

Jack Sun and Jill Sky

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Solar Analysis provided by:
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8.1 kW Residential PV System



November 28, 2008

Site Address:
117 So Mary Ave, #30
Sunnyvale, CA 94087

Mailing Address:
117 So Mary Ave, #30
Sunnyvale, CA 94087

ELECTRICAL ENERGY USAGE, BILLING & TAX INPUTS & ASSUMPTIONS

1,500 kWh Average Winter Monthly Historic Usage
1,500 kWh Average Summer Monthly Historic Usage
18,000 kWh Total Annual Historic Usage

Utility: PG&E
Current Rate Schedule: PG&E E1-X B -- Residential Tiered
New Solar Rate Schedule: PG&E E6-X B -- Residential Tiered TOU (new)

28% Federal Income Tax Rate
9.3% State Income Tax Rate
37.3% Combined Fed & State Income Tax Rate

3.5% Assumed General Inflation (maintenance, etc)
The CPI has increased 3.5% annually since 1981

5.0% Assumed Electric Rate Escalation
Average California Electric Rates have increased 6.7% annually since 1970

CA Electric Rates, 30 Years
Rates have risen on average, 6.7% per year since 1970

SOLAR ELECTRIC SYSTEM

8.141 kW PV system size (CEC AC Rating)

Comprising 47 Sharp Corporation ND-208U1 modules and 3 SMA America SB3800U (240V) inverters.

PV Array is 22° up from horizontal, and facing S

859 square feet, approximate roof area required
Module dimensions are 64.6" by 39.1".

5.3 Hours of equivalent full noontime sun occurs at Sunnyvale, CA
This is based on 30-year annual average data for nearby San Francisco, CA (SFO Airport) found in the NREL Redbook (redc.nrel.gov/solar/pubs/redbook)
This level of sunshine can vary +/- 9% year to year due to weather

70% Total system efficiency factor, accounting for:
inverter, module heating, wire losses, dust & dirt, and module mismatch factors
Normal per CEC guidebook is about 71%
This does not include shading or array orientation factors

5.3 Hours of effective full noontime sun, factoring in shading & orientation

13,266 kWh/year estimated production (1,630 kWh per year per kW CEC AC Capacity Rating)
Offsets about 74% of estimated/adjusted future usage

0.5% Annual Module Degradation Rate (normally 0% to 1%)
Affects future energy production due to module aging

Disclaimer: This information is provided as an illustration of potential financial benefits stemming from ownership of a renewable energy power system. This is not a production guarantee. A professional accountant or tax advisor should confirm these estimates. Neither OnGrid Solar nor any authorized user warrants the applicability of these estimates for particular business cases, and both disclaim all liability

OnGrid Solar Financial Analysis Tool v3.7
SFA-PTEIFJZZVSEESFRQNX



ENERGY COSTS/SAVINGS	
HISTORIC ENERGY COSTS WITHOUT SOLAR:	
\$	409 Historic Average Monthly Charges
ESTIMATED FUTURE ENERGY COSTS WITH ADJUSTMENTS IN USAGE (BEFORE SOLAR)	
\$	409 Average Monthly Charges accounting for adjustments in usage
ESTIMATED FUTURE ENERGY COSTS WITH SOLAR AND ADJUSTMENTS	
\$	31 Average Monthly Charges with Solar
SAVINGS USING SOLAR:	
\$	378 Savings in 1st month due to solar (with usage adjustments) Savings will increase over time as electric rates rise
\$	4,539 First year savings due to solar
\$	7,240 Pre-Tax value of the first year annual savings due to solar

SYSTEM PRICING & CAPITAL COST SUMMARY	
\$	76,600 Total System Cost (includes full service, parts, delivery, installation, warranty, sales tax)
\$	-
\$	-
\$	-
\$	-
\$	-
\$	76,600 Gross Top Line Cost (\$9.41 per CEC AC Watt)
\$	(1,262) Rebates and Grant (if applicable)
\$	75,338 System Price after Rebate (typically, the net contract amount)
\$	500 Estimated Permit Fees NOT included in system contract price
\$	-
\$	-
\$	75,838 Cost After Rebate & Fees (may be the Tax Creditable Amount, see Tax Advisor)
\$	-
\$	-
\$	(22,751) Federal Tax Credit
\$	-
\$	53,086 Net System Cost with Tax Benefits
\$	-
\$	-
\$	53,086 TOTAL NET AFTER-TAXES COST OF SYSTEM

