

Sample Residential Cost Analysis

7.700 Kw Offset 100%

Project Detail: 7.700 KWh	Roof mount	
System Cost		58950
A37 Total Incentive rebate	Xcel	26950
Cash returned		26950
Cost after Rebate		32000
Deposit with order	At signing	5000
Installation Payment		20000
Final Payment		7000
30% of System Cost Investment Tax Credit	30%	9600
Total First Year Tax Benefit		9600
Energy Savings First Year		1120
Cost at end of first year		21280
Energy Savings (5% inflation) 5 Years		5880
Added appreciation in property value*		20000
Return on Investment at 5 years		5880
Return on investment at 25 years		29400

*Analysis includes added valuation to property. Nationally, every \$1000 savings in electricity increases property values an average of \$20,000. This 20 to 1 ratio was estimated by Appraisal Journal in 1998 and is cited by Wells Fargo Bank. It is justified by the fact that a homeowner with \$1,000 less annual operating costs will rationally be able to pay \$1,000 more in mortgage expense, making the home \$20,000 more affordable. Solar compares favorably to other home improvement investments, such as deck additions, kitchen and bathroom renovations, and window replacements, which typically create resale value worth about 75%-100% of the cost, according to the experts at Remodeling Online.