

MEDIA RELEASE

CEFC finances Australia's push to net zero with Neoen



18 December 2024

CEFC finance is spearheading Australia's push to net zero emissions with a \$100 million investment in a Neoen portfolio of clean energy assets, covering an additional capacity of 1.3 GW of renewable energy generation and battery storage capacity at sites across the country to its existing portfolio.

The CEFC commitment will support the construction of three new assets to deliver a further 440 MWp of solar generation and 611 MW / 1,903 MWh of battery storage capacity:

- The 341 MW / 1,363 MWh Collie Battery Stage 2 to provide critical support for the WA energy grid, the South West Interconnected System (SWIS)
- The 270 MW / 540 MWh Western Downs Battery Stage 1 to support the integration of more renewable energy into the National Electricity Market (NEM)
- 440 MWp Culcairn Solar Farm in NSW, which is expected to create more than 400 construction jobs and generate enough energy to power 160,000 homes.

CEFC capital is now backing more than 2.3 GW in new battery capacity across nine projects Australia-wide and more than 6.2 GW of clean energy generation.

CEFC CEO Ian Learmonth said: "Long and short duration storage assets are critical to building an energy network fit for purpose in the 21st century, enabling Australia to capitalise on its abundant natural resources of wind and solar to decarbonise the grid.

"Australia's future low emissions economy depends on secure and reliable energy, and to achieve net zero emissions by 2050 that energy must be renewable. Our work with Neoen adds critical additional clean energy generation to its portfolio to further accelerate the clean energy transition.

"The new generation and storage assets financed by this investment will play a significant role in helping Australia achieve its national target of 82 per cent renewables by 2030."

Ian Learmonth
CEO, CEFC

Collie Battery Stage 2 is the second WA big battery to be financed by the CEFC with Neoen and continues its leading role in accelerating the delivery of large-scale battery energy storage. Together with Collie Battery Stage 1, it will have the ability to charge and discharge some 20 per cent of the average demand in the SWIS.

The development of Collie Battery Stages 1 and 2 is expected to deliver 150 construction jobs to the region. Collie Battery Stage 1 began operating ahead of schedule and has been delivering grid reliability services with AEMO since 1 October, 2024.

In addition, Neoen's Culcairn Solar Farm will deliver local benefits to the region worth some \$10 million over the lifetime of the project by funding a range of community benefit-sharing initiatives worth some \$300,000 a year.

The \$100 million investment is part of Neoen's portfolio financing, which includes 15 clean energy assets spanning wind, solar and battery storage with a combined renewable generation and battery storage capacity of some 2.9 GW. The portfolio includes Parkes, Griffith and Dubbo solar farms in NSW and the Kaban Green Power Hub in Queensland.

The CEFC commitment is part of a \$1.4 billion capital raise alongside financiers from Australia, Asia and Europe and includes international banks KfW IPEX-Bank, Mizuho, MUFG, SMBC, Societe Generale, Bank of China, The Hongkong & Shanghai Banking Corporation, ING, as well as ANZ and Westpac.

Neoen Australia's CEO Jean-Christophe Cheylus said: "We are delighted to announce this second tranche of our portfolio financing, and we extend our thanks to all our lenders for their continued trust and commitment. This transaction underlines the unique depth of our portfolio in Australia. It serves to strengthen our owner operator business model and provides us with a solid foundation for future growth."

Neoen is the largest renewable energy company in Australia with 4.3 GW of assets currently in operation or under construction. It has an extensive development pipeline, and a multi-billion dollar forward investment plan, with ambitions to have assets in each of its three technologies of solar, wind and battery storage in every state it operates in.

The investment comes as the Climate Change Authority (CCA) warns of the need to accelerate the development of clean energy assets. In its 2024 Annual Progress Report, the CCA urged an acceleration of wind, solar and battery storage projects to meet the 2030 reductions target of 43 per cent below 2005 levels.

"Accelerating the rate at which more renewables are brought online is essential for decarbonising Australia's electricity grid and preparing for the projected closure of up to 90 per cent of existing coal generation capacity over the next decade," the CCA said.

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