



Australian energy market weekly round up

Climate Capital Pty Ltd

7 June 2017

Melbourne | Hobart | Perth



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Energy market news and announcements



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Energy market news

- **Tesla announced as SA storage tender winner.** The 100MW/129MWh system will be configured along side the Hornsdale 3 wind farm using Tesla's PowerPack 2 commercial/utility unit.
- **Clean Energy Target will decrease power bills.** According to analysis undertaken by Reputex, a target inline with that recommended by the recently released Finkle report would lead to wholesale prices at ~\$60MWh.
- **University of Sydney issues RFP for 10-15 year bundled PPA.** UTS is seeking proposals from large-scale renewable energy projects currently under development to meet 40% - 50% of its current demand.
- **New data shows 1 in 4 houses in Australia have solar.** The findings published by Roy Morgan reveal homes and businesses were installing panels at a rate not seen since 2012 thanks to falling panel costs.
- **Construction commences at Bodangora wind farm.** The 113.2MW project, built by Infigen Ltd (ASX:IFN) is expected to be completed in H2 CY2018.
- **120MW solar farm announced in Merriidin, Western Australia.** The project is being developed by Stellata Energy and funded by its joint venture partner Ingenious, which has committed funding for a pipeline of projects with a value in excess of AU\$200 million.

Movers and shakers

- **The Australian energy sector total returns index** continued its negative trend down by 4.08% as compared to a 1.85% reduction for the month of May. Both the ASX200 and MSCI world index posted modest gains of 0.2% and 0.4% respectively since May.
- **Traded volumes** compared to the prior week remained stagnant. Carnegie Clean Energy's 7 day average traded volumes were up 152% compared to the previous week on the back of news of an unsuccessful proposal under the SA battery storage tender.
- **Spot LGC prices** hovered around the \$80 mark, dropping slightly to \$77.75 from \$78.30 the prior week (<1%).
- **Daily average wholesale electricity prices** were mixed across the NEM with South Australia remaining flat at \$135.98/MWh compared to the prior week (\$137.87).
- Prices in Victoria and Tasmania also experienced a 19% and 12% increase to around \$137/MWh compared to the prior week as a result of a week of low temperatures in the states.

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Listed domestic companies

Key highlights

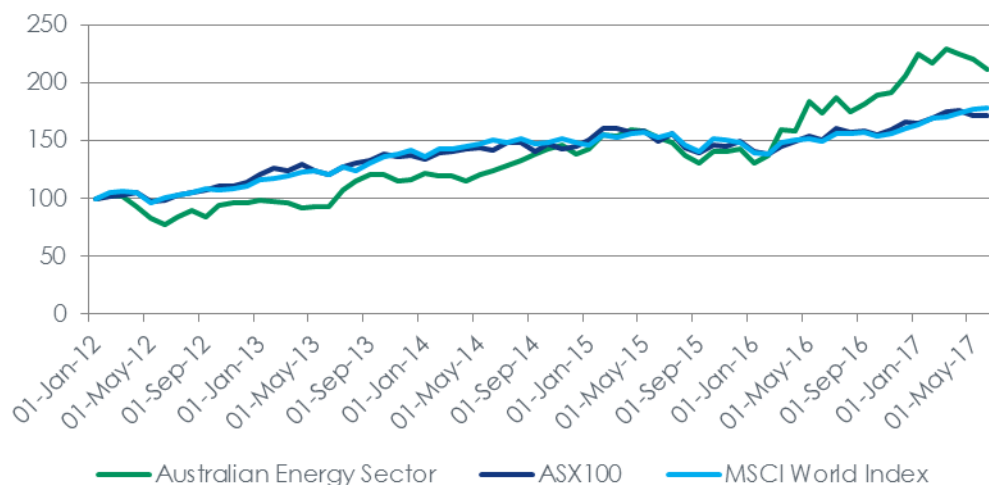
Listed domestic energy market stakeholders

