Catching the Wave
Trends in Renewable Energy Finance

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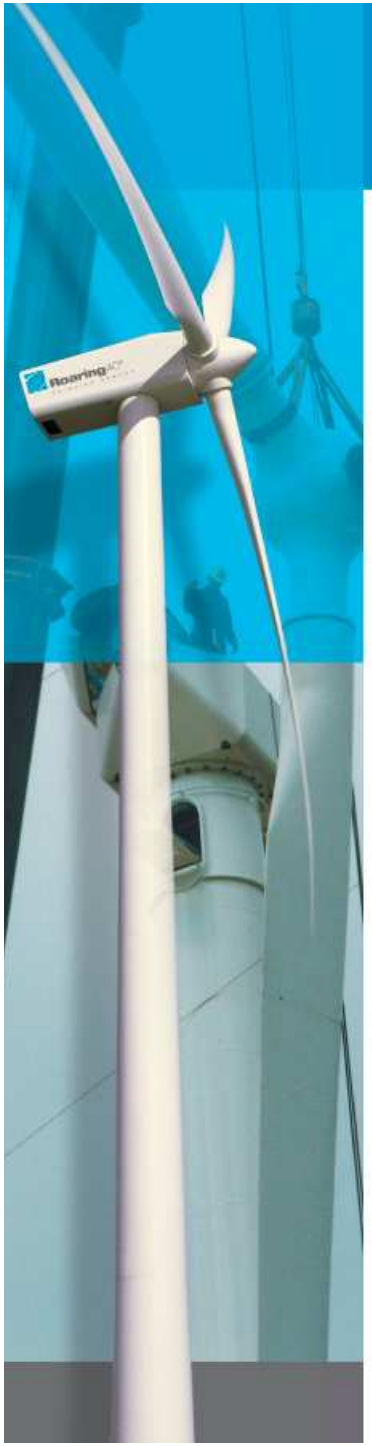
Chief Financial Officer

Roaring40s
THINKING ENERGY



Roaring 40s Background

- Company launched in October 2005
- Joint Venture (50/50) between Hydro Tasmania and CLP Group
- New business vehicle enabling global investment and partnership in renewable energy projects
- Project Developer, Investor and Asset Manager

