

## Appendix 3 – Sensitivity Analysis

- Shading in the tables below represents improvement (G) or worsening (R) relative to the Central Case (30 year HSA, 10% saving to school)

Comberton Village College

	<b>Payback excluding carbon savings</b>	<b>IRR excluding carbon savings</b>	<b>NPV excluding carbon benefits</b>	<b>Saving to Trust over HSA term</b>	<b>Residual Payment</b>
<b>Central case</b>	32 years	-0.87%	−£1.149 million	£424k	£388k
<b>5% rather than 10% saving to school</b>	30 years	-0.14%	−£0.941 million	£216k	£67k
<b>35 year HSA</b>	33 years	+0.63%	−£0.833 million	£521k	None
<b>40 year HSA</b>	33 years	+1.77%	−£0.418 million	£629k	None
<b>+25% faster growth in oil prices</b>	28 years	+0.92%	−£0.683 million	£474k	None
<b>-25% (slower) growth in oil prices</b>	38 years	-3.06%	−£1.559 million	£390k	£1.09 million
<b>+25% faster growth in electricity prices</b>	33 years	-1.42%	−£1.273 million	£424k	£598k
<b>-25% (slower) growth in electricity prices</b>	31 years	-0.44%	−£1.038 million	£424k	£203k
<b>+25% annual O&amp;M costs</b>	33 years	-1.37%	−£1.370 million	£424k	£594k
<b>-25% annual O&amp;M costs</b>	31 years	-0.40%	−£1.010 million	£424k	£182k

- All parameters are assessed over the HSA term
- Monetised carbon savings and residual payments are excluded from the payback, IRR and NPV calculations
- Residual payment has been re-calculated as a result of the change in input assumptions. The HSA terms do not necessarily allow for re-evaluation of the residual as a result of changing energy tariffs etc

The Galfrid Primary School

	<b>Payback excluding carbon savings</b>	<b>IRR excluding carbon savings</b>	<b>NPV excluding carbon benefits</b>	<b>Saving to Trust over HSA term</b>	<b>Residual Payment</b>
<b>Central case</b>	40 years	-6.97%	-£731k	£137k	£700k
<b>5% rather than 10% saving to school</b>	38 years	-5.34%	-£663k	£68k	£592k
<b>35 year HSA</b>	40 years	-2.77%	-£640k	£175k	£475k
<b>40 year HSA</b>	>40 years	-0.13%	-£478k	£222k	£38k
<b>+25% faster growth in gas prices</b>	32 years	-1.53%	-£473k	£173k	£244k
<b>-25% (slower) growth in gas prices</b>	>40 years	NA	-£916k	£111k	£1,022k
<b>+25% faster growth in electricity prices</b>	>40 years	-9.23%	-£792k	£137k	£802k
<b>-25% (slower) growth in electricity prices</b>	38 years	-5.48%	-£677k	£137k	£610k
<b>+25% annual O&amp;M costs</b>	>40 years	-8.02%	-£784k	£137k	£776k
<b>-25% annual O&amp;M costs</b>	38 years	-5.64%	-£661k	£137k	£598k

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- Residual payment has been re-calculated as a result of the change in input assumptions. The HSA terms do not necessarily allow for re-evaluation of the residual as a result of changing energy tariffs etc

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