

Below is an example of a gas station that installed solar panels on their canopy.



The estimated utility savings is about \$25,000 annually.

Below is a recap of their operating profit and loss statement with the estimated annual utility savings.

Operating History				
	With Solar 12/31/2017		Without Solar 12/31/2017	
Gross Profit				
Gallons Sold - Gasoline	690,124		690,124	
Gasoline--Sales	\$2,104,878	100.0%	\$2,104,878	100.0%
Gasoline--COGS	<u>1,761,322</u>	<u>83.7%</u>	<u>1,761,322</u>	<u>83.7%</u>
Gasoline--Margin	343,556	16.3%	343,556	16.3%
Gasoline--Pool Margin		\$0.498		\$0.498
C-Store--Sales	\$880,214	100.0%	\$880,214	100.0%
C-Store--COGS	<u>554,535</u>	<u>63.0%</u>	<u>554,535</u>	<u>63.0%</u>
C-Store--Margin	325,679	37.0%	325,679	37.0%
Car Wash--Sales	\$110,214	100.0%	\$110,214	100.0%
Car Wash--COGS	<u>11,139</u>	<u>10.1%</u>	<u>11,139</u>	<u>10.1%</u>
Car Wash--Margin	99,075	89.9%	99,075	89.9%
Total Gross Profit	\$768,310	100.0%	\$768,310	100.0%
Operating Expenses				
Advertising	1,000	0.1%	1,000	0.1%
Telephone	3,078	0.4%	3,078	0.4%
Utilities	18,748	2.4%	43,748	5.7%
Insurance	6,200	0.8%	6,200	0.8%
Taxes / Licenses	6,183	0.8%	6,183	0.8%
Accounting	500	0.1%	500	0.1%
Travel / Auto	1,000	0.1%	1,000	0.1%
Repairs	13,486	1.8%	13,486	1.8%
Maintenance	3,600	0.5%	3,600	0.5%
Salaries / Officer	60,000	7.8%	60,000	7.8%
Salaries / Other	71,257	9.3%	71,257	9.3%
Supplies	3,713	0.5%	3,713	0.5%
Mortgage / Interest	110,242	14.3%	110,242	14.3%
Property Tax	18,934	2.5%	18,934	2.5%
Other	2,000	0.3%	2,000	0.3%
Credit Card Fees	33,000	4.3%	33,000	4.3%
Payroll Tax				
Total Expenses	\$352,941	45.9%	\$377,941	49.2%
Profit (Loss)	\$415,369	54.1%	\$390,369	50.8%
Adjustments				
Travel / Auto	1,000	0.1%	1,000	0.1%
Salaries / Officer	60,000	7.8%	60,000	7.8%
Mortgage / Interest	110,242	14.3%	110,242	14.3%
EBITDAR	\$586,611	76.4%	\$561,611	73.1%

Gas stations often trade (sell) on a multiple (inverse of a business cap rate) of EBITDAR. Assuming all things are equal, the following before/after analysis of value exists.

Below we have calculated the change in market value as a result of the utility savings from the solar panel installation.

	With Solar	Without Solar
EBITDAR	\$586,611	\$561,611
Business Cap Rate	12.0%	12.0%
EBITDAR Multiple	8.33	8.33
Market Value	\$4,888,425	\$4,680,092
Market Value (rounded)	\$4,890,000	\$4,680,000
Gain in Value	\$210,000	4.5%

The decrease in utility costs has a direct correlation with the market value of the gas station. Benefits include lower expenses as well as higher property value for lending and/or selling the property.