

## KEY FINANCIAL ESTIMATES FOR MT. PLEASANT SOLAR PROJECT

Total installed cost for 2.34kW system	\$23,400
Approximate discount for group purchase – minimum 50 houses; greater discounts possible with more houses	-\$2,633
DC grant program (\$3,000/kW) <sup>1</sup>	-\$7,020
<b>Total to be financed (or paid in cash) at installation</b>	<b>\$13,747</b>
<b>Savings and Credits</b>	
<u>One time:</u> Federal tax credit (30% of system cost after incentives) <sup>2</sup>	-\$4,124
<u>Annual:</u>	
Energy savings – increases as energy costs increase <sup>3</sup>	\$400-\$700/year
Renewable Energy Credit sale/year - 10 year contract offered, extensions beyond 10 years may be possible at a later date <sup>4</sup>	\$600-\$1,000/year
Additional tax savings may result from mortgage interest payments <sup>2</sup>	\$300/year
Lifetime (30 years) energy savings, assuming ~7% annual increase <sup>3</sup>	\$31,885
<i>Inspiring change for sustainable energy... priceless</i>	
<b>Financing option: 15 year mortgage at 7% for \$13,747</b>	
Monthly principal and interest payment	\$124
Annual principal and interest payments	\$1,483
Closing costs paid if loan kept open for 2 years	

NOTE: The numbers represented in the table above are projections only. They represent the best guess of the Mt. Pleasant Solar Co-op given current information. The values shown are subject to change, and in all likelihood will change. The values are in no way guaranteed. Please read the footnotes for further explanation of the estimates.

<sup>1</sup> DC Incentive plan will provide cash to homeowner prior to payment to installer.

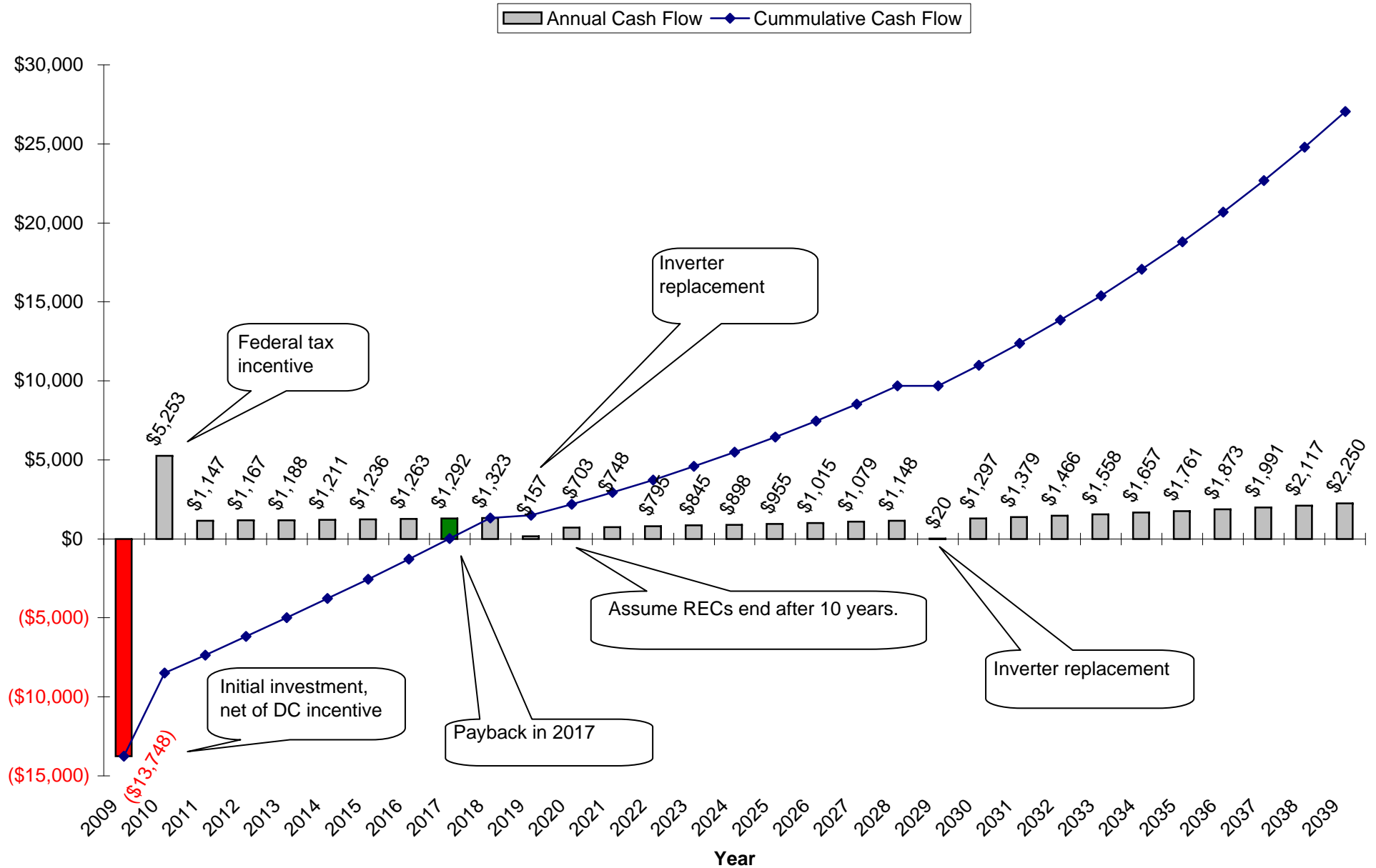
<sup>2</sup> Tax savings/credits estimates assume: a) *no* consideration of the Alternative Minimum Tax (AMT), and b) savings related to interest paid on a mortgage are based on a Personal Income Tax rate of 35%. You should consult your tax advisor to assess the value of any possible tax savings.

