

ATTACHMENT 1
RNG BMS
ECONOMIC FEASIBILITY

RNG BMS
 Economic Feasibility
 Parameters and Results

Line No.	<u>Col. 1</u> Description	<u>Col. 2</u>
FEASIBILITY PARAMETERS		
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
FEASIBILITY RESULTS		
12.	Net Present Value (Dollars)	1,512,653
13.	Profitability Index	1.21

RNG BMS
Economic Feasibility - 20 year Horizon
DCF Analysis

Line No.	Col.1 Description	Col.2 Year 0	Col.3 Year 1	Col.4 Year 2	Col.5 Year 3	Col.6 Year 4	Col.7 Year 5	Col.8 Year 6	Col.9 Year 7	Col.10 Year 8	Col.11 Year 9	Col.12 Year 10
	Discount factors to project outset	0.9739	0.9237	0.8762	0.8310	0.7882	0.7476	0.7091	0.6726	0.6379	0.6051	0.5739
	INCREMENTAL CAPITAL INVESTMENT	(7,419,759)	-	-	-	-	-	-	-	-	-	-
1.	Biogas Conditioning and Upgrading Plant	(7,419,759)	-	-	-	-	-	-	-	-	-	-
2.	Contribution in Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
3.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-
4.	Working Capital	-	(110,750)	-	-	-	-	-	-	-	-	-
5.	Total Investment	(7,419,759)	(110,750)	-	-	-	-	-	-	-	-	-
6.	PV Of Total Investment At Project Outset	(7,226,130)	(102,304)	-	-	-	-	-	-	-	-	-
7.	ACCUMULATED PV OF TOTAL INVESTMENT	(7,226,130)	(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)
	CCA TAX SHIELD	-	414,990	632,014	333,302	180,763	101,938	60,469	38,080	25,552	18,211	13,671
8.	CCA Tax Shield	-	414,990	632,014	333,302	180,763	101,938	60,469	38,080	25,552	18,211	13,671
9.	PV Of CCA Tax Shield At Project Outset	-	383,341	553,741	276,981	142,480	76,210	42,879	25,612	16,300	11,019	7,846
10.	ACCUMULATED PV OF CCA TAX SHIELD	-	383,341	937,083	1,214,063	1,356,544	1,432,754	1,475,632	1,501,244	1,517,544	1,528,564	1,536,409
	INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)	-	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
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	-	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)
13.	Net Operating Cash (Before Taxes)	-	889,000	889,000	889,000	889,000	889,000	889,000	889,000	889,000	889,000	889,000
14.	PV of Net Operating Cash (Before Taxes) At Project Outset	-	821,202	778,900	738,778	700,722	664,627	630,391	597,918	567,119	537,906	510,197
15.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	-	821,202	1,600,102	2,338,880	3,039,602	3,704,229	4,334,620	4,932,538	5,499,657	6,037,563	6,547,760
	TAXES	-	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)
16.	Income Tax (Before Interest Tax Shield)	-	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)
17.	Municipal Tax	-	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)
18.	Total Taxes	-	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)
19.	PV of Total Taxes At Project Outset	-	(247,340)	(234,599)	(222,515)	(211,053)	(200,181)	(189,869)	(180,089)	(170,812)	(162,014)	(153,668)
20.	ACCUMULATED PV OF TOTAL TAXES	-	(247,340)	(481,940)	(704,455)	(915,508)	(1,115,689)	(1,305,558)	(1,485,647)	(1,656,459)	(1,818,473)	(1,972,141)
	ACCUMULATED NPV AND PI	(7,226,130)	(6,371,232)	(5,273,189)	(4,479,946)	(3,847,796)	(3,307,140)	(2,823,740)	(2,380,299)	(1,967,692)	(1,580,781)	(1,216,406)
21.	Net Present Value	(7,226,130)	(6,371,232)	(5,273,189)	(4,479,946)	(3,847,796)	(3,307,140)	(2,823,740)	(2,380,299)	(1,967,692)	(1,580,781)	(1,216,406)
22.	Profitability Index	0.000	0.131	0.280	0.389	0.475	0.549	0.615	0.675	0.731	0.784	0.834

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

Line No.	Description	Col. 11 Year 11	Col. 12 Year 12	Col. 13 Year 13	Col. 14 Year 14	Col. 15 Year 15	Col. 16 Year 16	Col. 17 Year 17	Col. 18 Year 18	Col. 19 Year 19	Col. 20 Year 20	Col. 21 Year 20	Col. 22 Year 20
	Discount factors to project outset	0.5443	0.5163	0.4897	0.4645	0.4406	0.4179	0.3963	0.3759	0.3566	0.3382		
	INCREMENTAL CAPITAL INVESTMENT												
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.	ACCUMULATED PV OF TOTAL INVESTMENT	(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)	(7,328,434)	(7,328,434)
	CCA TAX SHIELD												
8.	CCA Tax Shield	10,686	8,636	7,141	6,013	5,137	4,443	3,884	3,429	3,054	2,740	2,468	2,206
9.	PV Of CCA Tax Shield At Project Outset	5,822	4,469	3,487	2,793	2,263	1,857	1,539	1,289	1,089	8,140	8,140	8,140
10.	ACCUMULATED PV OF CCA TAX SHIELD	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	1,561,956	1,562,845	1,563,685
	INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)												
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	1,329,000	1,329,000
12.	O&M Expenses	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)
13.	Net Operating Cash (Before Taxes)	889,000	889,000	889,000	889,000	889,000	889,000	889,000	889,000	889,000	889,000	889,000	889,000
14.	PV of Net Operating Cash (Before Taxes) At Project Outset	483,916	458,989	435,346	412,920	391,650	371,476	352,340	334,191	316,976	300,648	285,280	270,880
15.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	7,031,676	7,490,665	7,926,010	8,336,931	8,730,581	9,102,056	9,454,397	9,788,587	10,105,563	10,406,211	10,686,211	10,946,211
	TAXES												
16.	Income Tax (Before Interest Tax Shield)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)	(223,984)
17.	Municipal Tax	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)	(43,777)
18.	Total Taxes	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)	(267,761)
19.	PV of Total Taxes At Project Outset	(145,752)	(138,244)	(131,123)	(124,369)	(117,962)	(111,886)	(106,123)	(100,656)	(95,471)	(90,553)	(86,211)	(82,211)
20.	ACCUMULATED PV OF TOTAL TAXES	(2,117,893)	(2,256,138)	(2,387,261)	(2,511,629)	(2,629,592)	(2,741,478)	(2,847,600)	(2,948,256)	(3,043,727)	(3,134,280)	(3,214,833)	(3,285,386)
	ACCUMULATED NPV AND PI												
21.	Net Present Value	(872,420)	(547,217)	(239,497)	51,847	327,798	569,244	837,001	1,071,825	1,294,418	1,512,653	1,720,888	1,929,123
22.	Profitability Index	0.881	0.925	0.967	1.007	1.045	1.080	1.114	1.146	1.177	1.206	1.235	1.264