

Solar Power Site Valuation
11/16/2016

Please see the rough valuation in today's dollars of the solar site below, as requested.

Option 1

30 years of solar production at \$750,000 per year (Edison estimate considering the thermal energy system used as storage for energy from solar power generated but not used on college closed days, with NO power sales to the grid, an allowance for a full time operator and ongoing maintenance, and allowing for panel degradation over time).

Value of energy generated using an energy inflation rate of 3.5% per year (conservative inflation figure used by the California Energy Commission for public agency energy projects, and based on our current cost of energy)

Discount rate of 3% (conservative figure used by the California Energy Commission for public agency energy projects to reflect the time value of money)

Additive allowance of \$5,000,000 (added cost to relocate soil from athletics complex to an off site location)

Land value of \$23,200,000 (estimate based on undeveloped land in Walnut area - 29 acres at \$800,000 per acre)

Net Present Value equals \$51,654,276.45

Option 2

Same basic assumptions, but based on a 60 year use of the property with an allowance to replace solar panels at 30 years

Net Present Value equals \$73,775,906.80

It could be argued that the investment already made in the project should be recovered as well, which would add approximately \$1.5 Million to each of the above figures.

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