

## What will ESS do for the Homebuilder:

- ESS will design, install and operate the community wide GeoGrid without any additional costs for the Homebuilder
- ESS will design an energy management system to be installed in every home to improve energy efficiency and optimize performance
- ESS technical staff will work with the Homebuilder to evaluate home designs and floorplans to improve energy efficiency and constructability.
- Work to achieve a HERS rating of 25 or less for every home built with the ESS system
- ESS will provide a competitively priced package of ESS system components
- ESS will provide a transferable vendor warranty to the Homebuyers for system components
- ESS will provide a specific marketing and education strategy to support sales and after sales services

## What are the costs and benefits of an ESS Solution Energy Efficient Home:

- The ESS system increases the value of each home. Appraisers are recognizing the additional value of the Solar PV System, the integrated geothermal heating/cooling system and the other ESS system components
- Residential lenders serving Whisper Valley have been anxious to provide “green” mortgages which allow addition of the ESS Solution components to be included in the home loan
- Homeowners receive federal, state or local tax credits for the installed ESS system (at
- Whisper Valley each Homeowner received a federal tax credit of up to \$10,000)

- The energy efficiency of each home is certified using the national industry standard HERS (Home Energy Rating System). Homes with the ESS system provide a HERS rating of 25 or below. The rating is based on a scale of 1 to 130, the lower the number, the more energy efficient the home. The U.S. national average HERS score is currently 62. Further information is available at [www.hersindex.com/understanding](http://www.hersindex.com/understanding)
- Consumers are actively seeking affordable energy solutions and want to have a “green” home and lifestyle
- The value of an ESS energy efficient home is expected to increase over time as the operating costs of the home are more predictable and less reliant on carbon-based energy production and pricing.
- At the Whisper Valley community in Texas, the average investment by the Homeowner in the ESS system ranges from \$20,000 to \$30,000
- For the service and maintenance of the GeoGrid, each Homeowner in Whisper Valley pays a monthly ESS fee between \$40 and \$80 depending on the size of the home
- The additional investment yields significantly lower energy operating costs for the Homeowner. The savings are higher than the monthly ESS fee (based on HERS ratings)

## What is the general process for us to work together:

- ESS will be sharing some confidential information and will ask the Homebuilder to sign a non-Disclosure Agreement
- We encourage the Homebuilder to visit the Whisper Valley community in Austin, Texas which is our flagship ESS community. It is fully operational, and we would look forward to showing you the ESS solution in action
- ESS will review Homebuilder floor plans and construction details

- ESS will provide the Homebuilder with an ESS Homebuilder Agreement for review and approval
- ESS works with the Homebuilder to optimize all the home designs to be used at a project, and provides a specific a performance standard for each home design
- ESS provides a pricing schedule for the proposed system components for each home design

### **What will the Homebuilder need to agree to and provide ESS:**

- The Homebuilder provides ESS with plans and specifications for their homes for subsequent ESS review and analysis
- The Homebuilder must agree to work with ESS to refine and modify their home design to meet the ESS performance standards
- The home builder must agree to purchase the ESS Package and install the EcoSmart required equipment based on the ESS standards on each home built in an EcoSmart community
- Home Builder agrees to obtain a Confirmed HERS rating for every home built in an EcoSmart Community
- The Homebuilder agrees to a fee that will be passed on to the Homeowner. This fee is for their proportionate share of the GeoGrid system installation, geothermal heat pumps and other system components.
- ESS provides the system components to the Homebuilder during the house construction process without a progress payment or deposit
- ESS will provide a specific marketing and education strategy for the Homebuilder
- The Homebuilder will work with ESS on the marketing plan for the project which typically includes content and links on the builder web site, press and media placements and special events
- The Homebuilder will not be required to place

a deposit or pay ESS for the provided system components during the construction of a home. ESS would be paid at the time of home closing

- When a Homebuilder starts the construction of a home, ESS will be allowed to place a lien on the lot for the ESS fee amount based on the home size and share of the GeoGrid system. The lien is released with the payment of the ESS fee at house closing
- If a Homebuilder constructs a model home, ESS fees will be due and payable at the time of a certificate of occupancy is issued for the home or in no case later than one year from the date of commencement of construction of the model home
- In the event that a Homebuilder owns lots without a home constructed on it in a specific phase of the project where ESS has already installed the GeoGrid and other ESS infrastructure, ESS will be allowed to place a lien on the lot for its proportionate share of the GeoGrid system. The lien would only be placed two years after the Homebuilder has purchased the lots from the Developer.



