

Solarize Athens

Nonprofit Pricing and Financing Options



The approach for nonprofit entities looking to make the transition to clean energy is very different than residential and for profit commercial projects. Nonprofits are unable to take advantage of tax incentives that make solar more feasible. That's why Solarize Athens has several options available for nonprofits to work with a third party who can benefit from the tax incentives and pass the savings to the nonprofit entity.

Solarize Athens Benefits

- Free evaluation
- Discount pricing
- Best-in-class components
- Community engagement

Financing Options Available

- Purchase
- Third party "SEPA"
- SEPA + Crowdfunding
- Energy Savings Agreement

How solar can work for your nonprofit?

Example: 100kW @ \$2/watt = \$200,000
Utility rate = \$0.12/kWh; 3% annual increase

Option # 1: Purchase

Price	\$200,000
30% ITC:	(\$0)
Bonus dep:	<u>(\$0)</u>
Net down (after year 1):	\$200,000
Payback	11 years
ROI	9.1%
Net savings (25 years)	\$574,317

Option # 2: Finance

50% down	50% finance
Gross down: \$100,000	Finance: \$100,000
30% ITC: (\$0)	Terms: 5%; 10 years
Bonus dep: <u>(\$0)</u>	
Net down (after yr. 1) : \$100,000	Payment: \$1,060/mo.

Option # 2 Monthly Cash flow Schedule (yrs 1-5)

Year	1	2	3	4	5
Savings	\$1,430	\$1,466	\$1,505	\$1,542	\$1,582
Debt Service	<u>\$1,060</u>	<u>\$1,060</u>	<u>\$1,060</u>	<u>\$1,060</u>	<u>\$1,060</u>
Cash Flow	\$370	\$406	\$445	\$482	\$522
Payback	12 years				
ROI	10.43%				
Net Savings (including loan payment)	\$446,038				

Solarize Athens

Nonprofit Pricing and Financing Options (cont)



How solar can work for your nonprofit?

Example: 100kW @ \$2/watt = \$200,000
Utility rate = \$0.12/kWh; 3% annual increase

Option # 3: SEPA

A SEPA is a Solar Energy Procurement Agreement recently enacted into law via the Solar Power Free-Market Financing Act of 2015. A SEPA allows a nonprofit to procure solar energy from a third party developer. The developer installs a system on the nonprofit's property and sells the solar electricity generated directly to the nonprofit entity. This allows the third party developer to monetize the tax incentives and pass the savings to the nonprofit in the form of a lower SEPA rate.

Option # 3.A.: How a SEPA provider could work as a hedge against utility rate inflation and help make the transition to clean energy for your nonprofit entity

SEPA Rate vs Utility Rate (yrs 1-10)

Year	1	2	3	4	5	6	7	8	9	10
SEPA Rate	\$.13	\$.132	\$.134	\$.136	\$.138	\$.14	\$.142	\$.144	\$.146	\$.148
Utility Rate	<u>\$.12</u>	<u>\$.124</u>	<u>\$.128</u>	<u>\$.132</u>	<u>\$.136</u>	<u>\$.14</u>	<u>\$.144</u>	<u>\$.148</u>	<u>\$.153</u>	<u>\$.158</u>
Rate Delta	\$.01	\$.008	\$.006	\$.004	\$.002	0	\$.002	\$.004	\$.007	.01
Annual Delta	\$1,385	\$1,176	\$913	\$640	\$358	0	\$239	\$554	\$879	\$1,217
Lifetime Cost of SEPA (25 years)					Lifetime Cost of Utility (25 years)					
\$525,823					\$591,817					
SEPA Savings: \$65,994										

Option #3.B.: A Solarize Athens SEPA is built around a target savings amount, i.e., 20%, and we find a third party developer to agree to nonprofit terms. Crowdfunding option also available.

Solarize Athens SEPA Rate vs Utility Rate (yrs 1-10)

Year	1	2	3	4	5	6	7	8	9	10
SEPA Rate	\$.096	\$.097	\$.099	\$.10	\$.102	\$.104	\$.105	\$.106	\$.108	\$.11
Utility Rate	<u>\$.12</u>	<u>\$.124</u>	<u>\$.128</u>	<u>\$.132</u>	<u>\$.136</u>	<u>\$.14</u>	<u>\$.144</u>	<u>\$.148</u>	<u>\$.153</u>	<u>\$.158</u>
Rate Delta	\$.024	\$.027	\$.03	\$.032	\$.034	\$.036	\$.04	\$.048	\$.045	\$.048
Annual Delta	\$3,430	\$3,733	\$4,046	\$4,369	\$4,703	\$5,048	\$5,403	\$5,770	\$6,149	\$6,539
Lifetime Cost of SA SEPA (25 years)					Lifetime Cost of Utility (25 years)					
\$388,300					\$591,817					
Solarize Athens SEPA Savings : \$203,517										