

# GREEN FINANCE IN AUSTRALIA

## ASEAN WORKSHOP ON INNOVATIVE FINANCING APPROACHES FOR SUSTAINABLE INFRASTRUCTURE

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# CEFC MISSION

To 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**.

# ABOUT THE CEFC



A unique mix  
of finance and  
**clean energy**  
experts



Proven track  
record in  
**clean energy**  
investment



**\$10 billion**  
**capital** backed by  
the Australian  
Government

**110+**  
direct investments  
over 5 years

**90+ employees**  
across offices in  
**4 states with**  
**national focus**

**~5,500**  
smaller-scale  
**projects**  
**delivered**

**NATIONAL**  
**COMMITMENTS:**  
**\$2.8 billion**

PLUS

**STATE-BASED**  
**COMMITMENTS:**  
**\$2.5 billion**



CEFC investment commitments at 30 June 2018

**\$5.3 billion portfolio\***  
focused on industry sectors with strong  
potential for decarbonisation

\*Investment commitments as at 30 June 2018

Contributing to the achievement of Australia's commitments  
under the Paris Agreement **to reduce emissions by**  
**26-28% by 2030**

# CEFC'S CREATION

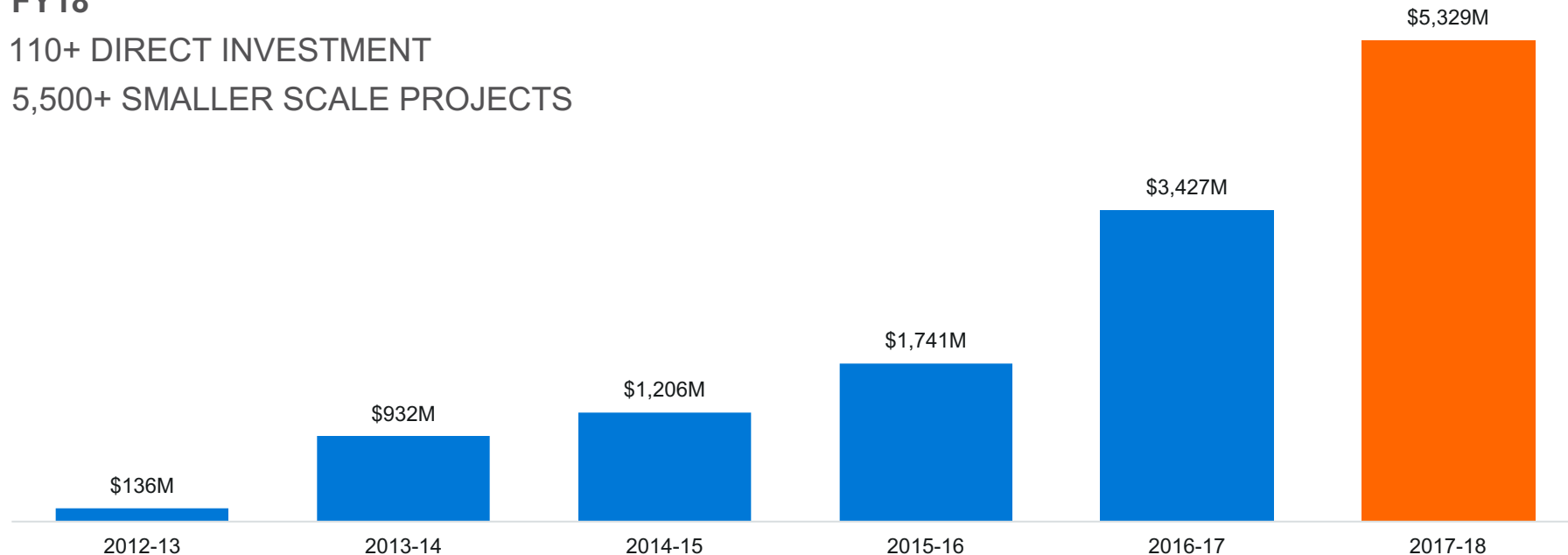
2010	Funding the transition to a clean energy economy
2011	Independent Expert Review Panel established
2012	MAR Expert Review Panel Report Handed Down
	JUL Legislation to establish the CEFC enacted
	AUG Inaugural Independent Board Appointed
	DEC Board Appoints Inaugural CEO
2013	APR CEFC is officially created as a company
	JUL First investment completed

# CEFC INVESTMENT COMMITMENTS \$5.3B

**FY18**

110+ DIRECT INVESTMENT

5,500+ SMALLER SCALE PROJECTS



# INVESTING TO DELIVER POSITIVE RETURNS



## EMISSIONS REDUCTION

Will the project  
deliver a significant  
reduction in carbon  
emissions?

