“Energy Credits”

For GovEnergy Conference

Renewable Energy Track

August 16, 2007

Sterling Planet

Renewable Energy

Solar. Wind. Water. Bioenergy.

Company Background and Introduction

- First nationwide green power marketer with 100% green energy choice
- Founded January 2000
- Sold over 13,232,050,777 kWh of green energy (equal to 1,273,292 average residential customers or avoidance of 7,230,527 trips between New York City and Los Angeles)
  - Nation's leader in renewable kWh sales
  - Includes largest transaction in U.S. green energy history (PepsiCo)
- Buyer and seller of green energy certificates
- Intellectual Property Includes:
  - Energy Efficiency Credits Measurement and Verification Software for White Tags™
  - Twelve Unique Renewable Energy Retail Products – Including Sterling Planet Fixed-Price Hedge™
- Customers in 45 states
- 583 Commercial and Industrial Customers (many the largest purchase in their sector)
- Utility partnership-based enterprise – 46 utilities to date
  - Most utility partnerships in green industry
- Certified Products by Both Major Certification Organizations
  - Center for Resource Solutions (Green-e)
  - Environmental Resources Trust (ERT)
- Endorsed by environmental groups and government agencies

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Some of Our Clients

Company Background and Clients

- First nationwide green power marketer with 100% green energy choice – Founded in 2000
- Sold over **13,232,050,777** kWh of green energy (equal to **1,273,292** average residential customers or avoidance of **7,230,527** trips between New York City and Los Angeles)
- Nation's leader in renewable kWh sales
- Largest Transaction in U.S. green energy history (Pepsi)
- Buyer and seller of environmental attributes (RECs, White Tags™ and Carbon Credits)

583 Large Clients

Universities (32)

- Harvard
- Yale
- Duke
- University of Utah
- Florida State

Utilities (46)

- FPL
- Con Edison
- PEPCO Energy
- Constellation
- Connecticut P&L

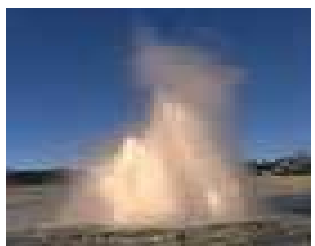
Commercial & Industrial (435)

- Alcoa
- DuPont
- Johnson and Johnson
- Pepsi
- Staples
- Nike
- Whirlpool
- 2004 Democratic Convention
- 2004 Republican Convention
- NFL (2007 Super Bowl)
- Coca Cola

Government (70)

- US Air Force
- US Army
- Homeland Security
- NASA
- Western Area Power Administration
- US EPA
- US GSA
- National Renewable Energy Lab
- Veterans Affairs
- State of New York
- State of Illinois




Products & Services

1. Selling Green Tags or RECs (Renewable Energy Certificates)
2. Creating and Selling White Tags™ (Energy Efficiency Credits)
3. Manage Residential Green Power Programs (Utility Partners)
4. Developing Offsite Fixed-Price Green Electricity Projects
5. Developing Onsite Fixed-Price Green Electricity Projects

Green Energy Market and Market Size

$2.5 Billion Target Market (Residential)

$4.2 Billion Target Market (Commercial & Industrial)

Source: Department of Energy

Customers Voluntary Pay More

23 Utility Marketing Programs in:

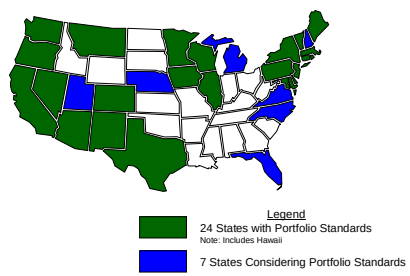
- Florida
- New York
- New Jersey
- Connecticut
- Massachusetts
- Rhode Island

U.S. Electricity Market is Over $250 Billion a Year

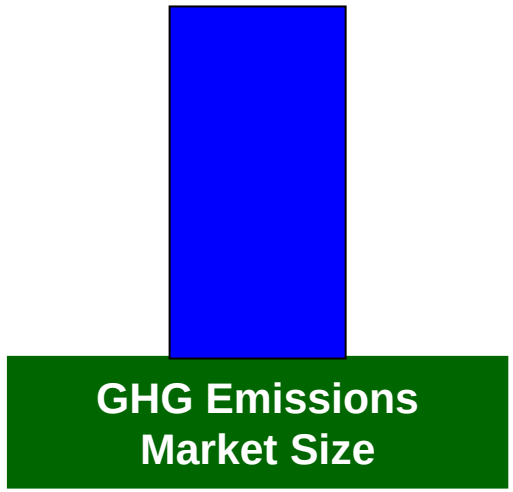
$53 Billion Target Market (RPS)

Source: Global Energy Decisions

Target Marketing – Portfolio Standards States



$10 Billion - $3 Trillion Target Market (Global Green House Gas Emissions) Current Estimated at $1.2 Trillion in 2012



Source: Price Waterhous-Coopers / Canter Fitzgerald

Very Early in its Definitions and Rules

More Advanced in:

- Europe
- Japan

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Sterling Planet is Active in All 3 Markets

REC Markets

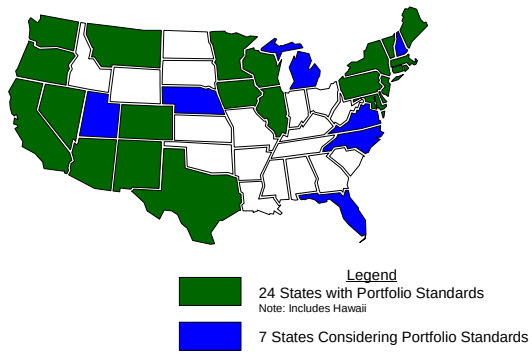
Voluntary Markets

- Customers voluntarily pay more for renewable energy
- Participating in 24 (46 Overall) utility renewable marketing programs in:
  - Florida, Massachusetts, New York, Connecticut, New Jersey, Rhode Island and Washington, DC

