

# CEFC and Commonwealth Bank finance for manufacturing

**CEFC and Commonwealth Bank each to provide \$50 million finance for \$100 million investment in energy efficiency projects**

## SUMMARY

The Clean Energy Finance Corporation (CEFC) and Commonwealth Bank are financing loans tailored for businesses wanting to save on energy costs.

The CEFC and Commonwealth Bank have established a Master Funded Participation Agreement (MFPA) to co-finance energy efficiency, low emissions technology and small-scale renewable projects. The CEFC investment commitment is \$50 million which is matched by funding from Commonwealth Bank.

The product, known as the Energy Efficient Loan, typically ranges from \$500,000 to \$5 million, or upwards. All loans are assessed under CEFC project eligibility criteria.

## PROJECT IMPACT

**Energy Efficient Loan supports businesses to lower energy costs**

The Energy Efficient Loan is designed to help businesses, particularly those from the manufacturing sector, upgrade equipment to reduce energy costs. The loan can be used to finance up to 100 per cent of purchase price and allows businesses to preserve working capital for other purposes. The equipment being financed acts as security for the loan and loan terms can be aligned to the effective life of the equipment.

**Wide array of energy saving technologies covered**

These include, but are not limited to: energy efficient lighting, industrial refrigeration, methane capture, heat exchangers, energy efficient motors, pumps and fans, solar panels, compressed air and variable speed drives, cogeneration and tri-generation plants.



### CASE STUDIES

#### Tri-generation savings for food manufacturer

Wodonga Rendering and Wodonga Abattoirs, which process over 25,000 tonnes of cattle, sheep and goat meat annually and export to the US, Asia and the Middle East, are installing a natural-gas tri-generation plant. The plant will reduce the businesses' grid electricity use and carbon emissions by about one third by supplying electricity, hot water and steam.

Half of the \$4 million project cost was financed by a Commonwealth Bank Energy Efficient Loan, co-financed by the CEFC, and the Victorian Government's Regional Growth Fund is providing funding of \$1 million and the Australian Government's Clean Technology Investment Program is providing a grant for a similar amount.



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*Businesses looking to improve productivity by using innovations such as tri-generation will not only lower energy costs, but also reduce carbon emissions.*

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"This clean energy finance for manufacturers and other sectors is at a scale that simply hasn't existed before. In an environment of rising energy prices and a high Australian dollar, we are helping businesses to improve their energy productivity, transform energy use and reduce costs, so they can better position themselves in a low carbon economy."

**Oliver Yates**  
CEO, Clean Energy Finance Corporation

#### Plastic products manufacturer halves energy use

Global Roto-Moulding Pty Ltd, a large national plastic manufacturer with factories in Victoria and Queensland, makes engineered plastic products such as tanks, children's playground equipment and custom-moulded machine parts. It makes around 1,000 products for key industrial sectors including agriculture, infrastructure, mining, industrial and domestic markets.



Global Roto-Moulding is installing new generation Reinhardt ovens that will help it retain its competitive edge while operating in an environmentally responsible manner. The new ovens are expected to more than halve the company's oven energy use and reduce carbon emissions intensity by 47.9 per cent.

Global Roto-Moulding is financing the \$900,000 cost of the project through the Commonwealth Bank's Energy Efficient Loan program, co-financed by the CEFC, and an Australian Government Clean Technology Investment Program grant for \$449,800.



### Chestnut grower cuts refrigeration costs

Nightingale Bros Pty Ltd is an apple and chestnut grower with 240 hectares of orchards in Victoria and New South Wales, employing around 250 people. They supply about 20 per cent of Australia's total chestnut production and have been growing Alpine apples in Wandiligong for 60 years.

Nightingale Bros is replacing its old refrigeration plant with a new ammonia-based system that has lower energy consumption. This followed an energy audit by MINUS40, a CEFC strategic alliance partner. The new technology will reduce its energy costs by just under 40 per cent, and cut carbon emissions by about 488 tonnes a year.

Nightingale Bros used finance through the Commonwealth Bank's Energy Efficient Loan product, co-financed by the CEFC, to carry out the \$1.2 million upgrade.

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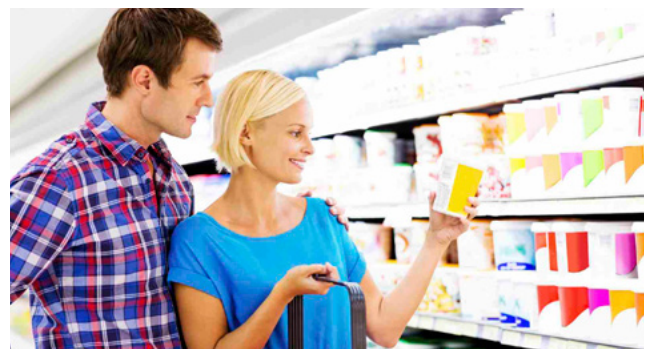
*Energy efficiency equipment keeps costs down and offers a broader range of higher quality printed products and more environmentally friendly options.*

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### Energy efficiency gains for labeller

Labelmakers provides label printing services for some of the nation's best known consumer brands with manufacturing sites in Victoria and Western Australia. Labelmakers installed three new energy efficient presses costing \$5.5 million, which operate at twice the speed, using half the energy of the company's old presses. The new presses reduce energy costs by 14 per cent per year and carbon emissions onsite by a similar amount. They also create substantial operational savings through reduced paper wastage and the use of cheaper solvent-based inks.

The upgrade to Labelmakers' presses, financed by Commonwealth Bank and Low Carbon Australia, now the CEFC, also received a grant for one third of the cost through the Australian Government's Clean Technology Investment Program.



### Coolstores reduce energy costs

Family owned and operated business Radevski Coolstores is a major Goulburn Valley supplier of apples and pears to Coles supermarkets. Increasing energy and refrigerant prices have significantly increased the business' operating costs.

A new ammonia-based refrigeration system carried out by refrigeration engineering and design consultants, MINUS40, (a CEFC strategic alliance partner), services its 16 cool rooms and reduces those costs by over \$140,000 a year, and carbon emissions by about one quarter.

Financed through Low Carbon Australia, now the CEFC, and Commonwealth Bank, the \$1.15 million refrigeration upgrade helps to future-proof the business and enable it to remain competitive in the domestic produce market.

"MINUS40 is pleased with the outcome of this efficiency project, which will help the client minimise the impact of rising energy bills and reduce operating costs, both clear ways of maintaining competitive advantage."

**Michael Bellstedt**  
*Principal and Director, MINUS40  
Refrigeration Engineering and  
Design Consultants*

*Successful Australian manufacturers are investing in energy efficiency to keep costs down and improve their competitiveness.*

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.

As at 30 June 2014, the CEFC has contracted investments of over \$900 million in projects with a total value of over \$3 billion. The CEFC invests for a positive return, with its more than 40 direct investments and 25 projects co-financed under aggregation programs expected to achieve an average financial yield of about 7 per cent.

When fully operational, these CEFC investments are expected to achieve abatement of 4.2 million tonnes of CO<sub>2</sub>e per annum with a positive net benefit to the taxpayer. They 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](http://www.cleanenergyfinancecorp.com.au)

Clean Energy Finance Corporation  
Suite 1702, 1 Bligh Street  
Sydney, NSW 2000 Australia  
ABN: 43 669 904 352

e [info@cleanenergyfinancecorp.com.au](mailto:info@cleanenergyfinancecorp.com.au)  
t 1300 002 332  
i +61 2 8039 0800  
[cleanenergyfinancecorp.com.au](http://cleanenergyfinancecorp.com.au)