FINANCING	
8.0%	Loan Rate
30 years	Loan Term
\$	75,838 Loan Amount
\$	- Short Term Cash Required Until Tax Benefits are received



ENVIRONMENTAL BENEFITS:

13,266 kWh/year estimated system production of electricity, or about 74% of the estimated future usage

Over 25 years, this solar system is estimated to offset:

- 520,279 lbs of CO₂, the leading greenhouse gas
- 1,670 lbs of NO_x, which creates smog
- 1,511 lbs of SO₂, which causes acid rain
- 103 lbs of particulates that cause asthma
- 846,546 miles driven in an average car, or 33,862 miles a year

**It's like taking 2.7 cars off the road for 25 years.
 Or planting 4.5 acres of trees.**

**Area of Equivalent Number of Trees Planted
 Relative to a Typical 6000 sqft House Lot (.14 acre)**

■ Equivalent Area of Trees Planted ■ Typical 6000sqft Residential Lot Area

RETURN ON INVESTMENT SUMMARY (see following pages for detail)

CASH FLOW

\$	362	Monthly Savings in 1st Year (before electric rate escalation)
\$	(217)	1st Month Net Cost of a 8%, 30 year loan
\$	145	NET SAVINGS / CASH FLOW IN FIRST MONTH

Net monthly savings will increase due to electricity escalation, but decrease due to reduced interest (tax deduction) portion of loan repayment. Savings get larger, because escalation works faster than reduction in interest.

ANNUAL RATE OF RETURN

21.5% Pre-Tax Annual Rate of Return

For comparison with other investments
 Additional value as a hedge against future electric rate increases

TOTAL LIFECYCLE PAYBACK (Cumulative Electric Bill Savings Over 25 Years including system expenses)

\$	189,133	equals 356% return on initial system cost of \$53,086
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EQUITY / PROPERTY VALUE INCREASE:

\$	86,954	Appraisal Journal Estimated Immediate Increase in Property Value or 164% of the system's cost
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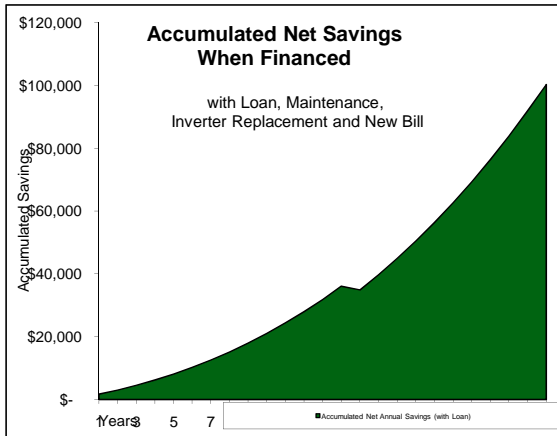
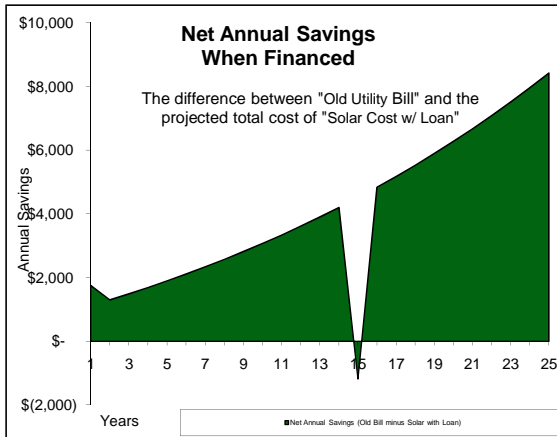
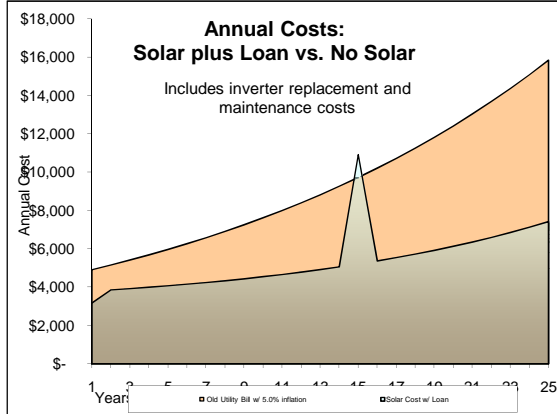
Based on 20 x First Year's Net Savings of \$4,348
 Equity increases \$20 for every \$1 saved in annual utility expenses
 ref: The Appraisal Journal, Oct 98
 see www.ongrid.net/AppraisalJournalPVValue10.98.pdf

