

# FINANCIAL ANALYSIS OF GEOTHERMAL vs CONVENTIONAL HVAC SYSTEM

## A. Return on Investment with cash purchase

Typical installed costs:

WaterFurnace Geothermal System:	\$	20,000
Brand X Furnace with A/C:	\$	12,000
Geothermal Investment	\$	<u>8,000</u>

Yearly Utility Costs:

WaterFurnace Geothermal System:	\$1,537
Brand X Propane Furnace with A/C:	<u>\$4,482</u>

WaterFurnace Annual Savings	\$2,945
WaterFurnace Monthly Savings	\$245

Return on Investment (ROI) of geothermal system                      37% (Tax Free)

## B. Finance on a mortgage

Monthly Mortgage

Principal	Term	Interest	Payment
\$ 300,000	30	6.0%	\$1,798
\$ 308,000	30	6.0%	\$1,848
Geothermal Monthly Investment			\$50

The Monthly Utility Savings less the additional cost of the mortgage.

Geothermal	Geothermal	Monthly Geothermal
Monthly Savings	Mortgage Difference	Positive Cash Flow
<u>\$245</u>	<u>\$50</u>	<u><b>\$195</b></u>