

08 December 2011

Clean Energy Finance Committee
Treasury Department
Canberra ACT 2600
Australia

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Dear Sir / Madam

Submission to the Clean Energy Finance Committee Expert Review

Energy Developments Limited (EDL) thanks the CEFC for the opportunity to submit to the CEFC Expert Review.

1. ABOUT EDL

EDL is an international provider of low emissions, renewable and remote energy. The Company currently owns and operates a diversified international portfolio of 79 power stations in Australia, the United States, Europe and the United Kingdom with a total capacity of over 690 MW from a range of fuel sources operating in four main areas:

- Landfill gas (LGF) power generation and abatement;
- Waste coal mine gas (WCMG) power generation and abatement;
- Remote energy generation; and
- Liquefied natural gas (LNG) and compressed natural gas (CNG) energy solutions.

EDL is involved in project development, finance, design, construction, operation and maintenance of international small scale power-generating and energy delivery projects.

The Company is one of Australia's largest, clean-energy companies listed on the Australian Securities Exchange (ASX).

ENE abates over 10 million tonnes CO₂-e per annum from its worldwide projects (see www.energydevelopments.com.au)

2. RESPONSES TO REQUEST FOR SUBMISSION

EDL provides the following responses to the questions raised in the CEFC's request for submissions.

1. How do you expect the CEFC to facilitate investment?

The CEFC could facilitate investment using a broad scope of investment options, including loans, equity investment and joint venture capital.

2. Are there principles beyond financial viability that could be used to prioritise investments, such as emissions impact or demonstration affect?

EDL submits that in addition to financial viability, investments should be prioritised by their verified greenhouse gas (GHG) emissions reduction impact per dollar invested. Using such objective measures as the primary methods to prioritise investment will assist in maintaining the CEFC's integrity and manage investment risks.

The CEFC should be cautious in applying subjective measures such as demonstration affect or likelihood of large scale application in making investment decisions. The CEFC could have an important role to play in commercialising new technologies but we submit the size of such investment must reflect the risks.

3. What are the opportunities for the CEFC to partner with other organisations to deliver its objectives?

EDL submits that the CEFC should only limit its opportunities to partner with other organisations by an objective assessment of the exposure to financial risk and objective GHG emissions reduction impact of such partnerships.

4. What experiences have firms in the clean energy sector had with trying to obtain finance; have term, cost or availability of funds been the inhibitor?

Current debt market conditions pose an obstacle to finance, however, these conditions affect all sectors. The CEFC could provide an alternative source of finance if current debt market conditions persist, subject always to the CEFC applying objective risk assessment criteria to prospective projects.

5. What non-financial factors inhibit clean energy projects?

Clean energy projects are most often long term investments. In most cases the business case for a clean energy project is based on a long term regulatory framework which provides the necessary financial support. Long term regulatory frameworks, and fair transitional measures when those frameworks change, are necessary to give confidence to investment in clean energy projects.

6. How do you see the CEFC fitting with other government initiatives on clean energy?

Investment from the CEFC could assist in reaching objectives of other government initiatives designed to reduce GHG emissions, provided that the CEFC applies objective risk assessment criteria to prospective projects, based on financial viability and verified greenhouse gas (GHG) emissions reduction impact per dollar invested.

Yours sincerely



Tim Sprey
Manager – Corporate & Commercial Affairs
Energy Developments Limited