



NATIVIDAD MEDICAL CENTER SOLAR

NET BENEFIT ANALYSIS OF PROPOSED BUDGET INCREASE

Created by:
ARC Alternatives
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Background

- On May 19th, Opterra requested Change Order #1 for **\$46,643** for increasing pier depths
- On July 23rd, Opterra requested Change Order #2 for **\$1,107,118** for ADA work
- Opterra recommended NMC carry approximately **\$357,000** contingency for underground conditions during structural installation
- To absorb Change Order #1 and #2, and hold a \$357,000 contingency, **\$429,026** would need to be added to the NMC project budget
- Opterra guaranteed that if the difference of \$429,026 was added to the project budget, there would be no further change orders from Opterra unless the County or NMC explicitly requested something that is out of scope for the project

Item	Budget/Cost
Existing 5% Contingency	\$906,735
Existing ADA Budget	\$175,000
Change Order #1: Pier Depth Increase	(\$46,643)
Change Order #2: ADA Work	(\$1,107,118)
Underground Conditions Contingency	(\$357,000)
Total	(\$429,026)

Analysis of NMC Proposed Budget Increase

- ARC modeled the impact of the proposed budget increase needed to absorb the requested change orders at NMC
 - The “baseline” scenario shows the net benefit of solar without change orders
 - Scenario 1 adds \$429,026 to the project budget as requested by Opterra
- The results of the 30-Year Net Benefit and Net Present Value with and without financing are shown below:

Scenario	Total Pre-ITC Cost	30-Year Net Benefit	30-Year NPV	Simple Payback Period
Baseline	\$ 19,394,418	\$ 21,537,199	\$ 4,786,094	17 years
Scenario 1 - Proposed Budget Increase	\$ 19,823,444	\$ 21,236,881	\$ 4,497,327	17 years

Assumptions

- Sites are initially modeled under NEM 2.0, but switch to NEM 3.0 (Net Billing) in years 21-30 after grandfathering period ends
- Modeled under a 5.2% utility escalation rate
- 1 planning year assumed (time between now and when project can be completed)
- 0.5% Solar Degradation Rate
- No financing, project to be paid in full in year 1
- Net Present Value: 4% Discount Rate