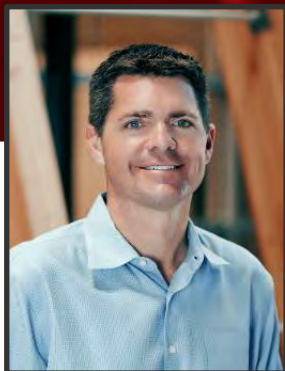



Solar for Auto Dealerships

Drive Savings, Win Customers



Ryan Ferrero
National Auto Dealer Manager
SunPower
Ryan.Ferrero@sunpower.com
970.214.4433



The background of the slide is a red-tinted photograph of a car, possibly a sedan, with a person standing next to it. The car is the primary focus, and the person is partially visible. The overall tone is professional and automotive.

These presentation materials are provided by the presenter who is solely responsible for the contents of the presentation. NADA assumes no responsibility or liability for the contents of the presentation.

Agenda



Energy Challenges and Solutions



Is Solar Right for My Dealership



Key Decisions to Consider



What to Expect



Key Takeaways



Introduction



- You may have considered solar in the past and it didn't pencil out. It's time to look again.
- Rooftop solar is fast-becoming standard equipment for car dealerships
- Move your Electricity Bill from Fixed to Variable





Energy Challenges and Solutions

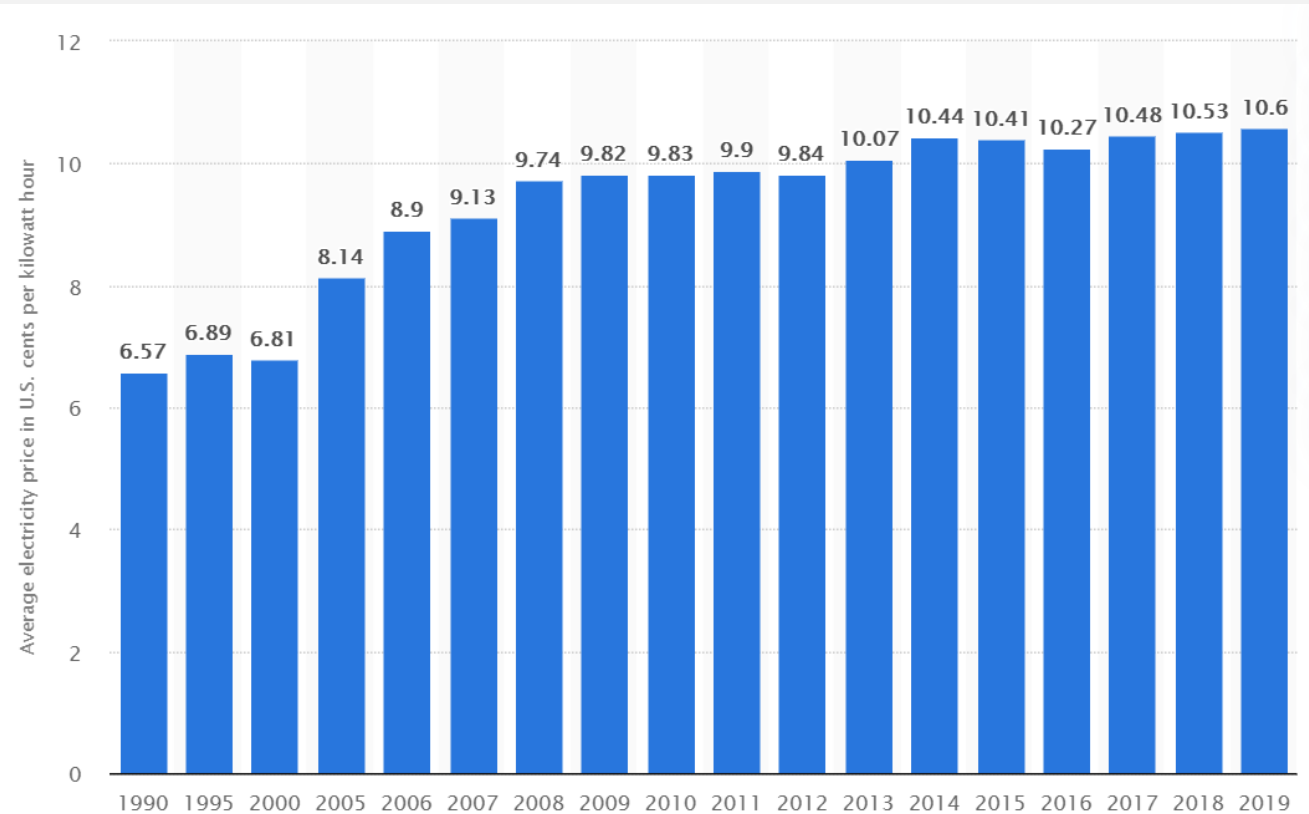


The Rising Cost of Energy

According to 

- On average, auto dealerships use 18% more energy than typical office buildings
- Energy is usually a dealership's 3rd highest overhead expense
- Dealerships are increasingly preparing for higher energy use due to on-lot EV charging stations

Average retail electricity rates from 1990-2019





Your Roof Can Become a Profit Center

- Solar can help your dealership
 - Reduce operating costs
 - Hedge against recession or fluctuations in profitability
- The untapped savings from solar is equal to 2-3 more vehicles sold per month – yes, that's each month for decades!



