CEFC SUPPORT FOR CLEAN ENERGY PROJECTS
**Presenters**

**Daniel Baird**

Director, Corporate Finance

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Daniel is a senior commercially focused finance executive, having developed skills and gained experience working in various finance, investment, treasury, accounting and business development roles over 20 years in capital intensive organisations.

Currently in the broad role Director Corporate Finance, Daniel has responsibility for all managing corporate finance (treasury, capital planning, infrastructure and financial investment) activities for the University of Melbourne.

**Danielle Rostan-Herbert**

Sustainability and Environmental Services Manager

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Danielle is a highly motivated manager with over seventeen years of experience, knowledge and passion in the Environment and Sustainability sector. Danielle has achievements in strategic planning and delivery, budget savings and stakeholder engagement.

Danielle currently has a responsibility for University-wide targets to reduce energy, carbon, water and waste. She has produced a Sustainability Implementation plan which will engage and empower staff, students and the community on Sustainability issues.
SUSTAINABLE CAMPUS

The University of Melbourne

- **Founded in 1853**, it’s the second oldest University in Australia
- **58,000 students and staff**
- **The number one university in Australia**, and 44 in the world, according to the Academic Ranking of World Universities (ARWU)
- **Ranked as 33** by the Times Higher Education (THE) and 32 by the US News & World Report rankings
Growing Esteem

• Environmental and social sustainability
• Significant reduction in carbon emissions and water and energy consumption
• A key focus will be on further energy reduction and transitioning our energy supply to renewable energy sources
SUSTAINABLE CAMPUS
Sustainability Charter/Plan 2016 - 2020

Sustainability Charter
Enduring visions and principles

Sustainability Plan
Priority, goals and actions

Sustainability Report
Annual performance progress

sustainablecampus.unimelb.edu.au
Energy & Carbon Emissions

Since 2008 the University has:

• Implemented 300 energy reduction projects at a cost of $9.07M. Including 210 kW of solar panels and more than 5,800 LED light replacements.

• Achieved annual reductions of 33,000 tonnes of CO2, (over 200,000 tCO2e in total)

• Reached annual savings from these projects of $3.13M
Sustainable Campus

The new CEFC financing - $9.1 million loan will:

I. Reduce emissions by over 9,000 t CO2-e per year

II. Fund renewable generation and energy efficiency projects on campus

III. Save the University $900,000 per year
SUSTAINABLE CAMPUS
CEFC Project Overview

Categorization:
- **Concept Development**
  - 2012 – 2013
- **Detailed Development**
  - 2014 – 2015
- **Delivery**
  - Jan 2016 – Dec 2018
- **Operation**
  - Jan 2018 – Dec 2026
**SUSTAINABLE CAMPUS**

**CEFC Projects Overview**

**Borrower:** University of Melbourne

**Lender:** Clean Energy Finance Corporation

**Loan:** $9.1m amortising fixed rate loan

**Duration:** 11 years - final repayment due December 2026

**Other T&Cs:** standard project and corporate financing T&Cs

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**CEFC Projects Overview**

- **Solar PV:** $3.4
- **Voltage Optimisation:** $3.2
- **Efficient Freezers:** $0.4
- **Micro Wind:** $0.4
- **Solar Thermal:** $0.6

**Energy Impact MWh p.a.**

**Carbon Impact tCO2 p.a.**

**Est. Cost $millions**
## CEFC Projects Overview

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<tbody>
<tr>
<td>Solar PV</td>
<td>2,222</td>
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<td>Voltage Optimisation</td>
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<td>Efficient Freezers</td>
<td>578</td>
<td>682</td>
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<tr>
<td>Micro Wind</td>
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<td>Solar Thermal</td>
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<td><strong>TOTALS</strong></td>
<td><strong>7,752</strong></td>
<td><strong>9,147</strong></td>
<td><strong>9.1</strong></td>
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SUSTAINABLE CAMPUS

Project Stages

Identification
Early 2014 to mid 2014
• Project identification and definition - technology, scale and site selection

Development
Mid 2014 to 2015
• Technical feasibility - any technical issues, capital and O&M cost estimates and energy generation and/or savings forecasts.
• Commercial feasibility - forward energy prices, forecast savings by undertaking the project/s.
• Independent expert report/s - confirming technical and commercial feasibility
• Financial feasibility - do they meet internal investment hurdles
• Project approval - internal and external approval processes

Delivery
Jan 2016 to Dec 2018
• Completion of financing condition precedents
• Delivery contract/s tender process
• Project delivering management, monitoring and reporting
• Finance drawdown phase - interest only period during construction

Operation
Jan 2018 to Dec 2026
• Operations & Maintenance
• Finance repayment phase - Principal & interest
1. **Engagement**
   University of Melbourne contacted CEFC for funding

2. **Acceptance**
   Project funding eligibility accepted and draft term sheet issued by CEFC

3. **Negotiation**
   Draft term sheet negotiated with CEFC

4. **Approvals**
   CEFC sought credit approval and the University sought relevant internal approvals

5. **Documentation**
   Legal counsel engaged and terms sheet is documented into loan facility agreement

6. **Execution**
   Financing documentation executed

7. **Disbursement**
   Satisfaction of conditions precedent to achieve debt drawdown
Official Announcement of the Funding

Announcement of a $9.1 million loan from the Clean Energy Finance Corporation, which will go towards a number of energy reduction and generation projects.

The University’s Allan Tait, Vice-Principal Administration & Finance and Chief Financial Officer (Chair, Sustainability Executive) with Federal Environment Minister Greg Hunt. Photo: Paul Burston.