Date: 06-Jul-17

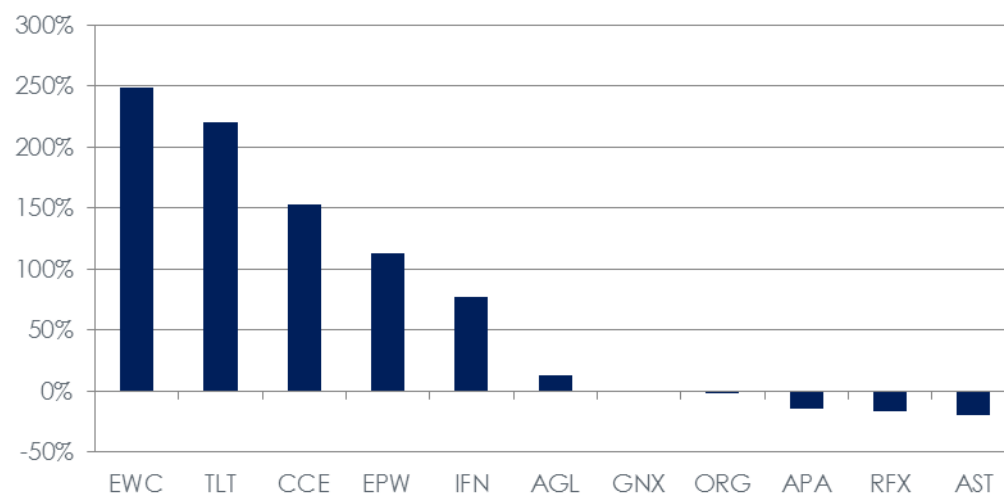
All dollar amounts are shown in AUD

Ticker	Name	Market Cap (\$m)	Price Change			Div. Yield (%)	Earnings per share (\$)		PE Ratio		EV/EBITDA		Net Debt EBITDA
			1Yr (%)	YTD (%)	1mo (%)		2017A	2018E	2017A	2018E	2017A	2018E	
AGL AU Equity	AGL ENERGY LTD	16,461.21	26.76	14.19	-0.38	3.48	1.18	1.47	46.2x	17.1x	15.9x	9.3x	2.2x
APA AU Equity	APA GROUP	10,218.20	-4.71	4.96	-3.69	4.89	0.21	0.24	46.6x	38.2x	14.0x	13.1x	6.8x
AST AU Equity	AUSNET SERVICES	6,137.63	4.45	7.09	0.75	5.41	0.07	0.07	23.7x	24.3x	11.6x	11.2x	5.9x
CCE AU Equity	CARNEGIE CLEAN ENERGY LTD	150.77	75.76	-4.92	3.57	n/a	n/a	n/a	n/a	n/a	71.8x	n/a	-1.4x
EPW AU Equity	ERM POWER LTD	314.62	37.09	-2.92	-2.54	5.61	-0.08	0.06	64.5x	21.8x	2.2x	2.7x	-0.5x
EW C AU Equity	ENERGY WORLD CORP LTD	641.64	82.50	40.38	-3.95	n/a	n/a	n/a	20.5x	n/a	9.8x	n/a	4.4x
GNX AU Equity	GENEX POWER LTD	67.63	48.65	5.71	9.30	n/a	-0.01	-0.01	n/a	n/a	n/a	56.6x	n/a
IFN AU Equity	INFIGEN ENERGY	722.20	-29.67	-12.09	-5.49	0.00	0.03	0.05	11.2x	16.9x	8.9x	9.0x	3.9x
ORG AU Equity	ORIGIN ENERGY LTD	12,217.12	22.52	4.86	-5.60	0.00	0.30	0.56	n/a	12.4x	n/a	7.1x	n/a
RFX AU Equity	REDFLOW LTD	63.17	-69.81	-44.83	-15.79	n/a	-0.03	0.00	n/a	n/a	n/a	592.4x	n/a
TLT NZ Equity	TILT RENEW ABLES LTD	621.29	n/a	7.22	0.97	3.08	-0.00	0.07	37.3x	30.0x	8.9x	8.6x	4.1x
Mean		4,328.68	19.35	1.79	-2.08	3.21	0.18	0.28	35.7x	23.0x	17.9x	78.9x	3.2x
Median		641.64	24.64	4.96	-2.54	3.48	0.03	0.07	37.3x	21.8x	10.7x	9.3x	4.0x

Aust. energy sector total returns over time (indexed to 100)



7 day average trade volume change (%)



