

Power Purchase Agreement: Tax Exempt

Inputs

Label	Value
System Size (W)	2,255,000 W
System Term (years)	25 years
Electricity Rate (\$/kWh)	\$0.090
Electricity Rate Escalator (%)	3.00 %
PPA Term (years)	20 years
PPA Rate (\$/kWh)	\$0.055
PPA Escalator (%)	1.50 %

Economics

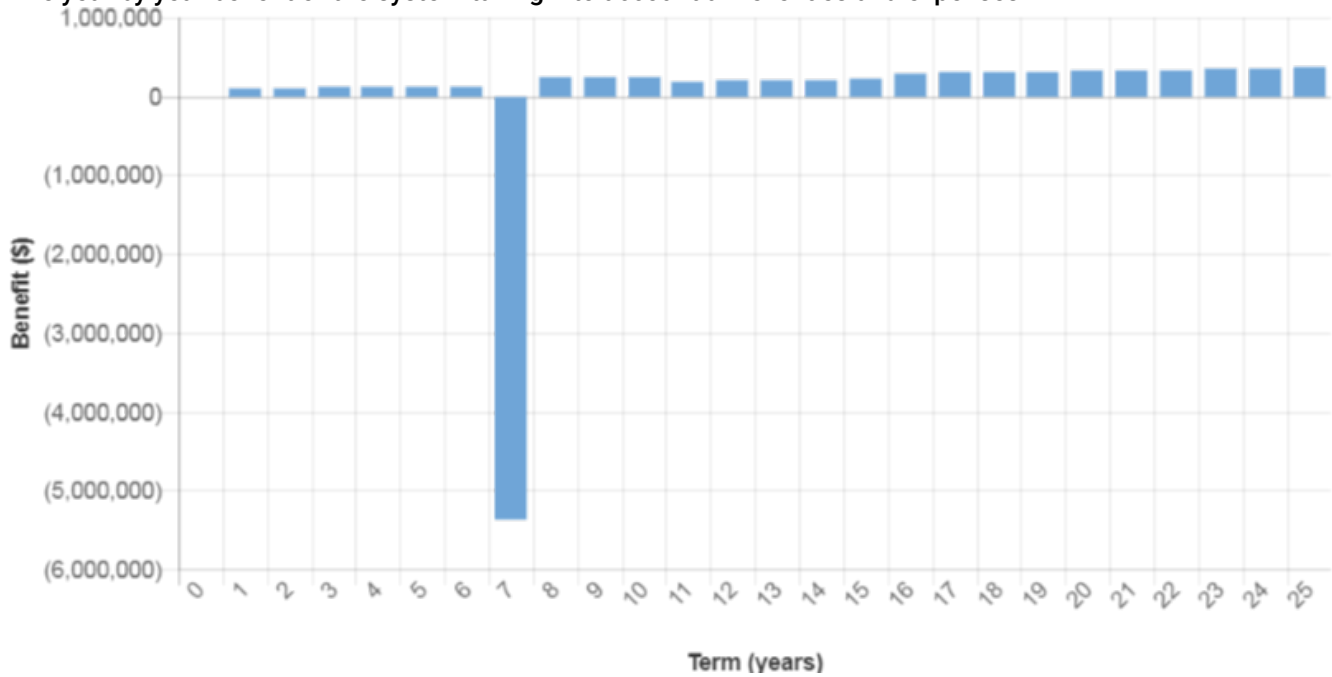
Label	Value
Avoided Electricity Cost (\$)	\$9,007,058
Operating Expenses (\$)	\$(2,002,171)
PPA Payments (\$)	\$(1,167,600)
PPA Buyout (\$)	\$(5,500,000)
Total Lifetime Benefit (\$)	\$337,288

