

Regional Wind Development

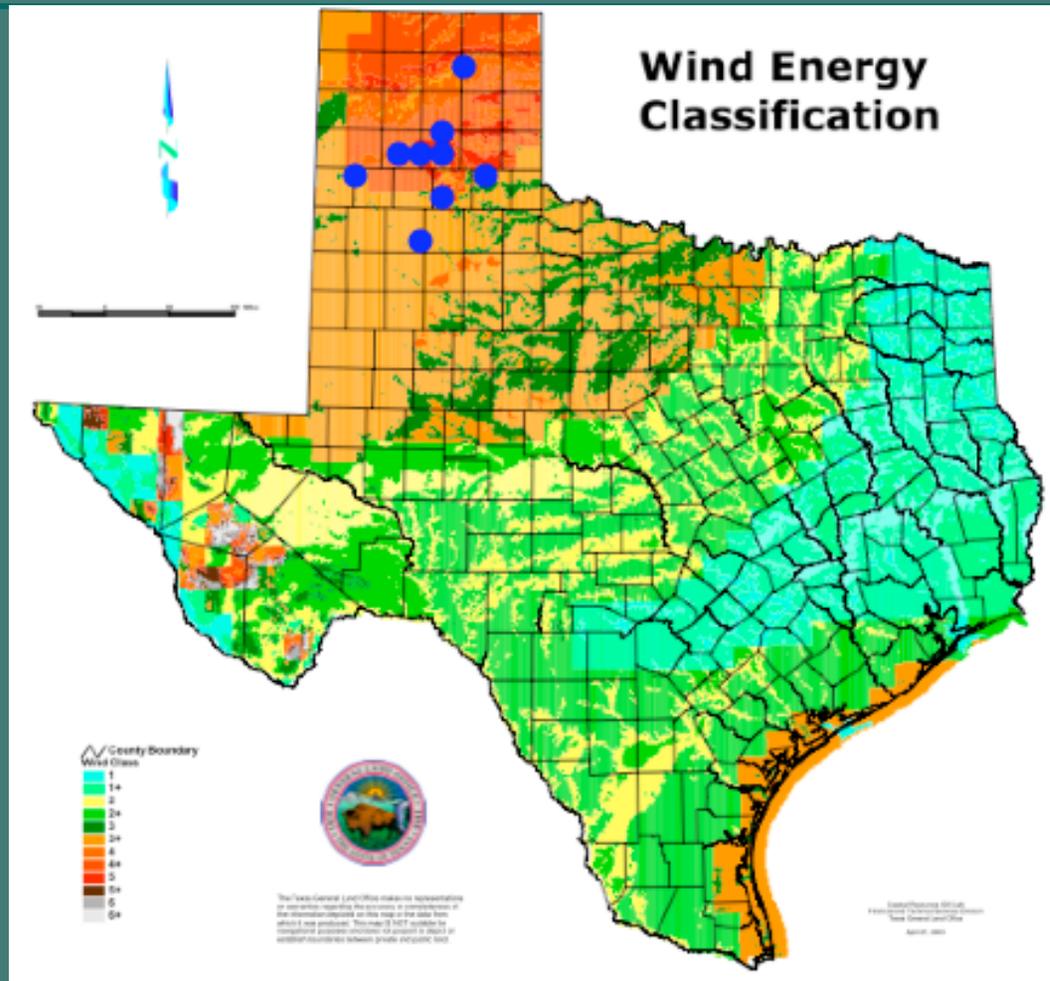
Entegritiy Wind Systems, Inc.
Boulder, Colorado