<sup>3</sup> Energy savings are based on current Pepco rates, and 7.17 % annual increases. The previous 17-year average annual increase has been 3%, while over the previous 5-years the average annual increase has been 13%. If the Pepco rate increases are less than 7% estimate, then energy cost savings will be less; if rates rise more than 7%, then energy cost savings will be greater.

<sup>4</sup> The REC payments are currently under negotiation for a 5-10 year contract. In out years it is hard to determine the value of your RECs. With Federal energy legislation or new legislation in DC they may be worth more. With no new legislation they may stay the same or decrease in value. You can sell REC's (if there is a buyer) for the entire life of the system.

# No financing: homeowners pays cash for system

## Estimate of cash received / (paid) per year, and payback



NOTE: The projections represent the best guess of the Mt. Pleasant Solar Co-op given current information. The values shown are subject to change, and in all likelihood will change. The values are in no way guaranteed.

## No financing: homeowner pays cash for system

	Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>CASH FLOW</b>											
Federal Investment Tax Credit			\$4,124								
+ DC rebate in		\$7,020									
+ REC income			\$748	\$742	\$736	\$730	\$724	\$718	\$712	\$707	\$701
+ Cost savings			\$381	\$405	\$431	\$458	\$487	\$518	\$550	\$585	\$622
+ Value of tax deduction											
- Equity		(\$13,748)									
- Financing payments											
- Operating costs											
- DC rebate out		(\$7,020)									
<b>Net cash flow (annual)</b>		<b>(\$13,748)</b>	<b>\$5,253</b>	<b>\$1,147</b>	<b>\$1,167</b>	<b>\$1,188</b>	<b>\$1,211</b>	<b>\$1,236</b>	<b>\$1,263</b>	<b>\$1,292</b>	<b>\$1,323</b>

