



**THANK YOU** for contacting Texas Solar Power Company. We appreciate the opportunity to talk with you about our services.

The attached information will help you understand the next steps to adopting solar energy, the concepts behind planning and the products we use for installations. Included you will find:

- An overview of our company and key personnel
- Review of CPS Energy's rebate program
- Sample proposals (with pricing) for commercial installations in the CPS Energy service area. It details each component needed for your system; it also factors in available rebates.
- Spec sheets and technical data for the equipment we use
- Example schematic of a grid-tie system.
- Warranty and Texas Solar Power Company contact information
- References
- Forms for participation in the CPS Energy rebate program.
- Federal 5-Year Depreciation Schedule for Solar Energy Property
- Solar Energy Devise Franchise Tax Deduction
- IRS For 3468 – Investment Credit
- Photographs of local installations

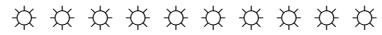
We welcome the opportunity to answer your questions about integrating solar into your commercial property.

**Texas Solar Power Company**  
**512.459.9494**  
**info@txspc.com**

# TEXAS SOLAR POWER COMPANY

1703 West Koenig Lane, Austin, Texas 78756  
 Phone: (512) 459-9494 Fax: (512) 451-5934  
 Toll Free: (866) 459-9494  
 Web: txspc.com  
 Email: info@txspc.com

**Texas Solar Power Company** (TXSPC) specializes in the design and installation of renewable energy systems. We provide an alternative, sustainable power source for residential, commercial and government clients. TXSPC offers outstanding service using high quality products delivered at competitive prices.



**Photovoltaic (PV) is clean energy from the fuel source that belongs to all of us - the sun.**



**We carry everything you need for your renewable energy project.** TXSPC is an authorized dealer of SolarWorld, Sharp Solar, and Kyocera modules as well as SMA and Fronius products. As technology in the renewable energy industry is dynamic, we are constantly evaluating new products and manufacturers to offer the best package to the environmentally and energy conscious public.



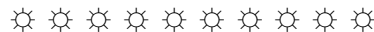
Our services are available around the world—wherever there is a need for photovoltaics.



## Sales • Design • Installation

Owners Craig Overmiller, Architect, and Joe Garcia have been in the renewable energy field since 1995 helping home and business owners towards energy independence. The TXSPC team of designers and installers are committed to professional presentation and quality work.

## Residential • Commercial



Texas Solar Power Company headquarters is a working example of integrating both a wind turbine as well as a hybrid grid-tie solar system.

- The 1<sup>st</sup> floor is an SMA Sunny Island grid-tie system with back- up batteries.
- The 3<sup>rd</sup> floor is an Outback stand-alone system.
- We also have two Air 403 wind generators on the roof for additional power.



Owner is  
NABCEP Certified



**At Texas Solar Power Company, YOU have the POWER.**

## Solar Rebates

CPS Energy has one of the better rebate programs in the country to encourage solar installations in the San Antonio area. Please take a look at their website for full information: [www.cpsenergy.com](http://www.cpsenergy.com). Check under “rebates.” Below are highlights of the program. If you are working with Texas Solar Power Company (TXSPC), we will handle the paperwork for you.

1. CPS Energy will rebate commercial customers at \$3 per AC watt up 50% of your bill or \$50,000, whichever is less.
2. The requested rebate amount will be calculated based on the expected performance of the system. The formula to be used is: **[(Number of PV Modules) x (PTC Rating per Module)] x [Inverter Efficiency] x [\$3.00/W AC]**
3. The attached proposals factor in the rebate\*.
4. CPS Energy will perform a pre-inspection of the site; results of the pre-inspection will determine rebate eligibility. Solmetric or Solar Pathfinder plot must demonstrate minimal shading by trees, buildings and other structures. CPS Energy retains the right to deny rebates based on excessive shading and or poor orientation of the solar array.
5. If your site meets approval, then you will sign the 2008 Solar PV Program Rebate Application which is included in this package.
6. Upon completion of the installation, CPS Energy will perform a post inspection of your system to insure it meets program guideline requirements. The final rebate level will be determined following verification of the installed system by a CPS Energy inspector.
7. At this inspection you will be asked to assign the rebate to yourself or to your PV Installer. If you have the rebate go to yourself there are tax implications - you may be taxed for unearned income. We suggest that you check with your tax advisor. Your out-of-pocket expense is the installation amount minus your rebate.
8. Once your PV meter is installed and your system is turned on, you will see 3 readings: Delivered Energy (DE), Received Energy (RE), and Net Energy (NE). Your PV system will have a separate meter so you can monitor system performance. There are two moving dashes on your Revenue Meter. If they are going to the right, you are buying power; if they are moving left, you are selling power. Check with CPS to verify the rate at which they purchase consumer generated power.

If you have any questions about the program please contact CPS Energy or TXSPC at the number above.

Sincerely,  
Craig M. Overmiller  
Secretary / Treasurer  
Texas Solar Power Company

\* Due to availability of equipment, the actual installation could utilize one of several different modules and/or inverters. All equipment used shall meet CPS Energy Requirements.

# TEXAS SOLAR POWER COMPANY

Page: 1 of 1  
**PROPOSAL**  
DATE: June 26, 2008

1703 West Koenig Lane      Austin, TX 78756  
Phone: 512-459-9494      Fax: 512-451-5934  
Website: txspc.com  
Email: info@txspc.com

**To: Commercial Customer**  
**CPS Energy**

**System: Grid tie No Batteries**  
21,000 DC Watts / 20,160 AC Watts  
Based on Inverter Efficiency (96%)  
277 Volts 105 Amps

SALESPERSON	P.O. NUMBER	DATE SHIPPED	SHIPPED VIA	F.O.B. POINT	TERMS
CO					

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
120	175 Solar Modules ( Kyocera, Solar World, Suntech )	758.50	\$91,020.00
3	GE 60 Amp Dc Disconnect	155.00	\$465.00
3	SMA 7000 Inverter	4536.00	\$13,608.00
3	30 Amp Two Pole Breaker	27.50	\$82.50
120	Array Frames	127.50	\$15,300.00
3	Miscellaneous wire and conduit	1,125.00	\$3,375.00
3	Combiner Boxes	95.00	\$285.00
3	GE 60 Amp AC Disconnect	185.00	\$555.00
1	Installation	16,480.00	\$16,480.00
	* Consult Your Tax Adviser		\$ 0.00
<b>SUBTOTAL</b>			<b>\$141,170.50</b>
If Applicable .0825 SALES TAX			\$11,646.56
<b>TOTAL</b>			<b>\$152,817.06</b>

**Out Of Pocket Expense Required At Inspection**  
If you have any questions concerning this proposal,  
Call: Craig Overmiller, Secretary/Treasurer (512) 459-9494  
**Phone: 512-459-9494**

**CPS Energy Rebate      \$50,000.00**  
**Customer's Out of Pocket      \$102,817.06**  
**\*FED Income Tax Credit      \$30,845.19**  
**Final Total      \$71,971.87**

**THANK YOU FOR YOUR BUSINESS!**

**NOTE: Products and pricing subject to change due to market fluctuations.**

- > Certified to the new UL 1741/IEEE 1547
- > 10 yr. standard warranty
- > Highest CEC efficiency in its class
- > Integrated load-break rated AC and DC disconnect switch
- > Integrated fused series string combiner
- > Sealed electronics enclosure & Opticool
- > Comprehensive SMA communications and data collection options
- > Ideal for residential or commercial applications
- > Sunny Tower compatible

Example of inverter TXSPC



## Sunny Boy 5000 / 6000 / 7000

The best in their class

SMA is proud to introduce our new line of inverters updated with our latest technology and designed specifically to meet the new IEEE 1547 requirements. The SB6000U and SB7000U are also compatible with SMA's new Sunny Tower. Increased efficiency means better performance and shorter payback periods. All three models are field-configurable for positive ground systems making them more versatile than ever. With over 500,000 fielded units, Sunny Boy has become the benchmark for PV inverter performance and reliability throughout the world.

