

Financial task

For a full guide on the financial task in Easy PV see [here](#).

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Why are there two consumption figures to choose from in the financial task?

If you have completed both the MCS self-consumption calculation (end of the performance task) and the Easy PV consumption calculation (consumption task) in the project, both figures will appear as options when you open the Financial Task in Easy PV.

Both are acceptable methods for calculating the self-consumption, you are free to choose whichever calculation.

Why do some of the financial savings appear to be different on the Customer Proposal and Easy PV Project Report?

Easy PV uses two different methods of calculating financial savings.

1) We do a basic calculation to work out a headline **year one/first year saving** figure that can be used on proposal summaries, etc. This calculation doesn't take into account inflation or degradation rate.

2) We calculate a **financial forecast** showing payback for a longer period (25 years by default). This takes into account inflation, degradation, and discount rates. In the first year, we apply half the % values for each of these rates rather than the full % value. If you're wondering why we use half the % values for the first year, please see below for an explanation.

Further information

When you pay for a PV install you do so in a lump sum on day 0. You then start getting savings and export income from it. But by the end of the first year, monetary values have risen by inflation. So if you were saving £100 / month for electricity on day 0, by the end of the year - day 365 - you are saving £104 / month if the inflation rate is 4%.

When working out the savings for year 1 therefore, we need to work out the average for the year. If savings were £100/month at the beginning, and £104/month at the end the average is £102/month. So for that first year, we use half the inflation value to work out the average savings.

For year two, we again need to use the average value of money over the course of the year. This will have increased by the value of inflation from the value that we used for year one. Basically we are comparing the value of money at 6 months to the value at 18 months. So £102 for year one becomes £106.08 ($£102 * 1.04$) if the inflation rate is 4%.

It's exactly the same with degradation. On day zero the panels are generating at 100%. By day 365 they have degraded slightly. With degradation of 1% a year we would expect them to be at 99% capacity. The expected *average* generation for the year is halfway between those two values, so we use 99.5% for year one rather than 99%.

The payback period is too long, how can I fix this?

There are a few things that can help with the payback period. The payback period is calculated by plotting the cumulative benefits of the system against the cumulative costs. Therefore, to improve the payback period, you either need to **reduce costs** or **increase the benefits**, there are a few ways to do this:

- **Check tariffs are correct:** tariffs are input into Easy PV in p/kWh, not £/kWh, so make sure your tariffs are in the correct units.
- **Add export tariff:** navigate to the financial task, select the pen icon in the top right, under self-consumption, you can edit the import tariff (electricity costs for your customer). You can also specify the export tariff in this section for excess energy that is sold to the grid.
- **Add batteries:** this will increase the initial investment required but will allow the customer to store energy produced from peak times in the day to be used later which will reduce their grid dependence so reduces their cumulative costs.
- **Factor in off-peak charging:** if your system has a battery, you can estimate the benefits of off-peak charging and add this as an 'additional saving' in the financial task.