**No financing: homeowner pays cash for system**

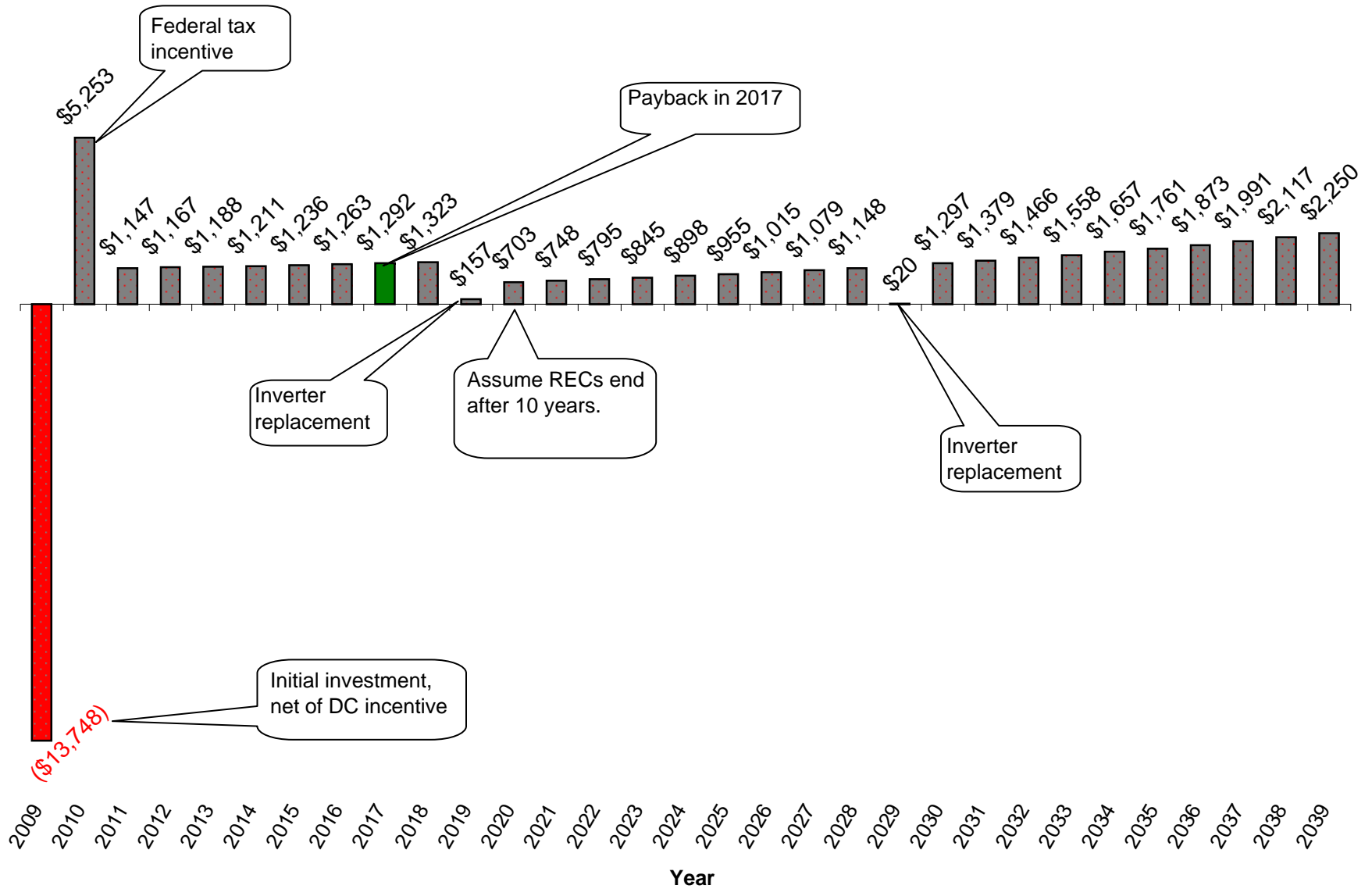
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b>CASH FLOW</b>											
Federal Investment Tax Credit											
+ DC rebate in											
+ REC income	\$695										
+ Cost savings	\$661	\$703	\$748	\$795	\$845	\$898	\$955	\$1,015	\$1,079	\$1,148	\$1,220
+ Value of tax deduction											
- Equity											
- Financing payments											
- Operating costs	<u>(\$1,200)</u>										<u>(\$1,200)</u>
- DC rebate out											
<b>Net cash flow (annual)</b>	<b>\$157</b>	<b>\$703</b>	<b>\$748</b>	<b>\$795</b>	<b>\$845</b>	<b>\$898</b>	<b>\$955</b>	<b>\$1,015</b>	<b>\$1,079</b>	<b>\$1,148</b>	<b>\$20</b>

