

**POWER PURCHASE AGREEMENT - 20Yr w/ 7Yr Flip - TAXABLE ENTITY**

| <b>System</b>                             |                          |
|---|--------------------------|
| Financing Type                            | Power Purchase Agreement |
| Tax Status                                | Taxable                  |
| System Size (W)                           | 130,000                  |
| Year 1 Generation (kWh)                   | 166,981                  |
| Total Installation Cost (\$)              | 266,500                  |
| System Term (Years)                       | 20                       |
| Electricity Rate (\$/kWh)                 | 0.079                    |
| Electricity Rate Escalator (%)            | 3.0                      |
| <b>Power Purchase Agreement</b>           |                          |
| PPA Term (Years)                          | 20                       |
| PPA Buyout Year (Year)                    | 7                        |
| PPA Rate (\$/kWh)                         | 0.085                    |
| PPA Buyout Amount (\$)                    | 70,189                   |
| PPA Escalation Rate (%)                   | 1.5                      |
| <b>Incentives</b>                         |                          |
| Upfront Cash Incentives (\$)              | NA                       |
| SREC Schedule                             | NA                       |
| <b>Operating &amp; Return Assumptions</b> |                          |
| Insurance (\$/kW/Yr)                      | 12.00                    |
| Operations & Maintenance (\$/kW/Yr)       | 11.00                    |
| Inverter Replacement (\$/kW)              | 0.15                     |
| Panel Degradation (%)                     | 0.50                     |
| Inflation Adjustment (%)                  | 2.0                      |
| NPV Discount Rate (%)                     | 5.0                      |
| <b>Tax Assumptions</b>                    |                          |
| ITC Basis (\$/W)                          | 2.050                    |
| Federal ITC                               | 30                       |
| ITC Basis Reduction (%)                   | 50                       |
| Depreciation Basis (%)                    | 85                       |
| Bonus Depreciation (%)                    | 50                       |
| Federal Tax Rate (%)                      | 35                       |

## SUMMARY

| <b>Inputs</b>                  |           |
|--------------------------------|-----------|
| System Size (W)                | 130,000   |
| System Terms (Years)           | 20        |
| Electricity Rate (\$/kWh)      | 0.079     |
| Electricity Rate Escalator (%) | 3.00      |
| PPA Term (Years)               | 20        |
| PPA Rate (\$/kWh)              | 0.085     |
| PPA Escalator (%)              | 1.50      |
| <b>Summary of Economics</b>    |           |
| Avoided Electricity Cost (\$)  | 335,892   |
| Operating Expenses (\$)        | (69,921)  |
| Federal Taxes (\$)             | (57,268)  |
| PPA Payments (\$)              | (102,348) |
| PPA Buyout (\$)                | (70,189)  |
| Total Lifetime Benefit (\$)    | 36,166    |
| <b>Returns</b>                 |           |
| Lifetime NPV (\$)              | 2,712     |
| Lifetime LCOE (\$/kWh)         | 0.094     |