Most dealerships have large, flat rooftops that are ideal for solar

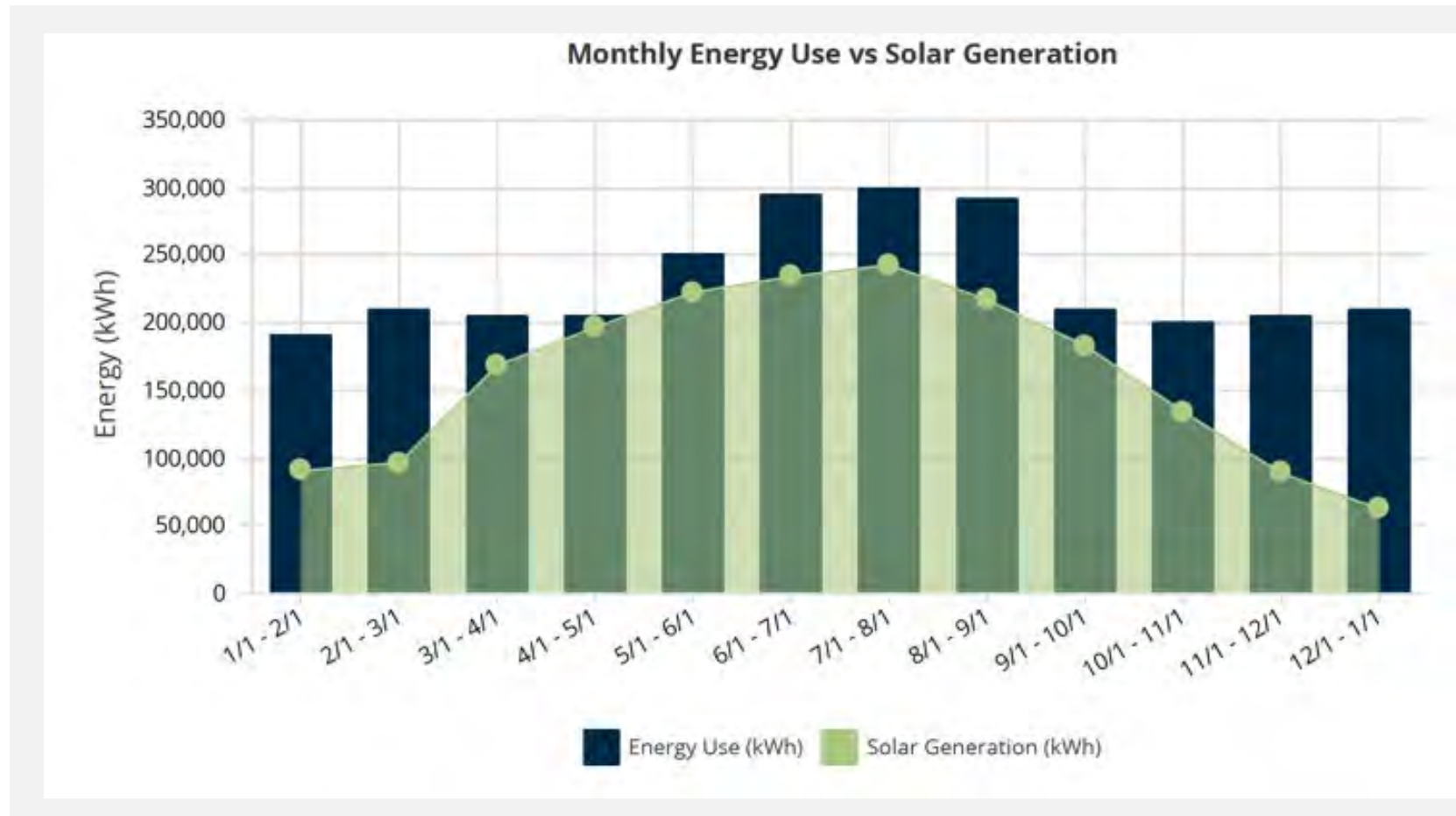


Is Solar Right for My Dealership?

Decipher Your Bill in 60 Seconds



- Solar design based on your energy bill
- Electricity Offset
- Reduction in Operating Costs





Why Now?

It's good for the bottom line



Typical **cash flow gains** in Year 1 (and accumulated savings for decades)



26% federal investment tax credit (ITC) Entrepreneurial Dealers are paying attention



Significant new tax deductions may apply based on the Tax Cuts and Jobs Act of 2017



Case Studies

Luther Auto Group (Minneapolis, MN)



Quick Facts



454 kW rooftop total system size



\$45,100 estimated annual savings



\$2.1 million projected 25-year savings

“Solar just makes good business sense in today’s energy environment.”

- Linda McGinty, VP of Real Estate

Covert Auto Group (Hutto, TX)



Quick Facts



125.6 kW total system size
(62.8 kW each on 2 rooftops)



\$500,000 estimated 25-year savings,
4 year payback



53% expected electricity offset

“Electricity represents a large monthly expense for us and solar helps reduce that expense exponentially.”

– Dan Covert, Sales Manager

Boulder Nissan (Boulder, CO)