Mandated Markets

- Sell RECs to utility to satisfy RPS
- Manage RECs exchange among utilities
- Provide RECs to government agencies

Target Marketing – Portfolio Standards States



GHG Emission Markets

Greenhouse Gas Emission Markets

- Very Early in its Definitions and Rules
- More Advanced in:
  - Europe
  - Japan

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Voluntary Renewable Energy Market

• RECs represent the contractual right to claim the environmental and other attributes associated with electricity generated from renewable energy. Companies apply these to their Greenhouse Gas (GHG) emissions.

• Bank of America pledges to reduce its total U.S. GHG emissions by 9% from 2004 to 2009.

• Eastman Kodak pledges to reduce total global GHG emissions by 10% from 2002 to 2008.

• Gap pledges to reduce its U.S. GHG emissions by 11% per square foot from 2003 to 2008.

• Marriott pledges to reduce U.S. GHG emissions by 6% per available room from 2000 to 2010.

• Pfizer pledges to reduce global GHG by 35% per $ of revenue from 2000 to 2007.

• Baxter, IBM, NREL and SC Johnson achieved their ambitious 2000 to 2005 goals.

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Connecting The Market

U.S. EPA | DuPont | Yale | Political Conventions | Mohawk Paper | WAPA | Staples | Harvard

Nike | St. Columba | U.S. Air Force | IRS | Duke University | Johnson & Johnson | Alcoa | Coca Cola

Local Utility Companies

Actual Commercial and Industrial Customers

Bi-Lateral Attribute Contracts

Sterling Planet Markets Attributes

Leveraging EPA Green Partnership Program

EPA

Residential Customers

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Attribute Contracts

Solar Project (FL) I

Wind Project (MN) I

Biomass Project (GA) I

Small Hydro Project (OR) I

Customer Owned Projects (TX) I

Electricity (Null Power) Contracts - PPA

Local Utility Companies

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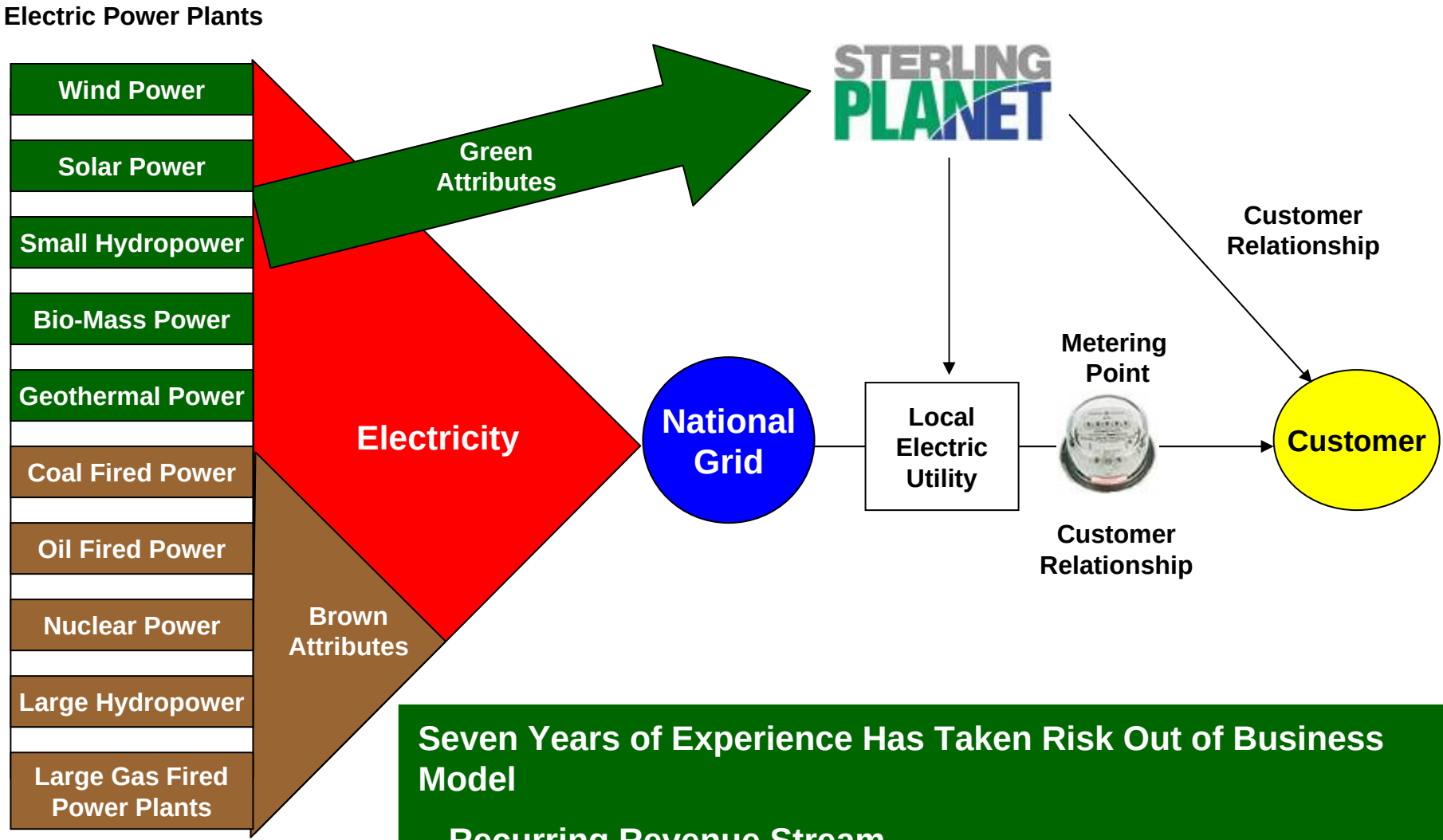
How It Works?

