

Schedule DAB-11 Capitalization Factor

The examples below are from the original LCOE model (provided to Dr. Proctor as GBX Response to Show Me-1.2.Attachment 01), looking at the cost components for Kansas Wind. The examples show that the year to which the costs and revenues are discounted does not affect the final LCOE.

Kansas Wind

Discounting back to 2018	(\$mm)
NPV of Capacity Revenue	\$147.92
NPV of Expenses	(\$342.94)
NPV of Capital Costs	(\$939.02)
NPV of PTC Revenue	\$515.13
NPV of Tax Depreciation	\$268.04
NPV of Other Income Taxes	\$68.25
	<u>(\$282.61)</u>
Capitalization Factor	10.87
Annual Required Revenue (After-tax)	\$26.00
Annual Required Revenue (Pre-tax)	\$39.99
LCOE (\$/MWh)	15.08

Kansas Wind

Discounting back to 2017	(\$mm)
NPV of Capacity Revenue	\$137.24
NPV of Expenses	(\$318.16)
NPV of Capital Costs	(\$871.18)
NPV of PTC Revenue	\$477.91
NPV of Tax Depreciation	\$248.67
NPV of Other Income Taxes	\$63.32
	<u>(\$262.19)</u>
Capitalization Factor	10.09
Annual Required Revenue (After-tax)	\$26.00
Annual Required Revenue (Pre-tax)	\$39.99
LCOE (\$/MWh)	15.08