

Solar Now - Illustrative Lease Payment, from PSC approved formula that can fluctuate based on actual solar production  
City of Milwaukee  
Prepared: January 14, 2020

A	B	C	D	E	F	G	H	I	J
System Size (in MW ac)	Capacity Accreditation %	Accredited Capacity (in MW ac) (Column A x B)	Value of Capacity (CONE)	Estimated Lease Payment (Annual) (Column C x D)	Estimated Lease Payment (Monthly) - Gross (Column E ÷ 12 months)	Less: Monthly REC Value	Estimated Lease Payment (Monthly) - Net (Column F minus G)	Estimated Lease Payment Annual - Net (Column H x 12 months)	Estimated Lease Payment 20 Yr Lease - Net (Column I x 20 years)
Estimated Lease Calculation - Year 1 <sup>1</sup>									
2.25	50%	1.125	\$ 87,170	\$ 98,066	\$ 8,172	\$ 591	\$ 7,581	\$ 90,971	\$ 1,819,413
Estimated Lease Calculation - Years 2 -30 <sup>2</sup>									
2.25	55%	1.238	\$ 87,170	\$ 107,873	\$ 8,989	\$ 591	\$ 8,398	\$ 100,777	\$ 2,015,546
2.25	60%	1.350	\$ 87,170	\$ 117,680	\$ 9,807	\$ 591	\$ 9,215	\$ 110,584	\$ 2,211,678

Footnote Explanations	
<sup>1</sup>	- Indicates that the Capacity Accreditation % is fixed at 50% for year 1 based on the Mid-Continent Independent System Operator (MISO) formula.
<sup>2</sup>	- Indicates that the Capacity Accreditation % for years 2 - 30 is variable. This percentage will based on the MISO capacity accreditation formula. That formula is currently defined for solar generating resources as the rolling average of the most recent 3 years historical generation for the hours ending 2:00 PM, 3:00 PM, and 4:00PM (Central Prevailing Time) in the months of June, July and August. The estimate of 55% - 60% was determined using that formual in conjunction with 30 years of historical solar irradiance data for Southeastern Wisconsin. Two illustrative lease calcuations are shown, the first is with the 55% capacity accreditation percentage assumption and the second using a 60% capacity accreditation percentage assumption.

Calculation of Estimated Monthly Impact of RECs				
System Size (in MW ac)	Esimtated REC Production (Annual MWH)	REC Value (\$ / REC)	Total REC Value (\$ - Annual)	Total REC Value (\$ - Mnthly)
2.25	3,548	\$ 2	\$ 7,096	\$ 591

