



PROGRESS REPORT TO THE
ENERGY NEVADA
PROJECT PARTNERS

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Energy Nevada LLC

(temporary mailing address)
1805 N. Carson St., # 417
Carson City, NV 89701
800 700 2510

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Contact: Eric Thompson, 800-700-2510 erict@energynevada.com.

SUMMARY

In the last few weeks we have seen the Energy Nevada project move from one major phase to another. As we see our first Energy Nevada Partners joining onto the Carson City initiative and the first project proposals underway, we move into the real implementation phase. Some of these activities are summarized here:

- A couple of different public jurisdictions are close to finalizing the joinder process to Energy Nevada.
- And for the first project proposals, we also appreciate the aid of Development Team member Cygnus and the companies Independent Power Corporation of Reno, InterPlex of Carson City and High Desert Hay and Livestock all participating in the first Energy Nevada proposals for wind and solar project funding.
- Carson City also secured a HUD grant through which Energy Nevada is implementing a study of energy efficiency opportunities for affordable housing which may attract a larger HUD grant.

To continue building the Energy Nevada project momentum we have held very productive meetings with prospective partners, made significant progress in developing project proposals, and further refined the press conference plan. Activities include:

- **Growing the Partners Group:** Second and third stage meetings with prospective Energy Nevada Partners
- **Power Project Proposals:** Analyzing project economics preceding the announcement of project proposals
- **Manufacturer Recruitment:** Continuing conversations with new manufacturers that could locate to the area
- **Press and Community Outreach:** Refining the press conference materials and timing.
- **Utility communications:** Meetings and conversations with SPPC so that we coordinate project benefits with them.
- **Web Site:** www.energynevada.com is now available showing not only Energy Nevada project updates, but a wealth of background on Energy Nevada and on general renewable energy.

GROWING THE PARTNERS GROUP

Partners Soon to Joinder

The Energy Nevada model involves a multitude of public and private entities in northern Nevada banding together to create new economic vitality: "Economic growth through

renewable energy.” Energy Nevada will soon reach the important milestone of expanding the partnerships to include other northern Nevada jurisdictions. Recently two regional public jurisdictions have let us know that they can soon sign the joinder. We will start to keep a list here of the Energy Nevada Partners, contacts and when they joined.

We appreciate the efforts of these organizations to blaze the trail demonstrating the viability of the Energy Nevada model.

Meetings with Potential Energy Nevada Partners

We also keep up our efforts to involve other organizations. Some of the recent meetings with potential Energy Nevada Partners include:

Carson City School District

Mike Mitchell

NOTES: CCSD has been a front-runner among school districts in implementing energy cost saving measures so that they have a particular expertise to bring to the Energy Nevada project. Discussions are underway as to how we can best meet their unique needs.

Carson-Tahoe Hospital

Michael Blair

NOTES: We have had meetings at multiple levels within CTH as well as diligent follow up by Michael Blair. Energy Nevada will continue to push forward with energy proposals for the new hospital.

Douglas County SID

Presentation to the Board

NOTES: There was an extensive Energy Nevada presentation and discussion at the January Board meeting conducted by Energy Nevada and set up by John Hastie. Even though Douglas County SID does not have the legislatively-required minimum 1 MW load to buy electricity outside of the SPPC system, they are very aware of their energy efficiency opportunities. Energy Nevada will work to show how smaller entities can benefit from the pooled buying power.

Lyon County

Stephen Snyder

County Manager
NOTES: STEVE, WAZZUP WITH SNYDER?

Reno, City of

Pete Gillon
Redevelopment Administrator

NOTES: Energy Nevada has had multiple meetings with Reno decision makers. Additional meetings will happen soon. Each meeting has been very productive with discussions proceeding smoothly.

Sierra Pacific Power Company

Grant Sims, Executive Director, Economic Development and others.

NOTES: Energy Nevada believes there are many common points of interest within the project, and we have been pleased to find that SPPC does as well. We continue to hold meetings at various levels within the company from the account representatives to the management and planning level.

Washoe County

Michelle Poché
Assistant County Manager

NOTES: Washoe County and Energy Nevada have held multiple rounds of meetings and discussions are proceeding well. Washoe has an excellent engineering staff and capability to implement some energy projects so that we all must determine the ways that Energy Nevada can bring value in addition to the obvious economic development and reduced cost electricity.

Washoe Regional Transportation Commission

Derek Morse
Deputy Executive Director

NOTES: We have had meetings at multiple levels within Washoe RTC as well as the diligent follow up by Derek Morse. Energy Nevada will continue to push forward with conversations and energy proposals for the RTC.