**No financing: homeowner pays cash for system**

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
<b>CASH FLOW</b>										
Federal Investment Tax Credit										
+ DC rebate in										
+ REC income										
+ Cost savings	\$1,297	\$1,379	\$1,466	\$1,558	\$1,657	\$1,761	\$1,873	\$1,991	\$2,117	\$2,250
+ Value of tax deduction										
- Equity										
- Financing payments										
- Operating costs										
- DC rebate out										
<b>Net cash flow (annual)</b>	<b>\$1,297</b>	<b>\$1,379</b>	<b>\$1,466</b>	<b>\$1,558</b>	<b>\$1,657</b>	<b>\$1,761</b>	<b>\$1,873</b>	<b>\$1,991</b>	<b>\$2,117</b>	<b>\$2,250</b>

No financing: homeowner pays cash for system

### Estimate of cash received / (paid) per year



NOTE: The projections represent the best guess of the Mt. Pleasant Solar Co-op given current information. The values shown are subject to change, and in all likelihood will change. The values are in no way guaranteed.

## Homeowner borrows 100% of installation cost

	Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>CASH FLOW</b>											
Federal Investment Tax Credit			\$4,124								
+ DC rebate in		\$7,020									
+ REC income			\$748	\$742	\$736	\$730	\$724	\$718	\$712	\$707	\$701
+ Cost savings			\$381	\$405	\$431	\$458	\$487	\$518	\$550	\$585	\$622
+ Value of tax deduction			\$500	\$479	\$457	\$434	\$408	\$381	\$352	\$321	\$287
- Equity		(\$13,748)									
- Financing payments		\$13,748	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)
- Operating costs											
- DC rebate out		(\$7,020)									
<b>Net cash flow (annual)</b>		<b>\$0</b>	<b>\$4,270</b>	<b>\$143</b>	<b>\$141</b>	<b>\$139</b>	<b>\$137</b>	<b>\$134</b>	<b>\$132</b>	<b>\$130</b>	<b>\$128</b>

