



Table 1.4: Project Cash Flow

Financial Projections		Net Project Cost: \$1,520,000									Financing Term: 15.0 years		
Year	1	2	3	4	5	6	7	8	9				
1. Annual energy costs without improvements	\$288,767	\$298,874	\$309,335	\$320,161	\$331,367	\$342,965	\$354,969	\$367,392	\$380,251				
2. Annual energy costs with improvements	\$204,207	\$211,791	\$219,655	\$227,807	\$236,258	\$245,019	\$254,102	\$263,517	\$273,278				
3. Annual energy cost savings (1-2)	\$84,561	\$87,083	\$89,680	\$92,355	\$95,109	\$97,946	\$100,867	\$103,875	\$106,973				
4. Payments for financing equipment	\$134,919	\$134,919	\$134,919	\$134,919	\$134,919	\$134,919	\$134,919	\$134,919	\$134,919				
5. Payments for ongoing services													
a) Annual M&V Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
6. Net annual benefits [(3 - (4 + 5)) without state financial assistance]	-\$50,358	-\$47,836	-\$45,239	-\$42,564	-\$39,810	-\$36,973	-\$34,052	-\$31,044	-\$27,946				
7. Projected state aid reimbursement	\$77,833	\$77,833	\$77,833	\$77,833	\$77,833	\$77,833	\$77,833	\$77,833	\$77,833				
8. Net annual benefits [(3 + 7) - (4 + 5)] with state financial assistance	\$27,475	\$29,997	\$32,594	\$35,269	\$38,023	\$40,860	\$43,781	\$46,789	\$49,888				
9. Cumulative cash flow with state financial assistance	\$27,475	\$57,472	\$90,066	\$125,334	\$163,358	\$204,217	\$247,998	\$294,788	\$344,675				
10. Net present value of cash flow with state financial assistance	\$611,225	[NPV for Years 1 through 18 brought back to Year 1 with a discount rate of 5.5%]											
11. Interest rate	4.0%												

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Year	Financial Projections					Net Project Cost - \$1,520,000					Financing Term, 15.0 years				
	10	11	12	13	14	15	16	17	18						

1. Annual energy costs without improvements	\$393,560	\$407,335	\$421,591	\$436,347	\$451,619	\$467,426	\$483,786	\$500,718	\$518,243
2. Annual energy costs with improvements	\$283,396	\$293,885	\$304,758	\$316,029	\$327,713	\$339,824	\$352,378	\$365,392	\$378,881
3. Annual energy cost savings (1-2)	\$110,164	\$113,449	\$116,833	\$120,318	\$123,906	\$127,602	\$131,407	\$135,327	\$139,363
4. Payments for financing equipment	\$134,919	\$134,919	\$134,919	\$134,919	\$134,919	\$134,919	\$0	\$0	\$0

5. Payments for ongoing services

a) Annual M&V Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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6. Net annual benefits [(3 - (4 + 5)) without state financial assistance]	-\$24,755	-\$21,470	-\$18,086	-\$14,601	-\$11,013	-\$7,317	\$131,407	\$135,327	\$139,363
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7. Projected state aid reimbursement	\$77,833	\$77,833	\$77,833	\$77,833	\$77,833	\$77,833	\$0	\$0	\$0
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8. Net annual benefits [(3 + 7) - (4 + 5)] with state financial assistance	\$53,078	\$56,364	\$59,747	\$63,232	\$66,820	\$70,516	\$131,407	\$135,327	\$139,363
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9. Cumulative cash flow with state financial assistance	\$397,753	\$454,117	\$513,864	\$577,096	\$643,916	\$714,432	\$845,839	\$981,166	\$1,120,529
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