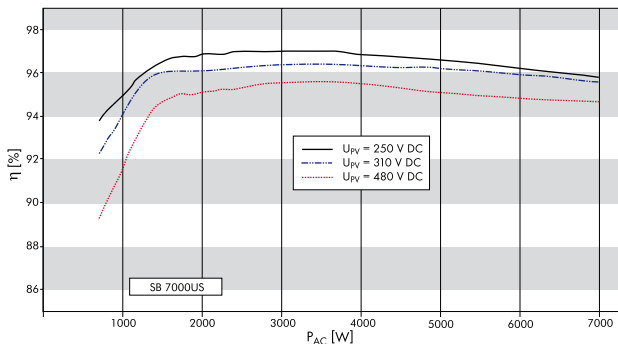


# Technical Data

## Sunny Boy 5000 / 6000 / 7000

	SB 5000US	SB 6000US	SB 7000US
<b>Input Data (DC)</b>			
Max. Recommended Array Input Power (DC @ STC)	6250 W	7500 W	8750 W
Max. DC Voltage	600 V	600 V	600 V
Peak Power Tracking Voltage	250 - 480 V	250 - 480 V	250 - 480 V
DC Max. Input Current	21 A	25 A	30 A
DC Voltage Ripple	< 5%	< 5%	< 5%
Number of Fused String Inputs	4	4	4
PV Start Voltage (adjustable)	300 V	300 V	300 V
<b>Output Data (AC)</b>			
AC Nominal Power	5000 W	6000 W	7000 W
AC Maximum Output Power	5000 W	6000 W	7000 W
AC Maximum Output Current (@ 208, 240, 277 V)	24 A, 20.8 A, 18 A	29 A, 25 A, 21.6 A	34 A, 29 A, 25.3 A
AC Nominal Voltage / Range	183 - 229 V@208 V 211 - 264 V@240 V 244 - 305 V@277 V	183 - 229 V@208 V 211 - 264 V@240 V 244 - 305 V@277 V	183 - 229 V@208 V 211 - 264 V@240 V 244 - 305 V@277 V
AC Frequency / Range	60 Hz / 59.3 Hz - 60.5 Hz	60 Hz / 59.3 Hz - 60.5 Hz	60 Hz / 59.3 Hz - 60.5 Hz
Power Factor	1	1	1
<b>Efficiency</b>			
Peak Inverter Efficiency	96.8 %	97.0 %	97.1 %
CEC weighted Efficiency	95.5 % @ 208 V 95.5 % @ 240 V 95.5 % @ 277 V	95.5 % @ 208 V 95.5 % @ 240 V 96.0 % @ 277 V	95.5 % @ 208 V 96.0 % @ 240 V 96.0 % @ 277 V
<b>Mechanical Data</b>			
Dimensions W x H x D in inches	18.4 x 24.1 x 9.5	18.4 x 24.1 x 9.5	18.4 x 24.1 x 9.5
Weight / Shipping Weight	143 lbs / 154 lbs	143 lbs / 154 lbs	143 lbs / 154 lbs
Ambient temperature range	-13 to +113 °F	-13 to +113 °F	-13 to +113 °F
Power Consumption: standby / nighttime	< 7 W / 0.25 W	< 7 W / 0.25 W	< 7 W / 0.25 W
Topology	PWM, true sinewave, current source	PWM, true sinewave, current source	PWM, true sinewave, current source
Cooling Concept	Convection with regulated fan cooling	Convection with regulated fan cooling	Convection with regulated fan cooling
Mounting Location Indoor / Outdoor (NEMA 3R)	●/●	●/●	●/●
<b>Features</b>			
LCD Display	●	●	●
Lid Color: aluminum / red / blue / yellow	●/○/○/○	●/○/○/○	●/○/○/○
Communication: RS485 / Wireless	○/○	○/○	○/○
Warranty: 10-year	●	●	●
Compliance: IEEE-929, IEEE-1547, UL 1741, UL 1998, FCC Part 15 A & B	●	●	●
Specifications for nominal conditions	● Included ○ Option – Not available		

### Efficiency Curves

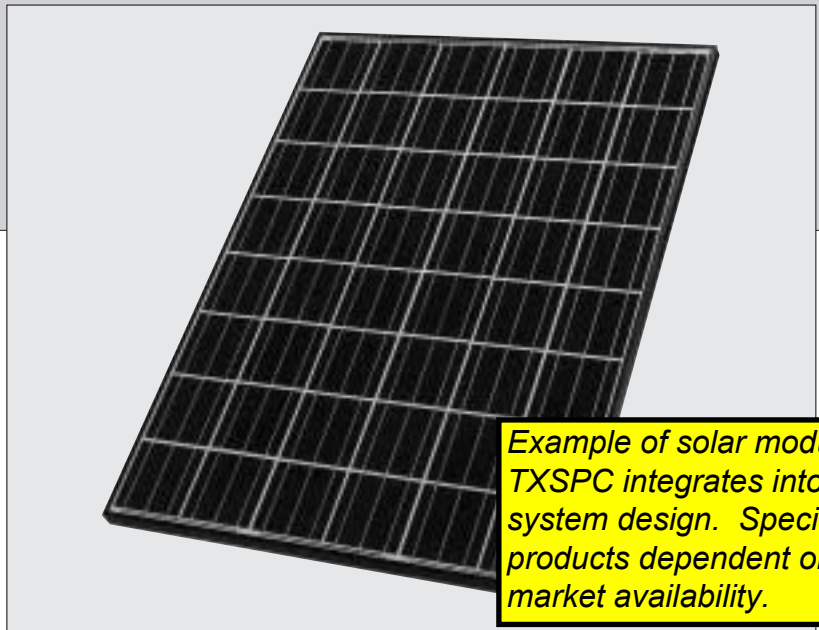


THE NEW VALUE FRONTIER



# KC175GT

HIGH EFFICIENCY  
MULTICRYSTAL  
PHOTOVOLTAIC  
MODULE



Example of solar module TXSPC integrates into PV system design. Specific products dependent on market availability.

## HIGHLIGHTS OF KYOCERA PHOTOVOLTAIC MODULES

Kyocera's advanced cell processing technology and automated production facilities produce a highly efficient multicrystal photovoltaic module.

The conversion efficiency of the Kyocera solar cell is over 16%.

These cells are encapsulated between a tempered glass cover and a pottant with PVF back sheet to provide efficient protection from the severest environmental conditions.

The entire laminate is installed in an anodized aluminum frame to provide structural strength and ease of installation. Equipped with plug-in connectors.

## APPLICATIONS

KC175GT is ideal for grid tie system applications.

- Residential roof top systems
- Large commercial grid tie systems
- Water Pumping systems
- High Voltage stand alone systems

## QUALIFICATIONS

■ **MODULE**  
UL1703 certified

■ **FACTORY**  
ISO9001 and ISO14001

## PERFORMANCE WARRANTY

1 year limited warranty on material and workmanship

25 year\* limited warranty on power output

## SPECIFICATIONS

### ■ Electrical Specifications

MODEL	KC175GT
Maximum Power	175Watts
Tolerance	+10% / -5%
Maximum Power Voltage	23.6Volts
Maximum Power Current	7.42Amps
Open Circuit Voltage	29.2Volts
Short-Circuit Current	8.09Amps
Length	1290mm (50.8in.)
Width	990mm (39.0in.)
Depth	36mm (1.4in.)
Weight	16.0kg (35.3lbs.)

### ■ Thermal parameters

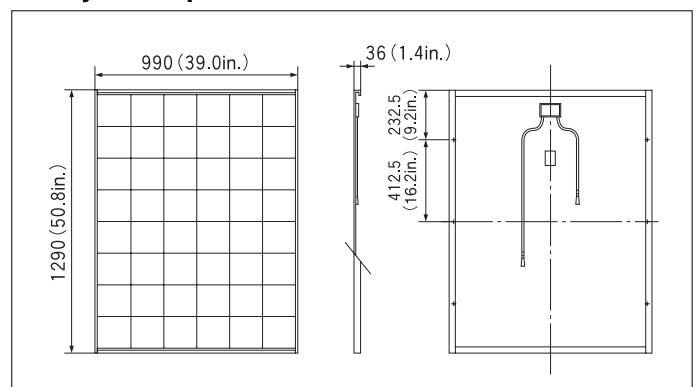
Nominal Operating Cell Temperature	47°C
Isc Current temperature coefficient	( $3.18 \times 10^{-3}$ ) A/°C
Voc Voltage temperature coefficient	( $-1.09 \times 10^{-1}$ ) V/°C

Note: The electrical specifications are under test conditions of Irradiance of  $1\text{kw/m}^2$ , Spectrum of 1.5 air mass and cell temperature of 25°C

Kyocera reserves the right to modify these specifications without notice.

### ■ Physical Specifications

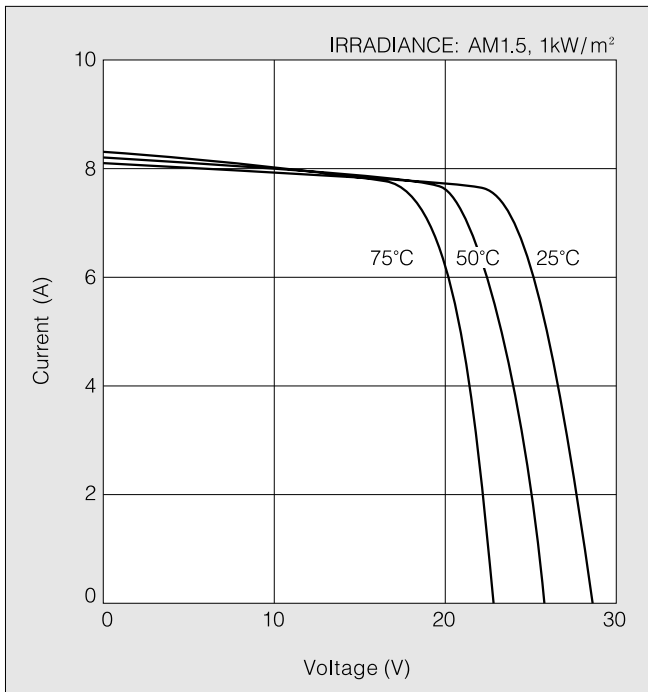
(Unit: mm)



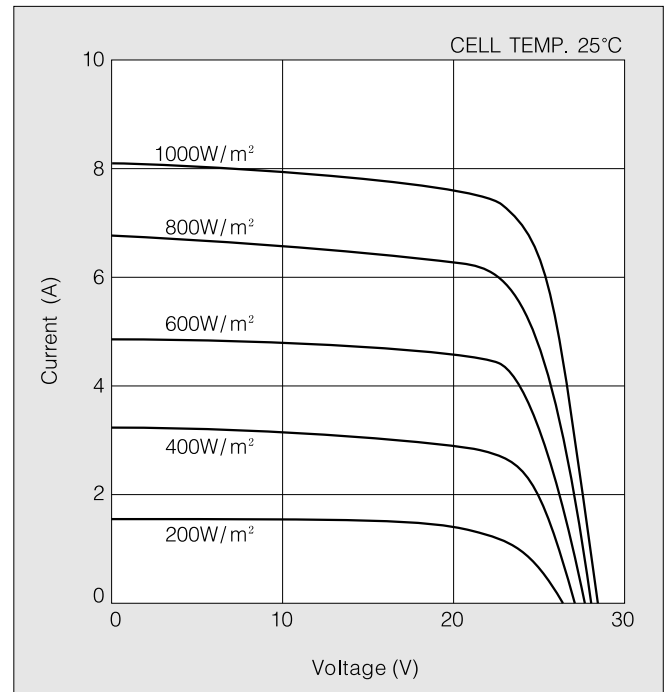
\*(Long term output warranty shall guarantee that loss of output is not more than 10% of the minimum warranty value of the product specifications within 12 years and is not more than 20% within 25 years after the purchase of the product by customer. The output values shall be those measured under Kyocera standard measurement conditions. Regarding the warranty conditions in detail, please refer to Warranty issued by Kyocera.)