Quick Facts



50.25 kW total system size



\$88K gross ROI in year 1, cash flow positive on day 1

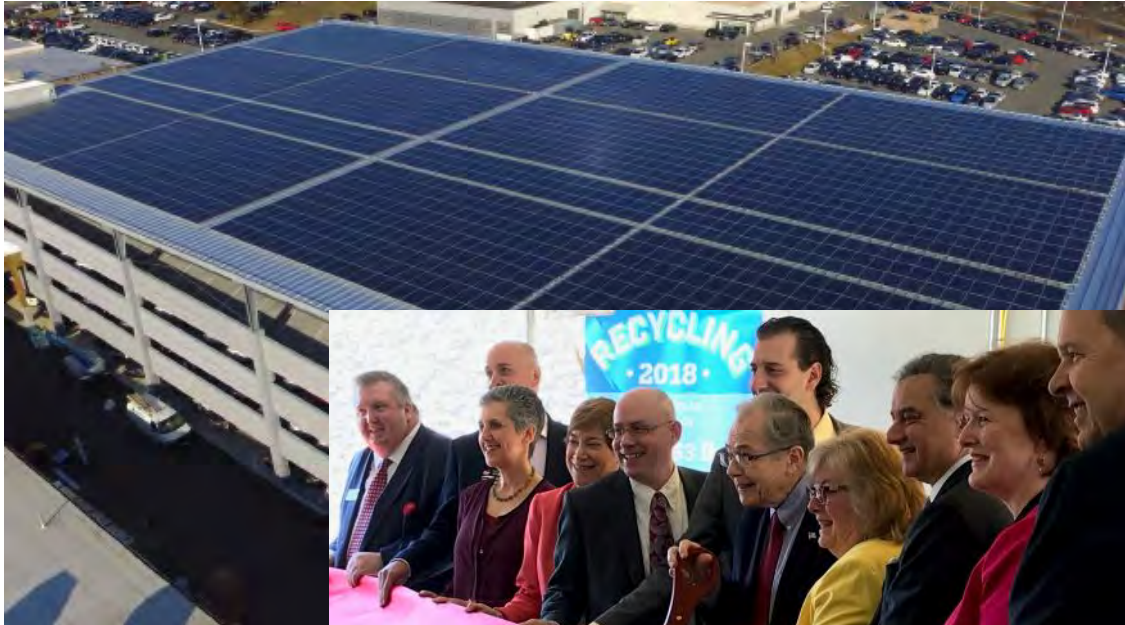


67% approximate electricity offset (LED + solar)

“Customers are choosing us over the competitors. Our solar project is actually gaining us customers.”

– Ted Christiano, General Manager

Fitzgerald Auto Mall (Gaithersburg, MD)



Quick Facts



890 kW total system size



\$258K estimated first year savings from solar
(\$5.2M over life of system)



83% approximate electricity offset

“The solar canopy on the parking garage just made sense for us. Customer’s cars and inventory are shaded while the panels generate energy on site. It’s a win-win...”

- Jack Fitzgerald, Founder & Chairman



Showroom Kiosk

SUNPOWER®

SunPower Corporation
Richmond, CA, 94804

RAIN
55°

SUNRISE
7:10 AM

SUNSET
7:22 PM

ENERGY STORAGE STATUS
IDLE

LIFETIME SOLAR ENERGY GENERATED

11,949,033 kWh

SUNPOWER® | HELIX®

21.8 M MILES NOT DRIVEN	1.0 M GALLONS GASOLINE NOT USED	227,951 MATURE TREES GROWN	9.7 M POUNDS COAL NOT BURNED	6.8 M POUNDS GARBAGE RECYCLED
----------------------------	------------------------------------	-------------------------------	---------------------------------	----------------------------------

For information on how we calculated these numbers, visit www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Powered by SUNPOWER® System Size **2,500 kW** Local Time **3:31 PM** Time At Site **3:31 PM** Last Updated **a few seconds ago**



Key Decisions to Consider



What's Best for Your Location?

Rooftop

- Capitalize on unused space
- Fast installation with minimal disruption to your operations



Carport

- Protection from the elements
- Marketing advantages
- Options include EV charging, lighting





Financing Options

Cash Purchase	Lease	PACE Financing	Power Purchase Agreement (PPA)
One-time cost	Zero or low upfront cost	No upfront costs with positive cash flows on day one	No upfront capital cost
Own the system hardware	Hardware owned by third party; buyout option during and at end of term	Own the system hardware	Hardware owned by third party; buyout option during and at end of term
Payments are made during installation	Recurring payment for hardware lease + any remaining electricity costs	Long-term, fixed-rate financing paid through property tax bill	Payments for solar-generated electricity at a predetermined rate per kWh consumed

Cash vs. Finance



Both cash and finance introduce significant Year 1 cash flow with long-term savings. Cash maximizes payback, financing maximizes working capital.

True Zero Down Financing

1. \$299K in total lease payments with zero buy out; ITC is taken by the financier.
2. Monthly lease payments of \$3,117.
3. Solar savings start immediately, effectively reducing the monthly payment to \$1,121/mo. This means a \$350k system has a net cost of \$108k.
4. This \$350k system has a net cost of \$108k – AND - at the end of the lease, continue to save a total \$798,657 in ongoing energy savings.