Vision: To be the leading Renewable Energy Developer in Asia and Oceania

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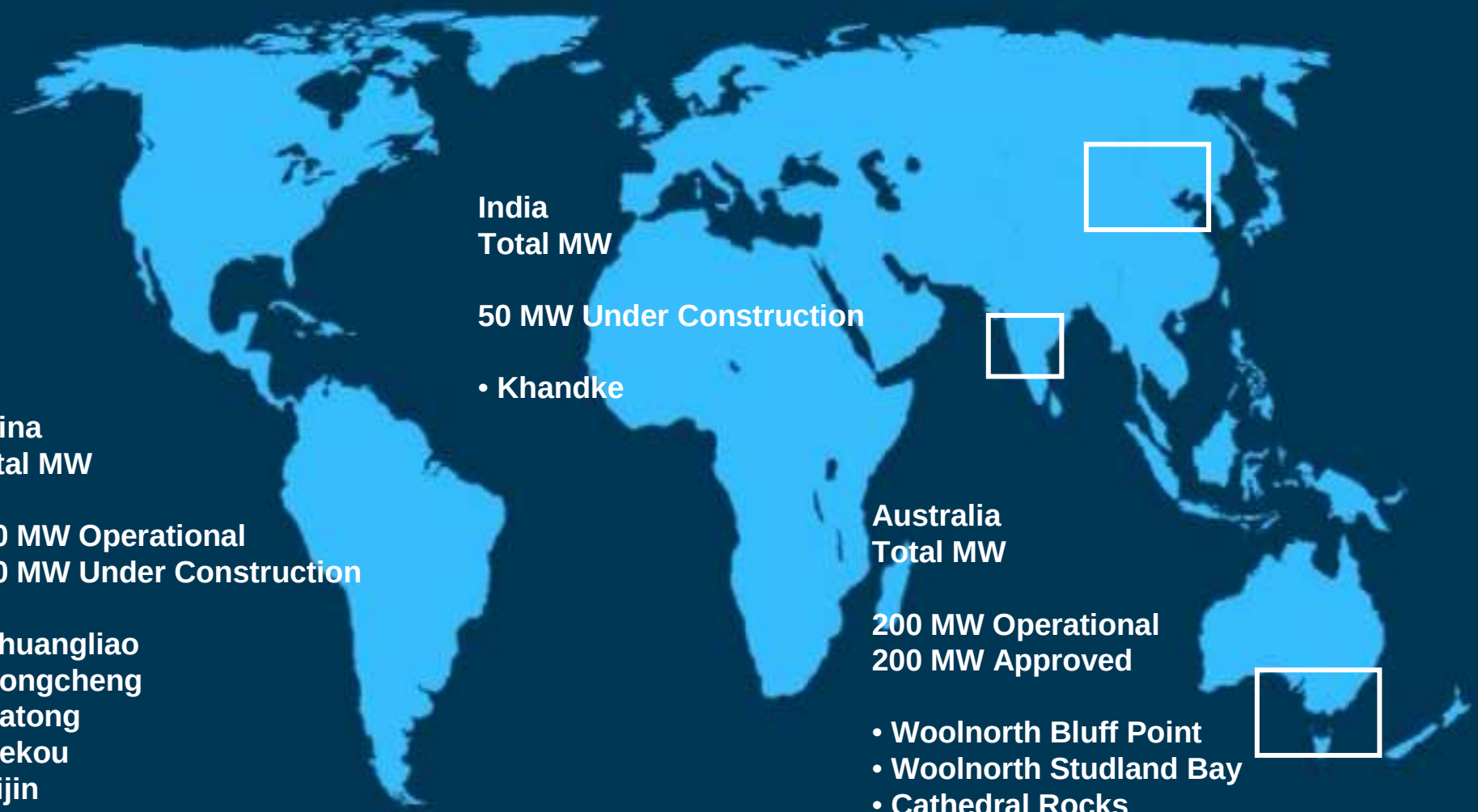

India
Total MW

50 MW Under Construction

- **Khandke**

China
Total MW

100 MW Operational
300 MW Under Construction

- **Shuangliao**
- **Rongcheng**
- **Datong**
- **Hekou**
- **Lijin**
- **Zhanhua**
- **Xiangyang**

Australia
Total MW

200 MW Operational
200 MW Approved

- **Woolnorth Bluff Point**
- **Woolnorth Studland Bay**
- **Cathedral Rocks**
- **Musselroe**
- **Waterloo**

Global Action – Policies and Targets

Global response to climate change has resulted in the widespread adoption of RE targets and emissions price signals

European Union

- 20% RE target at 2020
- Increase to 30% if international climate change policy (Kyoto post 2012) adopted

USA (California)

- Adopted *Global Warming Solutions Act 2006*
- Reduce GHG emissions by 25% by 2020
- Cap and Trade approach

Developing Nations

- China – 16% RE target at 2020
- India – 10% RE target at 2012

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Global Action – Policies and Targets

In addition to setting strong targets for RE, countries have adopted complementary measures to achieve low-cost abatement, including

- Feed-in Tariffs
- Green Credits (ROCs/RECs)
- RE Portfolio Standards
- Net Metering

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Wind Technology - Challenges

- Underpinned by strong RE targets and revenue-based policy support measures, wind energy is experiencing strong and sustained growth across the globe. However, there are 2 other critical inhibitors preventing the technology reaching maximum potential:

Grid and network issues

Planning approvals

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Financing Wind Projects

China

- "Name lending" with little due diligence
- Market is still evolving
- Inability to hedge interest rate

India

- ECB Ruling of 7th August
  - Difficult to fund off shore
- Strong appetite in Indian domestic market
- Difficult to lock in interest rates long term
  - Likely to be 3-5 year resets
- Bond market requires "credit wrapping"

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Financing Wind Projects

Australia

- Project Financing
- Need to be creative as the market is changing
- Banks are starting to understand merchant risk

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