



Unlocking Solar Incentives Savings and Sustainability for Water Treatment Facilities

Lewis Butler
National C&I Sales Manager
Nelnet Renewable Energy
lewis.butler@nelnet.net





Agenda

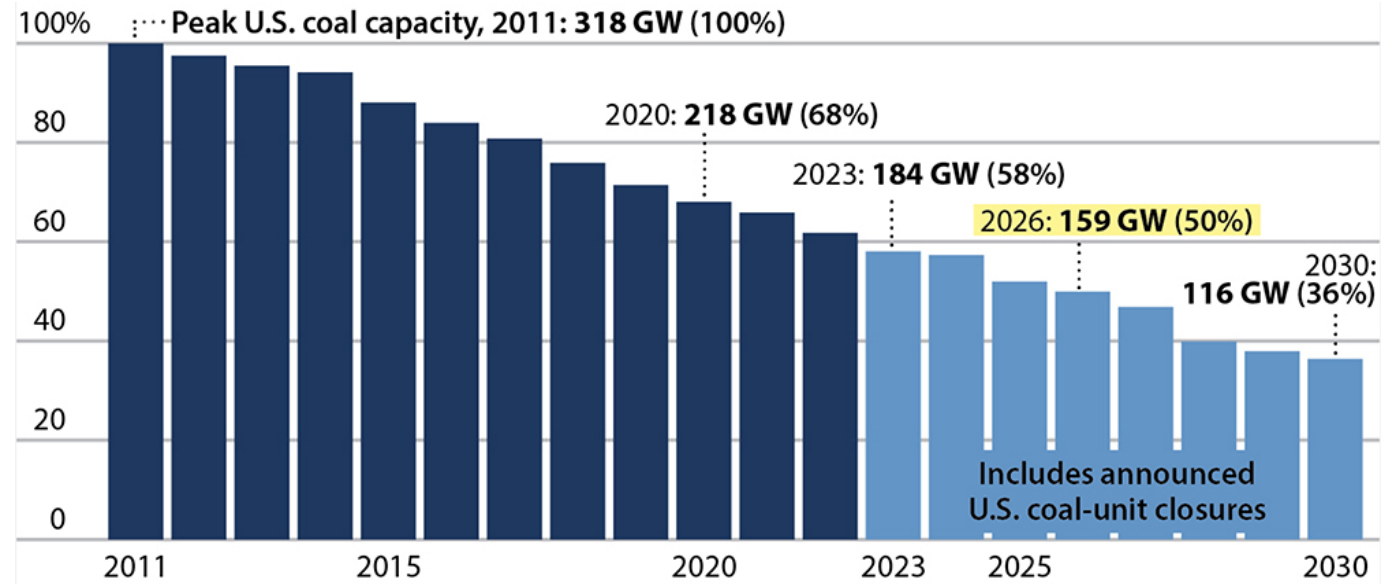
1. Disclosures
2. Where are we at today?
3. The Inflation Reduction Act & the financial case for solar
4. What advice do we have for customers who are interested in solar?





Where will energy come from?

Many coal plants are closing due to aging and a variety of other concerns.



<https://www.rtoinsider.com/31995-ieefa-forecasts-wave-coal-power-retirements-2030/>





How stable are energy prices?

Natural disasters and geopolitical events tripled the price of natural gas in 2020-2022.