Inputs and Key Financial Metrics

End of Term Payment	\$52,500	30-Year Electric Bill Savings	\$991,360	Discount Rate	5%
Monthly Payment	\$2,937	30-Year LCOE Utility	\$0.351	Electricity Escalation Rate	3%
Initial Lease Costs	\$0	30-Year LCOE PV	\$0.051	Federal Income Tax Rate	21%
Term	7	30-Year NPV	\$217,973	State Income Tax Rate	8%
Total Payments	\$299,208	PV Degradation Rate	0.25%		

Years	Lease Payments	O&M / Equipment Replacement	Electric Bill Savings	Total Cash Flow	Cumulative Cash Flow
Upfr					
1	-35,244	-	21,745	-13,499	-13,499
2	-35,244	-	22,341	-12,903	-26,402
3	-35,244	-	22,954	-12,290	-38,693
4	-35,244	-	23,583	-11,661	-50,354
5	-35,244	-	24,229	-11,015	-61,369
6	-35,244	-	24,893	-10,351	-71,720
7	-35,244	-	25,575	-9,669	-81,389
8	-52,500	-	26,275	-26,225	-107,613
9	-	-	26,995	26,995	-80,619
10	-	-	27,734	27,734	-52,885
11	-	-	28,493	28,493	-24,393
12	-	-	29,272	29,272	4,879
13	-	-	30,073	30,073	34,952
14	-	-	30,895	30,895	65,847
15	-	-	31,740	31,740	97,587
16	-	-7,895	32,607	24,712	122,299
17	-	-	33,498	33,498	155,797
18	-	-	34,413	34,413	190,211
19	-	-	35,353	35,353	225,564
20	-	-	36,318	36,318	261,882
21	-	-	37,310	37,310	299,192
22	-	-	38,328	38,328	337,520
23	-	-	39,374	39,374	376,893
24	-	-	40,447	40,447	417,341
25	-	-	41,550	41,550	458,891
26	-	-	42,683	42,683	501,574
27	-	-	43,846	43,846	545,421
28	-	-	45,041	45,041	590,462
29	-	-	46,268	46,268	636,730
30	-	-	47,528	47,528	684,257
Totals:	-299,208	-7,895	991,360	684,257	-

Your Own Power Company



- Many now opt to create a dedicated LLC, similar to F&I reinsurance concepts.
- LLC shareholders may stand to best benefit from incentives and have tax appetite.
- LLC owns the solar system and sells the energy generated back to the store, creating decades of passive revenue.
- Effective opportunity with potential Buy/Sell activity.