## FINANCIAL OUTCOMES

Is there a positive  
risk adjusted return,  
reflecting yield and  
risk profile?

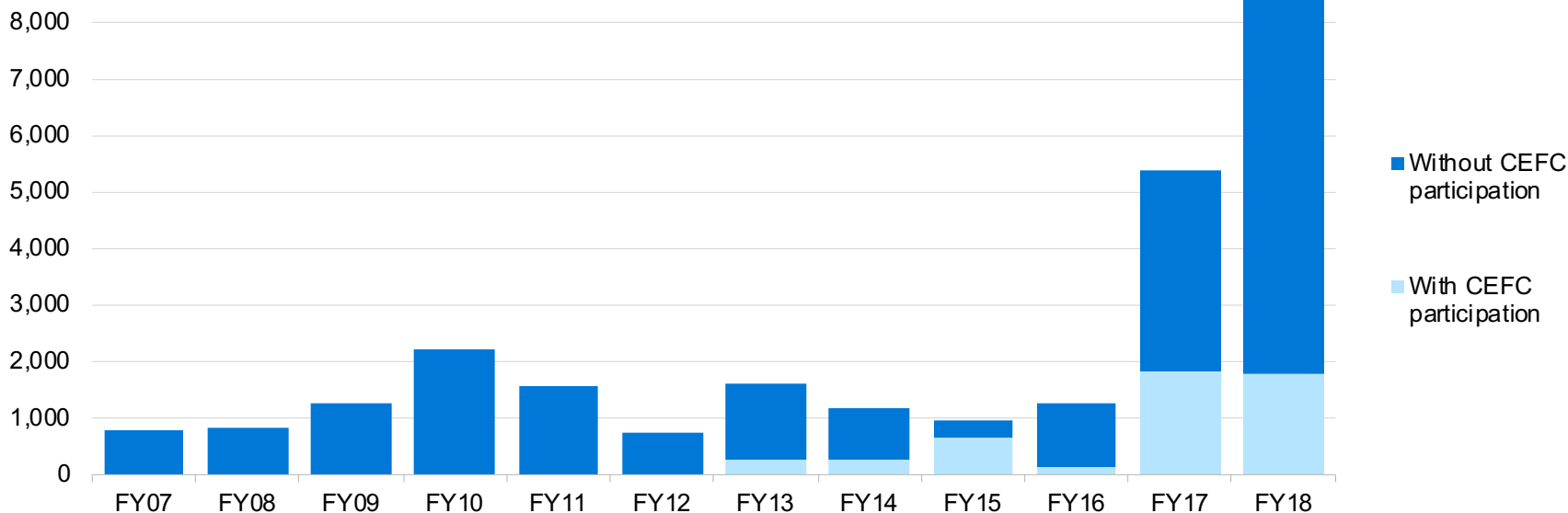
## MARKET IMPACT

Will the project drive  
other investments and  
leverage additional  
capital?

# CONSISTENT CEFC SUPPORT BACKS MARKET TAKE OFF

## AUSTRALIAN RENEWABLE ENERGY INVESTMENT

AUD million

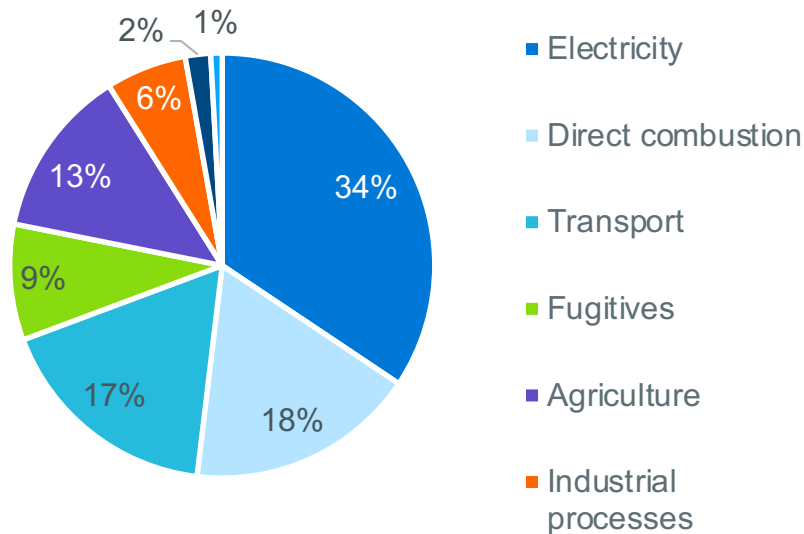


Source: Bloomberg New Energy Finance

Note: Large-scale renewable energy asset financing only; CEFC commenced investment commitments on 28 June 2013.

