

## Financial Analysis of Efficiency Improvements Simulating Streams of Cash Inflows and Outflows

### SAMPLE ANALYSIS

Discount Rate: 10%  
 Finance Rate: 10%  
 Reinvestment Rate: 10%  
 Inflation Rate: 3%

Date:	Today	End of YR 1	End of YR 2	End of YR 3	End of YR 4	End of YR 5	End of YR 6	End of YR 7	End of YR 8	End of YR 9	End of YR 10
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#### CASH OUTFLOWS (after Date 0 rebates)

Single investment	\$ (65,400.00)										
Phased investment											
Financed investment											
<b>Subtotal</b>	\$ (65,400.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rebate/incentive rec'd at Date 0 <sup>1</sup>	\$ 15,400.00										
<b>SUBTOTAL OUTFLOWS</b>	\$ (50,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

#### CASH INFLOWS

Energy savings	\$ 10,000.00	\$ 10,300.00	\$ 10,609.00	\$ 10,927.27	\$ 11,255.09	\$ 11,592.74	\$ 11,940.52	\$ 12,298.74	\$ 12,667.70	\$ 13,047.73	
Maintenance savings	\$ 5,000.00	\$ 5,150.00	\$ 5,304.50	\$ 5,463.64	\$ 5,627.54	\$ 5,796.37	\$ 5,970.26	\$ 6,149.37	\$ 6,333.85	\$ 6,523.87	
Non-utility-cost financial savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Rebates/incentives considered "cash inflow" <sup>1</sup>											
<b>SUBTOTAL INFLOWS</b>	\$ -	\$ 15,000.00	\$ 15,450.00	\$ 15,913.50	\$ 16,390.91	\$ 16,882.63	\$ 17,389.11	\$ 17,910.78	\$ 18,448.11	\$ 19,001.55	\$ 19,571.60

**Annual Cash Flow** \$ (50,000.00) \$ 15,000.00 \$ 15,450.00 \$ 15,913.50 \$ 16,390.91 \$ 16,882.63 \$ 17,389.11 \$ 17,910.78 \$ 18,448.11 \$ 19,001.55 \$ 19,571.60

*PV of Outflows (for SIR calculation)* \$ (50,000.00) \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

*PV of Inflows (for SIR calculation)* \$ - \$ 13,636.36 \$ 12,768.60 \$ 11,956.05 \$ 11,195.21 \$ 10,482.79 \$ 9,815.70 \$ 9,191.06 \$ 8,606.18 \$ 8,058.51 \$ 7,545.70

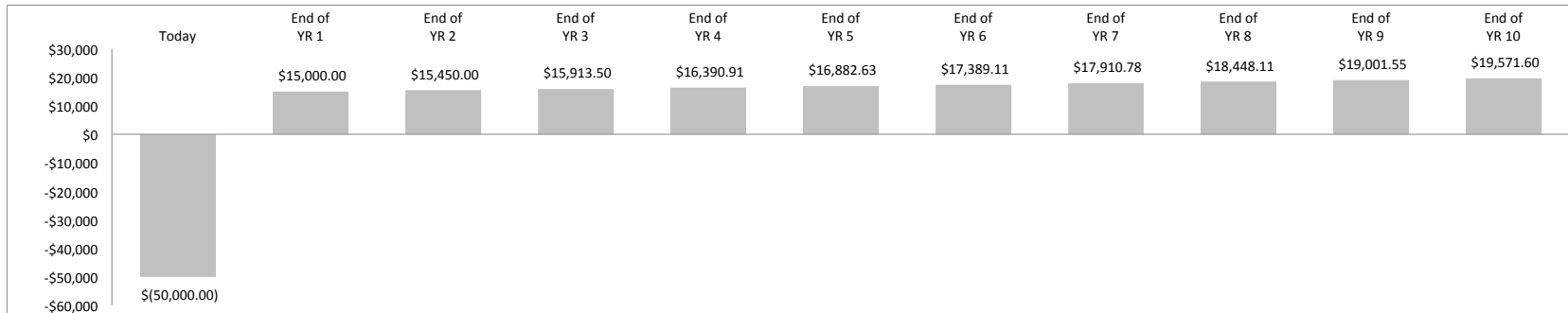
**Annual Present Value** \$ (50,000.00) \$ 13,636.36 \$ 12,768.60 \$ 11,956.05 \$ 11,195.21 \$ 10,482.79 \$ 9,815.70 \$ 9,191.06 \$ 8,606.18 \$ 8,058.51 \$ 7,545.70

