



**HOME ENERGY SYSTEMS, Inc.**  
**6996 Convoy Ct. San Diego, CA 92111**  
**Ph: 858-278-2300, Fax: 858-278-2254**  
<http://www.hessolar.com>

March 3, 2008

Michael Shames  
6975 Camino Amero  
San Diego, CA, 92111

Dear Mr. Shames,

Included you will find quotes for a 3.4kW (3.0kW PTC) photovoltaic (PV) system with an expected monthly production of 414 kWh per month. We propose a roof-mounted system using 16 Sunpower 210-BLK PV modules and a Sunny Boy 3000 watt grid-tie inverter. (Specs included) Both are top of the line products with 10 year warranties. For your consideration, both a residential and a commercial quote are included.

At the state incentive level, we propose to use the CEC EPBB (Expected Performance-Based Buydown) option. It provides a one-time, up-front rebate based on the expected performance of the system, currently \$2,200 per kW. Actual figures are shown in the quote. Please keep in mind that we can only guarantee the rebate amount after the California Center for Sustainable Energy releases a Reservation Confirmation for your system, and that the per Watt incentive level offered by the state will decrease over time based upon consumer demand.

At the federal incentive level, the residential quote shows the available \$2,000 tax credit. The commercial quote includes calculations for the 30% uncapped federal tax credit and for accelerated depreciation. If you run business-related operations from your home, we feel you can take a portion of the federal tax credit and accelerated depreciation, plus 50% bonus depreciation expenses recently passed by congress, as applicable. Please confirm this with your accountant. We would be happy to consult with him/her in the matter, if needed.

Also included is a quote for an optional web-based monitoring system, which we are required to offer under the California Solar Initiative guidelines. Monitoring systems make it easier to access and review system information to help ensure optimal performance as well as cut down on unnecessary maintenance and service calls, which makes them a worthwhile long term investment.

Rules, regulations and guidelines can be confusing, which is why we handle all paperwork related to your installation and rebate. This quote includes all costs associated with installing a fully operational and NEC code compliant photovoltaic system. Each system includes a 10 year parts and labor warranty. The solar modules are warranted for power output for 25 years, and are actually expected to produce electricity for 30+ years.

We welcome your questions. Feel free to call us any time Monday – Friday, 9am-5pm at 858-278-2300. We look forward to working with you to create a better, more sustainable future.

Best Regards,

Grant Walpole  
Customer Relations  
Home Energy Systems

**Quotation**

System Description by manufacturer's rating

March 3, 2008

**3.4 kW Residential Solar Electric System**

**Michael Shames**  
**6975 Camino Amero**  
**San Diego, CA, 92111**  
**619-393-2224**

Estimated system output	<b>414</b>	kWh per month
CEC Derated Output (PTC)	<b>2960</b>	Watts
System cost per CEC derated watt	<b>\$9.09</b>	

<b>Estimated Equipment</b>	Quantity	Unit Price		Total (\$)
Sunpower SPR-210-BLK-U	16	903.29	2 Strings of 8	14,452.70
SunPower SPR-3000m (or equiv.)	1	1,979.50		1,979.50
Mounting hardware	1	1,284.00		1,284.00
Disconnects and Subpanels	2	165.85		331.70
Electric Cable, Conduit	1	267.50		267.50
Instruction and warning plaques	5	48.15		240.75
			Equipment Subtotal	<u>18,558.15</u>
			California Sales Tax on Equipment	1,438.10
			<b>Equipment Total</b>	<u>19,996.26</u>

<b>Estimated Labor</b>	Quantity	Unit Price		Total (\$)
Panel Mounting Installation	1	3,551.68		3,551.68
Electrical Installation	1	2,367.79		2,367.79
Permitting labor and fees	1	395.00		395.00
Roofing costs	1	600		600.00
			<b>Labor Total</b>	<u>6,914.47</u>

	<b>Total System Cost</b>	<u>26,908.73</u>
CPUC Buydown Payment for Grid Connected Systems @ \$2.30 per Watt PTC		6,511.42
	<b>Net System Cost</b>	<u>20,397.31</u>
Less 30% Federal Solar Tax Credit capped at \$2,000 for Residential		2,000.00
	<b>After Tax Credit System Cost</b>	<u>18,397.31</u>

Est. State Buydown Payment	\$ 6,511.42
30% Federal Solar Tax Credit	\$ 2,000.00
<b>Total System Savings</b>	<u>\$ 8,511.42</u>

Signed, \_\_\_\_\_  
 Michael Shames  
 Customer

Terms: \$1000 Downpayment	\$ 1,000.00
Upon procurement of components	\$ 17,490.67
Upon substantial completion	\$ 6,727.18
Balance upon signoff	\$ 1,690.87
<b>Total System Cost</b>	<u>\$ 26,908.73</u>

Signed,   
 Home Energy Systems  
 CSL # 800857

HES system cumulative output meter available free of charge  
 Additional displays and monitoring systems available upon request

Quotation valid for 30 days after date of issuance.  
 Does not include engineering or architectural costs if required.