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WHAT IS GOING ON. - OCTOBER 2009

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This is the second offering 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 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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- Early in October President Keith Pitman visited with the public including Town and Village officials, local media, representatives of Alfred State College and other interested individuals. Many good questions were asked and various matters related to renewable energy and windpower were discussed.
- As reported in the last "What is Going On" we continue (since April of 2009) to collect wind data from a test point north of Alfred State College. There is much interest in this data and it does have many project specific practical uses along with related areas (educational, recreational, and meteorological) of possible value. An important point to remember: wind data is just one of many key dynamic inputs into the physical and financial performance models for a windpower generation project. Useful application and understanding to the raw data involves careful consideration of short term and seasonal fluctuations/patterns and reference to the appropriate location specific energy markets and delivery systems. For information on New York's electricity markets see www.nyiso.com. They have an excellent web site with detailed information and technical data that involves New York State's "electricity system".
- Once again, the type of wind turbine generating units that we are considering for use in Alfred is 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. These units come with an installed cost of over \$2,000,000 each and are intended for long term use (25+ years). Appropriate siting is extremely important for power production purposes as well as for accounting for and balancing the needs of nature and the public. Many formal project and siting specific studies and assessments will be conducted and made public before any plans are finalized. We would encourage everyone to consider and submit any and all questions at any time - and feel free to comment and provide information as well. It is imperative to keep asking yourself over and over again: is the question/comment/matter relevant to the specific site in question and do I have all of the information that is or will be available. We always encourage people to keep an open mind both pro and con until all the facts are in. Due to the large size of and broad impact of wind power

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generation equipment, generally not everyone will agree on the importance and relevance of all of the pros and cons of particular siting choices.

- At this time we are not considering any projects in Alfred that would use turbines smaller than the “2 Megawatt” class. However, we are not suggesting that such projects are not feasible or worthy of investigation by individuals or others interested in such. Why focus on the “big ones”? Because the larger units are more efficient from the per unit power production cost viewpoint.
- Some indicators suggest that the “2 Megawatt” class wind power generating equipment marketplace continues to swing towards a buyer’s market. As a small development company, we are pleased to see this and expect to observe some product quality improvements from some vendors as well. Equipment delivery lead times are being talked about in months now rather than in years.
- When will we have enough information to know if in our opinion of a project in Alfred is feasible or not? And what size project will that be about? Right now, these decisions are at least 6 months away. However, that can change abruptly, as there are many factors “outside of Alfred” that could impact that timeframe. For example, the value of electrical energy produced is defined by forecasts of the market for wholesale sales – which is subject to change. Note that the main ultimate source of any project income is derived from making and selling electricity. It is thought by many that the electricity market is strongly coupled to the natural gas market in our State.
- It is real easy to find plenty of “pro” and plenty of “con” general information about large scale “industrial style” windfarms. With the internet and the information age, there is literally no limit to what can be found. Does the author or information provider have a particular point of view: political, personal, technical, social or other? Developing your own set of “filters” and keeping an open mind is helpful. Common sense has not gone out of style either. Try this question out for practice: see if you can determine how close to you have to be to a wind turbine for how long before you develop high blood pressure - assuming you don’t eat too many salty and fatty foods? Yes, this is the type of question that as wind developers we sometime get asked. So far we do not have a conclusive answer.
- As the colder weather starts to set in here in rural UpState New York, here is something to think about. No need to be alarmed: it is time to ski and think about one of the great benefits of cold air. You may remember from chemistry or physics class the “ideal gas law” which shows that air density increases as air temperature drops. So, as the air (wind) density increases, more windpower can be produced because heavier air weighs more so it can turn a wind turbine faster (at a given speed). There you have it - an advantage we have over those stuck all winter in Bermuda.
- We will continue to identify and approach certain landowners to see if they are interested in working with us. Without the right to use a fair amount of land, we can not have a project at all. Typically, we are not interested in purchasing land, but prefer to lease the right to place equipment on land for long periods of time (up to 50 years). Land development rights agreements are negotiated custom private arrangements. We are careful to respect the privacy of our landowning partners and must respect their wishes. So on some occasions we simply can not speak publically about some of these negotiations. All final specific sites must be and will be made public before they can be fully evaluated, approved, or endorsed by the community. We pride ourselves on what we refer to as “community-based” development activities and processes.
- Have a thankful Thanksgiving!