



Affordable Housing and Solar

Multifamily Affordable Solar Housing

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Development



New Construction Affordable Solar Housing

- Incentives
- Utilities Administering NSHP
- Making Solar Affordable
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NHSP Incentives



NSHP Program Incentives

NSHP REBATES

Solar PV System
Title 24

Common rooms,
laundry rooms, hallways
and other communal
electricity load

Available Now

\$3.50/Watt (AC)

Utilities Administering NSHP



Utilities Administering NSHP

NSHP is a California program—incentives are available to customers in the following utility districts

	Pacific Gas & Electric (PG&E)
 <p>SOUTHERN CALIFORNIA EDISON[®] <small>An EDISON INTERNATIONAL[®] Company</small></p>	Southern California Edison (SCE)
 <p>Center for Sustainable Energy <small>CALIFORNIA</small></p>	San Diego Gas & Electric (SDG&E) Administered by California Center for Sustainable Energy for SDG&E

Making Solar Affordable



Making Solar Affordable

- Before NSHP, solar was not viable for most new construction affordable housing developers or building owners.
- Not so with NSHP! Now you can save 75% or more off the price of a solar system.
- Whether you purchase the system or finance it with SolarCity, the economics are extremely compelling.
- You can realize immediate savings on your electricity bills and achieve full payback on your solar system in just a few years.

Example Pricing Scenarios



Traditional Approach—Buy Your Solar System

[50 kw Example—Assuming a For-Profit Facility Owner]

Solar System Size	50kW
<u>System Cost Before Incentives</u>	<u>\$325,000</u>
<u>Tax Incentives</u>	<u>Less Tax Incentives</u>
Less Dept. of Treasury Grant (or ITC)	– \$97,500
Less NSHP Rebate (After Tax)	– \$93,738
Less Depreciation Tax Savings	– \$91,000
Total Incentives	<u>\$282,238</u>
<u>System Cost After Incentives</u>	<u>\$42,762</u>
Amount Reduced	87%
Annual Reduction in Utility Bill	\$13,750
Payback	4 years

A solar power station is customized for your facility so terms may vary based on system size, rebates and utility rates.

Traditional Approach—Buy Your Solar System 50 kW Example

- In this 50kW example, save 87% off the price of the solar system after rebates and government incentives
- Save money every month on electricity bills
- Pay off the solar system in just 4 years



Interested in Financing?

- Don't have the cash and/or
- Can't take advantage of the tax benefits?
 - No tax liability to offset
 - Non-profit/government
- Ask about SolarCity's **Power Purchase Agreement (PPA)**
- Ideal for nonprofit/government and building owners who can not use federal tax benefits or depreciation

Financing Option—Power Purchase Agreement (PPA)

- No cash down, receive savings from Day 1
- SolarCity finances and owns the system, claims the incentives
- Financing structure used commonly in energy industry
- Pay-as-you-go plan
- You lock in energy prices for 15 years
- SolarCity responsible for maintaining the system

Finance Your System with a PPA [50 kw Example]

Solar System Size	50kW
<u>System Cost*</u>	<u>\$171,000</u> (After NSHP rebate)
<u>Power Purchase Agreement</u>	<u>PPA</u>
PPA Rate (\$/kWh)	\$0.10
Escalator of PPA Rate	0.00%
PPA Term	15 Years
Annual Reduction in Utility Bill**	\$13,750
Annual Payments Made to PPA	<u>\$6,875</u>
Net Reduction in Electricity Costs	\$6,875

* Assumes system cost if purchased by a nonprofit / government organization after NSHP rebate.

