



Wednesday, August 26, 2009

BEST CASE vs. WORST CASE NARRATIVE

(to accompany the Excel Spreadsheet titled "Cost Analysis for Renewable Energy")

Average new or new/used car or truck is \$ 18,000 to \$ 25,000.

Use \$ 21,000

- + add yearly license fees
- + add yearly insurance premium
- + add yearly maintenance
- + add yearly fuel costs

Not to mention a GPS, hands free cell phone, washing, waxing, etc. and at the end of 5 years 10 max most people have sold it or traded it in and bought another, just for transportation and it is a normal part of our American society.

\$21,000 + + + + = \$ 0 investment, but we did need to get to work, etc.

BEST CASE Comparison (XCEL Territory)

Out of pocket \$9,100 expense = \$ 12,700 property value increase. We could stop here with a \$ 3,600 return but what about our levelized cost of electricity (which we need as much or more than a car) = .05 cents per kwh over 25 years. XCEL is starting to look at us with a furrowed brow !!

WORST CASE Comparison (IREA Territory)

Out of pocket \$21,960 expense = \$17,982 property value increase. Sure – a lot of money but if we start with the 21K for the car vs 22K for a solar system we are ahead because this is it for 25 years of electricity paid for in advance at today's prices while the \$21,000 vehicle is still costing in the +, +, +, + categories !

Remember the price of something is not the cost of something ----
if you would finance a car and think it is what must be done or finance a PV
system and know it is a great return on your investment (ROI) which releases you
from inflation **and** provide a service you need

What would your choice be?

Sincerely,

Larry Le Due, Principal
Sustainable Solutions Inc.