The Role of Public Finance Programs in Encouraging Private Investment in Alternative Fuel Vehicles and Infrastructure

Philip Quebe, The Cadmus Group, February 22, 2016
The Finance Continuum

- Algae for carbon sequestration
- Residential energy efficiency
- Solar PV
- State / muni bonds
- Mortgages
- Student Loans
- Credit Cards

Complex / Low Volume / Unknown Risk / Unproven

Standardized / High Volume / Known Risk / Proven
The Finance Continuum

- Mortgages
- Student Loans
- Credit Cards
- Solar PV
- Residential energy efficiency
- Algae for carbon sequestration
- Public alt. fuel – charging / refueling infrastructure
- Solar PV
- Auto loans (EV passenger cars)
- State / muni bonds
- Mortgages
- Student Loans
- Credit Cards

Complex / Low Volume / Unknown Risk / Unproven

Standardized / High Volume / Known Risk / Proven

Each project unique

Fully standardized security

EV fleet leasing
How Finance Helps Overcome Barriers

• **Finance is not a silver bullet. It’s one tool in the toolbox.**

• **Well-designed finance can:**
  – Minimize upfront cost
  – Unlock unrealized savings (create positive cash flow)
  – Be structured in order to minimize impact to debt limits
  – Capture additional value (tax equity)
  – Leverage the private sector
The Public-Private Partnerships

- **Public Sponsor**
  - Risk sharing or subsidy
  - Shared revenue
  - Equity investments

- **Special Purpose Entity**
  - Bonds, loans
  - Repayments
  - Funds to build, maintain, and operate
  - Project Revenue

- **Lenders**
  - Repayments

- **Equity Investors**
  - Dividends
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