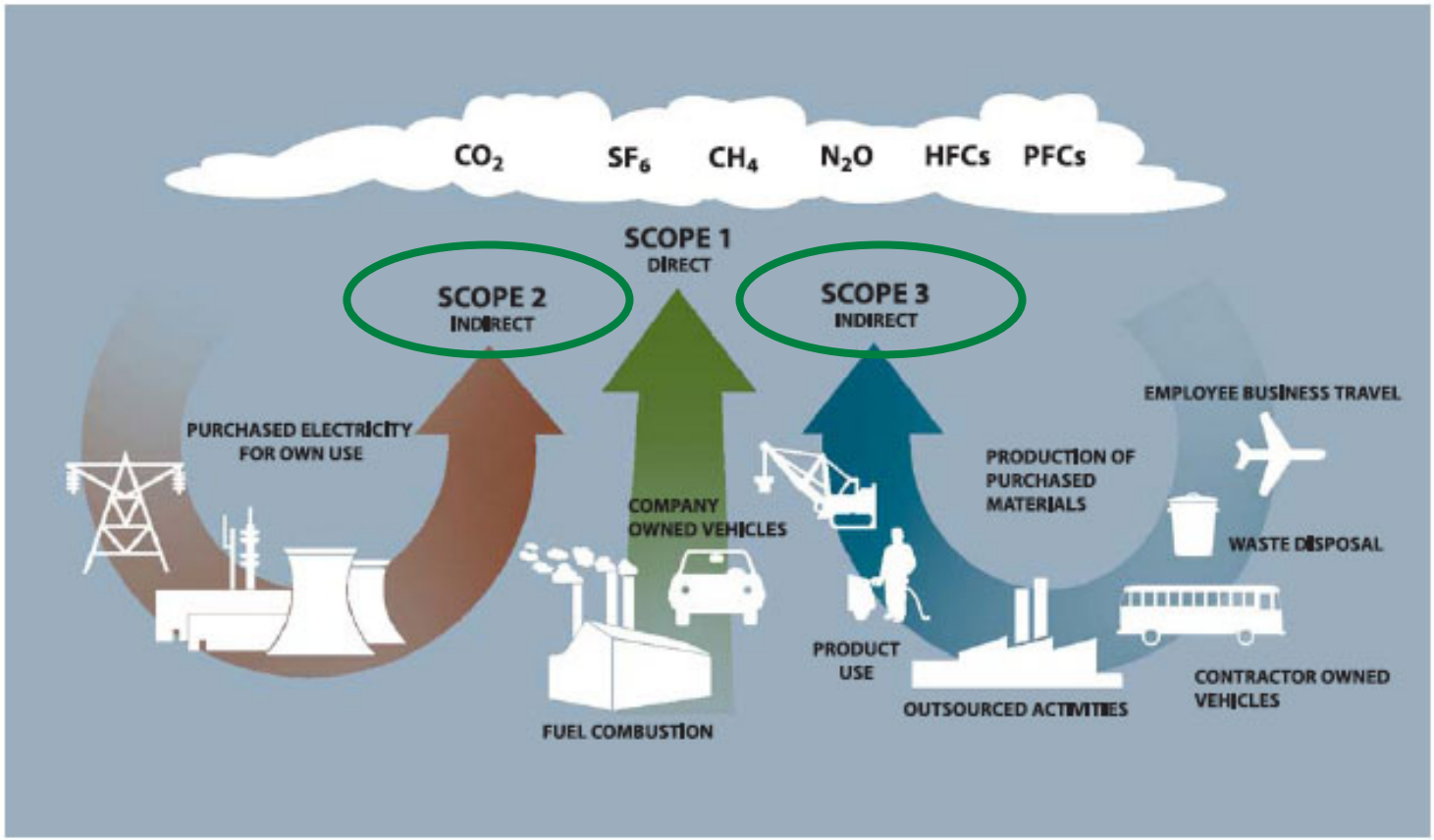


Seven Years of Experience Has Taken Risk Out of Business Model

- **Recurring Revenue Stream**
- **Market is Rapidly Growing and Becoming "Mainstream"**

Intersection of RECs, White Tags™ and Carbon Credits

FIGURE 5 | OPERATIONAL BOUNDARIES



Source: New Zealand Business Council for Sustainable Development.

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What are White Tags?

