

PickensPlan

T. Boone Pickens Media Coverage 8.31.10

Total of 5 Placements

- Print: 1
- Blog/Online: 3
- Broadcast: 1

Coverage Summary:

KTVN-TV in Las Vegas previewed the National Clean Energy Summit 3.0, mentioning that Pickens was among the list of guests.

Print Placements (Full Articles Below)

- **S.F. Firm Sees Texas As Wind Farm For South** – *San Francisco Business Times* – 8/27/10
 - *Washington Business Journal*
 - *Sustainable Business Oregon*

Blog/Online Placements (Full Articles Below)

- **Deere Dumps Its Wind Unit (DE, EXC)** – *24/7 Wall Street* – 8/31/10

BROADCAST COVERAGE

1. Action News At 6:30 PM

KTNV-TV (ABC) CH 13, Las Vegas | DMA: 42

08/30/2010, 06:30 PM - 07:00 PM

[CC] 00:06:59 Dignitaries, entrepreneurs, and environmental experts will be making their way to the valley next week for the National Clean Energy Summit 3.0. The summit is scheduled to take place at UNLV next Tuesday, September 7th. This is file video of past summits. Senate Majority Leader Harry Reid will host this year's event. A number of topics are up for discussion, including ways to create renewable energy jobs here in Nevada and across the country. The list of guests includes Texas oil tycoon **T. Boone Pickens** .00:08:15

PRINT COVERAGE

S.F. Firm Sees Texas As Wind Farm For South – *San Francisco Business Times* – 8/27/10

By Lindsay Riddell

Pattern Energy wants to do what T. Boone Pickens couldn't: Deliver Texas' overabundance of wind power to less-windy states.

The San Francisco-based wind and transmission line developer aims to build a \$1 billion, 400-mile transmission line to carry electricity generated by Texas wind turbines to Mississippi where it could be distributed across existing lines to Georgia, Alabama, Tennessee and other states in the South.

Texas generates far more wind power than it can use and it's building a series of power lines to deliver that power from rural areas where it's produced to substations. Pattern would tap into electric stations near the Texas-Louisiana border.

"What it does is allows a new leg to be built that allows some of that power to be flowing into the South where there aren't as many renewable energy opportunities," said Pattern CEO Mike Garland.

Pattern hopes the line will attain permits within two years and estimates it will take three years to build after that.

Scott Henry, CEO of SERC Reliability Corp., which enforces standards and regulations of transmission in the territory Pattern wants to connect to Texas, said there is precedent for interconnecting transmission territories, and Congress has made rules and offered incentives to encourage those connections to safeguard the electric grid and allow for more renewable energy development.

“The 400 miles of transmission line is obviously a very long line and there are typical challenges that one might face with that type of project,” Henry said, noting he had not seen Pattern’s proposal. “While certainly not impossible, it would be a challenging task.”

A major challenge, said Pattern executive David Parquet, is getting utilities to buy the power. Pattern has to prove to utilities serving the southeast, including Entergy, Tennessee Valley Authority and Southern Co., that it can deliver power at a price that can compete with non-renewable sources even when factoring in the cost of the new transmission line. Securing contracts with utilities is crucial to securing the funding to build the transmission line.

Congress is considering a national renewable portfolio standard — RPS — that would mandate utilities source a certain percentage of electricity from renewable sources. Many states already enforce some renewable mandates.

A national standard would drive utilities to seek sources like the wind power Pattern will provide, but Pattern said the company’s proposition is compelling even without the standard.

“We’d obviously like to have an RPS but we’re really excited about the economics of high capacity factor wind and particularly connecting to the transmission already built,” Parquet said.

BLOG/ONLINE COVERAGE

Deere Dumps Its Wind Unit (DE, EXC) – 24/7 Wall Street – 8/31/10

By Jon C. Ogg

Wind power is supposed to be one of the cleanest sources of power out there. Unfortunately, at least for now, it is not one of the most profitable sources of power. Deere & Company (NYSE: DE) has just announced the sale of its wind power unit called John Deere Renewables, LLC. Exelon Corporation (NYSE: EXC) is acquiring it via the Exelon Generation Company subsidiary. The price tag, approximately \$900 million.

Deere claims that this operation sale will allow the company to sharpen its own strategic focus after it concluded that resources are better invested in other growth areas of the company.

The \$900 million sale does include earn-out provisions and the sale will also result in an after-tax charge of approximately \$25 million in its fiscal fourth quarter. This charge was also not reflected in Deere's fourth quarter earnings forecast of approximately \$375 million that was announced just back on August 18th.

As far as what is Exelon is getting, the John Deere Renewables includes 36 completed projects in eight states. Those projects have an operational capacity of 735 megawatts. The definitive sale also includes the completed projects plus "numerous others in development."

When you see sales like this it generally translates to a focus on the core business and a move away from some other more volatile areas that have not lived up to expectations. When you have seen many other alternative energy plans fall through and when you saw T. Boone Pickens' giant wind project fall apart, that means many companies around the country had valuation issues for what they were hoping would be the next great growth opportunity.

Some projects work and are viable. Some are not. By the sound of the sale, this one falls somewhere in between.
