Financial Model Game plan - Q2

? The 3 Goals

1. **Microgrid unit economics model**
2. **Fundraising narrative**
3. **Stress test your monetization models (Owned vs Partner)**

? Phase 1 (Week 1–2): Build Financial Clarity (Foundation)

1) Microgrid Unit Economics Model

What you’re building

A **per-site financial model** that answers:

> “If we deploy one microgrid, does it make money?”

Step 1: Define core inputs

Start simple (don’t overcomplicate):

Costs (CapEx)

- Battery (e.g., 10kWh setup)
- Inverter
- Installation (+20%)
- Metering hardware
- Any fixed setup costs

Revenue

- Avg monthly revenue per household
- Number of households (e.g., 10 → 100 → 360)
- Tariff (or effective price per kWh)

Operating costs (OpEx)

- Maintenance
- Staff/ops allocation
- Platform/software (NFE OS)
- Losses / non-payment buffer

Step 2: Build outputs

You want 5 key metrics:

- Monthly revenue per site
- Monthly profit
- Payback period (months)
- Gross margin (%)
- Cash flow over time

Step 3: Answer key questions

- How long to recover CapEx?
- What happens if:
  - Usage drops 20%?
  - Costs increase 15%?
- What is your **minimum viable scale per site**?

Deliverable

□□ A simple Google Sheet model (I can help you structure this next)

? Phase 2 (Week 2–3): Stress Test Your Two Models

Now apply the model to your two strategies:

Model A: NFE-Owned Microgrid

What to evaluate

- Total capital required per site
- Revenue collected directly
- Payback period
- Cash constraints (how many sites you can deploy)

Key insight you want:

> “How fast can we scale before we run out of cash?”

Model B: Partner-Owned Microgrid

What to evaluate

- Your revenue:
  - Flat fee per customer
  - +5% of electricity sales
- Your costs:
  - Ops + maintenance

Key insight:

> “Is this a high-margin, low-capex business?”

Compare side-by-side

Metric	NFE-Owned	Partner Model
Capital required	High	Low
Margin	High (long-term)	Lower but steady
Risk	Higher	Lower
Speed of scale	Slower	Faster

Strategic output

You should be able to say:

- “We lead with Partner model to scale fast”
- or
- “We prioritize Owned model for long-term value”

□□ This becomes **core to your pitch**

? Phase 3 (Week 3–4): Build Your Fundraising Narrative

Now turn your numbers into a **story investors understand**

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1) Problem (you already do this well)

- Unreliable grids
- Diesel backup risks
- Growing urban demand

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2) Solution (tighten this)

- “Community microgrids that turn backup power into primary infrastructure”

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3) Business Model (now backed by numbers)

Use your model to clearly show:

- Revenue per site
- Margin
- Payback

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4) Traction

- Pilot (10 homes)
- Phase 2 (100 homes)
- Pipeline (360 apartments)

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5) Scaling Strategy (THIS is key)

From your analysis:

Example:

- Phase 1: Pilot + validate
- Phase 2: Scale via partner model
- Phase 3: Selectively own high-value sites

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6) Use of funds

Your model should let you say:

- “$300K deploys X sites”
- “Each site generates $Y/month”
- “Break-even in Z months”

Deliverable

□□ A clean 8–10 slide pitch (or 1–2 page memo)

? Phase 4 (Week 4–6): Add Financial Discipline

This replaces what a CFO would start doing.

1) Monthly financial tracking

Track:

- Revenue per site
- Cost per site
- Collection rates
- Downtime

2) Define 5 core KPIs

For NFE, I’d suggest:

- Revenue per customer
- Cost per customer
- Payback period per site

- System uptime (%)
- Collection efficiency (%)

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3) Cash planning (critical)

Build a simple view:

- Cash today
- Monthly burn
- Months of runway

?? Critical mindset shift

You’re moving from:

> “We are building microgrids”

to:

> “We are deploying capital into energy assets that must return money”

That shift is what investors care about.

? How this all connects

- **Unit economics → proves viability**
- **Model comparison → defines strategy**
- **Narrative → unlocks capital**
- **Tracking → sustains growth**

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