Tax Incentives



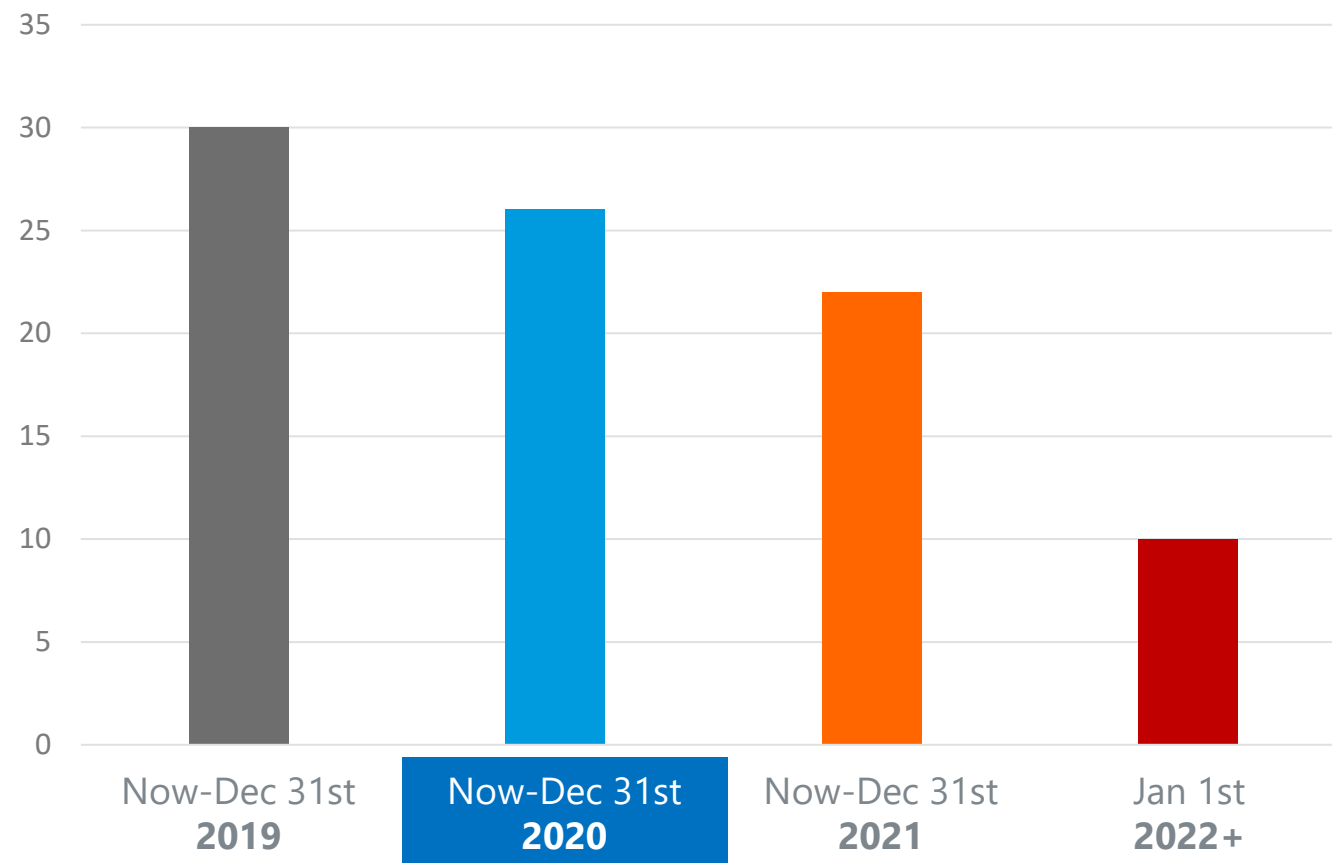
Take advantage of available subsidies and incentives

Incentives step down through 2022

Federal incentive programs

- **Solar Investment Tax Credit (ITC): 26%** federal income tax credit for solar on residential and commercial projects*
- **Modified Accelerated Cost Recovery System (MACRS):** Tax credit for corporations equivalent to annual depreciation of solar system area

There are also state and local incentives



Tax credits subject to change. SunPower does not warrant, guarantee or otherwise advise its partners or customers about specific tax outcomes. Consult your tax advisor regarding the solar tax credit and how it applies to your specific circumstances. Please visit the dsireusa.org website for detailed solar policy information.

