



Solar Sebastopol

Residential Solar Payback Schedules

Residential Solar Customers are eligible to receive State and Federal Incentives, including:

The California Energy Commission provides a rebate which pays \$2.80 per watt AC, which will pay for roughly 30% of the project costs. **

The federal government offers a 30% federal tax credit, which is capped at \$2,000.

(California has provided a 7.5% state credit, which may not be available in 2006, so it has not been included in this payback schedule.)

CEC rating in AC watts:	2,462
Nominal rating in DC watts:	3,006

System Cost	\$22,524
CEC Rebate	(\$6,894)
PURCHASE PRICE	\$15,630

Energy Savings:	First Year Energy savings based on PG&E: \$1,398. Energy savings assumed to increase by 2.5% per year after Year 1.
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Financing Assumptions (15-year Line of Credit)

Loan Amount	\$15,630
Annual Interest Rate	7.50%
Loan Period	15
Fed Tax Credit Applied to Principal (Year 2)	\$2,000
Total Interest	\$7,737
Total Cost w/ Financing	\$23,367

WITHOUT FINANCING	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
PURCHASE PRICE	\$15,630									
Federal Tax Credit		-\$2,000								
Energy Savings	-\$1,398	-\$1,433	-\$1,469	-\$1,505	-\$1,543	-\$1,582	-\$1,621	-\$1,662	-\$1,703	-\$1,746
System Cost Less Savings	\$14,232	\$10,799	\$9,330	\$7,825	\$6,282	\$4,700	\$3,079	\$1,417	(\$286)	(\$2,032)

WITH FINANCING	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10	YR 11	YR 12	YR 13	YR 14	YR 15
Purchase Price/Initial LOC	\$15,630														
Years 1 & 2 Annual Payment	\$1,771	\$1,771													
LOC Principal Balance*			\$12,388												
Years 3 to 8 Annual Payment*			\$1,525	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525
Energy Savings	-\$1,398	-\$1,433	-\$1,469	-\$1,505	-\$1,543	-\$1,582	-\$1,621	-\$1,662	-\$1,703	-\$1,746	-\$1,790	-\$1,834	-\$1,880	-\$1,927	-\$1,975
Net Annual Cost	\$373	\$338	\$56	\$20	(\$18)	(\$57)	(\$96)	(\$137)	(\$178)	(\$221)	(\$265)	(\$309)	(\$355)	(\$402)	(\$450)
*Federal Tax Credit Applied to Principal Balance in Year 2		\$2,000													

** Note: Rebates, interest rates, and energy costs are changing over time, so numbers will change accordingly. This is an estimate for educational purposes.