- A new tradable attribute similar to green tags or Renewable Energy Credits (REC)
- Represents the value of energy not used (conserved) at facilities
- Created through the implementation of energy conservation (Demand-Side Management) projects
- Also known as Energy Efficiency (EE) Certificates & White Certificates

Comparison to RECs

White Tags™

Many Ways the Same

- Mandated Market - Same States & Similar Mandates (%)
- Voluntary Market - Same rationale, but larger market share (vs mandated)
- Market Size - Similar, but likely larger with broader scope & faster adoption
- Certification - Similar, but more complex (savings vs generation)

Some Ways Different

- Regulations - Facility based, not equipment based
- Measurement & Verification (M&V) - Historically problematic

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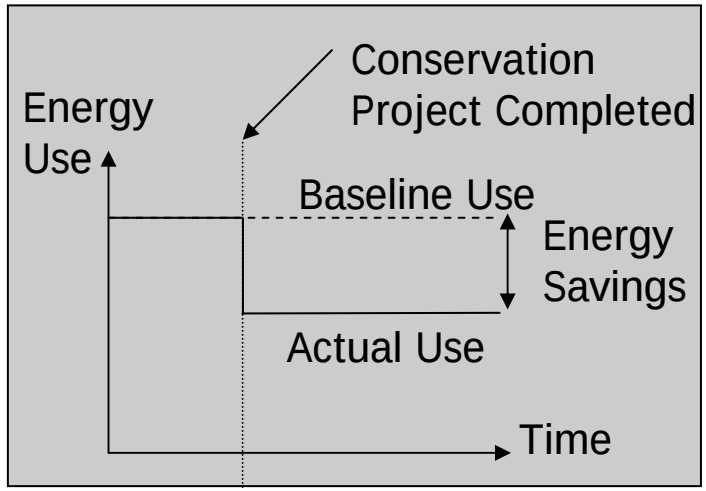
How are White Tags Created?

Implementation of energy conservation projects at a facility, including:

- Equipment upgrades, retrofits, & replacement
- Operational modifications & set point changes
- Energy management and monitoring systems
- Combined Heat and Power (CHP) or cogeneration
- New technologies (e.g. High Efficiency Lighting).



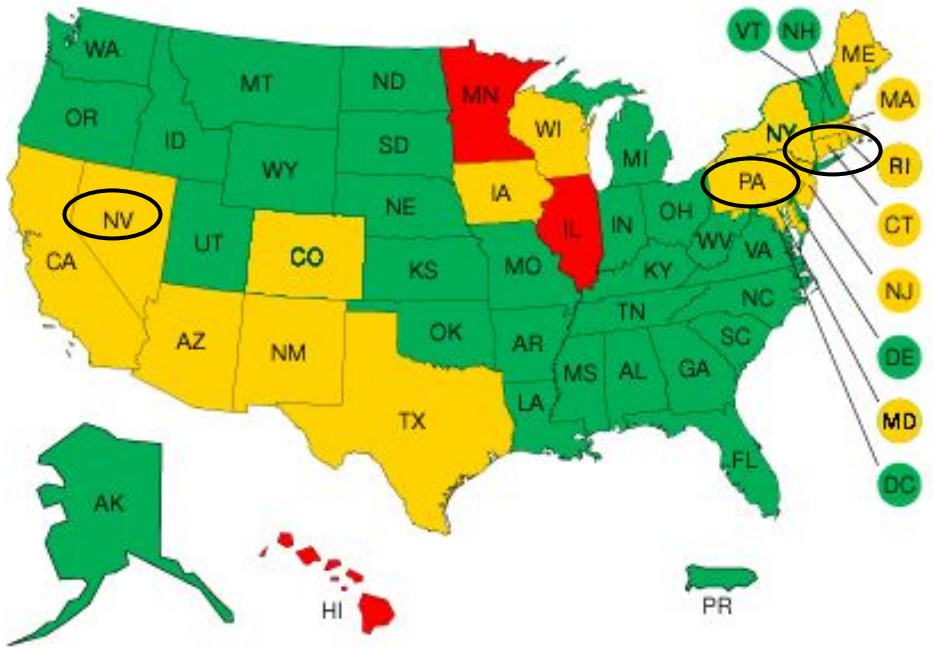
Save $

Create White Tag

Where Are White Tags Sold?

- Implemented in Italy & France (Mandated in UK)
- Mandated in 3 US states
  - Connecticut (2007)
  - Pennsylvania (2007)
  - Nevada (2007)
  - 9 Others Evaluating Concept
- Likely in 21 other RPS states

RPS states shown in yellow & red*



- Mandates require utilities in that state to purchase White Tags - creating minimum demand, certain buyers & a price floor
- May be created in one state and sold in another (global perspective)
- May be sold to corporations & federal gov't (CO_2 reduction - not mandates)

* States that have voluntary renewable energy goals or RPS-type legislation without enforcement provisions

Other Energy Efficiency Regulations / Policy

PA - Tier 2 “advanced energy resources” must account for an additional 10% of power sold. Tier 2 include energy efficiency, hydro, waste coal generation.

NV - 2005 amendment to the RPS to require Renewable Energy and Energy Efficiency to meet 20% of electricity by 2015, of which up to 25% can be met with energy efficiency. Has a peak demand multiplier.

CT – 1% by 2007; 4% by 2010.

NY – Opened Hearings – 15% by 2015 is their target.

MA – Opened Hearings – Goal not yet established.

CA – Mel met with the Public Service Commission, CA Air Board and the California Energy Commission. They are serious about upcoming legislation.

TX – Utilities must offset 10% of demand growth.

IL – 25% of projected load growth by 2017.

HI – Energy efficiency projects are treated the same as renewables.

Federal Government – 3% Energy Efficiency per Agency per Year for next 10 years.

