

Morris County Improvement Authority
Solar Tranche 2
Summary of Scenarios

Scenario	Gross County Obligation (-) / Benefit (+) ¹	Net Present Value of County Obligation (-) / Benefit ^{1,2}	Estimated Savings to Local Units ¹	Gross Aggregate Solar II Project County Obligation
Do Not Build Additional Sites (Market SRECs)	(\$5,766,866)	(\$4,416,603)	\$6,787,951	(\$16,138,756)
Built Sites + Recommended Sites (Market SRECs)	\$3,415,775	\$1,700,692	\$8,183,502	(\$6,956,115)
Do Not Build Additional Sites (Market SRECs @ Discount yrs 6-15) ³	(\$7,734,944)	(\$5,814,218)	\$6,787,951	(\$18,106,834)
Built Sites + Recommended Sites (Market SRECs @ Discount yrs 6-15) ³	(\$419,925)	(\$892,714)	\$8,183,502	(\$10,791,815)
Do Not Build Additional Sites (Market SRECs @ Discount yrs 1-15) ⁴	(\$8,844,754)	(\$6,684,974)	\$6,787,951	(\$19,216,644)
Built Sites + Recommended Sites (Market SRECs @ Discount yrs 1-15) ⁴	(\$1,996,205)	(\$2,246,919)	\$8,183,502	(\$12,368,096)

¹ Cash Flow per period beginning July 1, 2015 and ending December 1, 2031 ("Do Not Build" Scenarios end June 1, 2029)

² Cash Flow is discounted at 4.1% (Solar II Borrowing Rate)

³ SREC forecast discounts the SREC values provided by MEMO Sunshine by 20% in years 2021-2025 & 25% in years 2026-2032 (full Market rates used for first 5 years)

⁴ SREC forecast discounts the SREC values provided by MEMO Sunshine by 15% in years 2016-2020, 20% in years 2021-2025 & 25% in years 2026-2032

Breakeven SREC Summary

- An Unbuilt Site "breaks even" when the sum of the amount of PPA Revenue paid by the Local Unit plus the revenue from the sale of SRECs generated by the Unbuilt Site equals the sum of operating expenses for the Unbuilt Site plus debt service incurred to fund construction of that Unbuilt Site, over a period of 15 years.
- The average break even SREC price for the 10 Recommended Unbuilt Sites is approximately \$68.00 per year for 15 years.
- The average break even SREC price for the 10 Recommended Unbuilt Sites, assuming market SREC prices for the first 4 years, is approximately \$12.00 per year for the remaining 11 years thereafter.
- The average break even SREC price for the existing Built Sites and the Recommended Unbuilt Sites is approximately \$180.00 per year for 15 years.