



PROGRESS REPORT TO THE
ENERGY NEVADA
PROJECT PARTNERS

April 19, 2004

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SUMMARY

Energy Nevada is now providing the first project proposals for Energy Nevada Partners and for prospective Partners. Also two organizations have joined to the Carson City initiative and more are in negotiations with Energy Nevada over terms of the joinder. Manufacturers are beginning to notice, and two are specifically negotiating with Energy Nevada over renewable energy projects and markets that will enable them to relocate to the region.

Some of these activities are summarized here:

- Washoe RTC and Carson-Tahoe Hospital have formally completed the joinder process to Energy Nevada.
- Energy Nevada and Carson City are proceeding on the first project feasibility studies. These include:
 - Street lighting: analysis and discussions underway
 - Hydro project on Marlette Water System: analysis and discussions also underway
- The activities under the CDBG grant through which Energy Nevada is implementing a study of energy efficiency opportunities for affordable housing are proceeding with a draft report due soon.

Other activities include:

- **Growing the Partners Group:** Detailed discussions with various potential Energy Nevada Partners on the home stretch to joining the group.
- **Manufacturer Recruitment:** Energy Nevada attended the American Wind Energy Conference in Chicago where we moved ahead significantly in our conversations with various manufacturers. Meetings are scheduled for the next few weeks.
- **Press and Community Outreach:** Energy Nevada has succeeded in getting significant positive press about the project. It seems the press continues to better grasp the project objectives of economic development through public/private partnerships.
- **Utility communications:** SPPC attended the latest Energy Nevada Partners meeting to answer questions for their customers in attendance. Meetings and conversations with SPPC continue so that we coordinate project benefits with them.
- **Adding new Energy Nevada team members:** Tom Clark and KC Mares have joined forces with Energy Nevada.

- **Miscellaneous updates:**
 - AB 429 Grant goes to the utility
 - NV solar rebates planned
 - Energy Nevada joined Northern Nevada Development Authority

GROWING THE PARTNERS GROUP

Partners Joindered to Energy Nevada

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." Recently both RTC Washoe and Carson-Tahoe Hospital have completed the joinder process. 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 through staff meetings, Board presentations and specific negotiations on joinder language. Some large and small organizations will be joining the three current partners soon.

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.
- 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. 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

Energy Nevada continues to work with multiple manufacturers in the energy efficiency and renewable energy industry to expand local economies. Most of the conversations are in confidential stages. For details on any one activity, please inquire with Energy Nevada.

The ongoing manufacturer recruitment includes:

Small Wind Manufacturer

NOTES:

The Small Wind Manufacturer 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:

Energy Nevada attended the American Wind Energy Association conference in Chicago and made significant strides in conversations with many old and new contacts. Discussions proceed in the following industries:

- Large wind
- Small wind
- Wind control systems
- Tower builders
- Composites manufacturers

Large foundry

NOTES:

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.

Energy Efficiency Equipment Manufacturer

NOTES:

A Fortune 500 company and Energy Nevada are in discussions about a pilot project that, if successful, could encourage them to expand manufacturing to the region. Energy Nevada would be helping to create both markets for their technology and manufacturing incentives.

PRESS AND COMMUNITY OUTREACH

Web site

The Energy Nevada web site at www.energynevada.com is now active and continually updated.

Press

The Energy Nevada press conference is on hold pending scheduling with Senator Raggio. The conference was postponed when the Senator's had an sudden death in the family.

Despite the delay in the press conference, we have been successful in generating significant positive press around the project. All of the local reporters now seem familiar with the project and have been giving us positive reports.

Some of the Energy Nevada press includes:

- PRESS: March 9, 2004 - Energy Nevada is featured in the story "Clean Energy Equals Jobs -- and Votes" by Clint Wilder of Clean Edge. - <http://www.cleandedge.com/views.php?id=2899>
- PRESS: February 24, 2004 - Energy Nevada Report Identifies Potential Projects - Reno Gazette-Journal - http://www.rgj.com/news/stories/html/2004/02/23/64677.php?sp1=rgj&sp2=News&sp3=Local+News&sp5=RGJ.com&sp6=news&sp7=local_news
- PRESS: February 16, 2004 - New Street Lights and Water Power Explored for City – Nevada Appeal - <http://www.nevadaappeal.com/apps/pbcs.dll/artikkel?SearchID=73163551143882&Avis=NA&Dato=20040216&Kategori=News&Lopenr=102160004&Ref=AR>

Sponsoring Recycled Art Contest for Carson City

Energy Nevada will sponsor the prizes for the Carson City Earth Day Art Contest. Energy Nevada is providing funds for the savings bonds to be awarded to the winners of the Carson City Earth Day competition for school age artists. The artists will submit recycled art to the contest, and judging will happen the week of April 12.

UTILITY COMMUNICATIONS

Energy Nevada invited Charlene Booth, SPPC's Major Accounts Rep, to the April Energy Nevada Partners meeting. Charlene was very helpful answering a barrage of questions from her customers in attendance. Questions ranged across the issues of actual grid structure and build-out to renewable energy policies and technical issues around buying energy outside the utility system through AB 661. Mark Harris of the PUCN was also very helpful filling in some of the very detailed engineering questions raised. SPPC seems willing to engage in similar meetings, and we will continue to emphasize that they are not endorsing Energy Nevada, but there to help their customers.

Other municipalities examining their options with the Energy Nevada project have been meeting individually with SPPC. From their accounts, SPPC has been emphasizing, as did Charlene in the meeting, that:

- SPPC makes little money on generation and therefore sees in-state renewables generation efforts like Energy Nevada to be beneficial to their efforts.
- No entity, public or private, has yet "exited the system" under AB 661, but most of those who have tried were seeking to buy out-of-state power. Even though they were approved, they were not able to make deals that would fit the requirements. Energy Nevada will be producing in-state power.
- Each entity that exits will need time-of-use meters and that these must be supplied by the customer or the developer.

EXPANDING THE ENERGY NEVADA TEAM

In addition to the Development Team of renewable energy companies assembled by Energy Nevada, we are expanding the core team working directly with Energy Nevada. The recent additions are experts in energy issues from the Carson – Reno area:

Tom Clark

Tom Clark brings his depth of experience to the Energy Nevada team. He is leading our program in government affairs and communications. Tom is also part of the Energy Nevada management team, helping to shape the overall

strategy and design of our economic development program. See more of Tom's background at www.energynevada.com.

KC Mares

KC Mares is now working with Energy Nevada on both energy efficiency and wind project development. He brings a very strong background in energy efficiency projects and distributed generation design. See more of KC's background at www.energynevada.com.

MISCELLANEOUS UPDATES

AB 429 Grant Goes to the Utility

Energy Nevada along with Carson City and local businesses applied for two grants under the NSOE Distributed Generation Grants program. We proposed both solar projects in conjunction with our affordable housing CDBG grant efforts and wind projects in conjunction with our manufacturer recruitment. We were told in March that the entire grant was awarded to SPPC who will be implementing a solar rebate program. Energy Nevada will seek to participate in that program for the affordable housing constituents.

Solar Rebates Planned for Nevada

In addition to the rebates mentioned above, we also hear that another rebate program is planned for Nevada. It too will be implemented by the utility, but be larger in scope. This will give Energy Nevada the opportunity to move forward on solar projects.

Energy Nevada joined Northern Nevada Development Authority

Energy Nevada joined NNDA to participate in the New Business Development Work Group. A couple of meetings were held until the format of the Group was changed. Nonetheless, Energy Nevada will continue to participate in NNDA activities.