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Measurement & Verification

White Tags™

- Prescriptive method for direct replacement/retrofit
- Metered method for cogeneration or CHP
- Design method for new buildings (LEED)
- Modeled method for operational changes (existing and new buildings)
  - Requires establishing a baseline (actual building or reference)
  - Traditionally used facility simulation models or statistical models
    - Facility: on-site, complex, expensive, subjective - but accurate
    - Statistical, off-site, simple, inexpensive, objective - but inaccurate
  - Sterling Planet has developed neural network model - best of both

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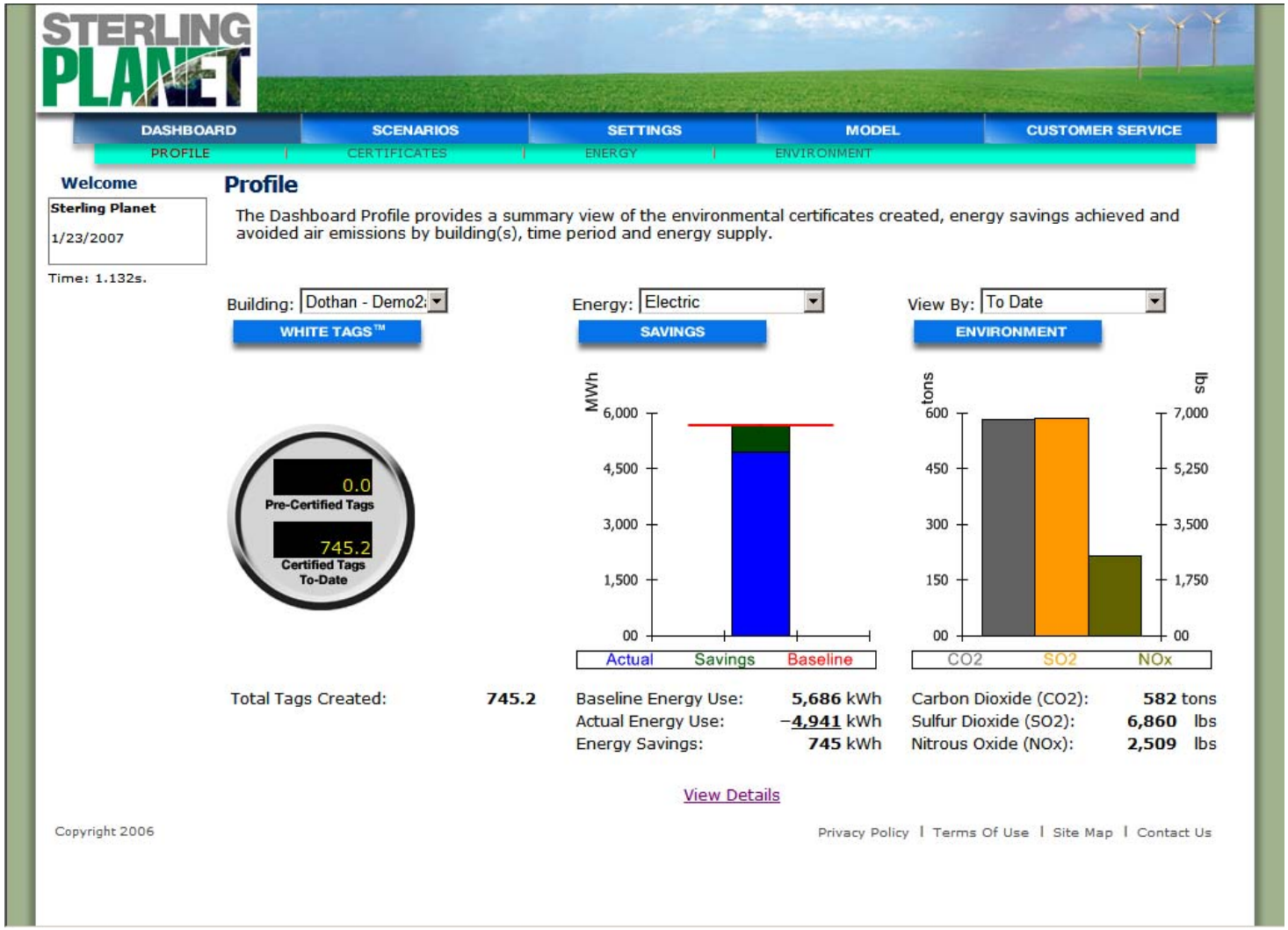
Baseline Energy Use Model

“White Tag Pro™”

