

**DEBT FINANCING - TAXABLE ENTITY**

<b>System</b>	
Financing Type	Debt Financing
Tax Status	Taxable
System Size (W)	130,000
Year 1 Generation (kWh)	166,981
Total Installation Cost (\$)	266,500
System Term (Years)	30
Electricity Rate (\$/kWh)	0.079
Electricity Rate Escalator (%)	3.0
<b>Debt Financing</b>	
Debt Amount (\$)	266,500
Closing Costs (\$)	6,500
Debt Term (Yr)	10
Debt Interest Rate (%)	4.5
<b>Incentives</b>	
Upfront Cash Incentives (\$)	NA
SREC Schedule	NA
<b>Operating &amp; Return Assumptions</b>	
Insurance (\$/kW/Yr)	12.00
Operations and Maintenance (\$/kW/Yr)	11.00
Inverter Replacement (\$/W)	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 (%)	85.00
Bonus Depreciation (%)	50
Federal Tax Rate (%)	35
<b>MACRS Depreciation Schedule</b>	
<b>Year</b>	<b>Depreciation (%)</b>

1	20
2	32
3	19.20
4	11.52
5	11.52
6	5.76

## SUMMARY

<b>Inputs</b>	
System Size (W)	130,000
System Terms (Years)	30
Electricity Rate (\$/kWh)	0.079
Electricity Rate Escalator (%)	3.00
Debt Amount (\$)	(266,500)
Debt Term (Yr)	10
Debt Interest Rate (%)	4.50
<b>Summary of Economics</b>	
Initial Capital Costs (\$)	(6,500)
Avoided Electricity Cost (\$)	575,231
Operating Expenses (\$)	(140,799)
Federal Taxes (\$)	(48,163)
ITC (\$)	79,950
Debt Payments (\$)	(336,800)
Total Lifetime Benefit (\$)	42,790
<b>Returns</b>	
Lifetime IRR (%)	0.00
Lifetime NPV (\$)	(42,584)
Lifetime LCOE (\$/kWh)	0.115