

Business of Local Energy Symposium



River City Bank

CCA Start-up Financing

Two Main Financing Needs:

1. Seed Capital – covers operating expenses prior to commencing operations
2. Working Capital – covers negative cash flow in early stages of operations



Sizing the Working Capital Facility

- Energy load for entire jurisdiction
- Phasing of roll-out
- Trade credit terms from power supplier
- Seasonality



Key Factors in Credit Evaluation

- Management team
 - Political Savvy
 - Entrepreneurial
 - Knowledge of the Energy Market and Contract Negotiations
 - Marketing
- Community support and governance
- Financial modeling



Lessons Learned

- The financial model will be wrong
- Communication with your bank is important
- Hire a partner which will be responsive to your changing needs

