

## **Eliminating technology risk in product sales**

Recently, Mass Megawatts introduced a plan to market a new technology that can reduce in a major way the cost of electricity to large electricity users and at the same time structure the sale to eliminate the technology risk involved using current tax laws as supported by an opinion of a large accounting firm.

A key aspect of this plan is the intention of Mass megawatts to provide a substantial warranty for supporting both the new technology's hardware and for the quantity and reliability of the electricity to be generated. Specifically, Mass Megawatts seeks to develop a number of customer relationships in which the company receives payment for installed systems and yet in which the customer bears little or no risk for the ultimate performance of the MAT system or systems.

It is anticipated the investment in the new technology by a qualified potential customer would result in a positive cash flow to the customer in most scenarios. Mass Megawatts intends to refund any cash payments made by the customer that are not entirely offset by the total value of the electricity generated by the MAT units that are to be installed under the terms of the envisioned sales agreements and any relevant subsidies.

In the most basic agreement envisioned by Mass Megawatts, a customer investing in a \$100,000 system would make a down payment of \$35,000 and would make annual payments of \$6,500 per year over 10 years. If a customer is determined to be in the 35% tax bracket, the \$35,000 initial cash down payment would be recovered in after tax cash recovery offsets within 5 years with the wind energy system having five year depreciation schedule. Therefore, no or little risk is involved with the initial \$35,000 down payment. In addition, the volume of electricity generated by the MAT system then in place would be summed and any deficit between the annual \$6,500 payment due (plus any interest) and the value of the electricity generated (net of any state or local subsidies) would be refunded to the customer.

In summary, this is the conceptual essence of the relationship Mass Megawatts seeks to develop with early adopters of the technology. Further information can be requested by e-mail to [info@massmegawatts.com](mailto:info@massmegawatts.com) or phone (508)751-5432.