This Resale Value will continue to increase as electric bill savings increase due to escalation
 This increase is limited by the total remaining savings expected within 25 years

\$	135,582	Maximum resale value based on estimated remaining savings to 25 years, Occurs at year 11
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CASH FLOW:	
\$	362 Electric Bill Savings in 1st Month (before electric rate escalation), plus REC & PBI income
\$	(217) 1st Month Net Cost of a 8%, 30 year loan
\$	145 NET SAVINGS / CASH FLOW IN FIRST MONTH
Net monthly savings will increase due to electricity escalation, but decrease due to reduced interest (tax deduction) portion of loan repayment. Savings get larger, because escalation works faster than reduction in interest.	



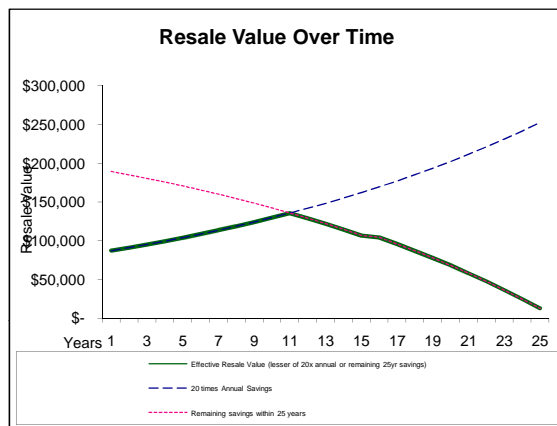


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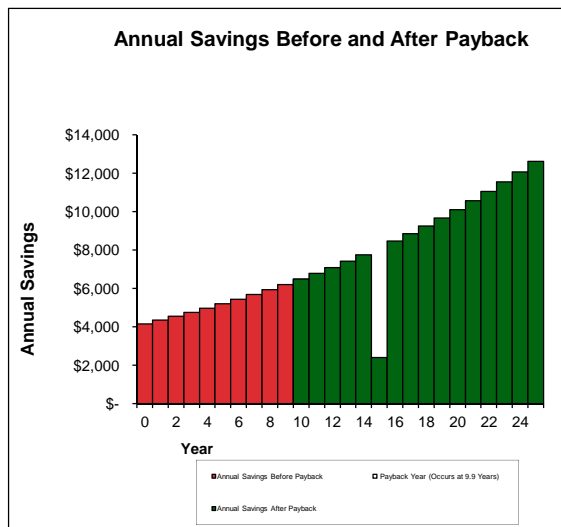
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TOTAL LIFECYCLE PAYBACK (Cumulative Electric Bill Savings Over 25 Years including system expenses)

\$ 189,133 equals 356% return on initial system cost of \$53,086



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Loan & Resale Value Annual Detail



