

Solar Economics Analysis

System cost:

While a total cost for the systems varies depending on the final design, staff have worked with our third-party experts, ARC Alternatives, to provide estimates for each system based on average prices in the solar industry per watt and the sizes of the system. Accordingly, \$24,600,000 can serve as an initial estimate for the cost of this system should the County pursue ownership. This information is summarized in the two tables below.

| Relative Size | Average Capital Cost Basis (\$/W) |
|----------------------|-----------------------------------|
| Small (< 350 kW) | \$ 6.10 |
| Medium (350-1000 kW) | \$ 4.34 |
| Large (> 1000 kW) | \$ 3.75 |

| Site Name | System Size (kW) | Relative Size | Estimated Capital Cost |
|--------------------------|------------------|---------------|------------------------|
| 168 & 142 W. Alisal St. | 737.6 | Medium | \$ 3,700,000 |
| Natividad Medical Center | 3,798.4 | Large | \$ 16,400,000 |
| 1200 Aquajito Rd. | 398.0 | Medium | \$ 2,000,000 |
| 1590 Moffett St. | 502.2 | Medium | \$ 2,500,000 |
| Total | 5,436.2 | - | \$ 24,600,000 |

NEM 2.0 vs NEM 3.0:

The difference in generation value between NEM 2.0 and NEM 3.0 underscores the time imperative to meet PG&E deadlines. Using hourly load profiles for one year at each site, the difference in value of proceeding with systems under NEM 2.0 compared to NEM 3.0 is estimated to be \$235,000 annually, which is a 16% difference. This value does not include any construction or debt financing costs. This information is summarized in the table below.

| Site Name | System Size (kW) | Solar Production (kWh) | Exported Energy Percentage | Year 1 Utility Bill Savings (NEM 2) | Year 1 Utility Bill Savings (NEM 3) | Difference |
|--------------------------|------------------|------------------------|----------------------------|-------------------------------------|-------------------------------------|------------|
| 168. & 142. W. Alisal | 737.6 | 1,080,380 | 7% | \$ 289,000 | \$ 279,000 | 3% |
| 1200 Aguajito Rd. | 398.0 | 569,370 | 30% | \$ 165,000 | \$ 128,000 | 22% |
| 1590 Moffett St. | 502.2 | 746,973 | 48% | \$ 144,000 | \$ 92,000 | 36% |
| Natividad Medical Center | 3,798.4 | 5,543,670 | 21% | \$ 892,000 | \$ 756,000 | 15% |
| Total | 5,436.2 | 7,940,393 | 22% | \$ 1,490,000 | \$ 1,255,000 | 16% |