

For Immediate Release

Climate Bonds Standard working group starts work on eligibility criteria for the certification of energy efficiency related bonds

London 30th July 2012 – The Climate Bond Standard has set up an Energy Efficiency Working Group to develop eligibility criteria for the certification of energy efficiency related bonds – a means to enhance private investors' confidence in financing the low-carbon economy.

Representatives from the International Energy Agency, the European Bank of Reconstruction and Development, US Green Building Council, Low-Carbon Australia, the Office of the State Treasurer of California and others have joined the Energy Efficiency Working Group.

The group held its first teleconference meeting last week, involving participants from California and New York to France and Australia.

Sean Kidney, Climate Bonds Chair, said: "For the moment there is only a modest market of bonds linked to energy efficiency; but large-scale improvements in energy usage are essential for a transition to a low-carbon economy, both to quickly reduce emissions and to buy time while we transition to clean energy.

"They can also be very profitable, paid for with savings made on energy bills.

"We expect to see a large energy efficiency bond market emerge in coming years; certification under the Climate Bonds Standard will provide investors with assurance about the environmental benefits of specific projects".

According to Kirsten Spalding at the Ceres Investor Network for Climate Risk, investor interest on energy efficiency in buildings has been stymied by: "First, the absence of aggregation mechanisms for energy efficiency investment in residential and commercial buildings. Second is the need to make bonds investment-grade for interested investors such as pension funds, and finally the need for models such as PACE (Property Assessed Clean Energy) to be used in the municipal and community space that can scale up adoption".

Eligibility criteria are expected to be made available by the end of 2012.

-ENDS-

Notes to editors:

- **Climate Bonds Standard** – a screening tool for investors and governments to support investment in delivering a Low Carbon Economy - was developed by the Climate Bonds Initiative. Bonds complying with the Standard will be certified as 'Climate Bonds', a mark that assures their contribution to the delivery of a Low Carbon Economy.
The Standard is supervised by a board comprising:
 - > The California State Teachers Retirement System (CalSTRS)
 - > The Nature Resources Defense Council
 - > The Carbon Disclosure Project
 - > The Ceres Investor Network on Climate Risk
 - > The (Australian) Investor Group on Climate Change
 - > The State Treasurer of California, Bill Lockyer
- **The Climate Bonds Initiative** is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. The Climate Bonds Initiative is developing: proposals for governance architecture — regulatory mechanisms, standards, tax policies, green banks — that will support a rapid scaling up of investment. Models for engineering investibility in projects and assets necessary for attracting bond financing such as renewable energy, energy efficiency and forestry.

For more information or interviews:

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