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## Financing PV Systems



# CASE STUDY: OAK STREET TERRACE

- 1109 Oak Street, Oakland
- 39 Studio Apts. for Low-income Seniors
- All Utilities Master Metered
- City of Oakland RDA, 9% LIHTC, AHP Loan
- Completed 2004



# Specifications and Savings



- 3,500 s.f. Roof Area
- 192 Modules x 185W Module = 35kWdc = 27kWac
- 27kWac = 50,409 kWh
- \$.022/ kWh = Peak Rate
- \$11,090 Annual Savings
- 30% of Electricity Budget

# PV System Purchase Agreement

Buyer = SunEdison LLC; Seller = Oak Street LP

<b>SOURCES:</b>		<b>\$270,000</b>
CPUC Rebate	(\$5.00 / AC Watt)	\$135,000
Solar Equity	(10% Credit, 5YR MACRS)	\$60,000
Promissory Note	(5YR, 5%, Deferred)	\$75,000
<b>USES:</b>	(\$10.00 / AC Watt)	<b>\$270,000</b>
Solar Panels		\$200,000
Inverter		\$26,000
Bracing Hardware		\$12,000
Installation		\$32,000

# Solar Services Agreement

Provider = SunEdison LLC; Host = Oak Street LP

- 5 Year Agreement
- Solar payment = \$.17 / AC Watt produced
- Payment = \$.05 less than PG&E rate
- 3.5% annual increase
- Provider responsible for all operating, maintenance, and monitoring costs.
- Payment is based on actual output, therefore strong incentive to maintain uninterrupted peak system performance.

# Further Discussion

- Will your bank underwrite to projected PV savings?
- Will your LIHTC investor price solar tax benefits at the same rate of return as housing tax benefits?
- Who will monitor and maintain system to ensure projected savings are realized?
- Is your building design and location suitable for a low cost, high efficiency system?