Returns

Label	Value
Lifetime NPV (\$)	\$(1,021,692)
Lifetime LCOE (\$/kWh)	\$0.125

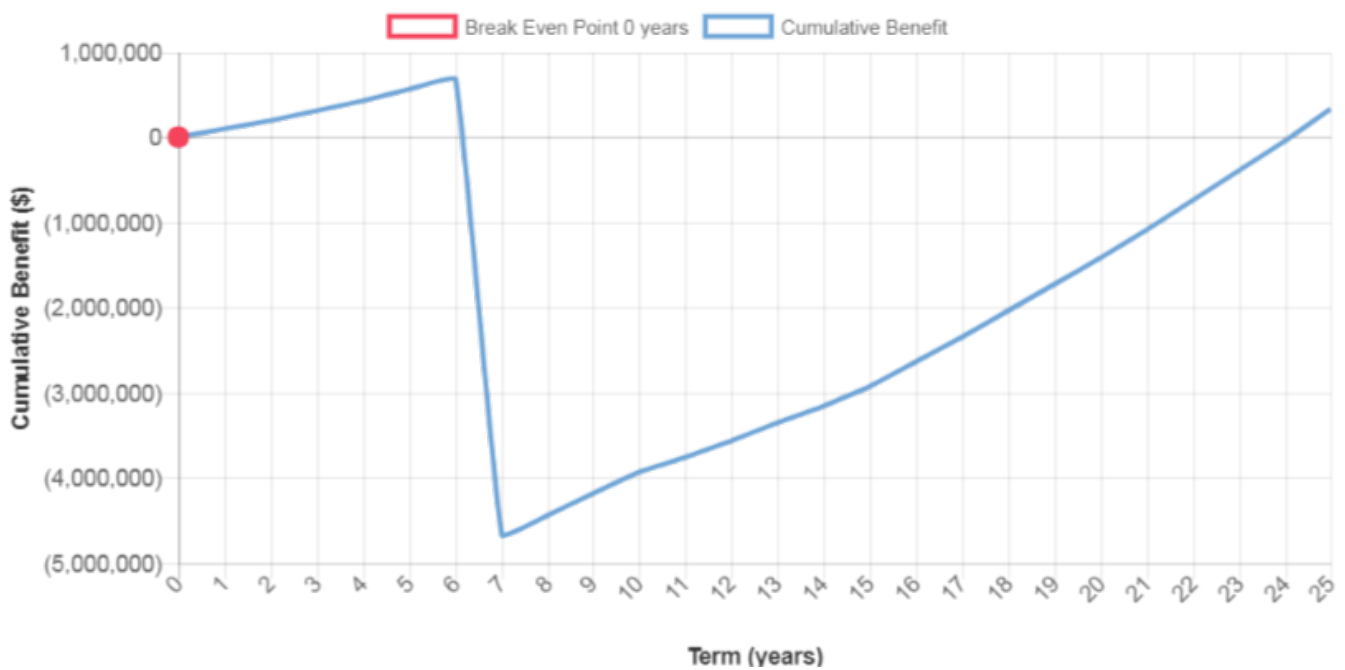
Yearly Benefit

The year by year benefit of the system taking into account all revenues and expenses