# AUSTRALIA'S EMISSIONS PROFILE

AUSTRALIA'S EMISSIONS 2017



Nearly **70% of emissions** come from the combustion of fossil fuels used to

- **generate electricity**
- **create heat** (direct combustion) or
- **power vehicles** (transport).

Source Data: Department of the Environment & Energy, Australia's emissions projections 2017



# PATHWAYS TO DECARBONISATION



## PRODUCE **LOW CARBON** ELECTRICITY

Transition to zero carbon electricity sources such as solar, wind and more hydro



## USE **ENERGY** MORE **EFFICIENTLY**

Choose assets and equipment that uses less energy to get more out of the energy used – particularly in areas such as buildings, industry, transport and infrastructure



## SWITCH TO **ELECTRICITY & CLEANER FUELS**

Switch as many energy-using activities to electricity (powered by clean energy) and everything else switches to low emissions alternatives (e.g. biofuels)



## REDUCE NON **ENERGY EMISSIONS**

Reduce these emissions through process improvements, CCS in industry, material switching and offset residual emissions through bio-sequestration

Source: ClimateWorks

# EMISSIONS SOURCES & PATHWAYS TO DECARBONISATION



PRODUCE **LOW  
CARBON  
ELECTRICITY**



USE **ENERGY  
MORE  
EFFICIENTLY**

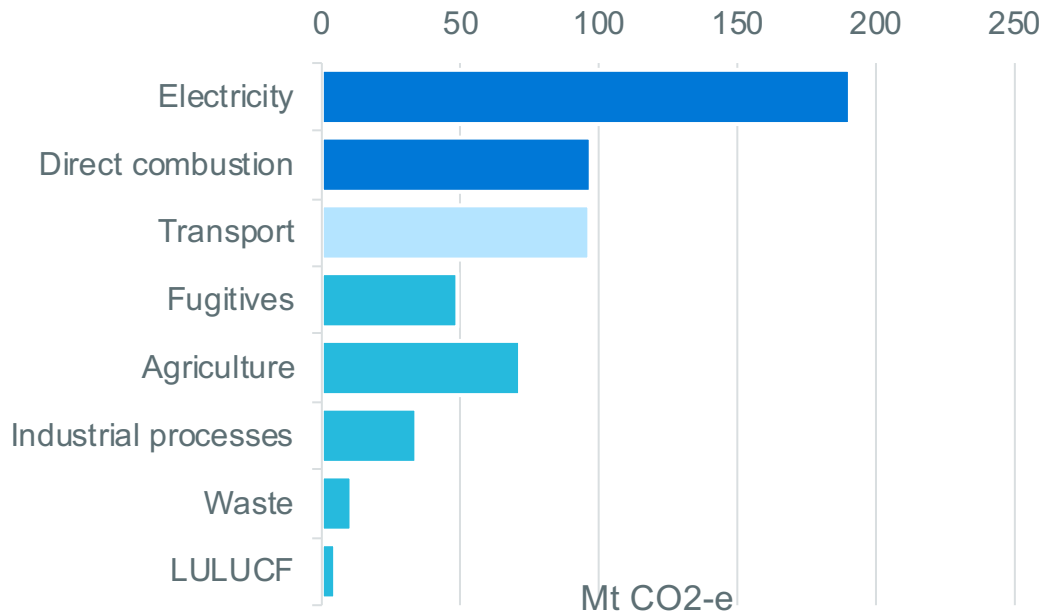


SWITCH TO  
**ELECTRICITY &  
CLEANER FUELS**

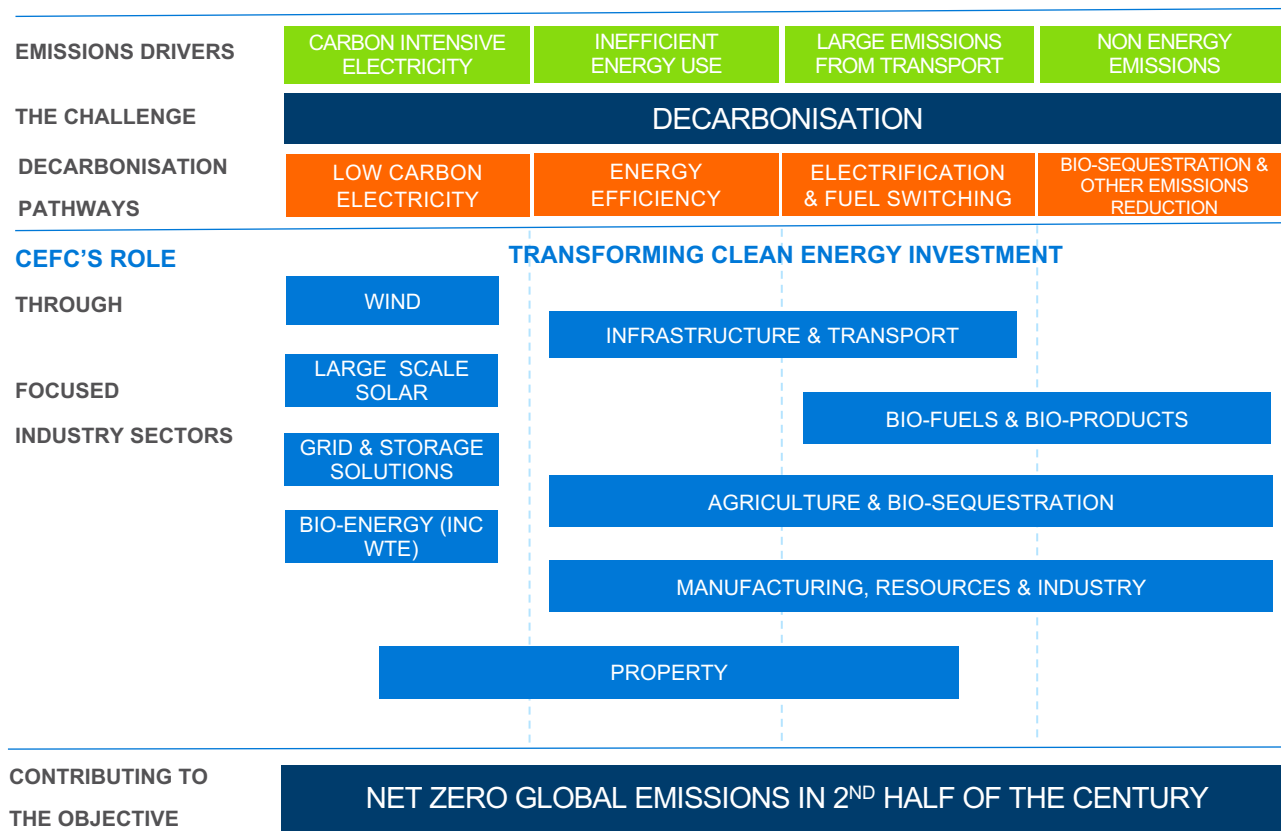


REDUCE NON  
ENERGY  
**EMISSIONS**

AUSTRALIA'S EMISSIONS SOURCES 2017



# STRATEGIC ORIGINATION FRAMEWORK



# MULTIPLE SOURCES OF CAPITAL



## CEFC DIRECT

Our direct investments can include both debt products and equity investments, or a combination of both.



## DEBT MARKETS

We support smaller-scale clean energy projects alongside co-financiers, as well as invest in climate bonds.