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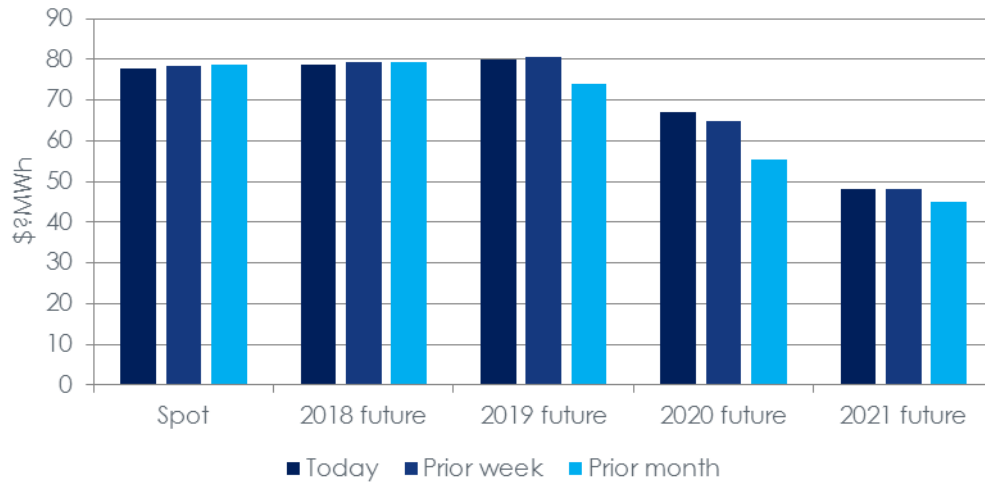


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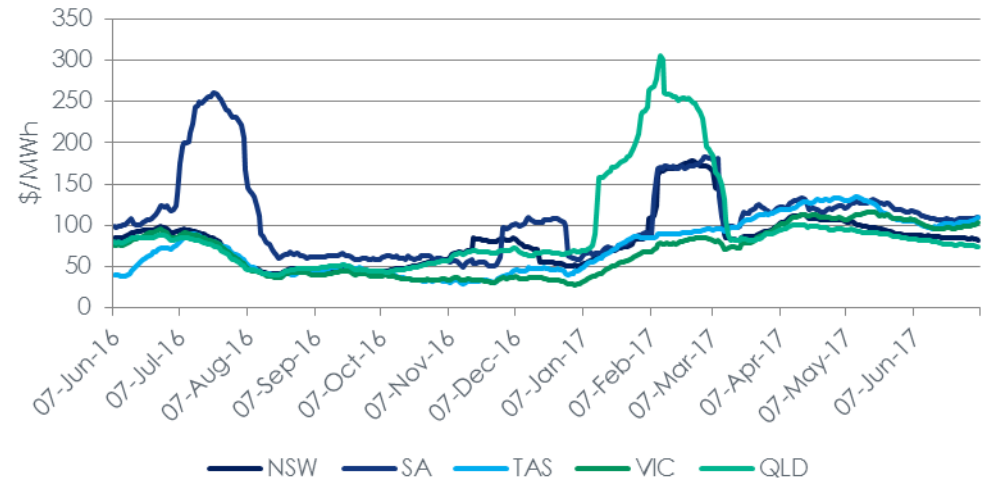
Energy markets