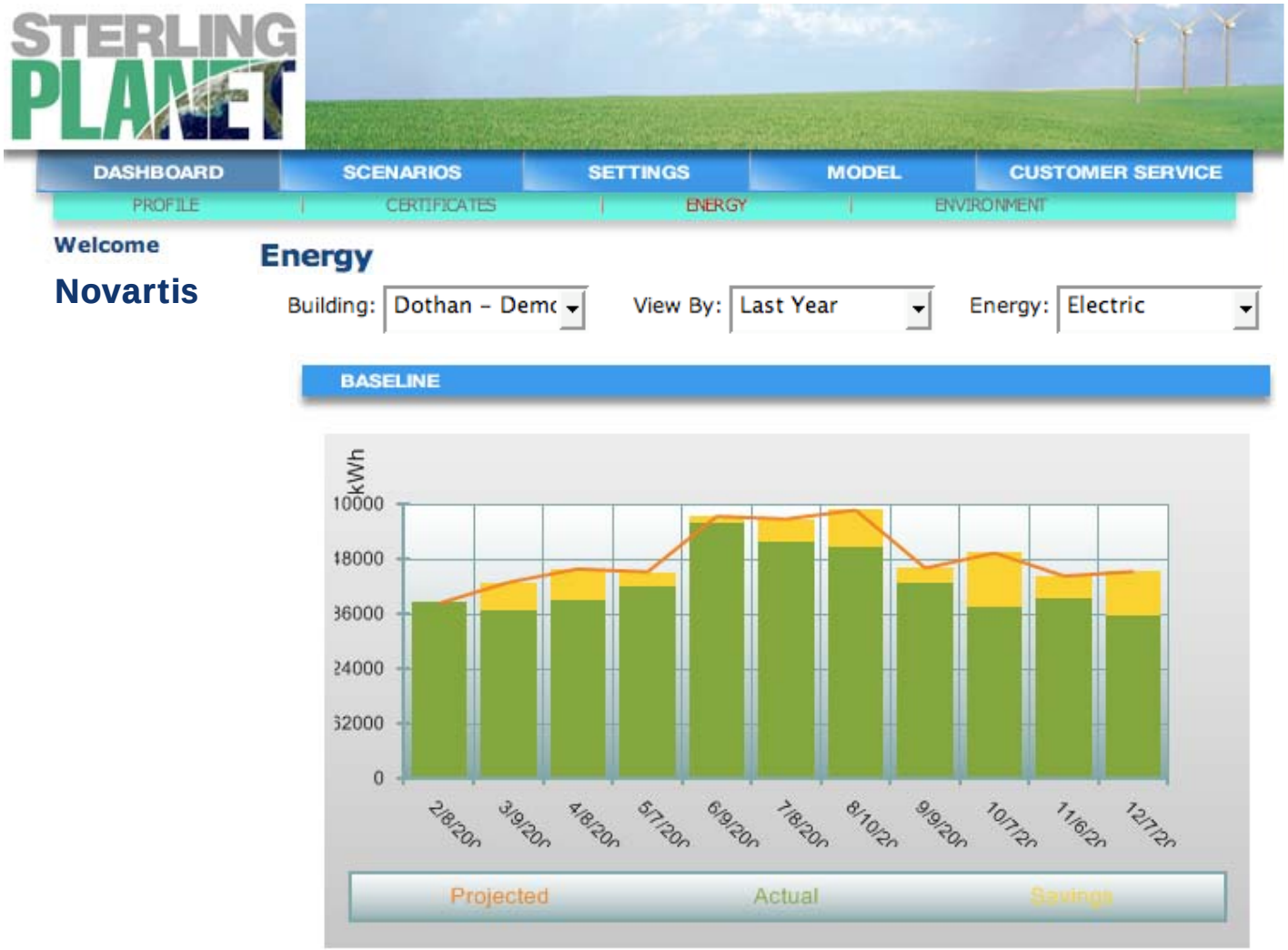
Illustration

Measurement & Verification: WhiteTag Pro™



- Online System
- Large Portfolio
- Baseline
- M&V
- Scenarios
- Track
  - Energy Use
  - White Tags™
  - CO_2 (GHG)
  - NOx & SO_2
- Database (I/O)
  - Building
  - Billing
  - Weather

