



PROGRESS REPORT TO THE PROJECT PARTNERS

November 5, 2003
Energy Nevada LLC

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SUMMARY

Since the last report, the Northern Nevada Renewable Energy Economic Development Project has taken on the Energy Nevada name and progressed significantly on many front. These include:

- Facilitating other local public jurisdictions joining the Buying Group
- Compiling utility data for Buying Group members
- Education and community outreach
- Power project proposals: Beginning analysis and inter-company discussions
- Furthering conversations with manufacturers

This memo reports to you on the major activities.

The attached file "PDC report to BG on Energy NV Progress 30925.pdf" describes progress in the project leading up to this report.

EDUCATION AND COMMUNITY OUTREACH

Education and community outreach is focusing on the press conference scheduled for mid November. Activities include:

- Web site development
- Logo, and Energy Nevada image development
- Press materials development

Energy Nevada Partner HiTech Communications has been spearheading these efforts.

An early draft web page look and feel is shown here. Please note that **photos and all text are only placeholders.**



Other community outreach activities include interaction with the **UNR** and **RTC** hydrogen fuel cells and bus system project. Eric Thompson attended a briefing on the project and has followed up with George Thomas the project consultant.

Legislative:

Energy Nevada team members Steve Taber and Eric Thompson were able to discuss the project with both **Governor Kenny Guinn** and **Senator Harry Reid** while attending Nevada conferences and dinners. We were encouraged by both office holders' grasp of the project and interest in helping.

Other Groups:

We met with several interested parties in the public and private sector to advise them about the program, including:

Jeff Ceccarelli, President

Jeff Hill, Director of Resource Procurement, and Staff

Stan Thomas & Grant Sims, Economic Development

Sierra Pacific Power Company

NOTES: These two separate SPPC presentations to the resource procurement group and the economic development group are just the beginning of an important outreach campaign to the utilities. We believe there are many benefits in the Energy Nevada project for SPPC, and we are making a coordinated effort to include SPPC in the project planning. We found both SPPC offices quite cooperative and interested.

Mark Stuebe

Large Customer Sales Industrial Gas Engineer

Southwest Gas Corporation

NOTES: Similar to our interest in including SPPC, including SWG in planning and outreach will be important. SWG has different interests as a regional gas utility, and they have offered to provide important data and resources to the planning.

HELPING OTHER LOCAL PUBLIC JURISDICTIONS TO JOIN

Energy Nevada has initiated conversations with many local public jurisdictions about joining the Buying Group. Carson City also sent letters to potential Energy Nevada Partners. We have followed up with each of the potential partners to exchange educational material and data and to make presentations. We have presentations scheduled for additional groups.

A new draft Joinder agreement is ready for review by the Buying Group and will be presented at the next Buying Group meeting. Through this mechanism we are studying a "one-size-fits-all" legal opinion on the Joinder Agreement that will ease the transition into the Buying Group for other local public jurisdictions.

Princeton has initiated conversations with various commercial entities about joining the Buying Group as well. Although they will join on a basis different than the public sector partners, they will contribute and participate on a similar basis.

The various organizations in these deliberations include:

- Carson City
- Carson City School District

Carson-Tahoe Hospital
Churchill County
Clark County
Department of Corrections
Douglas County
Douglas County SID
Fallon, City of
Gardnerville Water Co.
Heavenly Valley
Incline Village GID
Indian Hills GID
Interplex
Lyon County
Lyon County School District
Minden Gardnerville Sanitation District
Minden, Town of
Nevada Department of Transportation
Nevada State Office of Energy
North Lake Tahoe PUD
Nye County
Pahrump, Town of
Reno, City of
Round Hill GID
South Lake Tahoe, City of
South Tahoe PUD
Southwest Gas Corporation
Sparks, City of
Storey County
Sun Valley General Improvement District
Truckee Meadows Regional Planning Agency
Truckee Meadows Water Reclamation Facility
Truckee, Town of
Wade Development Company, Inc.
Washoe County
Washoe County School District
Washoe Regional Transportation Commission
Western Nevada Community College

Some of the recent meetings with potential Energy Nevada Partners include:

Michael Blair

Chief Financial Officer

Carson-Tahoe Hospital

NOTES: Meeting held 10/9 where we identified immediate opportunities for energy cooperation. We are exchanging technical information to further investigate.

Greg Hill

Minden, Town of

NOTES: Meeting and presentation to be held 11/5.

