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The Electric Auto Association of Northern Nevada (EAANN), a 501(c)(3) not for profit organization, is Nevada's premier information resource for next generation transportation solutions and smart-garage technology: the place in our communities where buildings with distributed renewable energy generation capacity, transportation, and the electric grid meet.

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EXHIBIT L-1 - ENERGY
Document consists of 2 pages.
Entire exhibit provided.
Meeting Date: 11-03-09

Renewables, they're doable with renewable energy feed-in tariffs - FITs!

"Invented here, sold there" is the motto recently ascribed by *New York Times* columnist Thomas Friedman to the California based Applied Materials Corp., a solar photovoltaic (PV) tooling manufacturer.

It's not Applied Materials' fault that its manufacturing tools are exported overseas to solar panel factories.

Solar cells were invented here in the late 19th century and by 1954, RCA, Bell Labs, and AT&T all reported various successes with solar PV panel development. Since then, Americans have dreamed of powering their homes and businesses with renewable energy (RE) from the sun. But as 2009 began, *Manufacturing & Technology News* described the United States as a "virtual non-player in the solar power production business" citing our paltry 8 percent global market share.

Today, one in three PV panels is manufactured in Germany, as are one in every two wind turbines. Germany? A country with a temperate climate punctuated by a solar incidence the equivalent to that of Alaska? Cloudy Germany also represents 50 percent of the world's installed solar PV generation capacity and it equals the United States with installed wind capacity. Ernst & Young Global recently declared Germany the most attractive market for RE investments. And get this: In 2008, Spain - a country with one-seventh the population and GDP of the U.S. - installed 2,500MWs of solar PV, while we managed only 342MWs that year. Many other countries are also light-years ahead of the U.S. in RE manufacturing, installed capacity per-capita, and jobs.

This crisis can be directly attributed to our erratic unstable energy policy, which consists of a byzantine mix of tax incentives, rebates, state mandates, RE credits, and utility programs.

In contrast, the policy mechanism used in countries that are proven RE leaders is known as feed-in tariffs or FITs (where "tariffs" are a "rate" paid, not a tax). Succinctly: FITs are effective, equitable, transparent, simple, and stable policy tools - that inspire investor confidence.

With FITs, homeowners, schools, businesses, local government, co-ops, Native American communities - as well as the utility - are all equally welcome to generate RE and feed it into the grid. For each kilowatt-hour of energy produced the generator is paid a fair price based on the cost of production plus a reasonable rate of return on investment (ROI). Because FITs guarantee grid access, establish a fixed contract and a price that's differentiated by technology (i.e., solar, wind, geothermal, biogas, or landfill gas), resource quality, and project size - equipment manufacturers, installation companies and their customers are all confident that building or purchasing RE equipment is a safe

long-term investment.

The government and utility pay nothing for FITs, as expenses are distributed equally across the utility's customer base. That makes FITs the most cost-effective policy for accelerating growth in RE manufacturing, installation - and jobs (300,000 jobs in Germany alone!). After a decade, the total cost of FITs has impacted the average German's utility bill less than 5 percent. Due to Nevada's vastly superior RE resources it's estimated FITs would cost us less than 2.5 percent.

Because *properly designed* FITs policies are pegged to the actual costs of producing RE plus a *reasonable* ROI, everyone can participate equally in the RE revolution. Furthermore, FITs balance investment in "centralized" RE generation development by encouraging installation of "distributed" capacity which serves to protect wildlands from overdevelopment and fosters grid security.

Maybe FITs were invented there, but they are fit for adoption here.

Suggested resources to learn more about FITs:

Electric Auto Association of Northern Nevada (EAANN), http://ElectricNevada.org
Site contains Nevada specific FITs documents, including draft legislation, as well as links to outside resources.

Institute For Local Self-Reliance (ILSR), New Rules Project Program, http://bit.ly/moQJp
Site contains a wealth of information about microgrids and community scale power but of particular interest is the report: *Feed-in Tariffs in America: Driving the Economy with Renewable Energy Policy that Works,* by John Farrell, April 2009.

Paul Gipe's Wind-Works.org, http://wind-works.org/articles/feed_laws.html
The site is one of the primer global resources on FITs. Paul has developed spreadsheets to assist with tariff rate design and keeps the site fairly well updated on global news pertaining to FIT legislation. Additionally, it's suggested you read *Electricity Feed Laws: Fast Track to Renewable Energy Growth,* by Paul Gipe from the May 2009 edition of *Solar Today*, http://bit.ly/3ZBRLh.

National Renewable Energy Laboratory (NREL), http://NREL.gov/features/20090612_fits.html
NREL Energy Analysts Dig into Feed-In Tariffs - and they produced two excellent reports, and a third report will be published soon.

World Future Council's Policy Action on Climate Toolkit (PACT), http://onlinepact.org/fit.html
This site is another excellent global resource on FITs containing toolkits for policy and rate design, books, videos, and much more.

Join the global FITs community! There are two Yahoo! groups dedicated to FITs discussion. There you find the leading experts on FITs. Californians for a Feed-In Tariff, http://bit.ly/41yMIu & Renewable Energy Feed-in Tariffs, http://bit.ly/4Aomee.

Finally, please help us adopt FITs in Nevada by 2011. Join the NV renewable energy feed-in tariff initiative discussion list - FIT4NV by visiting this website: http://bit.ly/UGVWy.

Thanks for your interest in FITs! Please contact Bob Tregilus, (775) 826-4514 with any questions you may have about FITs - or electric drive transportation policy and infrastructure build out - or visit us on the web at http://ElectricNevada.org.