

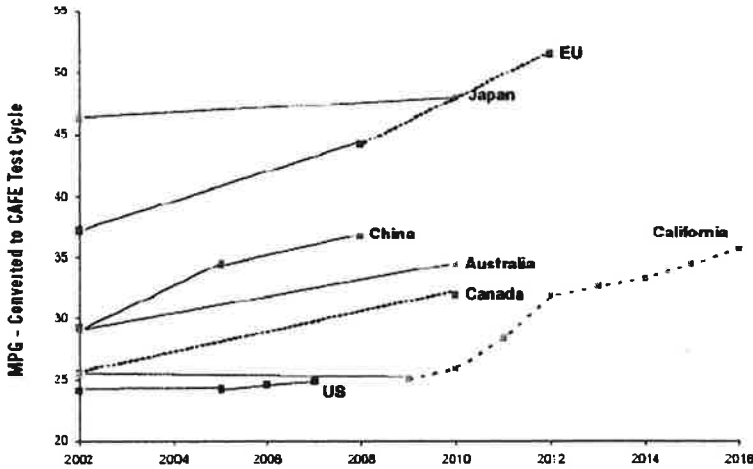
*does*  
Which way will the wind blow?

*Mark U*  
*5/12/05*

*#040847*

Figure ES

Comparison of fuel economy and GHG emission standards normalized by CAFE-converted mpg

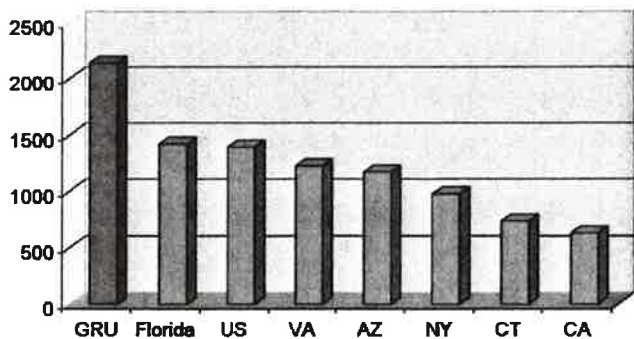


Notes: (1) dotted lines denote proposed standards  
(2) MPG = miles per gallon

Detroit's highly successful business strategy has led to market share loss, junk status, and soon, the casting off of retirement obligations on taxpayers.

What is the secret of this success, you might ask;  
a sustained commitment towards large and consumptive vs. smaller and efficient.

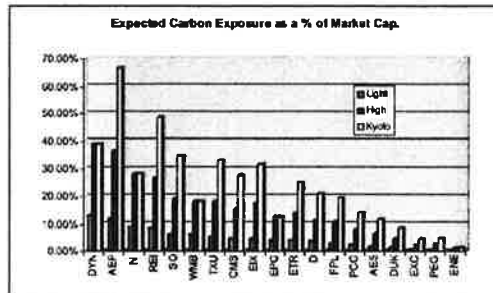
GRU vs State Averages



U.S. Electric Utilities Sector



Sample Calculation: PV of Future GHG Mitigation Costs as % of Market Capitalization for US Utilities



Because of its high-CO2 emission, GRU's profile resembles that of AEP

Good for Gainesville or bad?