## ELECTRICAL CHARACTERISTICS

Current-Voltage characteristics of Photovoltaic Module KC175GT at various cell temperatures



Current-Voltage characteristics of Photovoltaic Module KC175GT at various irradiance levels



## QUALITY ASSURANCE

Kyocera multicrystal photovoltaic modules have passed the following tests.

- Thermal cycling test
- Thermal shock test
- Thermal/ Freezing and high humidity cycling test
- Electrical isolation test
- Hail impact test
- Mechanical, wind and twist loading test
- Salt mist test
- Light and water-exposure test
- Field exposure test

Please contact our office to obtain details without hesitation.



### KYOCERA Corporation

#### ■ KYOCERA Head Office

CORPORATE SOLAR ENERGY DIVISION  
6 Takeda Tobadono-cho  
Fushimi-ku, Kyoto  
612-8501 Japan  
Phone:(81)75-604-3476 Telefax:(81)75-604-3475  
<http://www.kyocera.com>

#### ● KYOCERA Solar, Inc.

7812 East Acoma Drive  
Scottsdale, AZ 85260  
Phone:(480)948-8003 or (800)223-9580 Telefax:(480)483-6431  
<http://www.kyocerasolar.com>

#### ● KYOCERA Solar do Brasil Ltda.

Energia Renovavel LTDA,  
Rua Maurisio da Costa Faria, 85  
22780-280, Recreio, Rio da Janeiro, Brazil  
Phone:(55)21-2437-8525 Telefax:(55)21-2437-2338  
<http://www.kyocerasolar.com.br>

#### ● KYOCERA Solar Pty Ltd.

Cnr Forbes & Riverside Drive, West End,  
QLD 4101, Australia  
Phone:(61)7-3844-6686 Telefax:(61)7-3844-8569  
<http://www.kyocerasolar.com.au/>

#### ● KYOCERA Fineceramics GmbH

Fritz Muller strasse 107, D-73730 Esslingen, Germany  
Phone:(49)711-9393417 Telefax:(49)711-9393450  
<http://www.kyocerasolar.de/>

#### ● KYOCERA Asia Pacific Pte. Ltd.

298 Tiong Bahru Road, #13-03/05  
Central Plaza, Singapore 168730  
Phone:(65)271-0500 Telefax:(65)271-0600

#### ● KYOCERA Asia Pacific Ltd.

Room 803, Tower 1 South Seas Centre, 75 Mody Road,  
Tsimshatsui East, Kowloon, Hong Kong  
Phone:(852)2-7237183 Telefax:(852)2-7244501

#### ● KYOCERA Asia Pacific Ltd. Taipei Office

10 FL., No.66, Nanking West Road, Taipei, Taiwan  
Phone:(886)2-2555-3609 Telefax:(886)2-2559-4131

#### ● KYOCERA(Tianjin) Sales & Trading Corporation

Binjiang International Hotel 1106  
105 Jianshe Road Heping Dist, Tianjin China  
Tel:(22)2331-8590 Fax:(22)2330-6276

*Example of solar module TXSPC integrates into PV system design. Specific products dependent on market availability.*



<b>Length</b>	63.39 in (1610 mm)
<b>Width</b>	31.89 in (810 mm)
<b>Height</b>	1.34 in (34 mm)
<b>Frame</b>	Aluminium
<b>Weight</b>	33 lbs (15 kg)

## Sunmodule

### SW 155/165/175 mono

The Sunmodule Plus heralds an innovative new module concept from SolarWorld AG. The fully automated production process at the SolarWorld factories creates a quality of module that is consistently high, which in turn will ensure high yields for the long term.

The module frame and the glass it surrounds are firmly attached to each other by silicone that is applied with continuous precision. This guarantees exceptional rigidity for the entire module and stops any possible loosening of the frame as a result of strong outward forces in cases such as sliding of heavy snow. Tests carried out in accordance with IEC 61215, applying loads up to 5.4 kN/m<sup>2</sup>, confirm that the module can withstand heavy accumulations of snow and ice.

The patented, flat and compact junction box provides perfect protection against corrosion, as well as a capacity to rapidly rid itself of any excess heat providing high temperature handling. The junction box is reliably connected by a solid, welded bond to guarantee lasting functionality. In addition, high-quality, robust cables with factoryequipped connectors are used. The ability to recycle the modules and a 25-year performance warranty are the finishing touches to this top-quality concept.



# Sunmodule

## SW 155/165/175 mono

### Performance under standard test conditions

		SW 155	SW 165	SW 175
Maximum power	$P_{max}$	155 Wp	165 Wp	175 Wp
Open circuit voltage	$V_{oc}$	43.6 V	44.0 V	44.4 V
Maximum power point voltage	$V_{mpp}$	34.8 V	35.3 V	35.8 V
Short circuit current	$I_{sc}$	4.90 A	5.10 A	5.30 A
Maximum power point current	$I_{mpp}$	4.46 A	4.68 A	4.89 A

### Performance at 800 W/m<sup>2</sup>, NOCT, AM 1.5

		SW 155	SW 165	SW 175
Maximum power	$P_{max}$	110.8 Wp	118.0 Wp	125.1 Wp
Open circuit voltage	$V_{oc}$	39.4 V	39.8 V	40.2 V
Maximum power point voltage	$V_{mpp}$	31.2 V	31.6 V	32.1 V
Short circuit current	$I_{sc}$	4.05 A	4.22 A	4.38 A
Maximum power point current	$I_{mpp}$	3.55 A	3.73 A	3.90 A

Minor reduction in efficiency under partial load conditions at 25°C: at 200 W/m<sup>2</sup>, 95% (+/- 3%) of the STC efficiency (1000 W/m<sup>2</sup>) is achieved.

### Component materials

Cells per module	72
Cell type	monocrystalline silicon
Cell dimensions	125 x 125 mm <sup>2</sup>

### System integration parameters

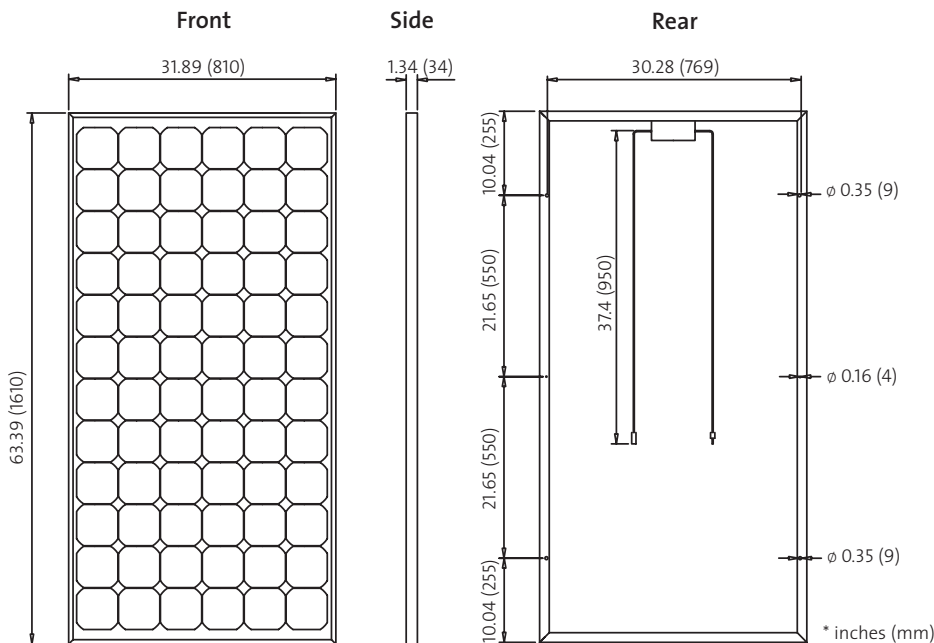
Maximum system voltage SC II	1,000 V <sub>DC</sub>
Maximum system voltage USA NEC	600 V <sub>DC</sub>
Maximum series fuse rating	15 A

### Thermal characteristics

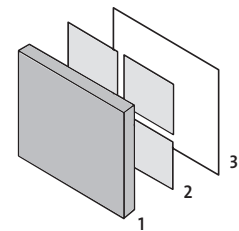
NOCT	46°C
TC $I_{sc}$	0.036 %/K
TC $V_{oc}$	-0.33 %/K

### Additional data

Power tolerance	+/- 3 %
Junction box	IP 65
Connector	MC type 4



### Construction



- 1] Front: tempered glass
- 2] crystalline solar cells embedded in EVA (ethylene-vinyl-acetate)
- 3] Rear: Tedlar

### Modules certified in accordance with:



SolarWorld AG reserves the right to make specification changes without notice. This data sheet complies with the requirements of EN 50380.