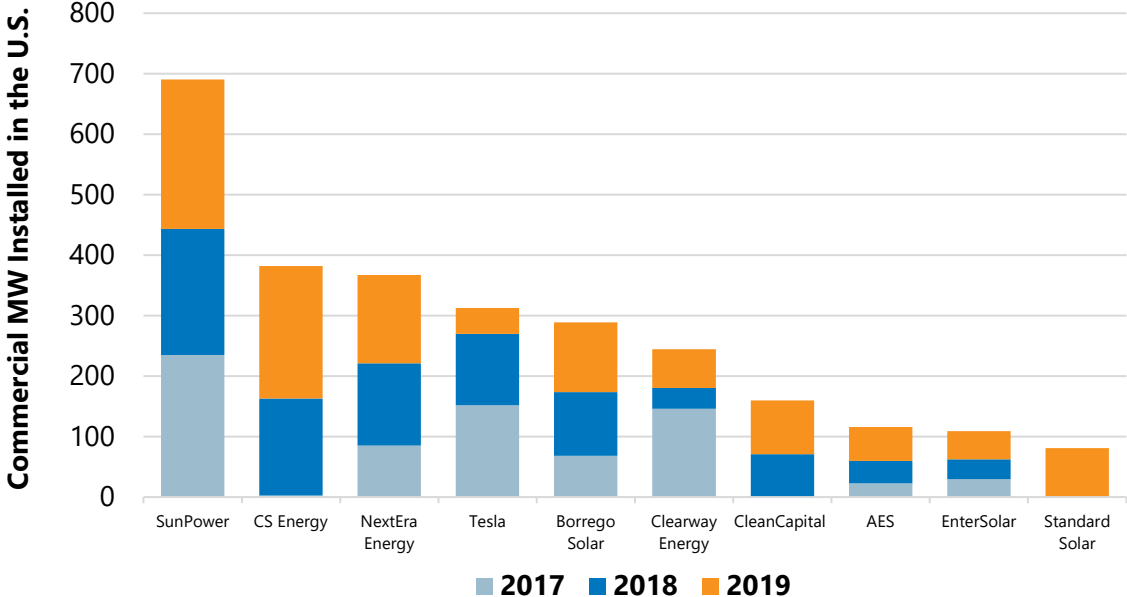
Choosing the Right Partner



SunPower is #1 in U.S. commercial solar three years running



Powering more than 150 U.S Government Agencies and National Economy



SunPower ranked #1 in capacity in 2017, 2018 and 2019, Wood Mackenzie, March 2020.



Choosing the Right Partner



SunPower SunShift Rebate Program

SunPower NADA Alliance Program

- Custom landing page for your marketing
- \$100 rebate *for your dealership* for each customer that receives a solar evaluation
- \$1000 rebate *for your customers* that go solar with SunPower

- \$2000 rebate for NADA members who install solar at their dealership
- \$500 donation to NADA Foundation



What to Expect



Process

01

We'll provide a no cost feasibility analysis for NADA members based on 12 months of your dealership's trailing utility bills

02

Your analysis will include all tax incentives and subsidies, and detail the options unique to your store so you'll be able to make an informed decision

03

We'll explain all the variables in your solar proposal that impact ROI

For no cost feasibility analysis, scan & email your utility bills to **Ryan.Ferrero@SunPower.com**



Example of Feasibility Analysis

General Information

Solar PV Equipment Description

Solar Panels: (229) SunPower SPR-X22-360-COM
 Inverters: (1) Delta Energy Systems M80U

