

# **Cost-Benefit Analysis for AC Power - Solar Development Project**

Prepared by this agency using InformAnalytics

# Executive Summary

**INVESTOR**  
**AC Power 14, LLC**

**TOTAL INVESTED**  
**\$14.0 Million**

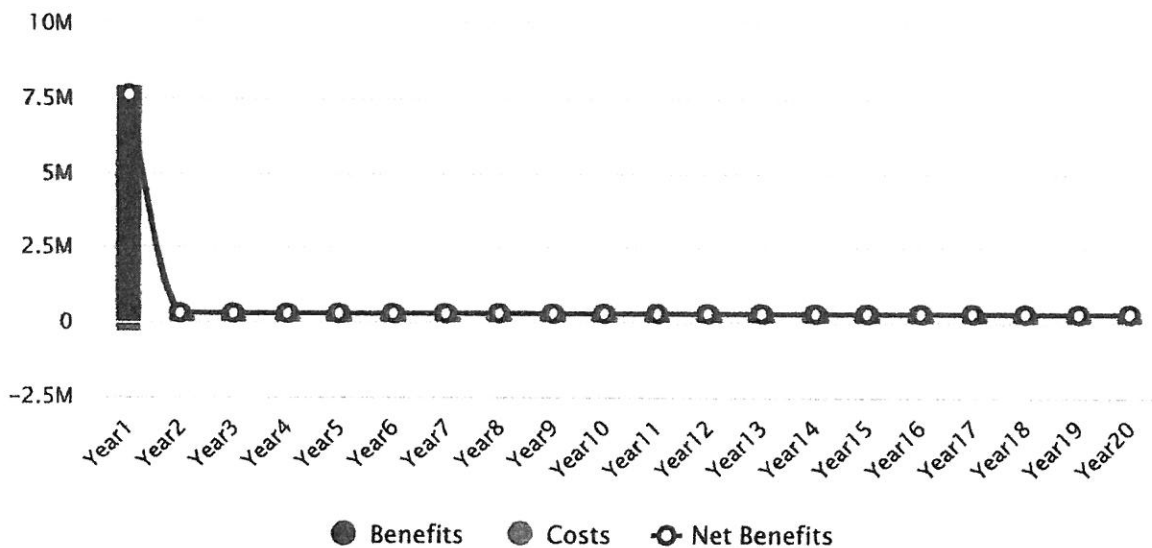
**LOCATION**

**TIMELINE**  
**20 Years**

**FIGURE 1**

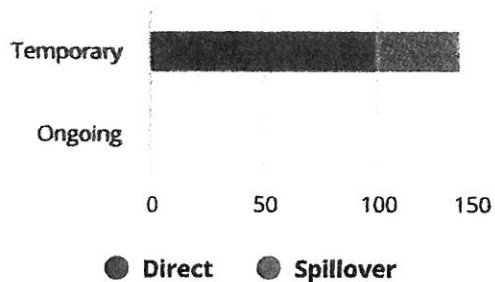
**Discounted\* Net Benefits for AC Power - Solar Development Project by Year**

**Total Net Benefits: \$13,234,000**



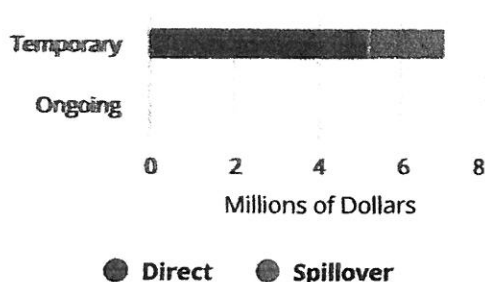
**FIGURE 2**

**Total Jobs**



**FIGURE 3**

**Total Payroll**



# Proposed Investment

AC Power 14, LLC proposes to invest \$14.0 million at over 20 years. Agency staff summarize the proposed with the following: Two co-located community solar facilities utilizing ballasted racking systems with an estimated total of 9.468 MW-ac power generated. The power generated can supply approximately 2,500 average size homes.

TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Solar Generation Project Development	\$13,640,000
<b>OTHER SPENDING</b>	
Land Costs	\$110,000
Soft Costs	\$250,000
<b>Total Investments</b>	<b>\$14,000,000</b>
<b>Discounted Total (2%)</b>	<b>\$14,000,000</b>

May not sum to total due to rounding.

FIGURE 4

## Location of Investment

# Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by the agency. The report calculates the costs and benefits for specified local taxing districts over the first 20 years, with future returns discounted at a 2% rate.

TABLE 2

## Estimated Costs or Incentives

The agency is considering the following incentive package for AC Power 14, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$330,000	\$330,000
Total Costs	\$330,000	\$330,000

May not sum to total due to rounding.

\* Discounted at 2%

TABLE 3

**State & Regional Impact (Life of Project)**

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
<b>REGIONAL BENEFITS</b>	<b>\$11,269,000</b>	<b>\$1,850,000</b>	<b>\$13,119,000</b>
To Private Individuals	\$5,242,000	\$1,819,000	\$7,062,000
Temporary Payroll	\$5,242,000	\$1,819,000	\$7,062,000
To the Public	\$6,027,000	\$30,000	\$6,058,000
Property Tax Revenue	\$5,939,000	N/A	\$5,939,000
Temporary Sales Tax Revenue	\$88,000	\$30,000	\$118,000
<b>STATE BENEFITS</b>	<b>\$330,000</b>	<b>\$115,000</b>	<b>\$445,000</b>
To the Public	\$330,000	\$115,000	\$445,000
Temporary Income Tax Revenue	\$256,000	\$89,000	\$345,000
Temporary Sales Tax Revenue	\$74,000	\$26,000	\$100,000
<b>Total Benefits to State &amp; Region</b>	<b>\$11,600,000</b>	<b>\$1,965,000</b>	<b>\$13,564,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$11,600,000</b>	<b>\$1,965,000</b>	<b>\$13,564,000</b>

May not sum to total due to rounding.

TABLE 4

**Benefit to Cost Ratio**

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$13,119,000	\$179,000	73:1
State	\$445,000	\$151,000	3:1
Grand Total	\$13,564,000	\$330,000	41:1

**May not sum to total due to rounding.**

\* Discounted at 2%

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