# SunTech Power

## STP 175/170/165/160S-24/Ab-1



### Performance

- High power tolerance (+/- 3 %)
- 72 cell monocrystalline
- Nominal 24 V

### Built for long service life

- Cells embedded in EVA (ethylene vinyl acetate)
- Transmissive low-iron, tempered glass on the front
- Weather and waterproof film back
- High strength frame

### Simple installation

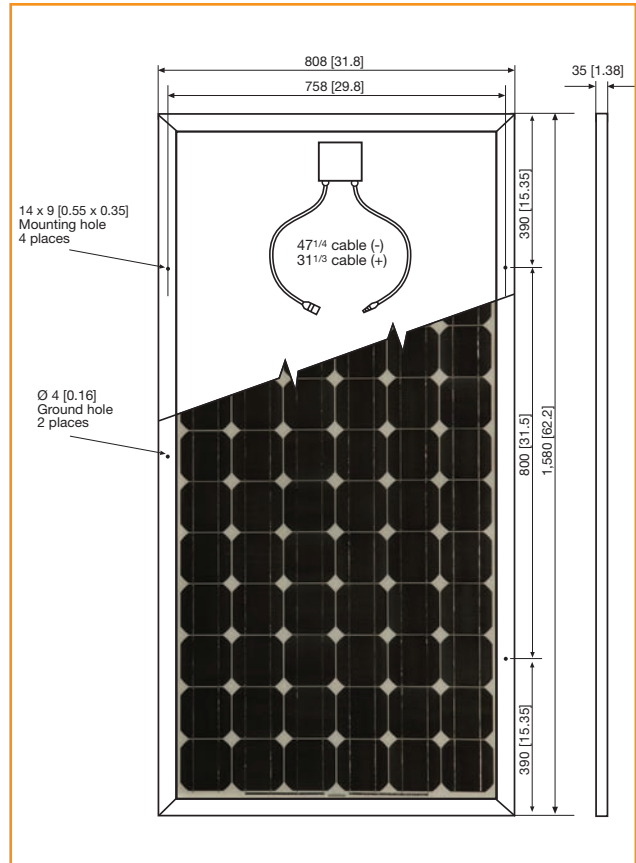
- Polarized Multi-Contact DC-rated waterproof connectors
- Clear anodized aluminum frame with pre-drilled holes

### High quality standards

- Optical, mechanical and electrical module testing during and post-production
- Automated production line ensures consistently high level of product quality

### Warranties and certifications

- 2 year product warranty
- 12 year warranty on 90 % of the minimum output
- 25 year warranty on 80 % of the minimum output
- UL 1703



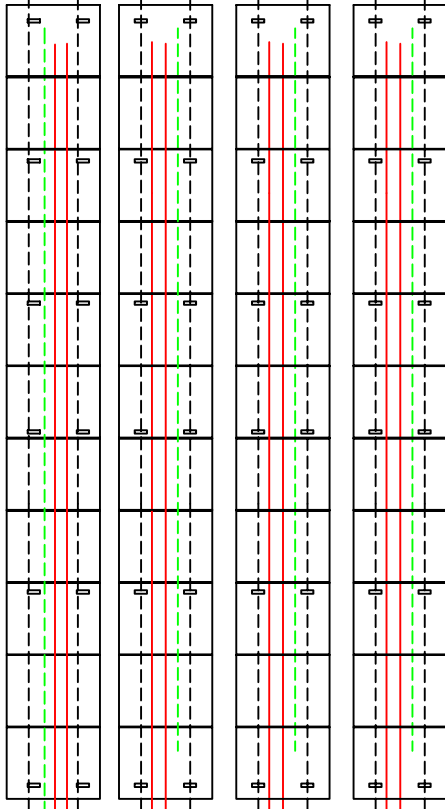
	STP 175S-24/Ab-1	STP 170S-24/Ab-1	STP 165S-24/Ab-1	STP 160S-24/Ab-1
<b>Maximum output (Pmax)</b>	175 W	170 W	165 W	160 W
<b>Tolerance of the power (+/-)</b>	3 %	3 %	3 %	3 %
<b>Maximum power voltage (Vmp)</b>	35.2 V	35.2 V	34.8 V	34.4 V
<b>Maximum power current (Imp)</b>	4.95 A	4.83 A	4.74 A	4.65 A
<b>Open-circuit voltage (Voc)</b>	44.2 V	43.8 V	43.6 V	43.2 V
<b>Short-circuit current (Isc)</b>	5.20 A	5.14 A	5.04 A	5.00 A
<b>Temperature coefficient (Pmax)</b>	-0.5 %/°C	-0.5 %/°C	-0.5 %/°C	-0.5 %/°C
<b>Temperature coefficient (Voc)</b>	-0.155 V/°C	-0.155 V/°C	-0.155 V/°C	-0.155 V/°C
<b>Temperature coefficient (Isc)</b>	3 mA/°C	3 mA/°C	3 mA/°C	3 mA/°C
<b>Maximum series fuse rating</b>	8 A	8 A	8 A	8 A
<b>Maximum system voltage</b>	600 V	600 V	600 V	600 V

### Applies to all modules:

<b>Module dimensions (L x W x H)</b>	62.2 x 31.8 x 1.38 inch (1,580 x 808 x 35 mm)
<b>Weight</b>	34.2 lbs/15.5 kg

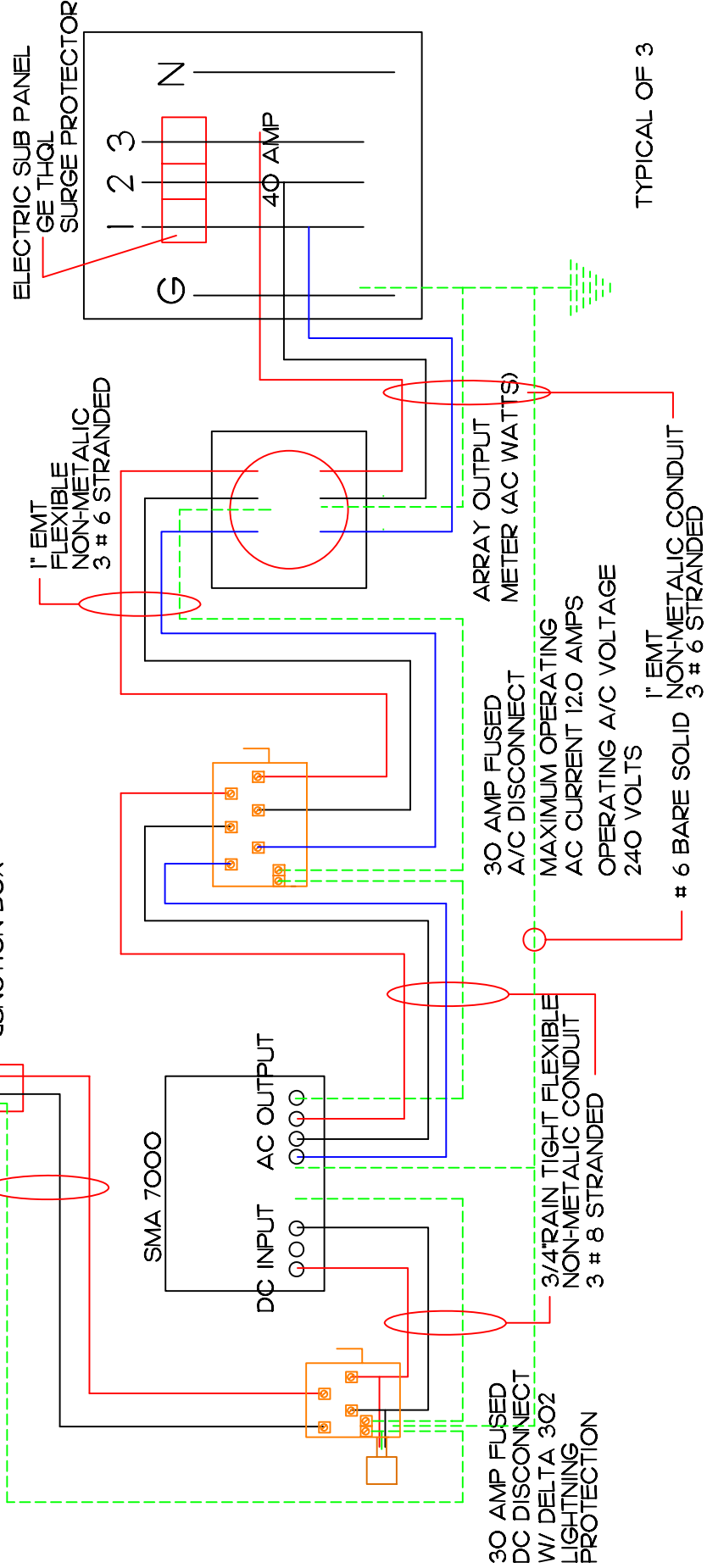
Available from:

**ARRAY 1**  
 4 STRINGS OF 11 - KYOCERA 175 MODULES  
 SYSTEM WATTAGE 7,700 DC WATTS  
 OPERATING CURRENT 29.68 AMPS DC  
 OPERATING VOLTAGE 259.60 VOLTS DC  
 MAX. SYSTEM VOLTAGE 321.2 VOLTS DC  
 MAXIMUM SYSTEM CURRENT 32.36 AMPS



3/4" EMT CONDUIT  
 3 # 8 STRANDED

JUNCTION BOX





1703 W. Koenig Lane

Austin, TX 78756

Phone:(512) 459-9494 Fax:(512) 451-5934 Email:Info@txspc.com

## **WARRANTIES**

Solar Panels  
25 Year Prorated Warranty

Charge Controller  
2 Year Limited Warranty

Inverter  
10 Year Limited Warranty

Batteries  
As per Manufacturer

Installation  
5 Year Unlimited Labor and Material

If for any reason any equipment fails during this five-year period, Texas Solar Power Company will replace or repair at no cost to the CPS Energy Customer. This warranty is transferable in the event of sale of home or office.