PROJECTS:

Energy Nevada team members have begun the analysis of Carson City and other Buying Group members' renewable energy opportunities. Although most conversations are confidential at this point, we will be able to report publicly soon.

Energy Nevada project development activities include:

- The **Marlette Lake** water system study. Energy Nevada has completed its initial feasibility analysis of this project, giving Carson City a clear understanding of the economic potential for developing this resource.
- Funding proposals for **wind and solar distributed generation** were submitted to NSOE by Energy Nevada and a team of developers and development sites. NSOE requested proposals for distributed generation projects that will promote renewable energy, stimulate technology development and/or bring economic development. NSOE intends to award project funding in February, 2004. The Energy Nevada teams submitted two proposals in December:

Wind: The Energy Nevada Development Team member Cygnus www.cygnuswind.com has developed a 30 kW wind turbine with especially attractive payback in a wide range of wind regimes. Since NV's net metering law permits generation up to 30 kW, it is well suited to distributed generation here. Cygnus may also be able to open manufacturing in the region if we can demonstrate enough of a market. We proposed to NSOE that Cygnus turbines be sited and studied at two locations. The first is Dr. James Parker's InterPlex industrial site development east of Carson City. The second is the High Desert Hay and Livestock agricultural facility near Tonopah. These would both be excellent demonstration sites for this advanced technology.

Solar PV: Energy Nevada worked with Independent Power Corporation of Reno to design a solar PV project for the Affordable Housing Energy Efficiency project described below. With both NSOE and HUD funding we could bring very affordable electricity to households in the community.

- Energy efficiency for **Affordable Housing** in Carson City. Through a HUD grant secured by Carson City, Energy Nevada is conducting research that will inform the application for a larger HUD grant for energy efficiency. The immediate objectives of the research project are to determine what energy efficiency measures are cost effective for a sample group of homeowners in Carson City. We will be performing site surveys, community outreach, modeling and analysis. With these results Carson

City and Energy Nevada will access a larger HUD grant to make actual energy efficiency measures available to the sample group.

- Studying technical and economic potential for energy efficient **street lighting/traffic** signal program. We have also received a request from Carson City to evaluate how the baseball field lighting can be incorporated into such a project. The same engineering skills and firms are required and since the ball field lighting may have some safety issues, we are evaluating how they can be blended into the project.
- We are negotiating with three **developers of small wind turbines** that have interest in the Energy Nevada project development and interest in moving to the region.
- A **geothermal project developer** and Energy Nevada are discussing their new technology that could bring down the cost of geothermal generation.

MANUFACTURER RECRUITMENT

Cygnus Wind

NOTES:

1/22/04

Cygnus and Energy Nevada are at the stage of reviewing detailed financial and technical information for a manufacturing facility for their small wind turbines.

Other Wind Developers

NOTES:

1/22/04

Energy Nevada is also talking with two other developers of small wind turbines who we cannot publicly name at this point. Interestingly, each of the three wind developers fills a distinct niche in the under-one-megawatt turbine category. This reinforces our feeling that the large turbine developers are filling an important niche, but that there is lots of room for economic development in the smaller turbine category.

A Large Foundry

NOTES:

1/22/04

A large foundry was referred to Energy Nevada by Joe McCarthy of the Carson City economic development department. The foundry manufactures hubs for wind turbines and is interested in building or acquiring a foundry in the region to serve the entire western US and Pacific Rim markets. Energy Nevada Carson City, and SPPC continue to follow up. This opportunity to grow our industrial

sector plays to the strengths of the Energy Nevada program and the strong economic development capabilities of SPPC. Also, if we are successful in attracting them to the region, it will provide part of the industrial infrastructure which can support a larger group of renewable energy companies manufacturing finished products.

Wade Development Company, Inc.

1/22/04

NOTES: We continue to have very positive conversations about bringing the energy resources of Wade Development into the project.

PRESS AND COMMUNITY OUTREACH

The Energy Nevada web site at www.energynevada.com is now active. It has many features that will educate the public as well as team members and partners. Detailed background on Energy Nevada is available as well as a detailed introduction to NV renewable energy with additional links. Password protected areas will take project participants to project specific information. This will be a live document, updated as activities progress.

At the Energy Nevada Partners meeting in January we discussed both the press conference plans and the press conference materials. The effort to find the correct spokesperson(s) for the press conference continues.