

# Project Proforma

## Casa Grande LED Street Light Replacement and Controls

Initial Project Costs:	
Detailed Energy Audit	\$ 38,000
Performance and Payment Bond (if applicable), Permits	\$ 19,718
Implementation Costs	\$ 1,494,079
<b>Total Initial Project Costs</b>	<b>\$ 1,551,797</b>
Arizona Transaction Privilege Tax (6.955%)	\$ 107,927
<b>Total Ameresco Contract Amount</b>	<b>\$ 1,659,724</b>
<b>State Contract Fee (1.0%)</b>	<b>\$ 15,518</b>
<b>Net Project Costs</b>	<b>\$ 1,675,242</b>
<b>Construction Period Interest</b>	<b>\$ 14,007</b>
<b>Total Amount Financed</b>	<b>\$ 1,689,249</b>

Financial Assumptions	
Term of Project (years)	20.0 yrs
Term of Financing (years)	15.0 yrs
Estimated Financing Rate	2.00%
Payments per Year (frequency)	12
Discount Rate	2.00%
Energy Escalation rate (annual)	3.00%
O&M Savings Escalation rate (annual)	0.00%
M&V Cost Escalation Rate (annual)	4.00%
O&M Cost Escalation Rate (annual)	4.00%
Project Simple Payback	14.44

Proforma	Initial Values	Year									
		1	2	3	4	5	6	7	8	9	10
1 Projected Annual Energy Cost Savings	\$ 119,394	\$ 122,976	\$ 126,665	\$ 130,465	\$ 134,379	\$ 138,410	\$ 142,563	\$ 146,840	\$ 151,245	\$ 155,782	\$ 160,456
2 Guaranteed Energy Cost Savings	\$ 107,455	\$ 110,678	\$ 113,999	\$ 117,419	\$ 120,941	\$ 124,569	\$ 128,306	\$ 132,156	\$ 136,120	\$ 140,204	\$ 144,410
3 O&M Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Utility Rebates (Note 4)		\$ 215,726									
<b>5 Total Project Savings (Line 2 + Line 3 + Line 4)</b>	<b>\$ 107,455</b>	<b>\$ 326,404</b>	<b>\$ 113,999</b>	<b>\$ 117,419</b>	<b>\$ 120,941</b>	<b>\$ 124,569</b>	<b>\$ 128,306</b>	<b>\$ 132,156</b>	<b>\$ 136,120</b>	<b>\$ 140,204</b>	<b>\$ 144,410</b>
6 Payments for Financing Equipment		\$ 306,837	\$ 94,152	\$ 97,282	\$ 100,504	\$ 103,819	\$ 107,231	\$ 110,741	\$ 114,353	\$ 118,071	\$ 121,895
7 Payments for Measurement and Verification Services	\$ 6,565	\$ 6,828	\$ 7,101	\$ 7,385	\$ 7,680	\$ 7,987	\$ 8,306	\$ 8,638	\$ 8,984	\$ 9,343	\$ 9,717
8 Payments for Operation and Maintenance Services	\$ 185	\$ 191	\$ 196	\$ 202	\$ 208	\$ 214	\$ 221	\$ 228	\$ 234	\$ 241	\$ 249
<b>9 Total Payments</b>		<b>\$ 313,855</b>	<b>\$ 101,450</b>	<b>\$ 104,870</b>	<b>\$ 108,392</b>	<b>\$ 112,020</b>	<b>\$ 115,757</b>	<b>\$ 119,607</b>	<b>\$ 123,571</b>	<b>\$ 127,655</b>	<b>\$ 131,861</b>
<b>10 Net Annual Benefit</b>		<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>
11 Cumulative Cash Flow	\$ 1,103,705	\$ 12,549	\$ 25,098	\$ 37,647	\$ 50,196	\$ 62,745	\$ 75,293	\$ 87,843	\$ 100,392	\$ 112,941	\$ 125,490
12 Net Present Value of Cash Flow	\$ 801,722										
13 Interest Rate	2.00%										
14 Discount Rate	2.00%										
<b>15 Estimated Maintenance Benefit</b>	<b>\$ 65,739</b>	<b>\$ 68,369</b>	<b>\$ 71,103</b>	<b>\$ 73,947</b>	<b>\$ 76,905</b>	<b>\$ 79,982</b>	<b>\$ 83,181</b>	<b>\$ 86,508</b>	<b>\$ 89,968</b>	<b>\$ 93,567</b>	<b>\$ 97,310</b>