## **EMERGENCY PHONE NUMBERS**

Office Address: 1703 West Koenig Lane  
Austin, Texas 78756

Office Hours  
Monday through Friday 9:00 a.m. to 6:00 p.m.

Office Phone: 512-459-9494  
Fax: 512-451-5934  
Toll Free: 866-459-9494

Craig Overmiller  
Cell Phone: 512-632-3237  
Email: craig@txspc.com

Joe Garcia  
Cell Phone: 512-789-3477  
Email: joe@txspc.com



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**Austin, Texas 78756**  
**512.459.9494 phone**  
**512.451.5934 fax**

## **Commercial References**

### **South Central Transit & Training Center**

Chris Malstaff  
Phone: 210-362-2356  
San Antonio  
10,500 Watts PV Grid-tie  
(2) SunnyBoy SB 5000US 208V/29A

### **Iron Knot Retreat Center**

Michael Bradfute  
Phone: 505-301-3388  
21,100 Watts PV  
4 Outback 3648 Inverters  
64 Deka Solar 8A8D Batteries

### **Community Clinical Research**

Sam Dawson  
Phone: 512-868-1229  
20,000 Watts PV  
4 Fronius 5100 IG Inverters  
2 Outback 3648 Inverters  
16 Trojan 8A8D Batteries

### **Alori Properties**

Jason Aldridge  
409 West 38<sup>th</sup> Street  
Phone: 512-452-3690  
25,000 Watts  
5 Fronius 5100 IG Inverters

### **Ebby Construction**

George Ebby  
Austin, Texas  
Phone: 263-0805  
16,000-Watts Solar  
6 Trace 5548 Inverters  
24 MK 8A31 AGM Batteries

**Texas A&M University**

Forrest McCartney

Phone: 979-845-5318

4000 Watts PV

1-Xantrex GT 3.0 Inverter

1-Xantrex 2024 Inverter

1-Southwest Wind Air 403 Wind Generator

1-Southwestwind H80 Wind Generator

**Read Trust**

Patsy Read

Phone: 477-9996

3000 Watts PV

1-Xantrex 4048 Inverter

2-Southwestwind Air 403 Wind Generator

8-Deka Solar 8G27 Gel Cell Batteries

**Sportsman's Finest**

Charles Dorrance

12434 FM 2244

Bee Caves, TX

Phone: 263-1888

14KW Grid-tie System

(2) SMA 6000 Watt Inverters

**City Of Austin Projects****Wild Basin Preserve**

David Burgos

Phone: 482-5368

8,000 Watts PV

2-Omnion 5 KW Inverters

**Metz Recreation Center**

David Burgos

Phone: 482-5368

3000 Watts PV

1-3000 Watt SMA Inverter

**Seawright Park**

David Burgos

Phone: 482-5368

900 Watts PV

1-Xantrex 1500 Watt Inverter

8-Deka Solar 8A31 AGM Batteries

**Austin Independent School District**

David Burgos

Phone: 482-5368

15,600 Watts

5 Fronius IG 44500 Inverters

**Austin Energy**

Mark Kapner

811 Barton Springs Rd.

Austin, Texas 78704

Phone: 512-322-6290

Fax: 512- 972-9534

**Vendors**

Kyocera Solar

Doug Lagrone

281-256-9955

SolarWorld

Peter Denapoli

561-477-6779

Conergy

Gregg Renner

505-473-3800

**Memberships**

Solar Austin

American Institute of Architects

Texas Solar Energy Society

Texas Renewable Energy Industries Association

American Solar Energy Society

Solar Electric Power Association SEPA



# 2008 Solar PV Program Rebate Application

## USE FOR SOLAR PV REBATES ONLY

A rebate is available to encourage **All CPS Energy Customers** to install Solar PV Systems. Please direct any questions to **210-353-2SAV** or visit CPS Energy website at [www.cpsenergy.com](http://www.cpsenergy.com) for current information on funds availability.

- **All equipment (modules, inverters), as submitted on this application must be listed as under the California Energy Commission's (CEC) Emerging Renewables Program.** For a list of qualifying equipment visit: [www.consumerenergycenter.org/erprebate/equipment.html](http://www.consumerenergycenter.org/erprebate/equipment.html)
- The photovoltaic (PV) system must be installed in compliance with CPS Energy's technical requirements for distributed generation interconnection (for facilities under 25 kW). Systems between 25 kW and ≤ 100 kW will be handled on a case by case basis. Systems and connections must conform to CPS Energy connection standards.
- In addition to equipment eligibility requirements, solar contractors/installers participating in the Solar Rebate Program must be certified (within two years of CPS Energy Solar Rebate Program registration) through the North American Board of Certified Energy Practitioners (NABCEP). For details on how to become NABCEP certified, please visit their website at: [www.nabcep.org](http://www.nabcep.org).
- All Solar Initiative Rebate applications and requirements must be approved prior to system installation in addition to a Pre-Inspection of site. Any required electrical permits are mandatory for finalization of rebates.
- Program expires December 1, 2008 or when funds are depleted.
- **Once Approved by CPS Energy, Equipment must be installed within 120 days from Approval. System installations must meet all local electrical requirements and standards including receiving appropriate permits and inspections.**
- The PV System must be placed in service in the CPS Energy service area.
- The rebate recipient must be a CPS Energy customer.

\*\*\*\*\* **SEND** \*\*\*\*\*

**Completed 2008 Solar PV Rebate Application. Including system layout/diagram.**

**Completed Net-Metering Application.**

**Copy of Purchase Receipt or Invoice.**

**Mail to:**  
**CPS Energy Efficiency Rebate Program, Mail drop 340117**  
**P. O. Box 1771**  
**San Antonio, Texas 78296-1771**      **(Missing documentation will delay processing)**

<b>Customer</b>			CPS Account Number	
Address of Installation		City	State TX	Zip Code
Mailing Address (If Different)		City	State TX	Zip Code
Day Phone Number (210) -	Work Phone Number (210) -	How did you hear about this program?		Email @

<b>Contractor / Installer</b>		Contact Person		
Address		City	State TX	Zip Code
Phone Number (210) -	Fax Number (210) -	Email @	Permit / Release #	

<b>System Installation</b>					
Residential <input type="checkbox"/>	Structure: New <input type="checkbox"/>	Contractor Price Quote \$ _____	Est. kWh Savings/ yr.: _____	Methodology Used: _____	Total System Nameplate Capacity: _____ kW
Commercial <input type="checkbox"/>	Existing <input type="checkbox"/>				
Non-Profit/Gov't <input type="checkbox"/>					
Array Type Fixed <input type="checkbox"/> 1-Axis Tracking <input type="checkbox"/> 2-Axis Tracking <input type="checkbox"/>			Fixed Tilt or 1-Axis Tracking System: Array Tilt (degrees): _____ Array Azimuth (degrees): _____		
PV Module Mfg.* _____		Inverter Mfg.* _____		<b>PLEASE LIST ADDITIONAL MODULES / INVERTERS ON NEXT PAGE</b>	
Module Model # _____ Qty. _____		Inverter Model # _____ Qty. _____			
PTC Rating (watts) _____ Array Orientation _____		Power Rating _____ Efficiency % _____			

<b>REBATE CALCULATION</b>	
No. Modules _____ x PTC Rating (watts) _____ x Inverter Efficiency _____ x \$3.00 W/AC = Rebate Amount \$ _____	

**PRE-INSPECTION**

CPS Energy Inspector \_\_\_\_\_ Application Review Date \_\_\_\_/\_\_\_\_/\_\_\_\_ Annual Solar Access \_\_\_\_% Approved  Disapproved



# 2008 Solar PV Program Rebate Application

### ADDITIONAL EQUIPMENT REBATES

No. Modules	<input type="text"/>	x PTC Rating (watts)	<input type="text"/>	x Inverter Efficiency	<input type="text"/>	x \$3.00 W/AC = Rebate Amount \$	<input type="text"/>
No. Modules	<input type="text"/>	x PTC Rating (watts)	<input type="text"/>	x Inverter Efficiency	<input type="text"/>	x \$3.00 W/AC = Rebate Amount \$	<input type="text"/>
No. Modules	<input type="text"/>	x PTC Rating (watts)	<input type="text"/>	x Inverter Efficiency	<input type="text"/>	x \$3.00 W/AC = Rebate Amount \$	<input type="text"/>

Under penalty of perjury, I certify that the above declaration is true and correct and that it meets all of the program guidelines and requirements of the CPS Energy Solar Initiative Rebate Program. I understand that the information is subject to audit and investigation by CPS Energy and that an on site verification will be completed prior to payment of rebate. Furthermore, as a qualified CPS Energy customer and purchaser of the solar system, I understand the rebate for which I am applying will, under no circumstances, exceed the maximum allowed under current CPS Energy Solar Initiative Rebate Program guidelines. In order to receive the rebate, I understand that the solar system must be inspected and approved by CPS Energy, and I must sign this Refund Agreement that includes, at a minimum, the following conditions. A prorated portion of the rebate, calculated by reducing the rebate paid by 20% per year for each of the five years following final inspection and approval (first 20% reduction to occur on the first anniversary date of rebate payment), shall become due and payable to CPS Energy if I fail to ensure CPS Energy that the rebate equipment is properly maintained and operated at the CPS Energy address originally listed within this application. The undersigned declare under penalty of perjury that: 1) the information provided in this form is true and correct to the best of my knowledge; 2) that the above-described solar PV generating system will be solely owned by the Customer and is intended to offset part or all of the Customer's electrical needs at the site of the installation; 3) that the Customer has received a copy of this completed form; 4) that the Customer understands their electric rate may change; 5) the Customer agrees to allow CPS Energy to account for renewable energy generated by the PV system for reporting purposes; 6) the Customer has read and understands the Solar Incentive Program Guidelines; 7) the Customer agrees to comply with all the provision of Interconnection and Net Metering Guidelines; and 8) acceptance of this incentive off will not exceed CPS Energy's annual program customer limits as defined by Program Guidelines, including any previously received funds for corporate or government parents, holding companies or other business entities.