** Assumes \$0.20/kWh current electric average rate.

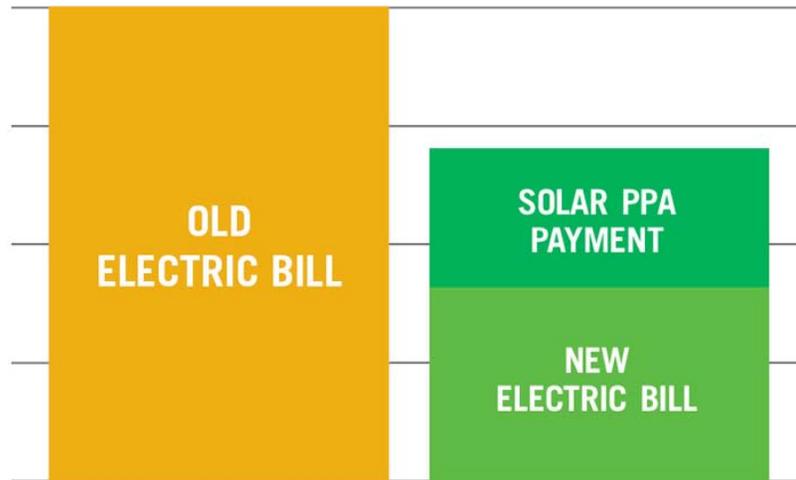
A solar power station is customized for your facility so terms may vary based on system size, rebates and utility rates.

Example Pricing Scenario—SolarPPA [50 kW]

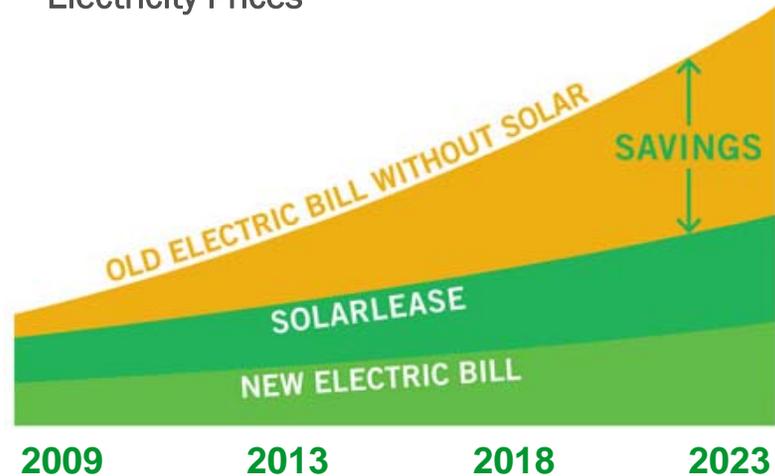
Monthly Savings		
	Before Solar	SolarPPA
Utility Bill	\$2,000	\$854
SolarPPA Payment		\$573
Total Monthly Cost	\$2,000	\$1,427
Net Monthly Savings		\$573

Benefits Over 15 Years	
Estimated Savings Over 15 Years	\$250,902
Net Present Value	\$124,268
Payback	Immediate

Save Money On Electricity Every Month



Protect Your Business From Rising Electricity Prices



How a Power Purchase Agreement Works

1. Immediate payback and no upfront cost

SolarCity can claim all incentives and depreciation, which lowers PPA cost

2. Reduced electricity spending

(Solar PPA + New Lower Electricity Bill) < Old Utility Bill

3. Lock in your electricity rates for the next 15+ years

Protect against utility rate escalation and uncertainty

4. SolarCity owns the system and is responsible for maintenance

Since you only pay as system produces energy, interests are aligned

SolarCity Case Studies





System Size	49kW
Installed	09/22/2008
Type	Flat Roof
Location	Los Angeles, CA
Industry	Multi-Unit Housing

Morgan Place



System Size	13kW
Installed	10/24/2008
Type	Flat Roof
Location	San Francisco, CA
Industry	Multi-Unit Housing

Valencia Gardens



System Size	97kW
Installed	08/25/2008
Type	Flat Roof
Location	San Jose, CA
Industry	Multi-Unit Housing

Curtner Gardens



System Size	280kW
Installed	Under Construction
Type	Spanish Tile
Location	Lancaster, CA
Industry	Multi-Unit Housing

Arbor Court, Arbor Gardens, Essex House and Executive Suites

Limited Time Incentive

- Cash or PPA—Financials are extremely compelling!
- NSHP funds are limited, so it makes financial sense to act fast to reserve your share before other developers and building owners lay claim to the funds for their projects
- Rebate reservations are already being reserved at CSI!
- This is the best return on solar available in the United States



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