

Estimate of Revenues and Costs – ESS Tariff – Rule 2.401(c)

Per Energy Storage System:

Costs:

Equipment & Installation Costs ¹	\$18,413
Software Fees	\$ 233
Total Costs:	\$18,646

Revenues:²

Customer Battery Payments	\$ 4,853
FCM Value	\$ 3,098
RNS Value	\$ 10,390
Energy Value	\$ 1,905
Total Revenues:	\$ 20,246
Net Value per System:³	\$ 1,600

Three Year Estimate Assuming 5 MW Annual Enrollment Limit and 500 Customers:

	Year	<u>1</u>	<u>2</u>	<u>3</u>	
Monthly Customers		400	400	400	
Upfront Customers		100	100	100	
Costs					<u>Lifetime NPV</u>
Equipment & Installation Costs*		(\$1,581,742)	(\$3,070,621)	(\$4,462,685)	(\$26,074,820)
Software Fees		(\$12,000)	(\$24,000)	(\$36,000)	(\$249,980)
Total Costs		(\$1,593,742)	(\$3,094,621)	(\$4,498,685)	(\$26,324,801)
Revenues					
Power Supply Value		\$585,395	\$1,337,840	\$2,164,380	\$21,802,435
Tier 3 Value		\$242,500	\$242,500	\$242,500	\$647,978
Capitalized A&G		\$616,955	\$616,955	\$616,955	\$1,648,549
Customer Battery Payment (Upfront)		\$550,000	\$550,000	\$550,000	\$1,469,641
Customer Battery Payment (Monthly)		\$264,000	\$528,000	\$792,000	\$5,499,569
Total Revenue		\$2,258,850	\$3,275,295	\$4,365,835	\$31,068,172
Net Benefit		\$665,108	\$180,674	(\$132,850)	\$4,743,371

*Includes 7.57% A&G allocation for all batteries.

¹ Data includes typical installation costs in accordance with the Tariff and the Energy Storage System Lease Agreement terms. Other installation costs, if applicable, will be disclosed in writing to customer prior to installation and will be paid directly to the installer. Installed battery cost includes 7.57% A&G allocation, depreciation, and tax requirements.

² Revenue NPV basis; customer battery payments over 10 years, power supply value, up to 15 years.

³ Multiplying the Net Value per System by the total 1500 customers over 3 years does not equal the total Lifetime NPV because the 'Per Energy Storage System' table assumes only the monthly payment option, and does not factor in the assumption that 20% of customers will choose to make the one-time upfront payment that is factored into the three year table.