Measurement & Verification: WhiteTag Pro™



- Neural Network
- Online System
- Large Portfolio
- Baseline
- M&V
- Scenarios
- Track
  - Energy Use
  - White Tags™
  - CO_2 (GHG)
  - NOx & SO_2
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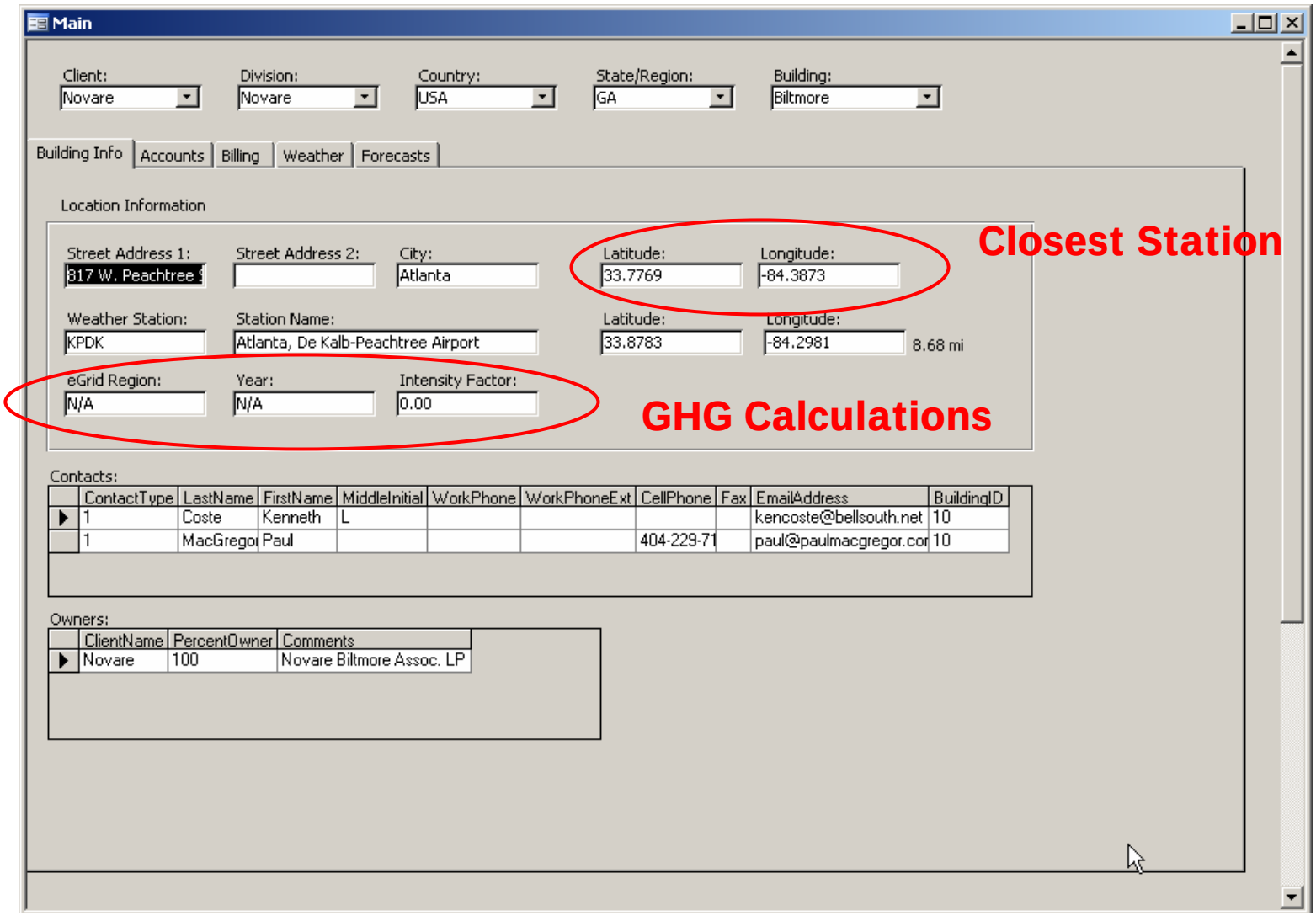
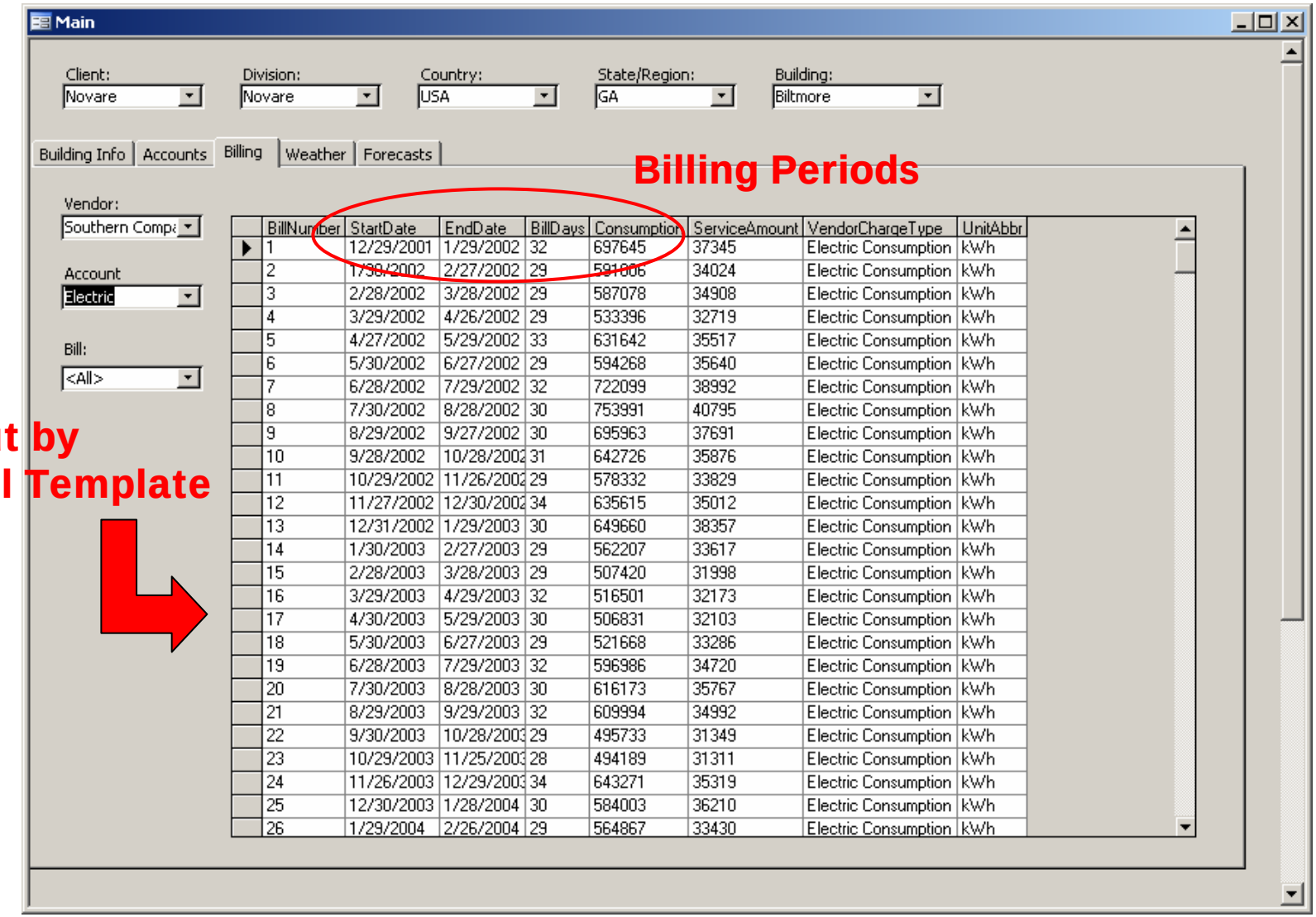
  - Building
  - Billing
  - Weather

