



Investec wave energy deal a good omen

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THE \$250 million financing agreement provided by Investec Australia for Carnegie Corp's planned wave energy farm is firm evidence that funding is available for the right renewable energy projects. Investec is seeking to carve a niche in the renewable energy sector and has been an active lender and equity investor.

Investec has a joint venture with a CSIRO spin-off called Windlab Systems, which specialises in identifying good wind farm sites, and the two are developing a \$600 million, 200MW wind farm at Collgar in Western Australia. Investec has also warehoused assets for the Viridis Clean Energy fund, and has sold wind farm projects to Contact Energy in New Zealand and AGL and lent or taken equity interests in other renewable energy projects.

"The financing market is very tough, particularly debt finance," says Peter Mansfield, the head of project and infrastructure finance. "But if you've got



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a well-structured project with good off-take arrangements, then projects can still be done. We lend to green and other infrastructure projects that are a little more offbeat — a little less proven. It's more complicated, but we can extract higher returns as lender for those projects."

The Carnegie agreement — which is subject, among other criteria, to the company winning a grant under the Renewable Energy Demonstration Program — has been structured so that Investec is providing finance to a separate entity that will own the project. Mansfield says Investec has been talking to Carnegie for some time, along with other geothermal, wave and tidal energy developers, none of whom need bother to knock on the doors of the Big Four banks. "Renewable energy is a niche area and we are a niche specialist bank," Mansfield says. "It suits our risk appetite."