Vendor/Contractor Signature:	Date:
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### FINAL INSPECTION:

I hereby acknowledge that all equipment was installed to my satisfaction and the installing contractor is responsible for all warranties. I also understand that CPS Energy is not responsible for any contractual and/or construction disputes between the installing contractor and myself.

Customer Signature:	Date:
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<small>CPS Use Only</small> CPS Energy Representative:	<small>CPS Use Only</small> Rebate awarded by:	<small>CPS Use Only</small> Rebate paid:
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Keep a copy for your records.

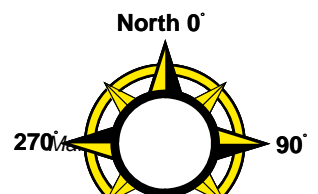
Please don't forget to send a copy of the **purchase receipt or invoice** after system is installed.

**Mail to:**

CPS Energy Efficiency Rebate Program, Mail drop 340117  
P. O. Box 1771

San Antonio, Texas 78296-1771

**(Missing documentation will delay processing)**





## Solar PV Site Sketch

The site sketch should provide a descriptive idea of the structure's *orientation, roof slopes, solar obstructions, proposed collector location and electrical service entrance*. **Please include all these items in your drawing.**

A large rectangular area filled with a fine grid of small squares, intended for drawing a site sketch. The grid is composed of approximately 30 columns and 40 rows of squares.

# FEDERAL 5-YEAR DEPRECIATION SCHEDULE FOR SOLAR ENERGY PROPERTY

The federal government offers a 5-year accelerated depreciation for all solar energy equipment. (U.S. Code Citation: 26 USC Sec. 168)

## **Who is eligible to take 5-year accelerated depreciation for solar equipment?**

Any commercial entity who invests in or purchases qualified solar energy property may use the accelerated depreciation schedule. The depreciation schedule cannot be claimed for property used mainly outside the United States, used by the governmental units and foreign persons and entities, or used by a tax-exempt organization (unless the property is used mainly in an unrelated trade of business).

## **How is solar energy property defined?**

Solar energy is defined, for the purpose of this depreciation schedule, as equipment that uses solar energy to generate electricity, to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat.

## **Solar energy property that qualifies for accelerate depreciation includes:**

Equipment that uses solar energy to generate electricity, including storage devices, power conditioning equipment, transfer equipment, and related parts, and equipment up to (but not including) the stages that transmits or uses electricity, and

“dual use equipment” (equipment that uses both solar and non-solar energy, such as pipes and hot water tanks) only if its use of energy from non-solar sources does not exceed 25% of its total energy input in an annual measuring period , and only to the extent of its basis cost allocable to its use of solar energy.

## **In addition, solar energy property must be:**

- Completely installed and operational in the year in which the depreciation is first used;
- Constructed, reconstructed, or erected by (or at the request of) the taxpayer;
- Originally used by the taxpayer, if acquired by the taxpayer;
- In conformance with any performance or quality standards prescribed by regulation; and
- Subject to depreciation or amortization

## **What DOES NOT QUALIFY as solar energy property? Solar energy does not include:**

- Public utility property;
- The material and components of “passive solar system” (i.e., systems based on the use of conductive, convective, or radiant heat transfer) even if combined with “active solar systems” (i.e., systems based on the used of mechanically forced energy transfer);
- Equipment used for most swimming pools (consult your tax advisor); and

- Equipment that uses solar energy to generate steam at high temperatures for use in industrial or commercial processes.

**What is the actual deduction schedule?**

The Modified Accelerated Cost Recovery System (MACRS) 5-year depreciation schedule used a 200 percent declining balance method. Without this legal provision for solar equipment, depreciation for such equipment would be done over the standard 20-year period.

Year 1	20.00%
Year 2	32.00%
Year 3	19.20%
Year 4	11.52%
Year 5	11.52%
Year 6	5.76%

Note that taxpayers who take advantage of the Federal Commercial Investment Tax Credit for solar equipment should use 95 percent of the original value of the solar equipment as the basis for depreciation, not 90 percent. If you do not take the Investment Tax Credit, you should use the full 100 percent of the value as the basis for depreciation.

**As an example:**

- Total Job Cost for Solar Equipment Installation = \$100,000
- First Year 10% Federal Tax Credit for Solar Equipment = \$10,000

**5-year Accelerated Depreciation – Basis for Depreciation is \$95,000 (95% of \$100,00)**

Year	% Deduction	Business Tax Bracket	% of Depreciation Basis	Savings
1	20.00%	34%	6.8000%	\$6,460.00
2	32.00%	34%	10.8800%	\$10,336.00
3	19.20%	34%	6.5280%	\$6,201.60
4	11.52%	34%	3.9168%	\$3,720.96
5	11.52%	34%	3.9168%	\$3,720.96
6	5.76%	34%	1.9584%	\$1,860.48
Totals	100.00%	n/a	34.3717%	\$32,300.00

Total Tax Incentive Recovery (10% credit + 5-year depreciation) = \$42,300.00

(Percent Total of Job Paid for by the Federal Government = 42.3%)

*Disclaimer: This fact sheet should be consulted only for general guidance. SEIA encourages investors or purchasers of qualified solar energy property to seek professional tax advise.*

## Solar Energy Device Franchise Tax Deduction

Incentive Type:	Corporate Deduction
Eligible Renewable/Other:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal
Technologies:	Process Heat, Photovoltaic
Applicable Sectors:	Commercial, Industrial
Amount:	100% from capital or 10% from profit
Maximum Incentive:	None
Website:	<a href="http://www.seco.cpa.state.tx.us/re_incentives.htm">http://www.seco.cpa.state.tx.us/re_incentives.htm</a>
Authority 1:	Texas Statutes § 171.107
Date Enacted:	1981, amended 1991, 1999
Effective Date:	1982

### Summary:

Texas allows a corporation to deduct the cost of a solar energy device from the franchise tax in one of two ways: (1) the total cost of the system may be deducted from the company's taxable capital; or, (2) 10% of the system's cost may be deducted from the company's income. Both taxable capital and a company's income are taxed under the franchise tax, which is Texas's equivalent to a corporate tax.

For the purpose of this deduction, a solar energy device means "a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power."

# Investment Credit

▶ **Attach to your tax return. See instructions.**

Name(s) shown on return	Identifying number
<p><b>1</b> Rehabilitation credit (see instructions for requirements that must be met):</p> <p><b>a</b> Check this box if you are electing under section 47(d)(5) to take your qualified rehabilitation expenditures into account for the tax year in which paid (or, for self-rehabilitated property, when capitalized). See instructions. <b>Note:</b> <i>This election applies to the current tax year and to all later tax years. You may not revoke this election without IRS consent</i> . . . . ▶ <input type="checkbox"/></p> <p><b>b</b> Enter the date on which the 24- or 60-month measuring period begins ____/____/____ and ends ____/____/____</p> <p><b>c</b> Enter the adjusted basis of the building as of the beginning date above (or the first day of your holding period, if later) . . . . \$ _____</p> <p><b>d</b> Enter the amount of the qualified rehabilitation expenditures incurred, or treated as incurred, during the period on line 1b above . . . . \$ _____</p> <p>Enter the amount of qualified rehabilitation expenditures and multiply by the percentage shown:</p> <p><b>e</b> Pre-1936 buildings located in the Gulf Opportunity Zone . . . . \$ _____ × 13% (.13)</p> <p><b>f</b> Other pre-1936 buildings . . . . \$ _____ × 10% (.10)</p> <p><b>g</b> Certified historic structures located in the Gulf Opportunity Zone . . . . \$ _____ × 26% (.26)</p> <p><b>h</b> Other certified historic structures . . . . \$ _____ × 20% (.20)</p> <p>For properties identified on lines 1g or 1h, complete lines 1i and 1j</p> <p><b>i</b> Enter the assigned NPS project number or the pass-through entity's employer identification number (see instructions) . . . . _____</p> <p><b>j</b> Enter the date that the NPS approved the Request for Certification of Completed Work (see instructions) . . . . ____/____/____</p> <p><b>k</b> Rehabilitation credit from an electing large partnership (Schedule K-1 (Form 1065-B), box 9) . . . .</p>	<p><b>1e</b></p> <p><b>1f</b></p> <p><b>1g</b></p> <p><b>1h</b></p> <p><b>1k</b></p>
<p><b>2</b> Energy credit:</p> <p><b>a</b> Basis of property using geothermal energy placed in service during the tax year (see instructions) \$ _____ × 10% (.10)</p> <p><b>b</b> Basis of property using solar illumination or solar energy placed in service during the tax year (see instructions) \$ _____ × 30% (.30)</p> <p>Qualified fuel cell property (see instructions):</p> <p><b>c</b> Basis of property installed during the tax year \$ _____ × 30% (.30)</p> <p><b>d</b> Kilowatt capacity of property in <b>c</b> above . . . ▶ _____ × \$1,000</p> <p><b>e</b> Enter the lesser of line 2c or 2d . . . .</p> <p>Qualified microturbine property (see instructions):</p> <p><b>f</b> Basis of property installed during the tax year \$ _____ × 10% (.10)</p> <p><b>g</b> Kilowatt capacity of property in <b>f</b> above . . . ▶ _____ × \$200</p> <p><b>h</b> Enter the lesser of line 2f or 2g . . . .</p> <p><b>i</b> Total. Add lines 2a, 2b, 2e, and 2h . . . .</p>	<p><b>2a</b></p> <p><b>2b</b></p> <p><b>2c</b></p> <p><b>2d</b></p> <p><b>2e</b></p> <p><b>2f</b></p> <p><b>2g</b></p> <p><b>2h</b></p> <p><b>2i</b></p>
<p><b>3</b> Qualifying advanced coal project credit (see instructions):</p> <p><b>a</b> Basis of qualified investment in integrated gasification combined cycle property placed in service during the tax year \$ _____ × 20% (.20)</p> <p><b>b</b> Basis of qualified investment in property other than in <b>a</b> above placed in service during the tax year ▶ \$ _____ × 15% (.15)</p> <p><b>c</b> Total. Add lines 3a and 3b . . . .</p>	<p><b>3a</b></p> <p><b>3b</b></p> <p><b>3c</b></p>
<p><b>4</b> Qualifying gasification project credit (see instructions). Basis of qualified investment in property placed in service during the tax year . . . ▶ \$ _____ × 20% (.20)</p>	<p><b>4</b></p>
<p><b>5</b> Credit from cooperatives. Enter the unused investment credit from cooperatives . . . .</p>	<p><b>5</b></p>
<p><b>6</b> Add lines 1e through 1h, 1k, 2i, 3c, 4, and 5. Report this amount on the applicable line of Form 3800 (e.g., line 1a of the 2006 Form 3800) . . . .</p>	<p><b>6</b></p>

