Generic Small Commercial & Residential Solar PV System Cost Breakdown.

For systems with WA-made panels and inverters:

	10 kW Commercial*	**4 kW Residential***
Installer Contract Cost	$80,000	$33,500
30% Federal Investment Tax Credit	$22,500	$9,500
Cash Rebate per kW Installed	$5000	$2,000
Total out-of-pocket expense	$52,500	$22,000
MACRS Accelerated Depreciation	$16,000	0
Sum of utility production incentives until 6/2020	$50,000	$21,500
Sum of offset costs of electricity over system life	$21,000	$14,000
Year the system pays itself off	7	17
Total cash flow at year 25**	$20,000	$5,500
Monthly payment for a 10-year loan covering 100% of "out-of-pocket" expense***	$635/Mo.	$200/Mo.

* We used the "Residential Small Service" and "General Service Small Load" rate schedules for the Snohomish PUD.
** Net positive cash flow reflects the estimated cost to replace the inverters at year 15.
*** Calculated for homes within the SnoPUD sector where *residential* PV can take out a 10 year 2.9% loan for up to $20,000 – foregoing the cash rebate. For commercial systems we calculated an 8.5% loan.

Notes:

- These numbers assume that the customer has tax liability. A credit that exceeds the taxpayer's income tax liability can be carried forward to following years until exhausted.
- Several, but not all, utilities offer a cash rebate for each kW installed with differing caps for residential and commercial installations. Check with your local utility.
- The cost of these systems can change depending on the complexity of the install.
- In the case of the commercial system, the sum of all of the incentives (not including offset cost of electricity) over the system life exceeds the cost of the system!
- Washington made panels are more expensive than other, larger companies, but the return on investment, and positive cash flow at the end of the system life are significantly greater.
- Taking out a loan significantly affects the ROI.

For Systems with out of state panels and inverters:

	10 kW Commercial*	**4 kW residential***
Installer Contract Cost	$60,000	$23,500
30% Federal Investment Tax Credit	$16,000	$6,500
Cash Rebate per kW Installed	$5,000	$2,000
Total out-of-pocket expense	$39,000	$15,000
MACRS Accelerated Depreciation	$19,000	0
Sum of utility production incentives until 6/2020	$15,869	$6,000
Sum of offset costs of electricity over system life	$16,000	$16,000
Year the system pays itself off	25+	23
Total cash flow at year 25**	($2,000)	$1000
Monthly payment for a 10-year loan covering 100% of "out-of-pocket" expense***	$471/Mo.	$158/Mo.

* We used the "Residential Small Service" and "General Service Small Load" rate schedules for the Snohomish PUD.
** Net positive cash flow reflects the estimated cost to replace the inverters at year 15.
*** Calculated for homes within the SnoPUD sector where *residential* PV can take out a 10 year 2.9% loan for up to $20,000 – foregoing the cash rebate. For commercial systems we calculated an 8.5% loan.

Notes:

- All of the same assumptions apply.
- These two charts highlight the lower upfront cost of out of state equipment with the higher ROI of systems with in-state panels.