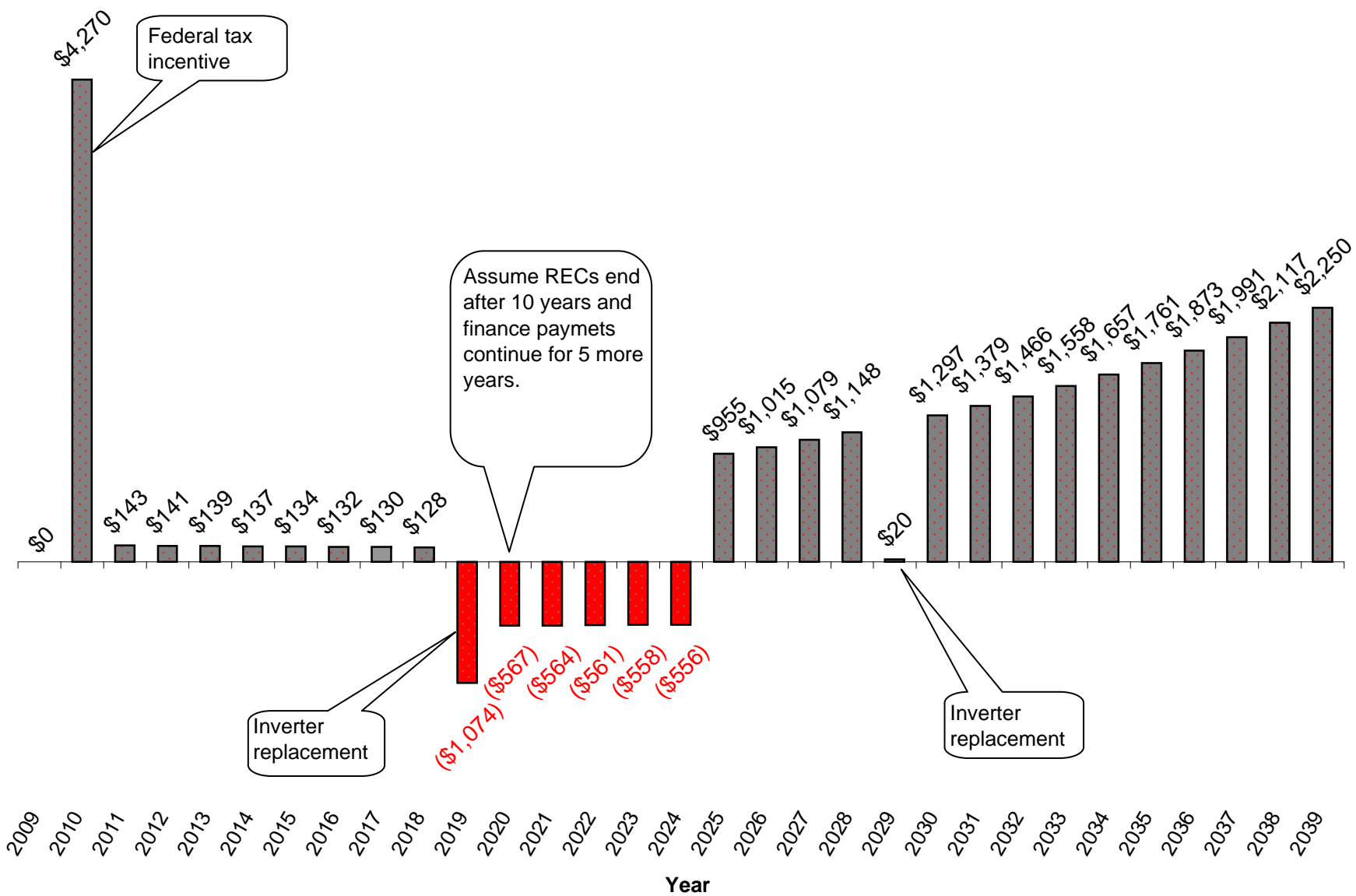
**Homeowner borrows 100% of installation cost**

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<b>CASH FLOW</b>											
Federal Investment Tax Credit											
+ DC rebate in											
+ REC income	\$695										
+ Cost savings	\$661	\$703	\$748	\$795	\$845	\$898	\$955	\$1,015	\$1,079	\$1,148	\$1,220
+ Value of tax deduction	\$251	\$213	\$172	\$127	\$80	\$29					
- Equity											
- Financing payments	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)					
- Operating costs	(\$1,200)										(\$1,200)
- DC rebate out											
<b>Net cash flow (annual)</b>	<b>(\$1,074)</b>	<b>(\$567)</b>	<b>(\$564)</b>	<b>(\$561)</b>	<b>(\$558)</b>	<b>(\$556)</b>	<b>\$955</b>	<b>\$1,015</b>	<b>\$1,079</b>	<b>\$1,148</b>	<b>\$20</b>

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### Estimate of cash received / (paid) per year



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