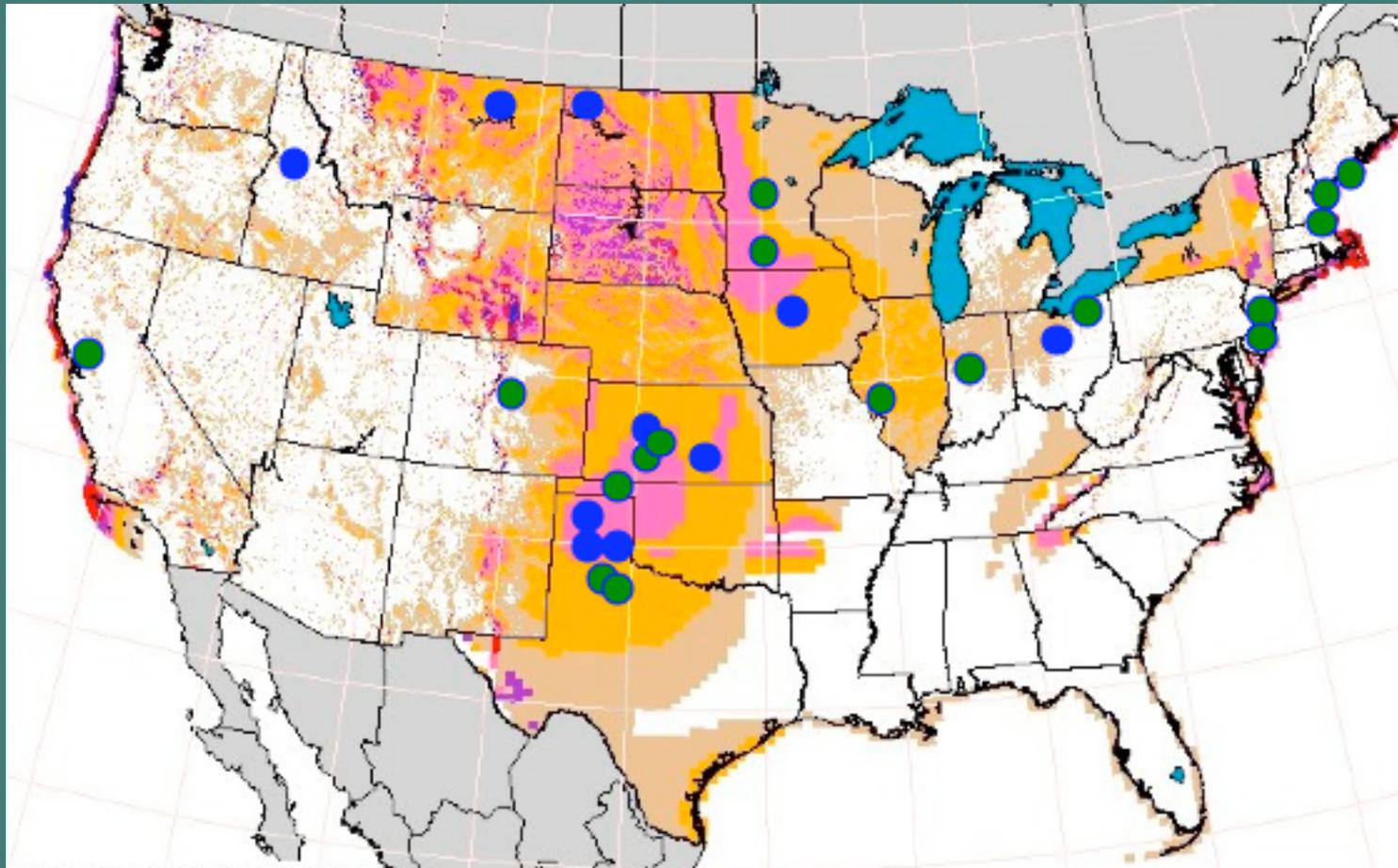
www.entegritywind.com



The Original Idea: Critical Mass (AKA Clone Kotzebue)



What's Happened: Distributed Generator



Why the switch? (Kotzebue Cloned)

- Turbine improvements (98%+ availability)
- SCADA (remote monitoring and control)
- Improved redundancy
- Predictable service intervals
- Trained technicians
- Good travel agent (affordable mobilization)

A few pictures....





Learning Lessons

- Regional (National) Umbrella is key
 - One party needs to be responsible for O&M
 - One party needs to be responsible for project oversight
 - Allows for cross-pollination, technology transfer
- Avoid Analysis Paralysis
 - The culture of consultants
 - Don't wait for critical mass to happen all at once
 - Take some risks (and pay for them)
 - Start small (get away from chickens and eggs)
- Take care of the customer
 - Build the family

What's happening elsewhere?

The New York Times

"All the News That's Fit to Print"

VOL. CLVI... No. 53,733

COMPETITIVE ERA FAILS TO SHRINK ELECTRIC BILLS

MORE INCREASES ARE SEEN

Some States Are Seeking to Return to a System of Regulated Prices

By DAVID CAY JOHNSTON

A decade after competition was introduced in their industries, long-distance phone rates had fallen by half, air fares by more than a fourth and trucking rates by a fourth. But a decade after the federal government opened the business of generating electricity to competition, the market has produced no such decline.

Instead, more rate increase requests are pending now than ever before, said Tim Owen, a spokesman for the Edison Electric Institute, the association for the investor-owned utilities that provide about 80 percent of the nation's power. The investor-owned electric utility industry published a June report entitled "Why Are Electricity Prices Increasing?"

About 40 percent of all electricity customers — those in 23 states and

POWER PLAY
First article of a series.

the District of Columbia where new competition was approved — mostly paid modestly lower prices over the past decade. But those savings were primarily because states, which continue to have some rate-setting powers, imposed rate freezes and caps at the behest of consumer groups that wanted to insulate customers from any initial price swings.

Why Are Electricity Prices Increasing?

