



## Fundraising

### **CEFC partners with IFM Investors to reduce CO2 emissions**

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The clean energy financier is investing over \$110m in IFM's Australian infrastructure fund to cut carbon emissions of the assets in its \$9.3bn portfolio.

The [IFM Australian Infrastructure Fund](#), an open-ended vehicle managed by [IFM Investors](#), has secured an A\$150 million (\$116 million; €94 million) commitment from Australia's state-run green financier, the [Clean Energy Finance Corporation](#).

As the first equity investment in Australia's diversified infrastructure sector by the CEFC, the capital will be used to support emissions reduction and energy efficiency initiatives across assets in the IFM fund's A\$12 billion portfolio, including Ausgrid, Brisbane Airport, Melbourne Airport, Sydney's Port Botany and Port of Brisbane.

The initiatives may include installing on-site solar PV and battery storage systems, as well as converting to electric vehicles. They are likely to introduce smart management systems which monitor asset performance and assist with reducing energy consumption and optimising logistics and supply chains.

Infrastructure-related emissions account for more than half of Australia's total greenhouse gas emissions, noted CEFC, quoting statistics from Australia's National Greenhouse Gas Inventory. Around 35 percent of the total emissions comes from the electricity sector while the transport sector contributes about 18 percent.

CEFC estimated that a 5 percent improvement across the IFM Australian fund portfolio would abate almost 69,000 tonnes of carbon dioxide per year. The figure is equivalent to removing 14,775 cars from the road each year, or providing electricity to about 7,450 homes a year.

"IFM Investors has a track record of actively working with its assets to identify and introduce value-add initiatives," said Julia Hinwood, CEFC's infrastructure lead. She added that the CEFC will provide its clean energy finance experience to help deliver the initiatives through an innovative approach to planning, construction and operations.

"This is about investing in global best practice infrastructure to support its important economic potential while proactively addressing the emissions challenge," said Hinwood.

Kyle Mangini, global head of infrastructure at IFM, told Infrastructure Investor that the energy efficiency facilities will be an integrated part of the fund's assets, as they will help improve operation efficiency as well as lower cost of energy, and thus potentially strengthen asset performance.

He said that the firm will accelerate its programme of measuring, reporting and decreasing emissions from Australian infrastructure assets under the partnership with CEFC.

The IFM Australian fund has a portfolio of 18 core infrastructure assets at the moment. It had exposure to renewables investments with Pacific Hydro – a renewable energy business comprising 19 hydro and wind projects in Chile, Australia and Brazil which [was sold to China's State Power](#) in 2016.

The Australian fund manager had A\$100 billion of assets under management, as at 30 December 2017. In addition to the A\$12 billion Australian vehicle, IFM also runs a \$16 billion IFM Global Infrastructure Fund.