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### What's New

- The tax liability limit is no longer figured on this form; instead, it must be figured on Form 3800, General Business Credit.
- The IRS will revise this December 2006 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.
- Additional time is provided for buildings in the Gulf Opportunity (GO) Zone, Rita GO Zone, and Wilma GO Zone to meet certain tests in order to be a qualified rehabilitated building. For the affected areas, see Pub. 4492, Information for Taxpayers Affected by Hurricanes Katrina, Rita, and Wilma. For details on the relief provided, see items 2 and 3 on page 3 and Notice 2006-38, 2006-16 I.R.B. 777.

### Purpose of Form

Use Form 3468 to claim the investment credit. The investment credit consists of the rehabilitation, energy, qualifying advanced coal project, and qualifying gasification project credits.

### Investment Credit Property

Investment credit property is any depreciable or amortizable property that qualifies for the rehabilitation credit, energy credit, qualifying advanced coal project credit, or qualifying gasification project credit.

You cannot claim a credit for property that is:

- Used mainly outside the United States (except for property described in section 168(g)(4));
- Used by a governmental unit or foreign person or entity (except for a qualified rehabilitated building leased to that unit, person, or entity; and property used under a lease with a term of less than 6 months);
- Used by a tax-exempt organization (other than a section 521 farmers' cooperative) unless the property is used mainly in an unrelated trade or business or is a qualified rehabilitated building leased by the organization;
- Used for lodging or in the furnishing of lodging (see section 50(b)(2) for exceptions); or
- That is energy property used in a facility that qualifies for a credit under section 45.

### Election for Certain Leased Property

If you lease property to someone else, you may elect to treat all or part of your investment in new property as if it were made by the person who is leasing it from you. Lessors and lessees should see section 48(d) (as in effect on November 4, 1990) and related regulations for rules on making this election. For limitations, see sections 46(e)(3) and 48(d) (as in effect on November 4, 1990).

### At-Risk Limit for Individuals and Closely Held Corporations

The cost or basis of property for investment credit purposes may be limited if you borrowed against the property and are protected against loss, or if you borrowed money from a person who is related or who has other than a creditor interest in the business activity. The cost or basis must be reduced by the amount of this "nonqualified nonrecourse" financing related to the property as of the close of the tax year in which the property is placed in service. If, at the close

of a tax year following the year property was placed in service, the nonqualified nonrecourse financing for any property has increased or decreased, then the credit base for the property changes accordingly. The changes may result in an increased credit or a recapture of the credit in the year of the change. See sections 49 and 465 for details.

### Recapture of Credit

You may have to refigure the investment credit and recapture all or a portion of it if:

- You dispose of investment credit property before the end of 5 full years after the property was placed in service (recapture period);
- You change the use of the property before the end of the recapture period so that it no longer qualifies as investment credit property;
- The business use of the property decreases before the end of the recapture period so that it no longer qualifies (in whole or in part) as investment credit property;
- Any building to which section 47(d) applies will no longer be a qualified rehabilitated building when placed in service;
- Any property to which section 48(b) applies will no longer qualify as investment credit property when placed in service;
- Before the end of the recapture period, your proportionate interest is reduced by more than one-third in an S corporation, partnership (other than an electing large partnership), estate, or trust that allocated the cost or basis of property to you for which you claimed a credit;
- You return leased property (on which you claimed a credit) to the lessor before the end of the recapture period; or
- A net increase in the amount of nonqualified nonrecourse financing occurs for any property to which section 49(a)(1) applied.

**Exceptions to recapture.** Recapture of the investment credit does not apply to any of the following.

- A transfer due to the death of the taxpayer.
- A transfer between spouses or incident to divorce under section 1041. However, a later disposition by the transferee is subject to recapture to the same extent as if the transferor had disposed of the property at the later date.
- A transaction to which section 381(a) applies (relating to certain acquisitions of the assets of one corporation by another corporation).
- A mere change in the form of conducting a trade or business if:
  1. The property is retained as investment credit property in that trade or business, and
  2. The taxpayer retains a substantial interest in that trade or business.

A mere change in the form of conducting a trade or business includes a corporation that elects to be an S corporation and a corporation whose S election is revoked or terminated.



See section 46(g)(4) (as in effect on November 4, 1990) if you made a withdrawal from a capital construction fund set up under the Merchant Marine Act of 1936 to pay the principal of any debt incurred in connection with a vessel on which you claimed investment credit.

For details, see Form 4255, Recapture of Investment Credit.

## Specific Instructions

**Note.** Do not attach this form to your tax return if you are (a) an estate or trust whose entire qualified rehabilitation expenditures or bases in energy property are allocated to the beneficiaries, (b) an S corporation, or (c) a partnership (other than an electing large partnership). However, you must complete lines 1i and 1j of this form and attach it if you are the owner of a certified historic structure.

### Shareholders of S Corporations, Partners of Partnerships, and Beneficiaries of Estates and Trusts

If you are a shareholder, partner (other than a partner in an electing large partnership), or beneficiary of the designated pass-through entity, the entity will provide to you the information necessary to complete the following:

- Lines 1b through 1h for the rehabilitation credit.
- The basis of energy property for lines 2a and 2b.
- The basis for energy property for lines 2c and 2f and the kilowatt capacity for lines 2d and 2g, respectively.
- The basis of the qualifying investment in advanced coal project property for lines 3a and 3b.
- The basis of the qualifying investment in a gasification project property for line 4.

### Lines 1a Through 1k. Rehabilitation Credit

You are allowed a credit for qualified rehabilitation expenditures made for any qualified rehabilitated building. You must reduce your depreciable basis by the amount of the credit.

If the adjusted basis of the building is determined in whole or in part by reference to the adjusted basis of a person other than the taxpayer, see Regulations section 1.48-12(b)(2)(viii) for additional information that must be attached.

To be a qualified rehabilitated building, your building must meet all five of the following requirements.

**1.** The building must have been placed in service (see requirement 4) prior to 1936 unless it is a certified historic structure. A certified historic structure is any building (a) listed in the National Register of Historic Places, or (b) located in a registered historic district (as defined in section 47(c)(3)(B)) and certified by the Secretary of the Interior as being of historic significance to the district. Certification requests are made through your State Historic Preservation Officer on National Park Service (NPS) Form 10-168a, Historic Preservation Certification Application. The request for certification should be made prior to physical work beginning on the building.

**2.** The building must be substantially rehabilitated. A building is considered substantially rehabilitated if your qualified rehabilitation expenditures during a self-selected 24-month period that ends with or within your tax year are more than the greater of \$5,000 or your adjusted basis in the building and its structural components. Figure adjusted basis on the first day of the 24-month period or the first day of your holding period, whichever is later. If you are rehabilitating the building in phases under a written architectural plan and specifications that were completed before the rehabilitation began, substitute "60-month period" for "24-month period."

If the building is in one of the designated counties or parishes in the GO Zone, Rita GO Zone, or Wilma GO Zone, the "24-month period" and "60-month period" is extended by 12 months. However, the rehabilitation must have begun, but not been completed, and the building placed in service **prior** to the following dates.

	States	Date
GO Zone	Florida	August 24, 2005
GO Zone	Louisiana, Mississippi, and Alabama	August 29, 2005
Rita GO Zone	Louisiana and Texas	September 23, 2005
Wilma GO Zone	Florida	October 23, 2005

**3.** Depreciation must be allowable with respect to the building. Depreciation is not allowable if the building is permanently retired from service. If the building is damaged, it is not considered permanently retired from service where the taxpayer repairs and restores the building and returns it to actual service within a reasonable period of time.

For a building damaged in the GO Zone, Rita GO Zone, or Wilma GO Zone, that reasonable period is deemed to be up to 36 months, subject to the following qualifications.

