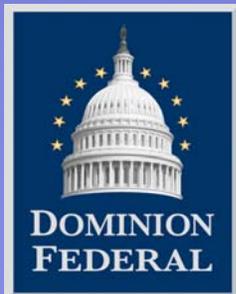




Show Me the Money

Bruce W. Gross

Dominion Federal Corporation

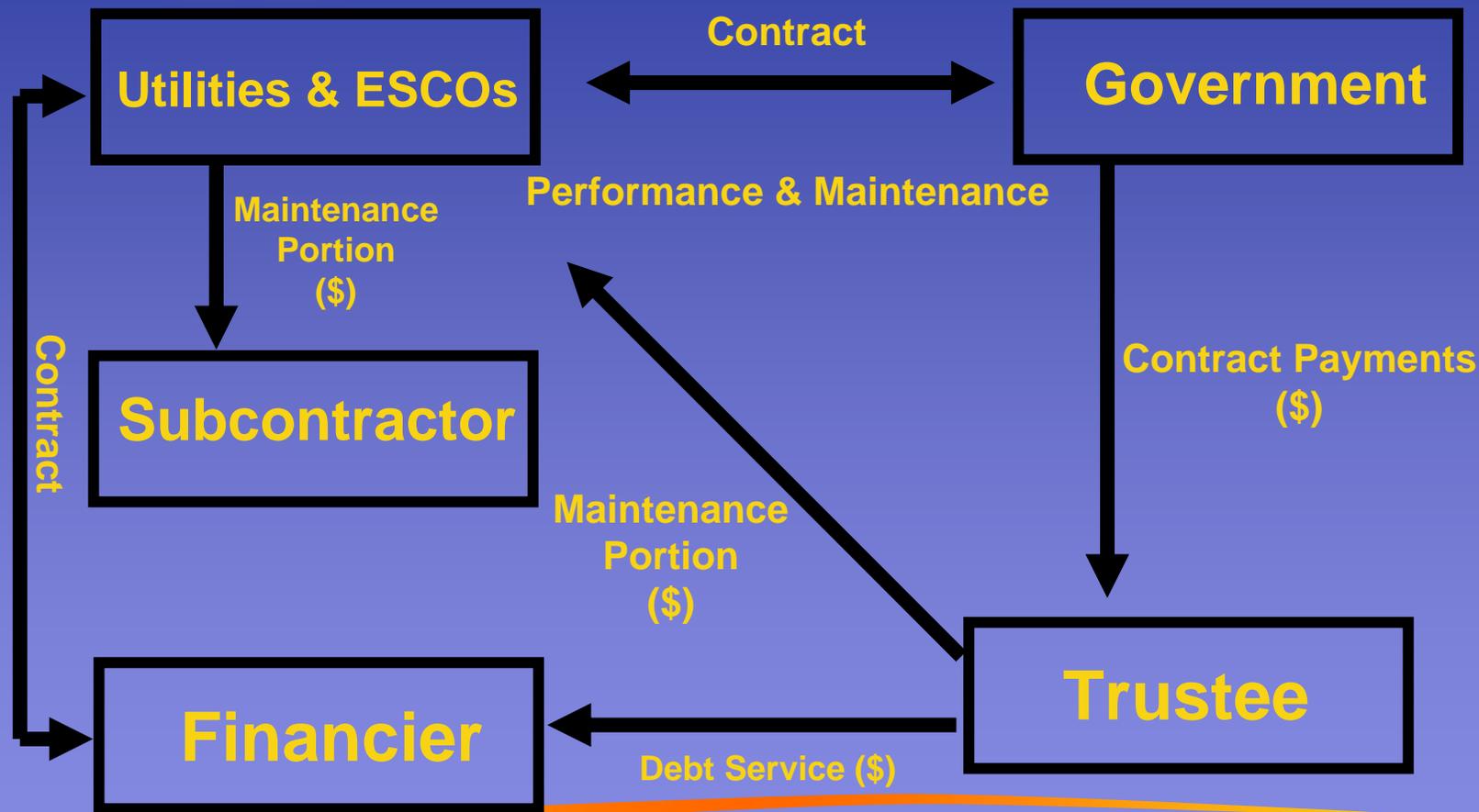


GovEnergy
www.govenergy.gov

Role of Financial Institution

- Necessary in most projects
- Provide specialized construction & permanent financing
- Non-Recourse financing
- Work with Prime Contractor & Agency
- Prepare documentation

Financing Structure



Performance Risk

- **Project Construction**

- Risk is reduced after acceptance

- **Ongoing O&M and Energy Savings Guarantees**

- Financial Strength of ESCO or Utility
- Other corporate guarantees/credit enhancements
- Extent of Savings Guarantee
- Project Economics and Technologies
- Contractor Competency

Selecting Financing Solutions

- Most ESCO/utilities use financial institutions
- Select qualified prime contractors
- Talk to financial institutions
- Use agency resources in analysis
- Ask for alternative structures
- Be flexible on documentation
- Require strong letters of commitment
- Consider the financial risks

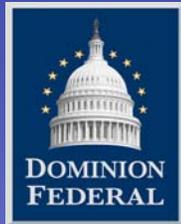
How to Get the Lowest Interest Rates

- Bundle Projects
- Keep the Financing Term Under 15 Years
- Insure the Government Contract has Desirable Termination and Non-Appropriation Language
- Fix Interest Rates at Time of Acceptance
- Provide Limited or No Energy Savings Guarantees
- Work Only with Companies with the Very Highest Credit Ratings

Contact Information



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