

APPENDIX 5  
RNG BMS  
ECONOMIC FEASIBILITY

RNG BMS  
 Economic Feasibility  
 Parameters and Results

Line No.	<u>Col. 1</u> Description	<u>Col. 2</u>
<b>FEASIBILITY PARAMETERS</b>		
1.	Discount Rate	5.43%
2.	CCA Rate - Biogas Upgrading Plant	
3.	Energy components	50.00%
4.	Non- Energy components	20.00%
5.	Buildings components	4.00%
6.	Income Tax Rate	26.50%
7.	Municipal Tax Rate	0.59%
8.	Customer Revenue Horizon (Years)	20
9.	Capital Investment (Dollars)	
10.	Biogas Conditioning and Upgrading Plant Capital	7,419,759
11.	Working Capital (Days of Revenue)	30
<b>FEASIBILITY RESULTS</b>		
12.	Net Present Value (Dollars)	731,134
13.	Profitability Index	1.10



**RNG BMS**  
**Economic Feasibility - 20 year Horizon**  
**DCF Analysis**

Line No.	Description	Col. 13 Year 11	Col. 14 Year 12	Col. 15 Year 13	Col. 16 Year 14	Col. 17 Year 15	Col. 18 Year 16	Col. 19 Year 17	Col. 20 Year 18	Col. 21 Year 19	Col. 22 Year 20
	Discount factors to project outset	0.5443	0.5163	0.4887	0.4645	0.4406	0.4179	0.3963	0.3759	0.3566	0.3382
	<b>INCREMENTAL CAPITAL INVESTMENT</b>										
1.	Biogas Conditioning and Upgrading Plant	-	-	-	-	-	-	-	-	-	-
2.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-
3.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-
4.	Working Capital	-	-	-	-	-	-	-	-	-	-
5.	Total Investment	-	-	-	-	-	-	-	-	-	-
6.	PV Of Total Investment At Project Outset	-	-	-	-	-	-	-	-	-	-
7.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	(7,328,434)	(7,328,434)	(7,328,434)	(7,328,434)	(7,328,434)	(7,328,434)	(7,328,434)	(7,328,434)	(7,328,434)	(7,328,434)
	<b>CCA TAX SHIELD</b>										
8.	CCA Tax Shield	10,686	8,636	7,141	6,013	5,137	4,443	3,884	3,429	3,054	24,068
9.	PV Of CCA Tax Shield At Project Outset	5,822	4,459	3,497	2,793	2,263	1,857	1,539	1,289	1,089	8,140
10.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	1,542,231	1,546,690	1,550,187	1,552,980	1,555,243	1,557,100	1,558,639	1,559,928	1,561,017	1,569,156
	<b>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</b>										
11.	Biogas Conditioning and Upgrading Service Revenues	1,329,000	1,329,000	1,329,000	1,329,000	1,329,000	1,329,000	1,329,000	1,329,000	1,329,000	1,329,000
12.	O&M Expenses	(547,085)	(558,026)	(569,187)	(580,571)	(592,182)	(604,026)	(616,106)	(628,428)	(640,997)	(653,817)
13.	Net Operating Cash (Before Taxes)	781,915	770,974	759,813	748,429	736,818	724,974	712,894	700,572	688,003	675,183
14.	PV of Net Operating Cash (Before Taxes) At Project Outset	425,626	398,052	372,082	347,628	324,606	302,936	282,544	263,357	245,310	228,338
15.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	6,625,690	7,023,742	7,395,824	7,743,453	8,068,059	8,370,995	8,653,538	8,916,895	9,162,205	9,390,543
	<b>TAXES</b>										
16.	Income Tax (Before Interest Tax Shield)	(194,265)	(191,236)	(188,148)	(184,989)	(181,789)	(178,515)	(175,178)	(171,775)	(168,306)	(164,768)
17.	Municipal Tax	(48,840)	(49,329)	(49,822)	(50,320)	(50,823)	(51,331)	(51,846)	(52,367)	(52,887)	(53,416)
18.	Total Taxes	(243,105)	(240,565)	(237,970)	(235,319)	(232,612)	(229,847)	(227,023)	(224,138)	(221,193)	(218,184)
19.	PV of Total Taxes At Project Outset	(132,331)	(124,203)	(116,534)	(109,300)	(102,477)	(96,043)	(89,977)	(84,258)	(78,867)	(73,787)
20.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	(2,024,685)	(2,148,888)	(2,265,422)	(2,374,722)	(2,477,200)	(2,573,243)	(2,663,220)	(2,747,477)	(2,826,344)	(2,900,131)
21.	<b>ACCUMULATED NPV AND PI</b>										
	Net Present Value	(1,185,198)	(906,890)	(647,845)	(406,724)	(182,332)	26,417	220,523	400,912	568,443	731,134
22.	Profitability Index	0.838	0.876	0.912	0.945	0.975	1.004	1.030	1.055	1.078	1.100