

CEFC commitment to landmark Australian Bioenergy Fund

CEFC provides cornerstone commitment of \$100 million

AUSTRALIAN BIOENERGY FUND

The CEFC is providing up to \$100 million as a cornerstone investment in a new equity fund for bioenergy and energy from waste. The fund is set to benefit a broad cross-section of the economy including local government, mining, forestry and agriculture.

The Australian Bioenergy Fund, managed by Foresight Group ("Foresight") is targeting equity investments in projects from \$2 million to \$100 million, ranging from small-scale anaerobic digestion to mid-scale energy from waste developments.

Converting waste from agricultural production, mining, forestry and landfill has the potential to lower business operating costs, reduce the reliance on grid electricity and create a more sustainable way to manage waste disposal.

"We see this new fund as playing an important role in accelerating and widening the market uptake of bioenergy and energy from waste technologies that have a proven track record overseas but are not yet widely deployed in Australia's energy mix."

Oliver Yates
CEO, Clean Energy Finance Corporation



Agricultural waste is a good feedstock for biogas generation

AREAS OF FOCUS

The Australian Bioenergy Fund will invest in a range of technologies including:

- energy from agricultural waste
- anaerobic digestion, where micro-organisms break down biodegradable material in the absence of oxygen
- sustainably sourced biomass to energy projects, such as plantation timber residues and sawmill waste
- landfill gas capture and destruction
- wood pelletisation, where forestry plantation waste is converted into pellets that can be burned as fuel
- production of biofuels

CEFC INVESTMENT

The CEFC's cornerstone commitment to the Australian Bioenergy Fund is designed to help accelerate and widen the market uptake of bioenergy and energy from waste technologies that have a proven track record overseas but are not yet widely deployed in Australia's energy mix.

The Australian Bioenergy Fund is targeting additional private sector equity investment of more than \$100 million to complement the CEFC's \$100 million cornerstone commitment.

"Having seen the success of similar funds mandated to invest in waste in the UK, Foresight is well positioned to implement a similar strategy in Australia where the market already has a strong appetite for investment in renewable energy."

Nigel Aitchison
Partner, Foresight Group

THE BIOENERGY POTENTIAL

The bioenergy sector in Australia currently represents 0.9 per cent of Australia's electricity output, which is well below the OECD average of 2.4 per cent.

The CEFC's report *The Australian bioenergy and energy from waste market* has identified up to 800MW of new generation capacity, valued at between \$3.5 billion and \$5 billion, which could be developed in Australia by 2020. This could potentially avoid more than 9 million tonnes of carbon emissions annually.

The estimates are well supported by the CEFC's own bioenergy sector pipeline of around \$3 billion in projects.



Foresight's Birmingham Biopower Ltd gasification combined heat and power plant in England

SECURING PRIVATE SECTOR EQUITY INTEREST

The CEFC, working with Foresight, is aiming to accelerate the development of the bioenergy sector in Australia by demonstrating the potential for proven technologies to provide benefits to Australian businesses.

Much of the opportunity in the sector consists of small-scale operations that to date have found it difficult to attract institutional investors, due to the lack of proven operational demonstration projects and finance experience of the technology in Australia.

By creating the equity fund of more than \$200 million, the CEFC is looking to draw in private sector equity investors who recognise the bioenergy sector's potential. Foresight will bring additional management and operational expertise to the Australian bioenergy sector to grow and manage the fund.



Ground work preparation for Foresight's Levenseat Renewables Ltd energy from waste and materials recycling facility in Scotland



The CEFC market report: *The Australian bioenergy and energy from waste market*, identified a potential investment opportunity of between \$3.5 billion and \$5 billion in the period to 2020 in energy from urban waste, agricultural waste and plantation forest residues.

With electricity from landfill gas having one of the lowest costs of all energy sources, this is an important area for local government. In addition, agribusiness operators can look to bioenergy as a means of creating onsite generation from waste, significantly reducing energy costs and increasing economic competitiveness.

ACCELERATING AUSTRALIA'S

INVESTMENT SUPPORT

— FOR —

BIOENERGY

— AND —

ENERGY FROM WASTE

CEFC BIOENERGY COMMITMENTS



A 2MW biogas plant processing organic waste for Western Australian-based garden products business Richgro



An anaerobic digestion plant at Darling Downs Fresh Eggs in Queensland



An expansion of Landfill Gas Industries' waste to energy operations in Queensland



A biogas facility for meat processor JBS Australia in Queensland



Gasification technology for New Energy Corporation in Western Australia



Expansion of power station generating electricity from waste coalmine gas for EDL in Queensland

Learn more about these projects at www.cleanenergyfinancecorp.com.au



Foresight's ERE Developments Ltd combined heat and power plant using waste wood in Northern Ireland



Foresight Group ("Foresight") is a leading UK independent Infrastructure and Private Equity investment manager established in 1984. It has \$3.25 billion of assets under management and boasts one of the UK's leading environmental infrastructure investment teams comprising 12 investment professionals.

This team has led investment into more than \$1 billion of energy from waste and recycling projects across the UK, in various stages of construction, commissioning and operations, including London's first fully operational utility scale AD plant and large scale waste wood combustion plants in the North West of England, Scotland and Northern Ireland.

Foresight manages the Foresight Environment Fund and two funds on behalf of the UK Green Investment Bank; UK Waste Resources and Energy Investment Fund ("UKWREI") and Recycling and Waste LP ("RAW"). Foresight has also recently launched a new Biomass platform, Bioenergy Infrastructure Group ("BIG") with co-investment from other UK environmental players.

As part of its agreement with the CEFC, Foresight will establish an office in Sydney for its Australian investments.

The Clean Energy Finance Corporation

(CEFC) invests using a commercial approach to overcome market barriers and mobilise investment in renewable energy, energy efficiency and low emissions technologies.

Since its inception, the CEFC has committed over \$1.4 billion in finance to investments in clean energy projects valued at over \$3.5 billion.

The CEFC invests for a positive financial return, with more than 55 direct investments and 34 projects co-financed under aggregation programs. These projects help to improve energy productivity for businesses across Australia, develop local industries and generate new employment opportunities.

The CEFC operates under the *Clean Energy Finance Corporation Act 2012*. More information is available on our website www.cleanenergyfinancecorp.com.au

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