*4-25-2005*  
*5/12/05*

## Proposed Regulations

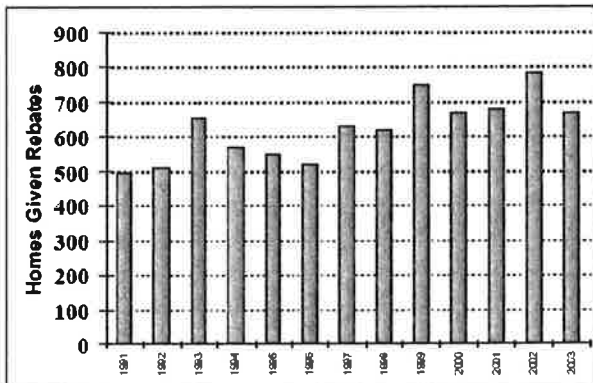
- CAIR – Clean Air Interstate Rule
  - Cap and Trade Program
  - Phase I - 50% SO<sub>2</sub>, NO<sub>x</sub> Reduction
  - Phase II - 70% SO<sub>2</sub>, NO<sub>x</sub> Reduction
- MERCURY
  - Either Cap and Trade Program or Unit Specific Limits
  - Phase I - 29% Reduction
  - Phase II - 70% Reduction
- REGIONAL HAZE/BART

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The number of climate change-related legislative proposals increased from seven introduced in the 105<sup>th</sup> Congress (1997-1998) to 25 in the 106<sup>th</sup> Congress (1999-2000), to over 80 in the 107<sup>th</sup> Congress (2001-2002). Nearly 100 such legislative proposals have been introduced to date in the 108<sup>th</sup> Congress (2003-2004).

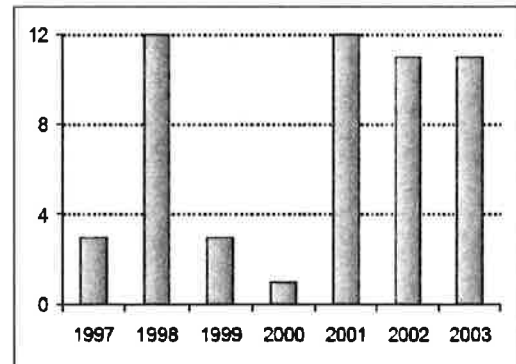
According to today's GRU Management, proposed CO<sub>2</sub> regulations do not exist. This federal stuff then must a figment of our collective imagination, no?

Natural Gas Rebates  
New Single-Family Construction



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Solar Water Heating Rebates



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According to today's GRU Management, both of these are successful, on-track programs. Do you notice a difference?

As the industry moves towards reductions and renewables, today's GRU management strongly recommends increasing GHG's and fossils.

Superb foresight or supreme folly?

Associated Press

## **Duke Energy CEO Proposes Carbon Tax**

04.07.2005, 11:15 AM

Duke Energy Corp. will lobby for a tax on carbon dioxide emissions that would reduce fossil fuel consumption and begin addressing the global warming problem, the company's chairman and chief executive said Thursday.

### **09.05.05 EXELON PLEDGES EMISSIONS CUT**

Electric utility Exelon is the latest US company to take on voluntary greenhouse gas emissions targets, as it has pledged to reduce its GHG emissions by 8 per cent from 2001 to 2008.

<http://www.pointcarbon.com/article.php?articleID=8220&categoryID=703>

### **10.05.05 GE CALLS FOR CLEAR US CLIMATE POLICY**

General Electric CEO Jeff Immelt yesterday called for the US to develop a clear policy on issues such as climate and renewable energy.

<http://www.pointcarbon.com/article.php?articleID=8243&categoryID=703>

### **11.05.05 US, UK INVESTORS TO PLOUGH \$1BN INTO CLEAN ENERGY**

Institutional investors from both sides of the pond have pledged to invest \$1 billion in clean energy companies in an effort to reduce risks posed by climate change.

<http://www.pointcarbon.com/article.php?articleID=8275&categoryID=703>

### **EUROPE TO INSTALL 4,500 MW OF PV BY 2010**

PARIS, France, April 29, 2005 [Refocus Weekly] Europe will have 4,500 MW of solar PV installed by 2010, according to the latest forecast from six renewable energy groups on the continent.

### **SOLAR ENERGY PAYBACK WILL BE ONE YEAR WITHIN A DECADE, SAYS NREL**

GOLDEN, Colorado, US, May 11, 2005 (Refocus Weekly) Solar PV systems can repay their energy investment in two years, according to the U.S. government.