

EMPIRE STATE WIND ENERGY, LLC

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WHAT IS GOING ON. - AUGUST 2009

Date: August 24, 2009

This is the first in a series of planned bi-monthly updates regarding the efforts of Empire State Wind Energy, LLC to bring a productive commercial/industrial windpower generation project to the Alfred, New York area.

These updates are not intended to be all inclusive or overly detailed, but rather they are meant to serve as general information for those interested in "What Is Going On" - hence the title of this series. The use and distribution of this and future such updates is left to the sole discretion of the recipients. Empire State Wind Energy, LLC is providing this document and this forthcoming series for informational purposes only, and declares that its contents should not be relied upon for any purpose by any party without the specific written permission and confirmation of Empire State Wind Energy, LLC. To contact us, use:

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- We continue (since April of 2009) to collect wind data from a test point north of Alfred State College. The equipment (60 meter tower and accessories) and the data being collected is the property of The Educational Foundation of Alfred, Inc. We are using an NRG Systems, Inc. "Symphonie" loadlogger.
- President Keith Pitman met last month with representatives of Alfred State College and local landowners who have been identified as **possible** hosts for a project. Recent feedback in July and August has indicated that most of the landowners who were approached are at a minimum open to further discussions and explorations.
- Preliminary feasibility and land/site evaluations continue. In addition to requiring an adequate supply of wind, we need: participating landowners, an understanding of the foreseeable positive and negative impacts of a power generation project, a financial model for a project, a detailed understanding of the high voltage power transmission grid in the Allegany County area, and more... Be reminded that we are just getting started down a preliminary feasibility and development cycle that could take many months and perhaps several years depending upon a number of complex factors.
- Late last week, the New York State Public Service Commission (PSC) took a highly positive step that could help us bring a project to fruition. They have authorized \$95 million to support large scale renewable energy production facilities. This is a competitive program, which is much different from the "result certain" type of project support created earlier this year by the federal American Recovery and Reinvestment Act of 2009 (ARRA). In their press release, the PSC noted that winning bids will be based in part on "projected incremental economic development benefits". Our business model and philosophy works to maximize "local benefits", therefore we welcome the recognition that the economic impact of competing windpower generation projects will be acknowledged.

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- We have been contacted by representatives from the Town of Almond. The Town of Almond has expressed an interest in working with us as well. At this time, we are not sure what opportunities can be found in that Town.
- One of the "roadblocks" that often faces startup and the smaller windpower development companies like ours is timely and affordable access to generating equipment. We have seen that marketplace change over the last year and a half and now clearly have greater and more attractive options. Media reports have indicated that Texas' T. Boone Pickens may have cancelled his plans to install 650+ GE Wind Turbines. Manufacturers and suppliers have had to adjust to a different era.
- We want to take this time and space to thank everyone in the Alfred area that has been so very supportive of our efforts since we started exploring our options there last year. We can not and are not interested in tackling a big, exciting, and complex project alone. If we are to have success, we want it to leave a long term benefit in the area. Windpower projects involve long and hard work - no matter how you look at it. So far, the community that you call home has more than risen to the occasion and has showed both a high level of education and a powerful community spirit. Whenever we have needed information, an opinion, or simply a friend or two - someone has always been there to work hard and appreciate our efforts and investments.
- Although it is well known by now that we are doing much background work in Alfred, we have filed no official "paperwork, plans, or permitting" forms. Please understand that this is not unusual; it parallels what we have been doing in other communities. It is always best to avoid speculation and the rumor "mill". One of the reasons that we have not announced any specific project site yet is that we are still evaluation and considering all of our options. Furthermore, we own or control no real property in Alfred at this time.
- For those of you interested in how a windpower generation project might impact and co-exist with agricultural land, notice that the New York State Department of Agriculture and Markets has a publication called "Guidelines for Agricultural Mitigation for Windpower Projects". It can be found on their website (www.agmkt.state.ny.us) or by calling 1-800-554-4501.
- What type of wind turbines are we looking to site in Alfred and how many of them? This question keeps coming up. We are looking to use the "2 Megawatt" class of units which generally measure around 400' from the ground to the tip of a rotor (blade) when it is pointing straight up. As for a number of units, we are still looking at what is feasible. At this time, a number less than 10 looks to be economically challenging, while more than 30 units looks to be an upper bound based on the facts and information known at this time. As we learn more, we will keep you up to date. This is very important. There are great differences and significantly different challenges that come with a 10 unit project versus a 30 unit project. An example of a wind turbine unit in the "2 Megawatt" class is the Suzlon model S-88. Details about this model can be found at www.suzlon.com.
- For informational purposes, we have signed a written agreement with the Town of Sodus in Wayne County which will pay 75% of the "net revenue" of a windpower project in Sodus to the local government there by way of a Host Community Agreement. We know of no other agreement or project in the Country with a more favorable position for the average local resident and property taxpayer.
- See you in the Fall! Have a happy, peaceful, and relaxing Labor Day.