

OPERATING LEASE - TAXABLE ENTITY

System	
Financing Type	Operating Lease
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
Operating Lease	
Annual Lease Payment (\$)	21,187
Closing Costs (\$)	5,750
Lease Term (Yr)	7
Lease Buyout Percent (%)	15
Incentives	
Upfront Cash Incentives (\$)	NA
SREC Schedule	NA
Operating & Return Assumptions	
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
Tax Assumptions	
ITC Basis (\$/W)	2.050
Federal ITC	30
ITC Basis Reduction (%)	50
Depreciation Basis (%)	85.00
Bonus Depreciation (%)	50
Federal Tax Rate (%)	35
MACRS Depreciation Schedule	
Year	Depreciation (%)

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

SUMMARY

Inputs	
System Size (W)	130,000
System Terms (Years)	30
Electricity Rate (\$/kWh)	0.079
Electricity Rate Escalator (%)	3.00
Annual Lease Payment (\$)	(21,187)
Lease Term (Yr)	7
Summary of Economics	
Initial Capital Costs (\$)	(5,750)
Avoided Electricity Cost (\$)	575,231
Operating Expenses (\$)	(118,570)
Federal Taxes (\$)	(107,923)
Operating Lease Payments (\$)	(148,309)
Operating Lease Buyout (\$)	(39,975)
Total Lifetime Benefit (\$)	157,704
Returns	
Lifetime NPV (\$)	29,348
Lifetime LCOE (\$/kWh)	0.091