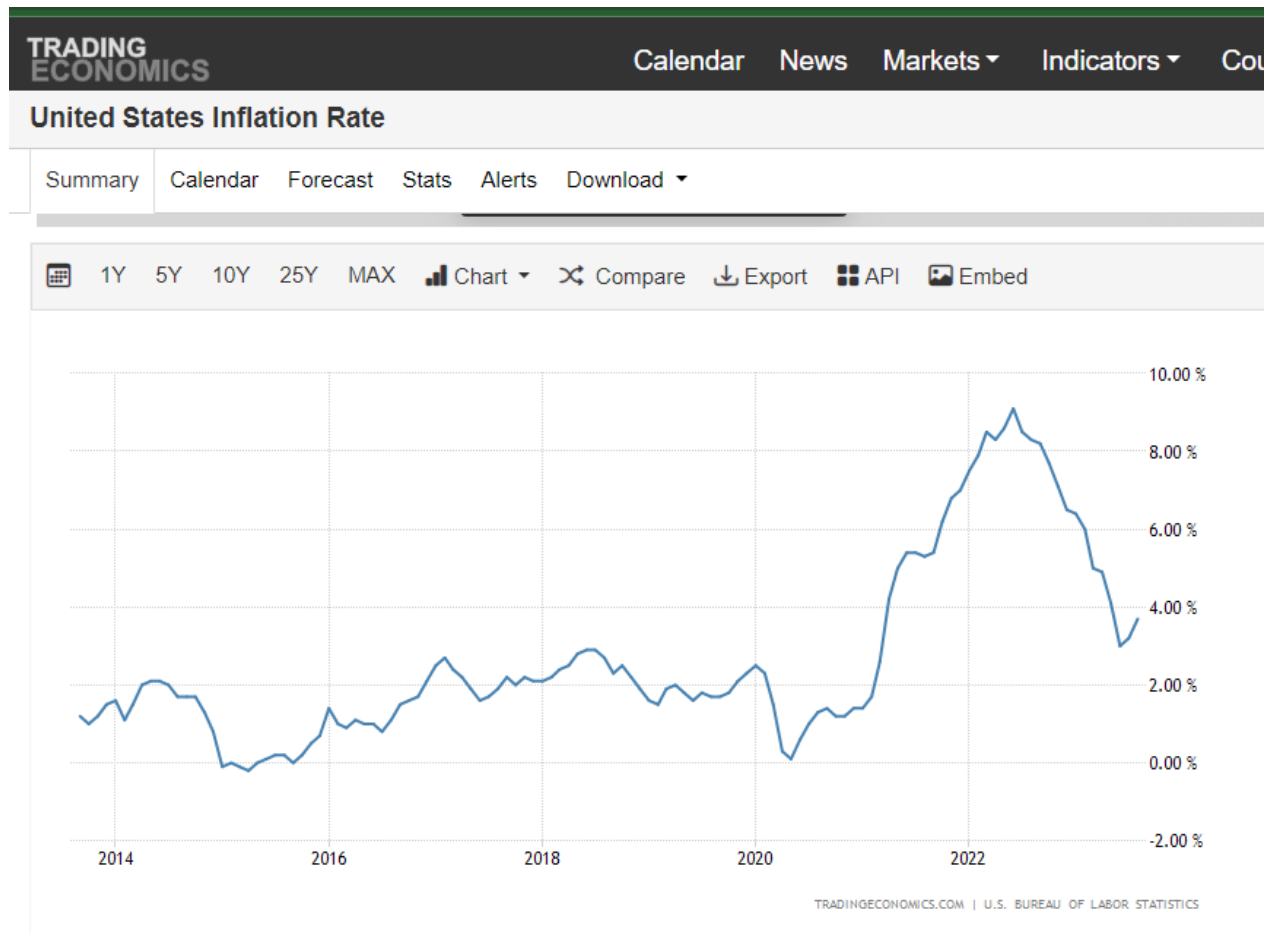
<https://www.macrotrends.net/2478/natural-gas-prices-historical-chart>





Have you been impacted by inflation?

Inflation went from ~2% to over 8% in 2022, and is currently ~4%.



<https://tradingeconomics.com/united-states/inflation-cpi> via the US Bureau of Labor Statistics



The Solution!

Low cost, no volatility, inflation proof.

Plus it's green.



- Inflation Reduction Act
- State & Local Incentives
- Variety of favorable financing & ownership models



Inflation Reduction Act

30% Tax Credit Floor
Elective (Direct) Pay



Financial Analysis

System Cost (Including Tax)	
Turnkey Installation using Tier 1 Components	\$2,216,250
Less Federal Tax Credit	(\$886,500)
Local Incentives	(\$0)
Net Cost	\$1,329,750

Financial Metrics	
Savings from Incentives	40%
Est Y1 Savings	\$141,388

- 30% "Tax Credit" on project costs
- Potential for various "adders" (10%+)
- Option for direct or elective pay.



Inflation Reduction Act

30% Tax Credit Floor
Elective (Direct) Pay



FINANCIAL ANALYSIS

SYSTEM COST - (INCLUDING TAX)	\$1,802,000
Turnkey Installation using Tier 1 Components	
LESS FEDERAL TAX CREDIT	(\$540,600)
LESS SMART INVERTER REBATE	(\$265,000)
LESS ILLINOIS POWER AGENCY ABP PAYMENT	(\$987,810)
NET COST	\$8,590
FINANCIAL METRICS	
SAVINGS FROM INCENTIVES	100%
EST Y1 SAVINGS	\$128,048
EST PAYBACK PERIOD	0.1

- 30% "Tax Credit" on project costs
- Potential for various "adders" (10%+)
- Option for direct or elective pay.



