

| Cost of CoVictory Bonds                                      |          | Rough calculations by American Council for an Energy-Efficient Economy (ACEEE)             |   |
|--|----------|--|---|
|  |          |  | (Suggestions for refinements of this straw proposal analysis welcome)   |
| Number of years  | 5        |  |   |
| Interest on 5 yr Baa corp bonds<br>(Baa/BBB are most common) | 4%       | 14-May   | <a href="https://ycharts.com/indicators/moodys_seasoned_baa_corporate_bond_yield">https://ycharts.com/indicators/moodys_seasoned_baa_corporate_bond_yield</a>                                     |
| Interest on high-Q corp bond                                 | 1.78%    | Apr-20   | <a href="https://fred.stlouisfed.org/series/HQMCB5YR">https://fred.stlouisfed.org/series/HQMCB5YR</a>   |
| Interest on high-Q muni bond                                 | 0.89%    | May-20   | <a href="https://content.rwbaird.com/RWB/Content/PDF/Insights/Municipal-Bond-Market-Commentary.pdf">https://content.rwbaird.com/RWB/Content/PDF/Insights/Municipal-Bond-Market-Commentary.pdf</a> |
| Ratio  | 50%      | This likely incorporates some quality differences, as tax benefits are not worth that much |   |
| Difference   | 0.89%    |  |   |
| Tax free interest rate                                       | 3.11%    | Used difference to be conservative   |   |
| Amount (billions)  | \$ 1,000 |  |   |
| Interest over period (billions)                              | \$ 95    |  |   |
| Tax rate   | 35%      | Used second-highest tax bracket  |   |
| Cost to Treasury (billions)                                  | \$ 33    |  |   |