Key highlights

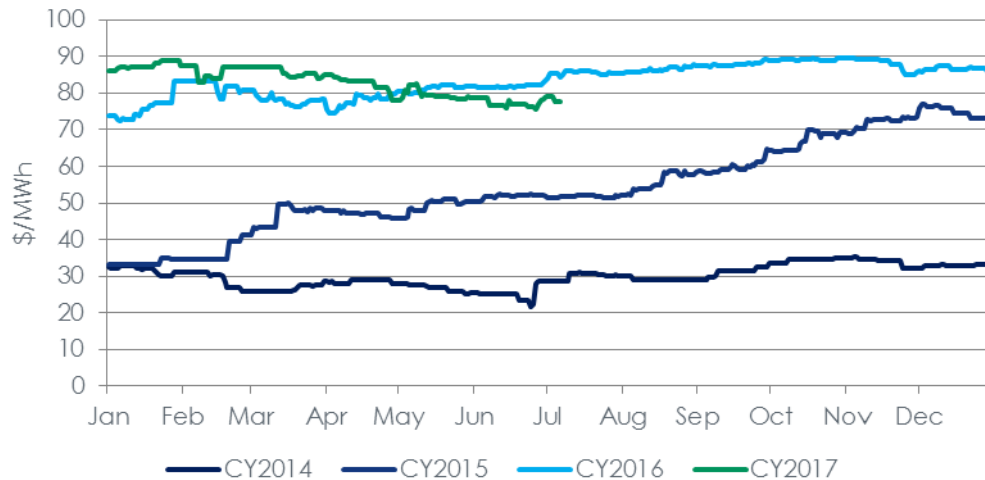
LGC spot and futures prices



30 day average wholesale electricity price



LGC spot price over time



Gas STTM cumulative price (ADL, BRIS, SYD avg)



Source: AEMO, Bloomberg, LLP

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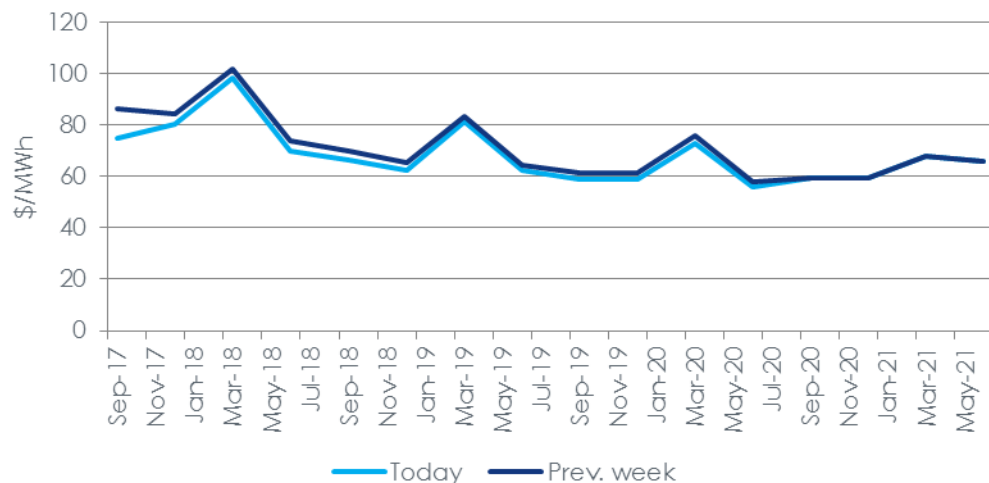


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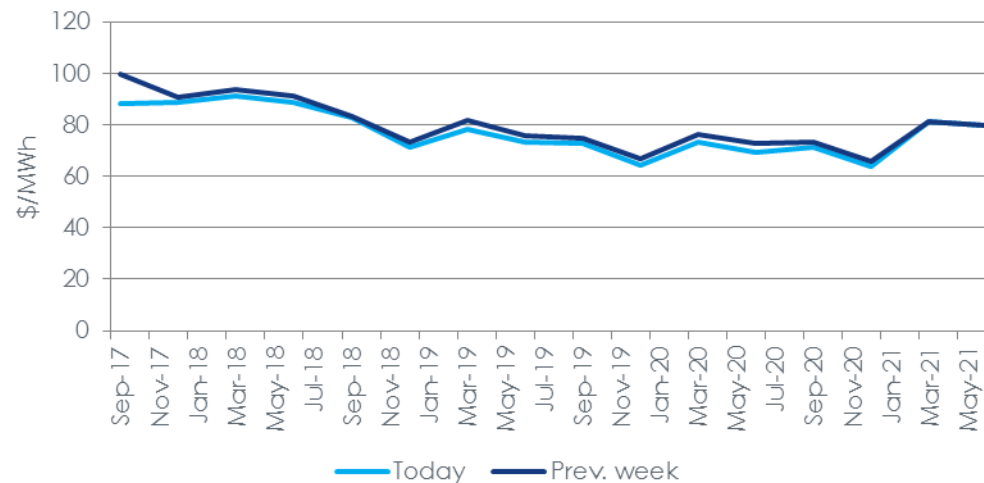
Energy futures markets