Financing Solutions

PPA RATE - \$.045/kWh - 0% Escalator

YR	EST. UTILITY BILL	EST. PPA PAYMENTS	ANNUAL CASH FLOW	TOTAL CASH FLOW
1	\$128,048	\$81,373	\$46,675	\$46,675
2	\$130,865	\$80,966	\$49,899	\$96,574
3	\$133,744	\$80,561	\$53,183	\$149,757
4	\$136,686	\$80,158	\$56,528	\$206,285
5	\$139,693	\$79,757	\$59,936	\$266,221
6	\$142,766	\$79,358	\$63,408	\$329,629
7	\$145,907	\$78,961	\$66,946	\$396,575
8	\$149,117	\$78,566	\$70,551	\$467,126
9	\$152,398	\$78,173	\$74,225	\$541,351
10	\$155,751	\$77,782	\$77,969	\$619,320

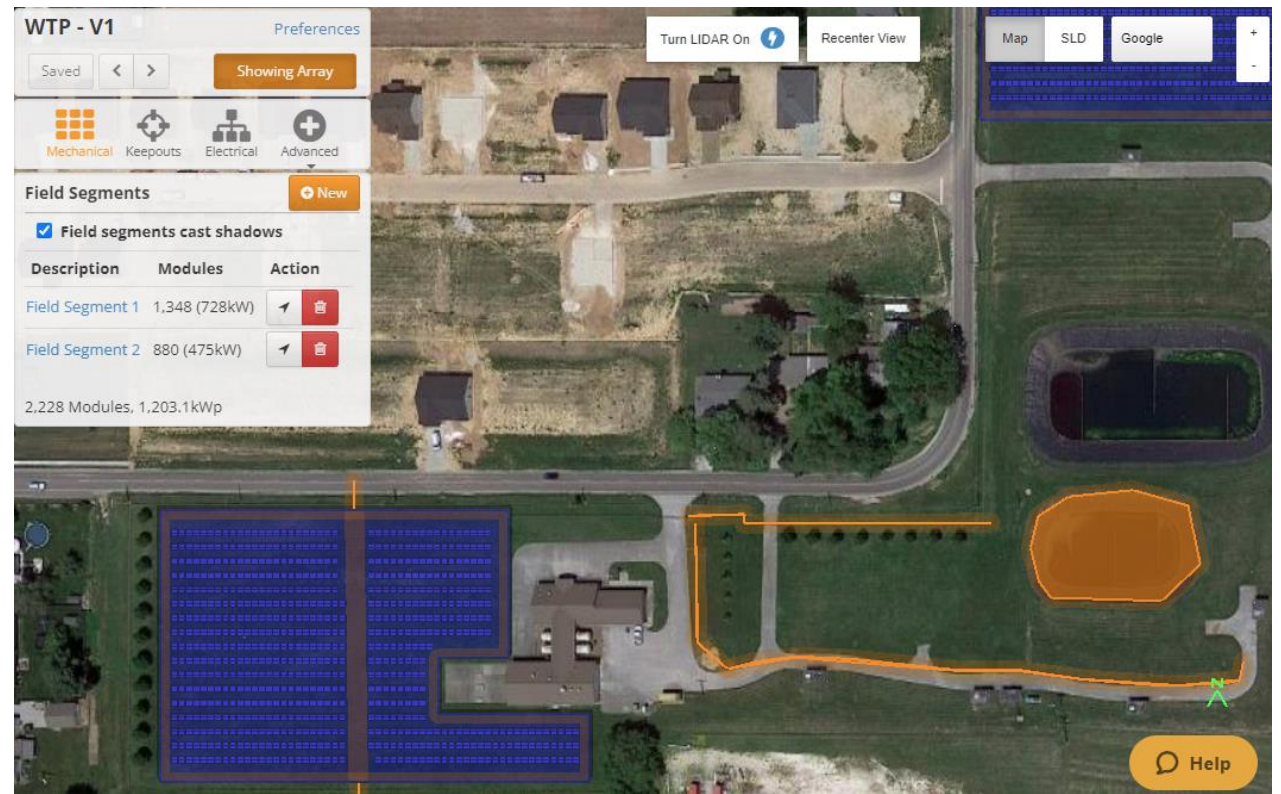
Two main option:

- Direct Ownership.
- Power Purchase Agreement (PPA) or Lease





Are you interested?



It is easy!

- Get in touch with us (lewis.butler@nelnet.net)!
- A consultant will reach out, and we will ask for 12 months of utility bills.
- Analyze current rates, usage, local incentives and utility company policy, and provide a turnkey solution.



Q&A

Thanks for attending!

- What is the O&M cost / obligations?
- We looked at this 5 years ago, what has changed?
- What is a typical project timeline on a project like this?
- What happens in "25" years at the end of a power purchase agreement?

Lewis Butler
National C&I Sales Manager
Nelnet Renewable Energy
lewis.butler@nelnet.net