- The building must have been placed in service **prior to the date** as given in the table above.
- The relevant 36-month period for that building **starts on the same date** as given in the table above.
- Beginning no later than August 15, 2006, the taxpayer must be engaged in the repair or restoration of building, defined as:
  - a. Ongoing physical repairs,
  - b. Written contracts in place for the repair or restoration to be completed within the designated 36-month period, or
  - c. Active negotiation of contracts for the repair or restoration to be completed within the designated 36-month period, but only if the contracts are finalized prior to January 1, 2007.
- 4.** The building must have been placed in service before the beginning of rehabilitation. This requirement is met if the building was placed in service by any person at any time before the rehabilitation began.

**5.** For a building other than a certified historic structure (a) at least 75% of the external walls must be retained with 50% or more kept in place as external walls, and (b) at least 75% of the existing internal structural framework of the building must be retained in place.

To be qualified rehabilitation expenditures, your expenditures must meet all six of the following requirements.

- 1.** The expenditures must be for (a) nonresidential rental property, (b) residential rental property (but only if a certified historic structure—see Regulations section 1.48-1(h)), or (c) real property that has a class life of more than 12 years.
- 2.** The expenditures must be incurred in connection with the rehabilitation of a qualified rehabilitated building.
- 3.** The expenditures must be capitalized and depreciated using the straight line method.
- 4.** The expenditures cannot include the costs of acquiring or enlarging any building.
- 5.** If the expenditures are in connection with the rehabilitation of a certified historic structure or a building in a registered historic district, the rehabilitation must be certified by the Secretary of the Interior as being consistent with the historic character of the property or district in which the property is located. This requirement does not apply to a building in a registered historic district if (a) the building is not a certified historic structure, (b) the Secretary of the Interior certifies that the building is not of historic significance to the district, and (c) if the certification in (b) occurs after the rehabilitation began, the taxpayer certifies in good faith that he or she was not aware of that certification requirement at the time the rehabilitation began.

**6.** The expenditures cannot include any costs allocable to the part of the property that is (or may reasonably expect to be) tax-exempt use property (as defined in section 168(h)).

For credit purposes, the expenditures are generally taken into account for the tax year in which the qualified rehabilitated building is placed in service. However, with certain exceptions, you may elect to take the expenditures into account for the tax year in which they were paid (or, for a self-rehabilitated building, when capitalized) if (a) the normal rehabilitation period for the building is at least 2 years, and (b) it is reasonable to expect that the building will be a qualified rehabilitated building when placed in service. For details, see section 47(d). To make this election, check the box on line 1a.

The credit, as a percent of expenditures paid or incurred during the tax year for any qualified rehabilitated building, depends on the type of structure and its location.

Line	%	If the structure is . . .	Located. . .
1e	13	Other than a certified historic structure	In the GO Zone
1f	10	Other than a certified historic structure	Elsewhere than in the GO Zone
1g	26	Certified historic structure	In the GO Zone
1h	20	Certified historic structure	Elsewhere than in the GO Zone

For the definition of the GO Zone, see section 1400M and Pub. 4492.

If you are claiming a credit for a certified historic structure on line 1g or 1h, enter the assigned NPS project number on line 1i. If the qualified rehabilitation expenditures are from an S corporation, partnership, estate, or trust, enter on line 1i the employer identification number of the pass-through entity instead of the assigned NPS project number, and skip line 1j and the instructions below.

Enter the date of the final certification of completed work received from the Secretary of the Interior on line 1j. If the final certification has not been received by the time the tax return is filed for a year in which the credit is claimed, attach a copy of the first page of NPS Form 10-168a, Historic Preservation Certification Application (Part 2—Description of Rehabilitation), with an indication that it was received by the Department of the Interior or the State Historic Preservation Officer, together with proof that the building is a certified historic structure (or that such status has been requested). After the final certification of completed work has been received, file Form 3468 with the first income tax return filed after receipt of the certification and enter the assigned NPS project number and the date of the final certification of completed work on the appropriate lines on the form. Also attach an explanation, and indicate the amount of credit claimed in prior years.

You must retain a copy of the final certification of completed work as long as its contents may be needed for the administration of any provision of the Internal Revenue Code.

If the final certification is denied by the Department of Interior, the credit is disallowed for any tax year in which it was claimed, and you must file an amended return if necessary. See Regulations section 1.48-12(d)(7)(ii) for details.

**Lines 2a Through 2i. Energy Credit**

If energy property is financed in whole or in part by subsidized energy financing or by tax-exempt private activity bonds, the amount that you can claim as basis is the basis that would otherwise be allowed multiplied by a fraction that

is 1 reduced by a second fraction, the numerator of which is that portion of the basis allocable to such financing or proceeds, and the denominator of which is the basis of the property. For example, if the basis of the property is \$100,000 and the portion allocable to such financing or proceeds is \$20,000, the fraction of the basis that you may claim the credit on is  $\frac{80}{100}$  (that is, 1 minus  $\frac{20,000}{100,000}$ ). Subsidized energy financing means financing provided under a federal, state, or local program, a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy.

To qualify, energy property must be constructed, reconstructed, or erected by the taxpayer. If acquired by the taxpayer, the original use of such property must begin with the taxpayer. The property must meet the performance and quality standards, if any, that have been prescribed by regulations and are in effect at the time the property is acquired. Energy property does not include any property that is public utility property as defined by section 46(f)(5) (as in effect on November 4, 1990).

You must reduce the depreciable basis by 50% of the energy credit determined.

You also must reduce the basis of energy property by any amount attributable to qualified rehabilitation expenditures.

**Line 2a**

Enter the basis of any property using geothermal energy placed in service during the tax year. Geothermal energy property is equipment that uses geothermal energy to produce, distribute, or use energy derived from a geothermal deposit (within the meaning of section 613(e)(2)). For electricity produced by geothermal power, equipment qualifies only up to, but not including, the electrical transmission stage.

**Line 2b**

Enter the basis of any property using solar energy placed in service during the tax year. There are two types of property.

1. Equipment that uses solar energy to illuminate the inside of a structure using fiber-optic distributed sunlight.
2. Equipment that uses solar energy to:
  - Generate electricity,
  - Heat or cool (or provide hot water for use in) a structure, or
  - Provide solar process heat (but not to heat a swimming pool).

**Line 2c**

Enter the basis of any qualified fuel cell property placed in service during the tax year. Qualified fuel cell property is a fuel cell power plant that generates at least 0.5 kilowatt of electricity using an electrochemical process and has electricity-only generation efficiency greater than 30 percent. See section 48(c)(1) for further details.

**Line 2f**

Enter the basis of any qualified microturbine property placed in service during the tax year. Qualified microturbine property is a stationary microturbine power plant which generates less than 2,000 kilowatts and has an electricity-only generation efficiency of not less than 26 percent at International Standard Organization conditions. See section 48(c)(2) for further details.

**Lines 3a Through 3c and Line 4**

The basis of property may have to be reduced for certain financing received under rules similar to section 48(a)(4) and described in the first paragraph under *Lines 2a through 2i. Energy Credit*.

Qualified investment for any tax year is the basis of eligible property placed in service by the taxpayer during the tax year which is part of the qualifying project. Eligible property is limited to property for which depreciation or amortization is available and the construction, reconstruction, or erection of which is completed by the taxpayer, or which is acquired by the taxpayer if the original use of such property commences with the taxpayer.

**Line 3a**

Enter the basis of any qualifying investment in integrated gasification combined cycle property placed in service during the tax year. Eligible property is any property which is part of a qualifying advanced coal project using an integrated gasification combined cycle and is necessary for the gasification of coal, including any coal handling and gas separation equipment.

A qualifying advanced coal project is a project:

- Using advanced coal-based generation technology (as defined in section 48A(f)), and
- Part of a certified advanced coal project program (as defined in sections 48A(d)(2) and 48A(e)).

Integrated gasification combined cycle is an electric generation unit which produces electricity by converting coal to synthesis gas, which in turn is used to fuel a combined-cycle plant to produce electricity from both a combustion turbine (including a combustion turbine/fuel cell hybrid) and a steam turbine.

**Line 3b**

Enter the basis of any qualifying investment, other than in line 3a, in an advanced coal project property service during the tax year. Eligible property is any property which is part of a qualifying advanced coal project (defined above) not using an integrated gasification combined cycle.

**Line 4**

Enter the basis of the qualified investment in qualifying gasification project property placed in service during the tax year. For the purposes of this credit, eligible property includes any property that is part of a qualifying gasification project and necessary for the gasification technology of such project. A qualifying gasification project is any project that:

- Employs gasification technology (as defined in section 48B(c)(2)),

- Is carried out by an eligible entity (as defined in section 48B(c)(7)), and
- The portion of the qualified investment does not exceed \$650,000,000 and is certified under section 48B(d).

A qualifying gasification project credit is not allowed for any qualified investment for which a qualifying advanced coal project credit is allowed.

**Line 5. Credit From Section 1381(a) Cooperatives**

Patrons, including cooperatives that are patrons in other cooperatives, enter the unused investment credit allocated from cooperatives. If you are a cooperative, see the instructions for Form 3800, line 1a, for allocating the investment credit to your patrons.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below:

<b>Recordkeeping</b> . . . . .	13 hr., 9 min.
<b>Learning about the law or the form</b> . . . . .	3 hr., 34 min.
<b>Preparing and sending the form to the IRS</b> . . . . .	3 hr., 57 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.



17 kW system Alori Properties,  
Pecan Square, Austin, Texas



23 kW system, Alori Properties,  
3212 Red River, Austin, Texas



10.5 kW system, South Central  
Transit & Training Center,  
San Antonio, Texas