Key highlights

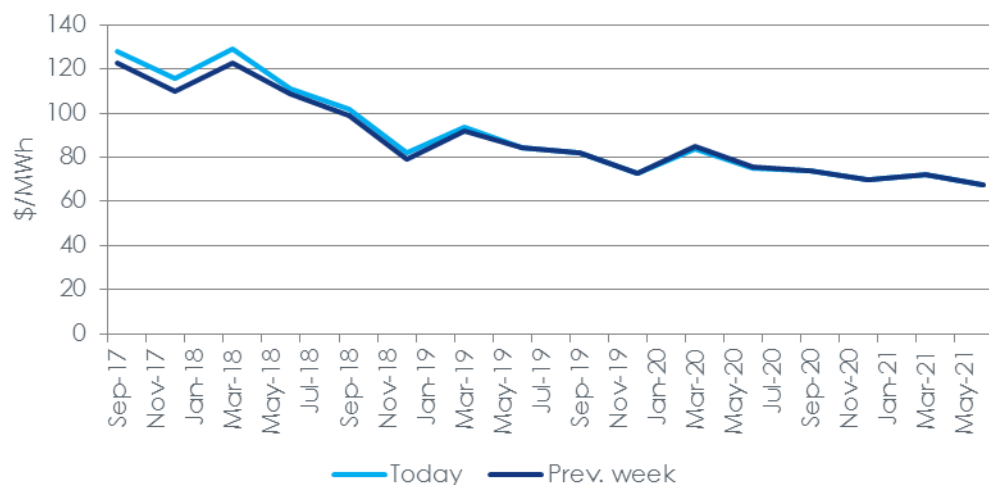
QLD baseload futures



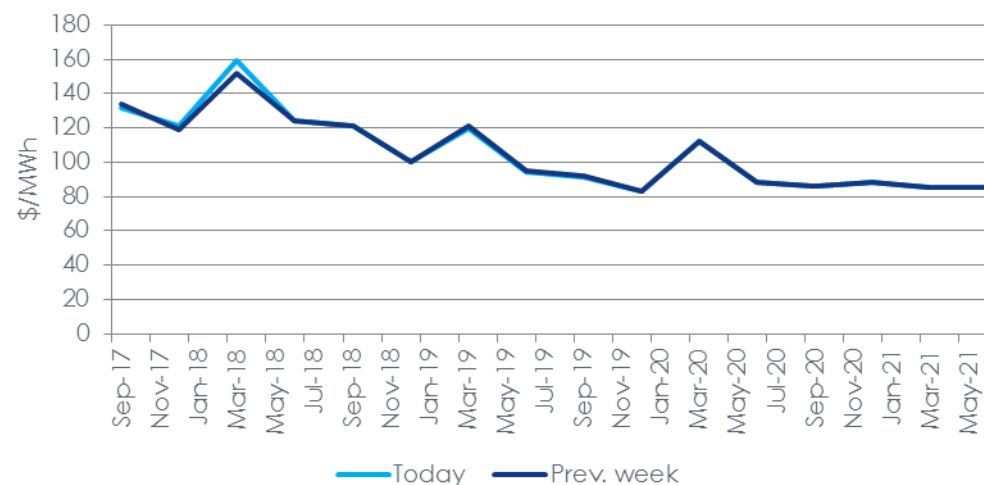
NSW baseload futures



VIC baseload futures



SA baseload futures



Source: AEMO, Bloomberg, LLP



Team



Dominic Churchill
Managing Director

Tel: +61 3 9652 9517
d.churchill@climatecapital.com.au



Colin Paterson
Head of Project Development

Tel: +61 (0) 447 592 865
c.paterson@climatecapital.com.au



Shane Bartel
Director, Project Development

Tel: +61 (0) 408 997 735
s.bartel@climatecapital.com.au



Philip Bayley
Director, Markets, Strategy & Pricing

Tel: +61 (0) 418 967 377
p.bayley@climatecapital.com.au



Mike Hunnibell
Consultant, Asset Management

Tel: +61 3 9652 9517
m.hunnibell@climatecapital.com.au

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Climate Capital is a developer and advisor specialising in renewable energy generation development and investment. Climate Capital provides an end-to-end offering to renewable energy investors from its experienced team of project developers, economic and corporate finance advisors and asset managers.

Climate Capital's team has developed in excess of 1,700MW of generation capacity in Australia. Its team has overseen the successful deployment of nearly AU\$2 billion of development capital and managed AU\$320 million in equity investments in operating domestic renewables projects.

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