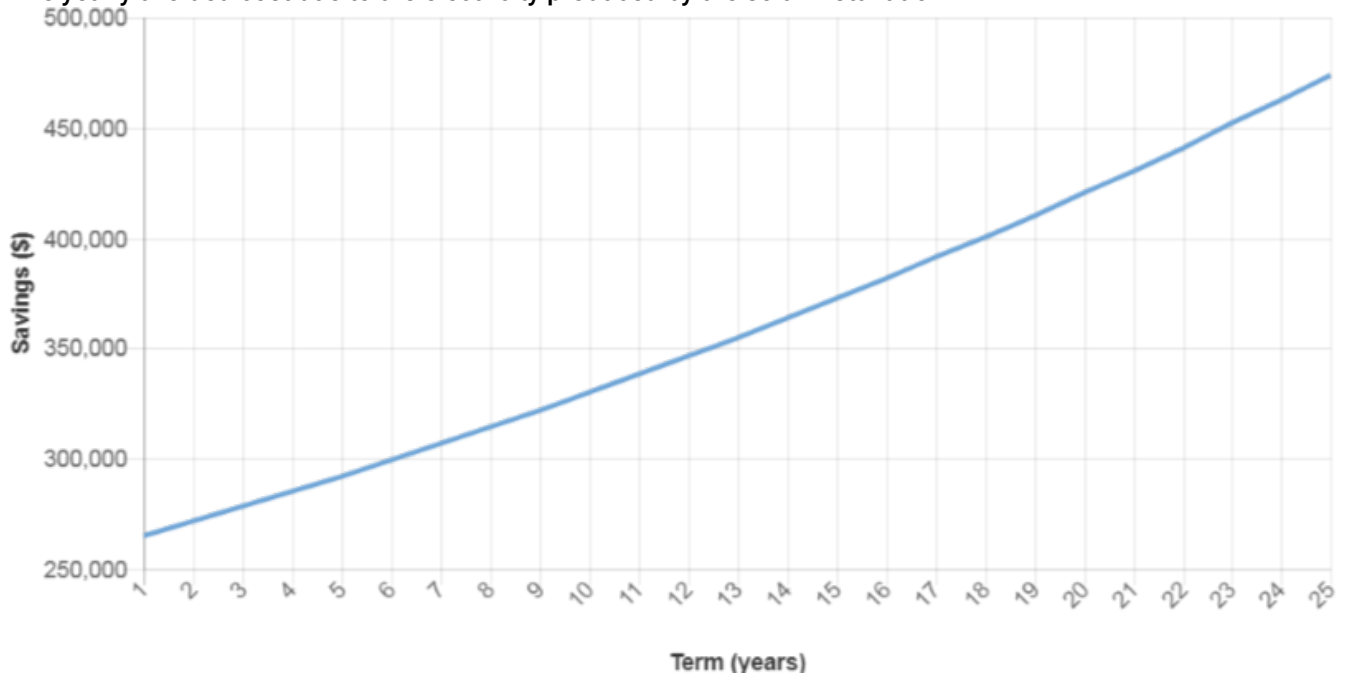
Cumulative Benefit

The cumulative economic benefit of the system over its lifetime



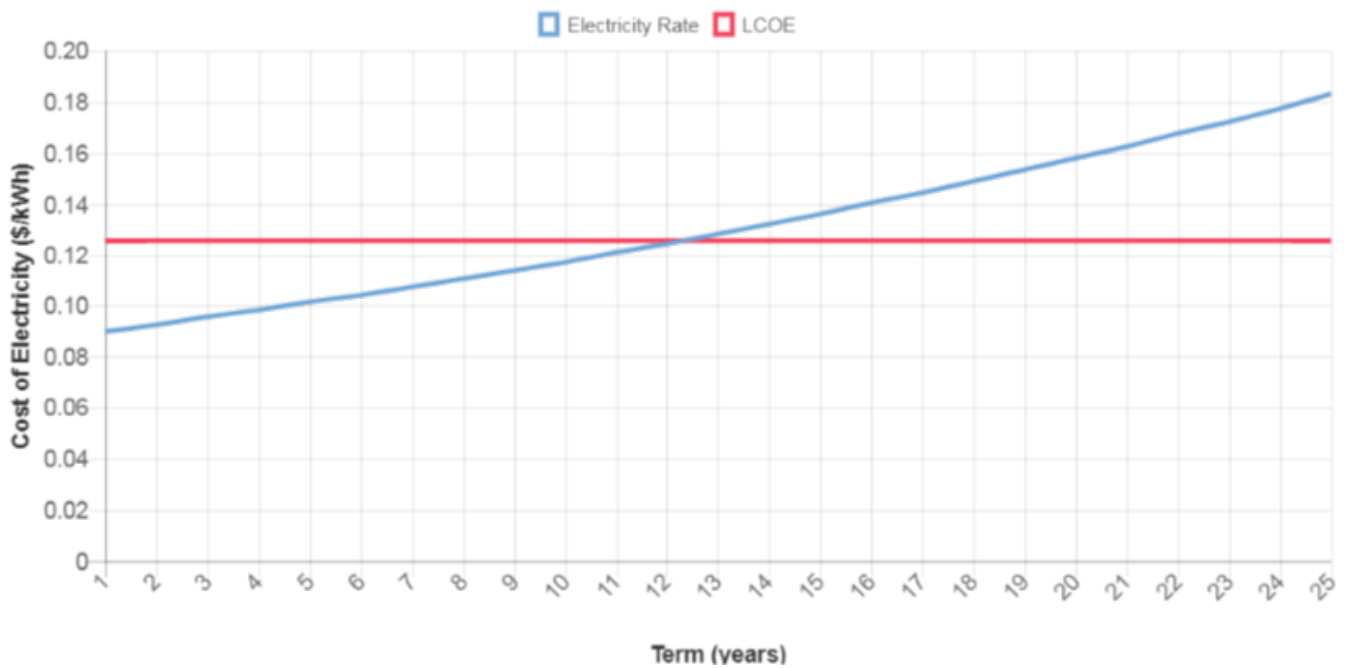
Avoided Electricity Cost

The yearly avoided cost due to the electricity produced by the solar installation



