

Proposal for Supply and Installation of a Renewable Energy Power System





PROPOSED WARRANTY AND WORKMANSHIP

1. The Work shall:
 - a. be performed in accordance with good, sound design and/or engineering practices;
 - b. be in conformity with any applicable specifications in respect to the materials utilized and
 - c. reflect Electrical Contractor's best professional knowledge, skill and judgment.

2. Workmanship.
 - a. Workmanship and materials of the Installation will be warranted by Electrical Contractor pursuant to this Contract for five (5) years from the date of the electrical permit signoff.
 - b. Should there be a failure of the foregoing warranty within the applicable warranty period, Electrical Contractor shall correct the defect at Electrical Contractor's sole cost.

3. Perform service calls to address down-system conditions that cannot be remedied through the trouble-shooting methods provided in the System manual.

4. Remedy workmanship defects that result from Work performed by the Electrical Contractor and any defects of Electrical Contractor supplied materials.

SOLAR FINANCIAL ANALYSIS

Notice:

This information is provided as an illustration of potential financial benefits stemming from ownership of a renewable energy power system. This is not a product guarantee. A professional accountant or tax advisor should confirm these estimates. Electrical Edge Inc. do not warrants the applicability of this estimates for particular business cases, and disclaim all liability.

The estimate of production and other results can be independently validated at the following websites:

PV Watts Solar Performance Estimator: <http://www.pvwatts.org>
www.FindSolar.com funded by the Department of Energy
California Energy Commission: www.consumerenergycenter.org
New Jersey Clean Energy Program: www.njcep.com
The DSIRE Database of Incentive: www.dsireusa.org



Photovoltaic System at a glance

Annual Avoided Electricity Purchases	\$1,930
Avoided Monthly Electricity Purchases (\$)	\$161
AEC Market Income	\$540
25 Years Cumulative Savings and Income	\$67,627

System Pricing

Total System Cost (includes design, parts, delivery, installation, warranty)	\$37,500
Pennsylvania Sunshine Solar Rebate Program (Total Amount)	\$0
Federal Tax Credit 30%	\$11,250
Net System Cost	\$26,250

http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=PA37F&re=1&ee=1

<http://www.irs.gov/formspubs/article/0,,id=207332,00.html>

Equity / Property Value Increase.	\$38,592
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Based on 20 X First Year's Net Utility Savings of: \$1,930
(Ref: The Appraisal Journal, Oct 98)



Assumptions

System Size (Name Plate STC)	10,000 Watt DC
System Cost Per Watt DC (STC)	\$3.75
Estimated Annual Production 1st Year	12,060 kWh
AEC Value in year of installation	\$45
Pennsylvania Sunshine Solar Rebate Program (\$ per Watt DC)	\$0.00
Average cost of electricity per 1kWh	\$0.16
Loan Amount	\$0
Annual Interest Rate	4%
Term of Loan (in Years)	10 Years
PV System degradation	0.9 %
Assumed Electrical Rates Inflation	5.5 %
PV System Tilt (degrees)	35.0
PV System Azimuth (degrees)	180
Federal Income Tax Rate:	28.00 %
State Income Tax Rate:	3.07 %

<http://www.sretrade.com/auctionhistory.php>



Cash Flow

Year At Install	1	2	3	4	5	6	7	8	9	10	11	12
Operating Savings												
Annual Utility Savings(\$)	1,930	2,017	2,109	2,205	2,306	2,410	2,520	2,635	2,755	2,880	3,011	3,148
Pennsylvania AEC Market Income	540	495	495	495	495	495	495	495	495	495	495	450
Air Conditioning Savings												
Roof Maintenance Savings												
Operating Expenses												
Loan Payment	0	0	0	0	0	0	0	0	0	0	0	0
Operating Profit (Loss)												
Total System Cost	37,500											
PA State SunShine Rebate	0											
Federal Tax Credit 30%	11,250											
Loan Amount	0											
Annual Rate of Return	9%	10%	10%	10%	11%	11%	11%	12%				
Annual Savings & Profit	2,470	2,512	2,604	2,700	2,801	2,905	3,015	3,130	3,250	3,375	3,506	3,598
Cash Flow Cumulative	-26,250	-23,780	-21,268	-18,664	-15,964	-13,163	-10,258	-7,242	-4,113	-863	2,512	9,616

Year	13	14	15	16	17	18	19	20	21	22	23	24	25
Operating Savings													
Annual Utility Savings(\$)	3,291	3,441	3,598	3,761	3,933	4,112	4,299	4,494	4,699	4,913	5,136	5,370	5,614
Pennsylvania AEC Market Income	450	450	450										
Air Conditioning Savings													
Roof Maintenance Savings													
Operating Expenses													
Loan Payment	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Profit (Loss)													
Annual Savings & Profit	3,741	3,891	4,048	3,761	3,933	4,112	4,299	4,494	4,699	4,913	5,136	5,370	5,614
Cash Flow Cumulative	13,358	17,249	21,297	25,058	28,991	33,102	37,401	41,895	46,594	51,507	56,643	62,013	67,627

Support Data

Support Data	1	2	3	4	5	6	7	8	9	10	11	12
Annual Production AC Energy (kWh)	12060	11951	11844	11737	11632	11527	11423	11320	11219	11118	11018	10918
Annual AEC	12	11	11	11	11	11	11	11	11	11	11	10
Electricity Cost	0.16	0.17	0.18	0.19	0.20	0.21	0.22	0.23	0.25	0.26	0.27	0.29

Support Data	13	14	15	16	17	18	19	20	21	22	23	24	25
Annual Production AC Energy (kWh)	10820	10723	10626	10531	10436	10342	10249	10157	10065	9975	9885	9796	9708
Annual AEC	10	10	10	10	10	10	10	10	10	9	9	9	9
Electricity Cost	0.30	0.32	0.34	0.36	0.38	0.40	0.42	0.44	0.47	0.49	0.52	0.55	0.58



How does a solar electric system work?

Solar cells in the modules mounted on your roof convert sunlight directly into DC power. A component called an inverter converts this DC power into AC power that can be used in your home. The system is interconnected with your utility. During the day, if your solar system produces more electricity than your property is using, your utility allow net metering or the crediting of your utility account for the excess power generated being returned to the grid. Your utility would provide power as usual at night and during the day when your electricity demand exceeds that produced by your solar system.

The Cost To Go Solar

This is only an estimate based upon many assumptions and limited data entered by you: Installation costs can vary considerably. The cost to purchase and install a complete grid-tied solar photovoltaic (PV) system includes the PV array, inverter and associated balance of system costs. It does not include the cost of options you may select, such as battery backup power storage, or the costs of building preparation work, like new shingles. Costs can also be higher if you add other features or have special installation needs (such as application over tile roofing) or you choose to use special mounting systems (such as sun tracking systems). Other factors may also affect price, including, but not limited to, your location, the building condition, type and location, its wiring, and warranties offered.

Solar Renewable Energy Certificates (SREC)

An SREC is created each time a qualified alternative energy facility produces 1000 kWh of electricity. The SREC is then be sold or traded separately from the power. This makes it easy for individuals and businesses to finance and invest in clean, emission free solar power.