An Industry-Wide Perspective

Prepared by:

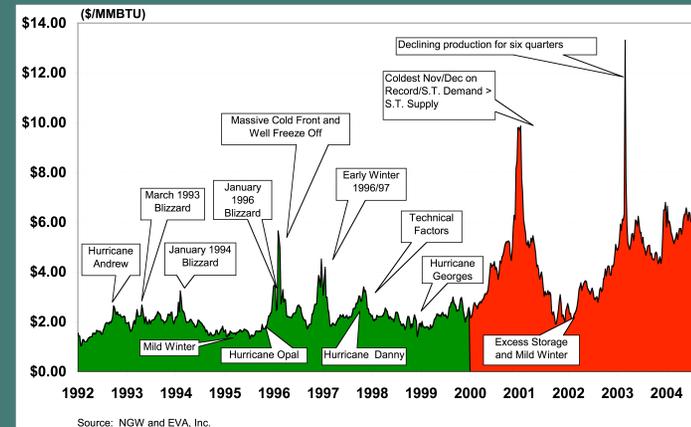
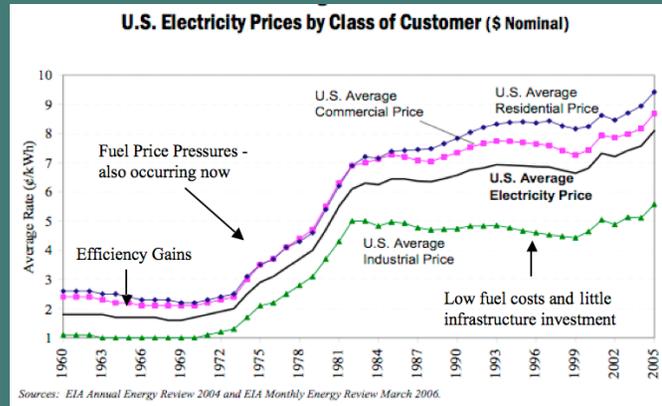
- Gregory Basheda
- Marc W. Chupka
- Peter Fox-Penner
- Johannes P. Pfaffenberger
- Adam Schumacher

The Brattle Group

Prepared for:

THE EDISON FOUNDATION

JUNE 2006

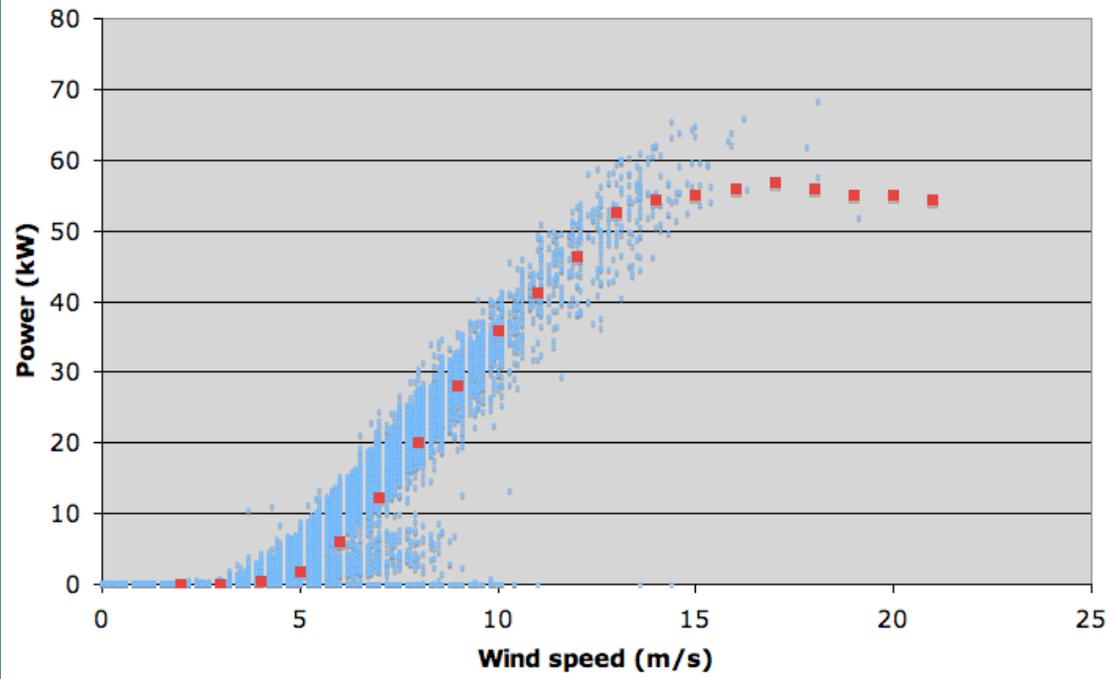


March 06' Lehman Brothers

"Infrastructure investments and high fuel costs spell rate shock, demand destruction and regulatory risk for traditional utilities. The projected 10 percent annual increases through the next four years could pain consumers, pressure politicians and harden regulators..."



EW15 Field Performance



www.entegritywind.com

What makes a successful project?

- Compelling Economics
 - Wind Resource
 - Cost of Energy
 - Sufficient Load (size and seasonality)
 - Available Financing/Finances
 - Green Energy Markets*
 - Policy*
- Appropriate Site
- Cooperative Utilities
- Corporate, Institutional, Community Values

*Helpful, but not critical



Contact Information

Charles Newcomb
Managing Director, Operations
Charles.Newcomb@EntegrityWind.com

303 440 8799 office
303 577 9775 fax

www.entegritywind.com

