

Magione (PG) – Italy

06th October 2010

2nd Workshop on Financial Schemes

Agenda

MORNING SESSION

- (BPE) Introduction to the workshop +
- (BPE) Deliverable 3.3 and Fin.Workshop 1 presentation
- (ICLEI with CA21L) "European and Italian experiences" with contribution by Georg from Ecovision
- Break
- (Azero CO2) "Different approaches by Local Governments in Local Energy Plans", presentation by Mr. Gamberale (30') + Q&A by audience (60')

Lunch 12:30 – 13:30

AFTERNOON SESSION

- (BPE) "How to analyse an investment" /checklist and examples
- Time for partners to complete checklist/project presentation (a kind of exercise)
- Break
- 2 COL partners present one project and its financial planning
- Discussion with Banca Etica, Ecovision and partners
- Conclusions by Banca Etica and ICLEI

With the support of

Intelligent Energy  **Europe**

LIST OF PARTICIPANTS

Daniel Morchain, ICLEI
Marco Bianchi, Banca Popolare Etica
Dario Vezzano, Banca Popolare Etica
Mario Gamberale, Azzerò CO2
Georg Hille, Ecovision
Lucie Blondel, Climate Alliance
Francesco Tutino, Munic. Of Bologna
Daniele Zappi, Munic. Of Bologna
Anja Wenninger, Munic. Of Ludwigsburg
Sabrina Petricci, Province of Siena
Gerhard Urbainczyk, Munic. Of Munich
Chiel Boonstra, Trecodome
Tim Lowe, Munic. Of Woking
Louis Montagnoli, Comunità Montana Alto Trasimeno Medio Tevere
Gianfranco Lazzarin, Comunità Montana Alto Trasimeno Medio Tevere
Zoltàn Papai, Munic. Of Miskolc
Ana Maria Solis, Coordinamento Agenda 21 Italiane

Municipality of Rosignano Marittimo - absent
Municipality of Bourgas - absent

MEETING MINUTES

Marco Bianchi, of Banca Popolare Etica, introduces himself and presents the daily agenda for the workshop. The objectives of the day are:

- Get to know best practices
- Share experiences
- Learn how to evaluate project financially

The strengths for a Local Government, when approaching investments planning are many: the availability of buildings and land, the connection and relationship to citizens, financial and economic operators in the community, the possible applications for specific public funds (eg: IEE, Elena, etc...), the involvement of operators connected to LG.

Again, many are the possible activities for a Municipality: Energy Audits to identify worst/best cases, the use of tools to involve private parties (eg Project Financing), the activation of projects in the community, the dissemination and exploitation of past projects' results to develop services for communities, fostering public and private projects run by Escos □ third party financing with middle/long term benefits for LG.

Bianchi then presents experiences by Banca Etica in the energy sector, for example:

- Comune di Loceri – Sardinia → direct loan to Municipality
- Biogenera Srl (Italian ltd company) → direct loan to company owned by public bodies
- Aim spa (Italian company limited by shares) → direct loan to local multiutility owned by one Municipality
- Geovest → direct loan to Consortium of Municipalities
- Comune di Calice Ligure – Liguria → direct loan to project finance winner on public lands
- Comune di Padova – Veneto → agreement with Municipality for soft loans to citizens
- Innesco – Municipality of Lodi → third party financing through Esco

In particular, the Solar Padova agreement gets the attention by the audience. Banca Etica is asked to forward a copy of it to participants.

Mario Gamberale, of Azzero CO2, is the external speaker invited to the workshop. AzzeroCO2 is an Italian Esco, active on RES and RUE projects and in the trading of white certificates; AzzeroCO2 is particularly active in the involvement of local stakeholders when planning an energy project. Gamberale is the CEO in AzzeroCO2 and has a personal experience in the Ministry of Environment of Italy.

Gamberale presents a couple of projects:

- "Eternit free Provinces" – Given the higher PV feed-in tariff when in presence of fibre cement (see image) removal, AzzeroCO2 presents Provinces the opportunity to involve local businesses and factories in order to build



a PV plant and remove the dangerous material. When asked, AzzeroCO2 can find equity for the investment

- "CHP Methane plant" project in order to re-start an old methane plant through biofuel supply and local involvement of social cooperation actors
- "CO2 neutral cities" - AzzeroCO2 supports cities in neutralising CO2 emissions by calculating the CO2 emissions and searching for possible lands to forest.

In the afternoon, **Bianchi** holds a workshop in financing schemes, as requested by the Grant Agreement. Bianchi explains which are the main drivers a bank evaluates when analysing an investment:

- Industrial Background
- Sector Know-how
- Equity / Debt ratio

Then Bianchi presents some useful tools to assess a project:

- Net Present Value: it is a time series of cash flows, both incoming and outgoing, defined as the sum of the present values (PVs) of the individual cash flows.
- Internal Rate of Return: it is a rate of return used to measure and compare the profitability of investments.
- Debt Service Cover Ratio: it is the ratio of cash available for debt servicing to interest, principal and lease payments

Eventually Bianchi informs the participants in the workshop about the requests by a bank when applying for a loan.

The debate with the audience is then held on the use of financial indicators.