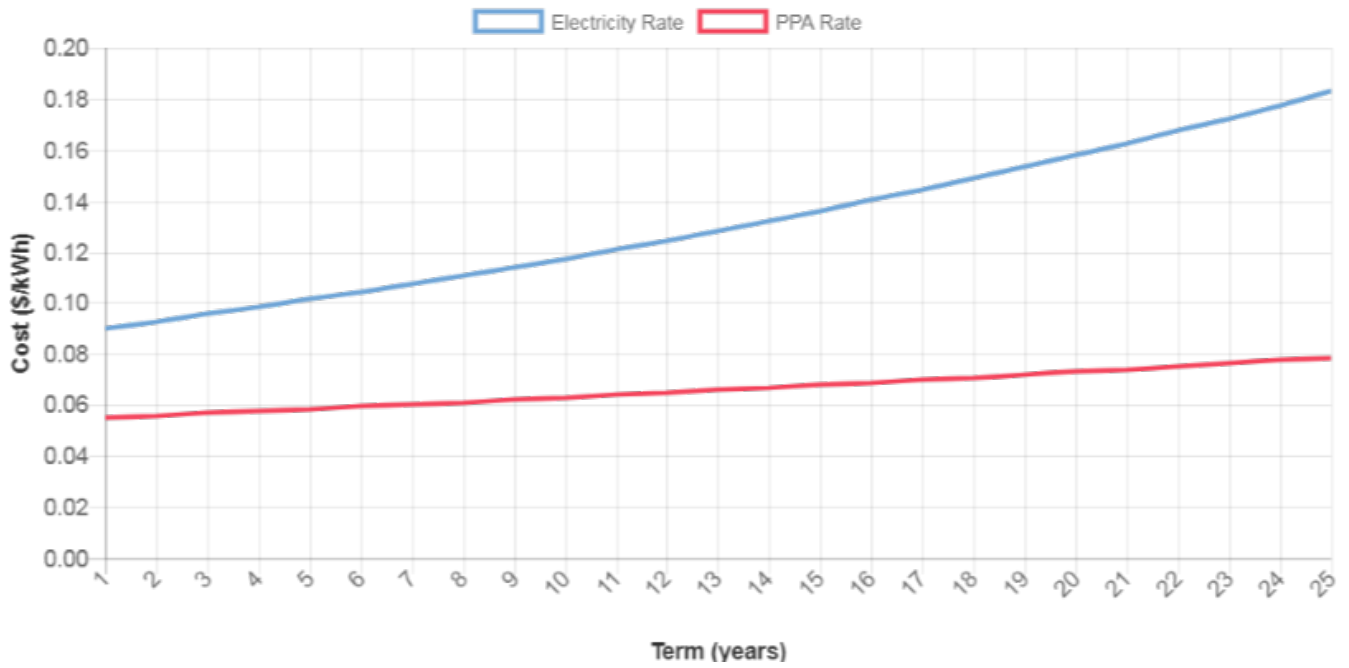
Electricity Rate vs LCOE

A comparison of the avoided rate of grid electricity vs the levelized cost of solar energy



Electricity Rate vs PPA Rate

A comparison of the avoided electricity rate vs the PPA rate



Cash flow projections

Project Year	0	1	2	3	4	5	6	7	8	9	10	11	12
Avoided Electricity Cost (\$)	0	264,960	271,544	278,285	285,186	292,251	299,482	306,885	314,462	322,218	330,156	338,280	346,594
Operating Expenses (\$)	0	0	0	0	0	0	0	0	(77,709)	(79,263)	(80,848)	(150,115)	(151,764)
Incentives (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
PPA Payments (\$)	0	(161,920)	(163,527)	(165,146)	(166,776)	(168,419)	(170,073)	(171,739)	0	0	0	0	0
PPA Buyout (\$)	0	0	0	0	0	0	0	(5,500,000)	0	0	0	0	0
Power Purchase Agreement Economics (\$)	0	103,040	108,017	113,139	118,410	123,832	129,409	(5,364,854)	236,753	242,955	249,308	188,165	194,830
Power Purchase Agreement Cumulative (\$)	0	103,040	211,057	324,196	442,606	566,438	695,847	(4,669,007)	(4,432,254)	(4,189,299)	(3,939,991)	(3,751,826)	(3,556,996)

Project Year	13	14	15	16	17	18	19	20	21	22	23	24	25	Total
Avoided Electricity Cost (\$)	355,103	363,811	372,721	381,839	391,168	400,714	410,480	420,471	430,693	441,149	451,845	462,786	473,976	9,007,058
Operating Expenses (\$)	(153,447)	(155,162)	(156,913)	(91,048)	(92,869)	(94,726)	(96,621)	(98,553)	(100,524)	(102,535)	(104,586)	(106,677)	(108,811)	(2,002,171)
Incentives (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PPA Payments (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,167,600)
PPA Buyout (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	(5,500,000)
Power Purchase Agreement Economics (\$)	201,657	208,649	215,809	290,791	298,299	305,987	313,859	321,918	330,168	338,614	347,259	356,108	365,165	337,288
Power Purchase Agreement Cumulative (\$)	(3,355,339)	(3,146,691)	(2,930,882)	(2,640,091)	(2,341,791)	(2,035,804)	(1,721,945)	(1,400,027)	(1,069,859)	(731,245)	(383,986)	(27,878)	337,288	0

System Performance Cash-Flow Projections:

Users of the solar finance simulator are advised to seek professional assistance from technically qualified solar developers, financial advisors, and their local utility to ensure project assumptions are based upon actual site conditions, using accurate tax assumptions, and local utility rates and incentives. The MREA does not represent that the system performance and production assumptions generated by the solar finance simulator will be achieved, if pursued.

Disclaimer:

The MREA is not a municipal financial advisor, nor a tax accountant or attorney. Users of the solar finance simulator are advised to review all system performance assumptions and cash-flow projections with their municipal or financial advisor, tax attorney or tax accountant.