAMILIES**

CEFC | TRANSFORMING
CLEAN ENERGY
INVESTMENT

INVESTA

**LANDMARK
AGREEMENT
TO PUSH THE
BOUNDARIES
OF ENERGY
EFFICIENCY IN
COMMERCIAL
PROPERTY**

CEFC | TRANSFORMING
CLEAN ENERGY
INVESTMENT





ATIRA WAYMOUTH
ADELAIDE

LIFTING THE BENCHMARK
FOR THE NEXT
GENERATION OF
ENERGY EFFICIENT
STUDENT
ACCOMMODATION

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CLEAN ENERGY
INVESTMENT

OUR APPROVALS PROCESS

OUR APPROVALS PROCESS

We have a simple, well defined and well-tested process and can begin with:

- Info about your business
- Info about your project/s

Direct Financing:

- Two stage investment review process comprising:
 - ✓ Pre-screen/eligibility review
 - ✓ Detailed investment and credit review
- This process can be completed within 3-4 months

Aggregation Partnerships:

- We will direct you to one of our partners
- Quick turnaround within 1 month

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