## INVESTMENT FUNDS

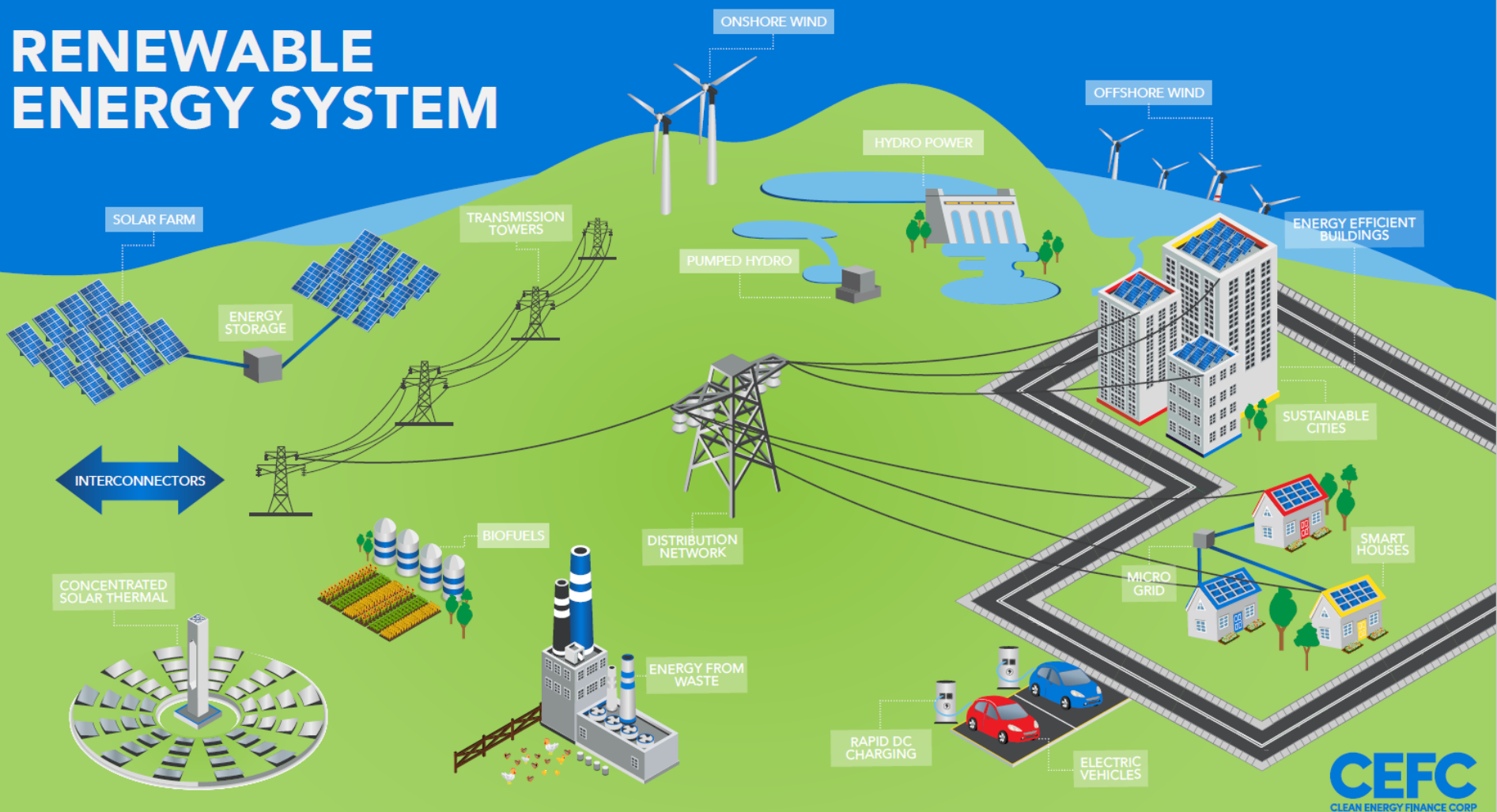
We invest in major clean energy projects together with other investment funds in order to catalyse additional investment.



## INNOVATION FUND

We invest in innovative technologies and businesses that benefit from growth or early stage capital.

# RENEWABLE ENERGY SYSTEM



# THE NUMBERS - CEFC INVESTMENT OUTCOMES

## CONTRIBUTING TO LOWER EMISSIONS

### FY18 COMMITMENTS

**\$2.3B**

NEW INVESTMENT  
COMMITMENTS

**39**

DIRECT  
INVESTMENTS

**\$1.80:\$1.00**

PRIVATE SECTOR  
LEVERAGE

### FY18 TECHNOLOGIES

**\$1.1B**

RENEWABLE ENERGY

**\$939M**

ENERGY EFFICIENCY

**\$100M**

TRANSPORT

**\$127M**

WASTE, BIOENERGY

### CEFC PORTFOLIO

**\$5.3B**

COMMITMENTS\*

**110+**

DIRECT INVESTMENTS

**5,500+**

SMALLER SCALE  
PROJECTS

**9+**

INNOVATION COMPANIES

### PORTFOLIO IMPACT

**10.8M tCO<sub>2</sub>-e**

ANNUAL ABATEMENT EST

**190M tCO<sub>2</sub>-e**

LIFETIME ABATEMENT EST

**2,400MW**

RENEWABLE ENERGY

**20+**

SOLAR FARMS

**10+**

WIND FARMS



\*After allowing for new investments in each year, minus loans fully amortised, repaid or exited, and expired or cancelled undrawn commitments, at 30 June 2018.

# CEFC

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**TRANSFORMING  
CLEAN ENERGY  
INVESTMENT**

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