

KEY FINANCIAL ESTIMATES FOR MT. PLEASANT SOLAR PROJECT

15 March 2009

Homes	31-50	51-70
Total installed cost for 2.4kW system	\$26,400	\$26,400
Approximate discount for group purchase; greater discounts possible with more houses	-\$3,600	-\$6,000
Subtotal	\$22,800	\$20,400
DC grant program (\$3,000/kW) ¹	-\$7,200	-\$7,200
Total to be financed (or paid in cash) at installation	\$15,600	\$13,200
Savings and Credits		
<u>One time:</u> Federal tax credit (30% of system cost) ²	\$6,840	\$6,120
<u>Annual:</u>		
Energy savings – increases as energy costs increase ³	\$420-\$2,000+ / year	
Renewable Energy Credit sale/year - 10 year contract, extensions beyond 10 years may be possible. Rate for <i>first</i> 5 years would be locked; price in <i>second</i> 5 years is floor price.	\$1,000 / year for first five years \$690+ / year years 6-10	
Additional tax savings may result from mortgage interest payments ²	\$300/year	
Lifetime (30 years) energy savings, assuming ~7% annual increase ³	\$28,408	
<i>Inspiring change for sustainable energy... priceless</i>		
Financing option: 15 year mortgage at 7%		
Monthly principal and interest payment	\$140	\$119
Annual principal and interest payments	\$1,683	\$1,424
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.

¹ DC Incentive plan will provide cash to homeowner prior to payment to installer. We believe this will be considered taxable income. If so, the value of the DC incentive payment would need be adjusted based on your individual tax situation. For the accompanying charts/tables, the tax rate is assumed to be 35%. Check with your tax advisor.

² 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.

³ 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.

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