Solar PV Equipment Typical Lifespan

Solar Panels: Greater than 30 Years
 Inverters: 15 Years

Solar PV System Cost And Incentives

Solar PV System Cost	\$185,490
REC	-\$9,978
Federal Tax Credit	-\$55,647
Federal - 100% Bonus Depreciation	-\$33,110
Net Solar PV System Cost:	\$86,755

Solar PV System Rating

Power Rating: 82,440 W-DC
 Power Rating: 75,429 W-AC-CEC

Energy Consumption Mix

Annual Energy Use: 135,000 kWh



Utility	31,929 kWh (23.65%)
Solar PV	103,071 kWh (76.35%)

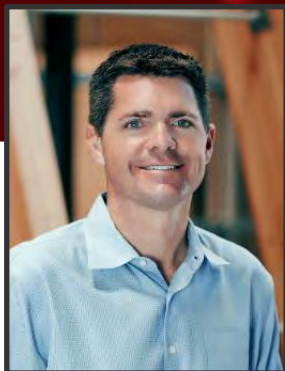
	Cash Purchase
Total Investment	\$185,490
Rebates and Incentives	\$98,735
Net Investment	\$86,755
30 Years Electric Bill Savings	\$581,636
30 Years Net Present Value	\$164,651
30 Years Solar Cost of Energy	\$0.029/kWh
30 Years Utility Cost of Energy	\$0.200/kWh



Questions?

Solar for Auto Dealerships

Drive Savings, Win Customers



Ryan Ferrero
National Auto Dealer Manager
SunPower
Ryan.Ferrero@sunpower.com
970.214.4433





NADA

The logo features the word "NADA" in a bold, white, sans-serif font. Below the text are two thick, white, wavy lines that resemble a stylized wave or a double underline. The entire logo is centered on a dark red background that has a faint, repeating pattern of a car's front end.

Carport Kit with EV Charging



Appendix



Add Helix Roof
More power same space
Staying power