Line #	Year										Totals
	11	12	13	14	15	16	17	18	19	20	
1 Projected Annual Energy Cost Savings	\$ 165,269	\$ 170,227	\$ 175,334	\$ 180,594	\$ 186,012	\$ 191,592	\$ 197,340	\$ 203,260	\$ 209,358	\$ 215,639	\$ 3,304,406
2 Guaranteed Energy Cost Savings	\$ 148,742	\$ 153,205	\$ 157,801	\$ 162,535	\$ 167,411	\$ 172,433	\$ 177,606	\$ 182,934	\$ 188,422	\$ 194,075	\$ 2,973,966
3 O&M Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Utility Rebates (Note 4)											\$ 215,726
<b>5 Total Project Savings (Line 2 + Line 3 + Line 4)</b>	<b>\$ 148,742</b>	<b>\$ 153,205</b>	<b>\$ 157,801</b>	<b>\$ 162,535</b>	<b>\$ 167,411</b>	<b>\$ 172,433</b>	<b>\$ 177,606</b>	<b>\$ 182,934</b>	<b>\$ 188,422</b>	<b>\$ 194,075</b>	<b>\$ 3,189,692</b>
6 Payments for Financing Equipment	\$ 125,831	\$ 129,882	\$ 134,050	\$ 138,339	\$ 142,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,945,739
7 Payments for Measurement and Verification Services	\$ 10,106	\$ 10,510	\$ 10,930	\$ 11,367	\$ 11,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,704
8 Payments for Operation and Maintenance Services	\$ 256	\$ 264	\$ 272	\$ 280	\$ 288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,544
<b>9 Total Payments</b>	<b>\$ 136,193</b>	<b>\$ 140,656</b>	<b>\$ 145,252</b>	<b>\$ 149,986</b>	<b>\$ 154,862</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,085,987</b>
<b>10 Net Annual Benefit</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 12,549</b>	<b>\$ 172,433</b>	<b>\$ 177,606</b>	<b>\$ 182,934</b>	<b>\$ 188,422</b>	<b>\$ 194,075</b>	<b>\$ 1,103,705</b>
11 Cumulative Cash Flow	\$ 138,038	\$ 150,588	\$ 163,137	\$ 175,686	\$ 188,235	\$ 360,668	\$ 538,274	\$ 721,208	\$ 909,630	\$ 1,103,705	
<b>15 Estimated Maintenance Benefit</b>	<b>\$ 101,202</b>	<b>\$ 105,250</b>	<b>\$ 109,460</b>	<b>\$ 113,839</b>	<b>\$ 118,392</b>	<b>\$ 123,128</b>	<b>\$ 128,053</b>	<b>\$ 133,175</b>	<b>\$ 138,502</b>	<b>\$ 144,042</b>	<b>\$ 2,035,884</b>

- Notes:
- This cash flow reflects an estimated tax exempt lease rate of 2%. The actual rate will increase or decrease based on market conditions and customer credit rating at the time of lease funding.
  - Revenues are based on current utility rate structures and usage information provided for purposes of this project.
  - The performance and payment bonds apply only to the installation portion of the contract and do not apply in any way to energy savings guarantees, payments or maintenance provisions, except that the performance bond shall guarantee that the installation will be free of defective materials and workmanship for a period of 12 months following completion and acceptance of the work.
  - The amount of the utility rebate(s) are not guaranteed. The final rebate amount will be determined by the utility company.
  - The Operation and Maintenance Serves cost is treated as an on going data collection service where the City will contract directly with the street light control supplier.