



Joint Media Release

9 September, 2015

\$350m to kick start new large-scale solar projects

At least four, and as many as 10, new large scale solar farms will be built across Australia with the help of \$350 million in new funding initiatives announced today by the Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC).

ARENA today marked the start of its large scale solar competitive round, a \$100 million programme that is seeking bids from major solar PV project proponents for grants of up to \$30 million. Projects must have a minimum generation capacity of 5 MW (AC).

The CEFC has announced a complementary \$250 million large-scale solar financing programme, which will support projects with loan requirements of \$15 million or more, targeted at unlocking additional private sector investment in the large-scale solar sector.

The new CEFC financing initiative will provide successful ARENA grant recipients with the opportunity to secure long-term debt finance to support their projects.

The ARENA funding round aims to support the development of a further 200 MW of additional large scale solar capacity in Australia. Currently around 211 MW in solar capacity is being created at AGL's twin solar farms in Broken Hill and Nyngan and at the Moree Solar Farm. Smaller farms in Royalla (ACT) and Greenough River (WA) together have 30 MW of capacity.

ARENA anticipates the competitive funding round will lead to between four and 10 projects being funded.

ARENA CEO Ivor Frischknecht said the competitive ARENA funding round aimed to support a spread of projects, with the central aim of bringing down the cost of large-scale solar developments in Australia and achieving cost parity between large-scale solar and wind energy by 2020.

"Australia has huge natural advantages in this area: more sun than almost anywhere else and a solar R&D sector that is the envy of the world," Mr Frischknecht said.

“The funding round is about unlocking that capability to deploy large-scale solar farms across the nation. This will drive further innovation in the sector and create efficiencies in Australia’s solar PV supply chains.”

CEFC CEO Oliver Yates said the CEFC and ARENA finance would be transformative for the deployment of large-scale solar in Australia.

“While the costs of large-scale solar PV are decreasing, this financing boost will help Australian projects move down the cost curve, in line with international trends,” Mr Yates said.

“When fully deployed, the CEFC finance will be the single largest debt financing commitment to the Australian large-scale solar sector. The CEFC’s provision of fixed-rate longer-dated senior debt finance is designed to directly support the network of financiers, project suppliers and developers in the delivery of additional large-scale solar in Australia.”

ARENA and the CEFC have supported a number of large-scale solar PV projects, which are either already generating power, or for which first-generation is imminent.

AGL’s project at Broken Hill and Nyngan (supported by ARENA) is already grid-connected at Nyngan and generating electricity. When fully operational it will have a 155 MW capacity. The 56 MW Moree Solar farm (supported by both the CEFC and ARENA) is expected to come on line early next year.

Together the two projects created 550 direct construction jobs, will have 2.2 million panels and power 65,000 homes when fully operational.

Construction is also underway on Australia’s largest solar and battery storage project to date, at the Sandfire Resources DeGrussa copper mine in Western Australia. It is also supported by both CEFC and ARENA.

“By working closely with ARENA, and investing alongside private sector co-investors to bridge the financing gap for projects that make commercial sense, we’re seeking to build Australia’s expertise in solar and bring down development costs,” Mr Yates said.

“Projects seeking funding from ARENA and debt finance from the CEFC will benefit from our organisations working together during each stage of the application process, to minimise transaction and due diligence time and costs,” Mr Frischknecht said.

Applications for funding for large-scale solar projects from ARENA and finance from the CEFC open this month. For more details go to www.arena.gov.au/large-scale-solar-pv and www.cleanenergyfinancecorp.com.au.

About ARENA

ARENA was established by the Australian Government to make renewable energy technologies more affordable and increase the amount of renewable energy used in Australia. ARENA invests in renewable energy projects, supports research and development activities, boosts job creation and industry development, and increases knowledge about renewable energy. ARENA is currently supporting more than 200 projects and is actively seeking new projects to support.

About the CEFC

The 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 programmes. These projects help to improve energy productivity for businesses across Australia, develop local industries and generate new employment opportunities. When fully operational these projects are expected to achieve abatement of 4.2 million tonnes of CO₂e per annum with a positive net benefit to the taxpayer. The CEFC operates under the *Clean Energy Finance Corporation Act 2012*.