#### NOTE THAT CERTAIN RETURNS VARY DEPENDING ON THE LENGTH OF THE ANALYSIS TERM

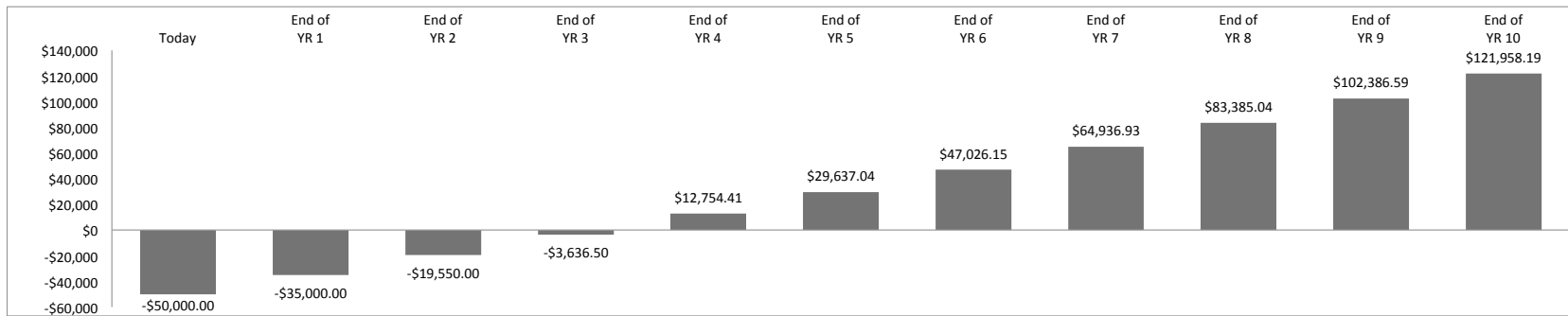
	10-YEAR	1-YEAR	2-YEAR	3-YEAR	4-YEAR	5-YEAR	6-YEAR	7-YEAR	8-YEAR	9-YEAR	10-YEAR
NPV	\$ 53,256.16	(\$36,363.64)	(\$23,595.04)	(\$11,638.99)	(\$443.78)	\$10,039.00	\$19,854.70	\$29,045.77	\$37,651.94	\$45,710.46	\$53,256.16
SPP	3.3										
ROI	30.0%										
IRR	30.1%	-70.0%	-27.4%	-3.6%	9.6%	17.4%	22.3%	25.5%	27.6%	29.1%	30.1%
MIRR	18.3%	-70.0%	-20.1%	0.7%	9.8%	14.1%	16.3%	17.4%	18.0%	18.2%	18.3%
SIR	2.1	0.3	0.5	0.8	1.0	1.2	1.4	1.6	1.8	1.9	2.1

NOTE 1: SIR calc removes any rebate/incentive received at Date 0 from first cost prior to calculating SIR.

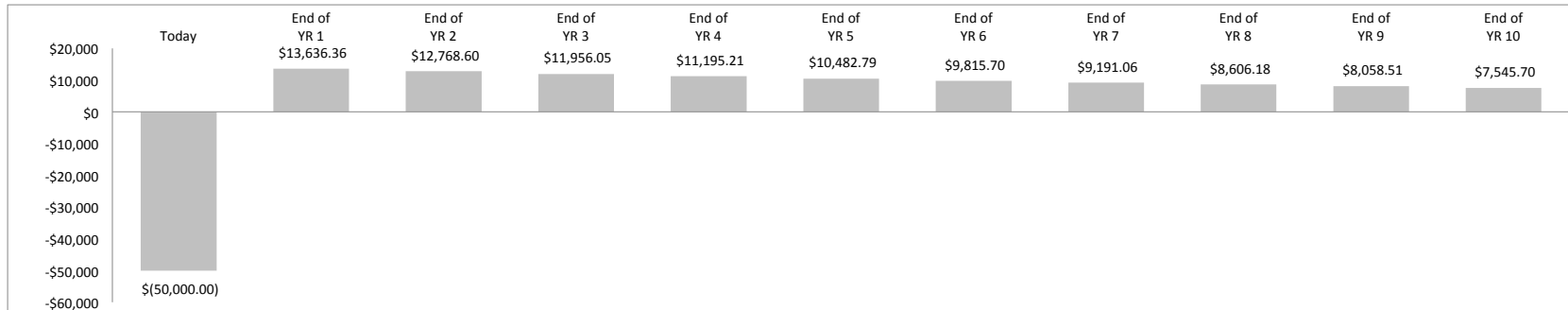
### 10-year Cash Flow



### Cumulative 10-year Cash Flow



### 10-year Present Value



### Cumulative 10-year Present Value