Lee Schegg

North Lake Tahoe PUD

NOTES: Meeting and presentation to be held 11/4.

Ross Johnson

South Tahoe PUD

NOTES: Meeting held where we discussed the unique aspects of a California based entity participating in the Energy Nevada project. STPUD has substantial hydro pumping requirements as well as hydro energy generation opportunities. We are pursuing utility data for further investigation.

Shaun Carey

City Manager

Wayne Seidel

Director of Public Works

Sparks, City of

NOTES: At the 10/28 meeting and presentation we answered many detailed questions about the Energy Nevada project and set follow up procedures.

Diana Langs

Manager

Sun Valley General Improvement District

NOTES: At the 10/2 meeting and presentation we discussed SVGID's earlier investigations of wind and solar pumping options and how an

Energy Nevada resource could fill those needs. We will present to their board 11/13.

Dave Ziegler
Director

Truckee Meadows Regional Planning Agency

NOTES: In the 10/1 meeting and presentation we discussed how TMRPA's regional planning and oversight role and the fact that they hold sway over regional growth and zoning issues would be important for a project with such regional basis. They also referred us to other potential partners including the airport.

Katy Singlaub
Washoe County Manager
Michelle Poché
Assistant County Manager

Washoe County

NOTES: At the 10/10 meeting and presentation we answered many detailed questions about the Energy Nevada project and set follow up procedures.

Derek Morse
Deputy Executive Director

Washoe Regional Transportation Commission

NOTES: Derek included us in a briefing with RTC and UNR regarding the fuel cells project which will should lead to more cooperation.

COMPILING UTILITY DATA FOR BUYING GROUP MEMBERS

Princeton has submitted utility data requests for four Buying Group members. The good working relationship with SPP continues.

POWER PROJECT PROPOSALS: BEGINNING ANALYSIS AND INTER-COMPANY DISCUSSIONS

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

- We have some preliminary study results for the **Marlette Lake** water system.

- In discussions with **ESI/Grower's Energy** for development of a wood waste utilization facility at the Carson City landfill
- We have preliminary study results and financial studies on the way for **Compressed Air Energy Storage (CAES)** in Nevada.
- Tracking several **PUCN** dockets for impact on the program
- Studying technical and economic potential for energy efficient **street lighting/traffic** signal program.
- **Vector Cogen** and Energy Nevada have discussed opportunities for Vector in the program.
- A **developer of small wind turbines** has approached Energy Nevada with 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.

FURTHERING CONVERSATIONS WITH MANUFACTURERS

Altery Systems

Eric S. Mettler
 President/COO
 Gold River, CA
 916-853-0322
www.altergysystems.com

NOTES:

11/4/03

Altery and Princeton conversations continue.

BluePoint Energy, Inc.

Guy Archbold
 CEO
 Granite Bay, CA
 916 780.6764
www.bluepointenergy.com

NOTES:

11/4/03

BluePoint and Energy Nevada have been in contact and they will be featured on the upcoming www.energynevada.com.

Cygnus Wind

Dennis Scullion
Tracy, CA
940-569-9999

NOTES:

11/4/03

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

Fenway Systems

Joe Pasquariello
Oakland, CA
510-985-0794
<http://www.fenway.com>

NOTES:

10/31/03

Energy Nevada met again with this wind software house with large share of the turbine controls market.

Hodge Foundry

NOTES:

10/30/03 Hodge was referred to Energy Nevada by Joe McCarthy of the Carson City economic development department. Hodge 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 and Carson City are together following up.

PowerLight

Gary Wayne
Berkeley, CA
510-540-0550
<http://www.powerlight.com/index.html>

NOTES:

9/19/03

Energy Nevada and PowerLight continue to have detailed conversations in the attempt to find cost effective opportunities for PV solar in Northern Nevada. Results to date do not show a clear path, but further options are being explored.

Vector CoGen, Inc.

Richard Langson

Owner - Director

NOTES: At multiple meetings we discussed the opportunities for this local developer of small (5-20 kW) cogen units to benefit the project. Vector has some very unique opportunities. We also brought in our cogeneration experts from Sterling Energy for a meeting.

United Steelworkers of America

Danny Thompson

Executive Secretary Treasurer, NV

Reno, NV

775-882-7490

NOTES:

11/31/03

Energy Nevada met with briefly with the United Steelworkers to update this union heavily involved in promoting renewable energy.

Wade Development Company, Inc.

Patty Wade, President

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