

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

2014 – 2015

**Department/Agency: CEFC**

**Question: AET 16**

**Topic: Portland Wind Energy Project**

**Reference: Hansard page no. 42 - 25 February 2015**

**Senator: Madigan, John**

**Question:**

Senator MADIGAN: Mr Yates, what procedures and processes led to the CEFC's decision to provide \$70 million in debt financing to Pacific Hydro for its Portland wind energy project, enabling Pacific Hydro to construct stage 4 of the project and develop a retail business for renewable energy? Would you be able to enlighten us on who approached the CEFC and requested the financial assistance on behalf of Pacific Hydro, whom it was pitched by and who were involved? I am happy for you to take the question on notice, if necessary.

Mr Yates: For the purposes of time, I am happy to take the question on notice. If you also would like me to answer it, I can, but it is a bit long-winded, if you like, for want of a better word. The only thing that I can say is that we actually have direct relationships with all of the energy producers; so we actually know them directly. There is no party in the middle, should you say, between us and Pac Hydro; we deal directly with the company in relation to any of their financing needs.

Senator MADIGAN: If you can take that on notice, I would appreciate it.

**Answer:**

In reply to the honourable Senator's first question, the CEFC's processes and approach to investment screening, selection and due diligence is detailed in the CEFC Investment Policies, available at <http://www.cleanenergyfinancecorp.com.au/what-we-do/investment-policies>. Chapter 5 describes the CEFC's investment strategy, including investment procedures and processes. Please note this document is presently under review by force of section 68(6) Clean Energy Finance Corporation Act 2012.

The CEFC undertook a technical and legal due diligence for this project. It did this in conjunction with the other syndicate lenders who based their respective investment decisions on the due diligence that had to be satisfied before funding was provided to the project.

In reply to the honourable Senator's second question, the CEFC operates like a bank. It does not hold advertised funding application rounds (like a grant-making body), but is open to taking funding applications at any time. Further the CEFC actively seeks out investment opportunity through regular stakeholder and industry engagement, both directly and indirectly to potential counterparties. Since the early days of the CEFC's operations in 2013, it has developed and maintained direct relationships with major energy producers, including Pacific Hydro.

The Portland Wind Farm financing opportunity was first brought to the CEFC's attention by Pacific Hydro (i.e. directly with no intermediary), during a meeting between senior management representatives of both organisations.