

Item	Year										
		11	12	13	14	15	16	17	18	19	20
Federal Investment Tax Credit		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fed Accelerated Depreciation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Accelerated Depreciation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M costs		-\$25,198	-\$25,954	-\$26,733	-\$27,535	-\$28,361	-\$29,212	-\$30,088	-\$30,991	-\$31,921	-\$32,878
Cash Flow		\$286,787	\$296,646	\$306,845	\$317,394	\$328,308	\$339,597	\$351,274	\$363,354	\$375,850	\$388,777
Cumulative Cash Flow		\$885,812	\$1,182,458	\$1,489,303	\$1,806,697	\$2,135,005	\$2,474,602	\$2,825,876	\$3,189,230	\$3,565,081	\$3,953,857
Simple Payback = 7+ years											
Return on Investment =	0.10907192										

Assumptions:

1. As a public entity, assumes no extra revenue sources, no incentives, and no Federal and State tax deductions and credits.
2. Assumes an annual system degradation of 0.5%, which is standard in the industry.
3. Assumes the average annual cost of energy from PG&E is \$0.10/kWh, with a 3% annual growth based on history.
4. Assumes a system installation cost of \$1.45/W with competitive bidding.
5. Assumes \$0.015/W for annual operation and maintenance, which is typical for a well run system

Conclusion: The simple payback is between the 7th and 8th year and the ROI is 0.109 or 10.9%

Item	Year										
		11	12	13	14	15	16	17	18	19	20
SMUD Incentive		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Investment Tax Credit		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fed Accelerated Depreciation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Accelerated Depreciation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M costs		-\$20,159	-\$20,764	-\$21,386	-\$22,028	-\$22,689	-\$23,370	-\$24,071	-\$24,793	-\$25,536	-\$26,303
Cash Flow		\$278,088	\$287,669	\$297,580	\$307,833	\$318,440	\$329,412	\$340,764	\$352,507	\$364,655	\$377,223
Cumulative Cash Flow		\$915,898	\$1,203,566	\$1,501,146	\$1,808,979	\$2,127,418	\$2,456,831	\$2,797,595	\$3,150,101	\$3,514,757	\$3,891,979
Simple Payback = 7+ years											
Return on Investment =		0.11446997									

Assumptions:

1. As a public entity, assumes no extra revenue sources, no incentives, and no Federal and State tax deductions and credits.
2. Assumes an annual system degradation of 0.5%, which is standard in the industry.
3. Assumes the average annual cost of energy from PG&E is \$0.10/kWh, with a 3% annual growth based on history.
4. Assumes a system installation cost of \$1.70/W with competitive bidding.
5. Assumes \$0.015/W for annual operation and maintenance, which is typical for a well run system

Conclusion: The simple payback is between the 7th and 8th year and the ROI is 0.114 or 11.4%