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LOAN:	Year:												
	0	1	2	3	4	5	6	7	8	9	10	11	12
Loan Balance	75,838	54,288	53,766	53,202	52,593	51,935	51,225	50,458	49,629	48,734	47,767	46,724	45,596
Payment (monthly)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)
Paid Interest (portion of payment)	(405)	(362)	(358)	(355)	(351)	(346)	(341)	(336)	(331)	(325)	(318)	(311)	(304)
Unpaid Interest (added to loan principal)	(100)												
Tax Deduction Benefit (monthly)	189	135	134	132	131	129	127	125	123	121	119	116	113
Net Monthly Loan Cost	(217)	(270)	(272)	(273)	(275)	(276)	(278)	(280)	(282)	(284)	(287)	(289)	(292)
Net Tax Benefit Received (put towards paying down the next year's principal)	22,751												
Annual Electric Bill without Solar (including Lifestyle changes, but not Energy Efficiency)	4,912	5,158	5,415	5,686	5,971	6,269	6,582	6,912	7,257	7,620	8,001	8,401	8,821
New Net Annual Energy Cost (with tax effects, including new electric bill, maintenance, inverter replacement)	564	612	664	719	777	840	907	978	1,054	1,135	1,222	1,314	1,413
Net New Annual Cost (Loan plus New Net Energy Cost)	3,166	3,858	3,924	3,996	4,073	4,155	4,243	4,338	4,438	4,546	4,662	4,785	4,917
Cash Flow (annual) (Old less New Net Costs)	1,745	1,300	1,491	1,690	1,897	2,114	2,339	2,574	2,819	3,074	3,339	3,616	3,904
Cash Flow (monthly)	145	108	124	141	158	176	195	215	235	256	278	301	325
ACCUMULATED LOAN CASH FLOW:	1,745	3,045	4,536	6,226	8,124	10,238	12,577	15,151	17,970	21,043	24,382	27,998	31,902

INCREASED RESALE VALUE:

Increased resale value factor: 20	86,954	90,905	95,036	99,353	103,867	108,585	113,516	118,672	124,061	129,694	135,582	141,737	148,172
Remaining savings within 25 years	189,133	184,785	180,240	175,488	170,520	165,327	159,898	154,222	148,288	142,085	135,601	128,821	121,735
Effective Resale Value (lesser of 20x annual or remaining 25yr savings)	86,954	90,905	95,036	99,353	103,867	108,585	113,516	118,672	124,061	129,694	135,582	128,821	121,735

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LOAN:

LOAN:	Year:												
	13	14	15	16	17	18	19	20	21	22	23	24	25
Loan Balance	45,596	44,379	43,064	41,644	40,110	38,454	36,665	34,733	32,646	30,393	27,959	25,330	22,491
Payment (monthly)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)	(405)
Paid Interest (portion of payment)	(304)	(296)	(287)	(278)	(267)	(256)	(244)	(232)	(218)	(203)	(186)	(169)	(150)
Unpaid Interest (added to loan principal)													
Tax Deduction Benefit (monthly)	113	110	107	104	100	96	91	86	81	76	70	63	56
Net Monthly Loan Cost	(292)	(295)	(298)	(302)	(306)	(310)	(314)	(319)	(324)	(330)	(336)	(342)	(350)
Net Tax Benefit Received (put towards paying down the next year's principal)													
Annual Electric Bill without Solar (including Lifestyle changes, but not Energy Efficiency)	8,821	9,262	9,725	10,212	10,722	11,258	11,821	12,412	13,033	13,685	14,369	15,087	15,842
New Net Annual Energy Cost (with tax effects, including new electric bill, maintenance, inverter replacement)	1,413	1,517	1,632	1,748	1,874	2,009	2,152	2,305	2,467	2,639	2,822	3,017	3,224
Net New Annual Cost (Loan plus New Net Energy Cost)	4,917	5,058	5,207	5,370	5,543	5,727	5,923	6,133	6,358	6,597	6,853	7,126	7,418
Cash Flow (annual) (Old less New Net Costs)	3,904	4,204	(1,183)	4,841	5,180	5,532	5,898	6,279	6,675	7,087	7,516	7,961	8,423
Cash Flow (monthly)	325	350	(99)	403	432	461	491	523	556	591	626	663	702
ACCUMULATED LOAN CASH FLOW:	31,902	36,106	34,923	39,765	44,944	50,476	56,374	62,653	69,328	76,415	83,930	91,891	100,315

INCREASED RESALE VALUE:

Increased resale value factor: 20	148,172	154,897	161,927	169,276	176,958	184,987	193,380	202,154	211,324	220,910	230,930	241,403	252,351
Remaining savings within 25 years	121,735	114,326	106,581	104,184	95,720	86,872	77,623	67,954	57,846	47,280	36,234	24,688	12,618
Effective Resale Value (lesser of 20x annual or remaining 25yr savings)	121,735	114,326	106,581	104,184	95,720	86,872	77,623	67,954	57,846	47,280	36,234	24,688	12,618

LOAN & RESALE:
25-Year Accumulated Net Positive Loan Cash Flow: \$100,315
Maximum Resale Value: \$135,582 occurs at Year 11