Location > Weather & GHG



Billing Data



BillNumber	StartDate	EndDate	BillDays	Consumption	ServiceAmount	VendorChargeType	UnitAbbr
1	12/29/2001	1/29/2002	32	697645	37345	Electric Consumption	kWh
2	1/30/2002	2/27/2002	29	591806	34024	Electric Consumption	kWh
3	2/28/2002	3/28/2002	29	587078	34908	Electric Consumption	kWh
4	3/29/2002	4/26/2002	29	533396	32719	Electric Consumption	kWh
5	4/27/2002	5/29/2002	33	631642	35517	Electric Consumption	kWh
6	5/30/2002	6/27/2002	29	594268	35640	Electric Consumption	kWh
7	6/28/2002	7/29/2002	32	722099	38992	Electric Consumption	kWh
8	7/30/2002	8/28/2002	30	753991	40795	Electric Consumption	kWh
9	8/29/2002	9/27/2002	30	695963	37691	Electric Consumption	kWh
10	9/28/2002	10/28/2002	31	642726	35876	Electric Consumption	kWh
11	10/29/2002	11/26/2002	29	578332	33829	Electric Consumption	kWh
12	11/27/2002	12/30/2002	34	635615	35012	Electric Consumption	kWh
13	12/31/2002	1/29/2003	30	649660	38357	Electric Consumption	kWh
14	1/30/2003	2/27/2003	29	562207	33617	Electric Consumption	kWh
15	2/28/2003	3/28/2003	29	507420	31998	Electric Consumption	kWh
16	3/29/2003	4/29/2003	32	516501	32173	Electric Consumption	kWh
17	4/30/2003	5/29/2003	30	506831	32103	Electric Consumption	kWh
18	5/30/2003	6/27/2003	29	521668	33286	Electric Consumption	kWh
19	6/28/2003	7/29/2003	32	596986	34720	Electric Consumption	kWh
20	7/30/2003	8/28/2003	30	616173	35767	Electric Consumption	kWh
21	8/29/2003	9/29/2003	32	609994	34992	Electric Consumption	kWh
22	9/30/2003	10/28/2003	29	495733	31349	Electric Consumption	kWh
23	10/29/2003	11/25/2003	28	494189	31311	Electric Consumption	kWh
24	11/26/2003	12/29/2003	34	643271	35319	Electric Consumption	kWh
25	12/30/2003	1/28/2004	30	584003	36210	Electric Consumption	kWh
26	1/29/2004	2/26/2004	29	564867	33430	Electric Consumption	kWh

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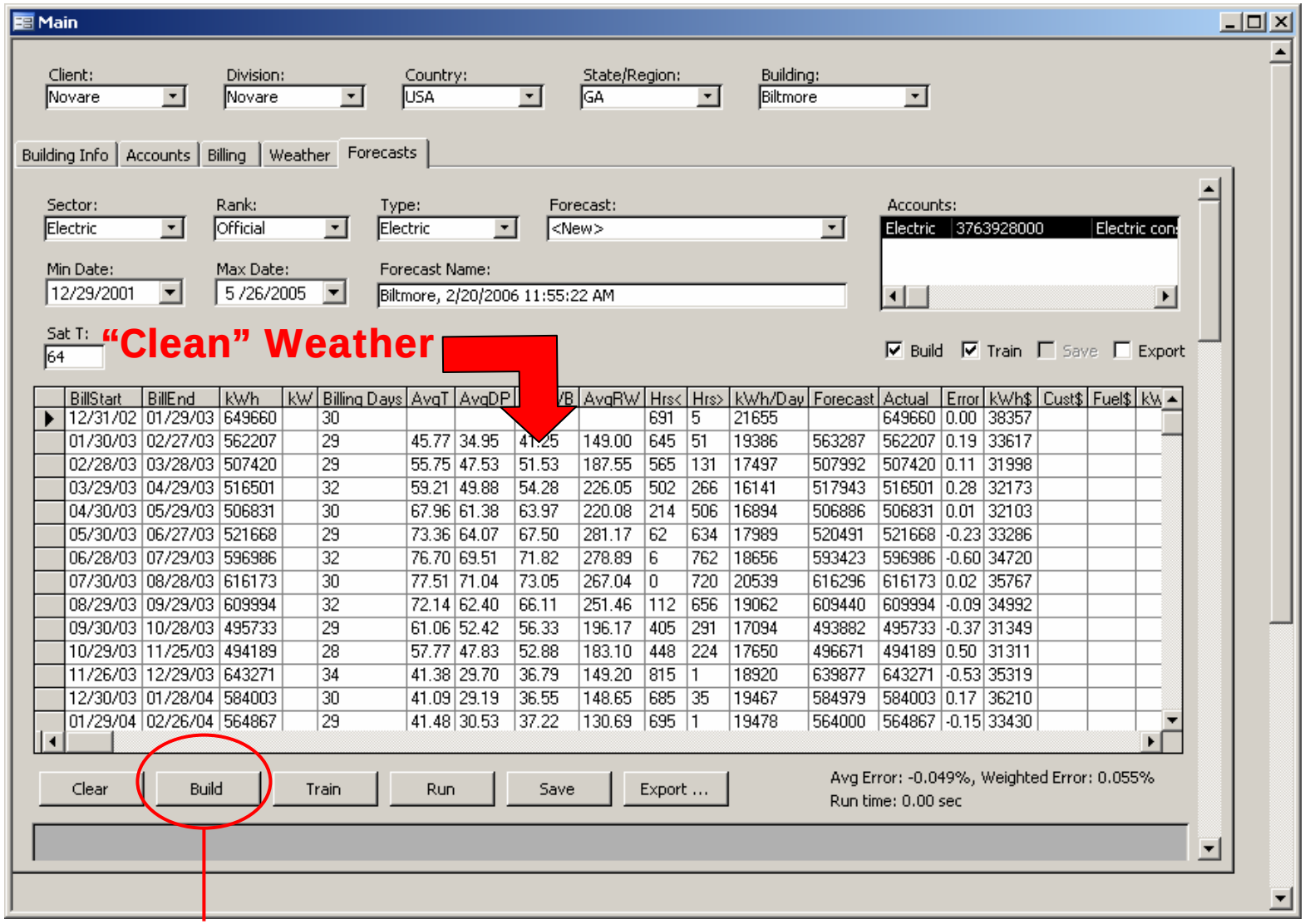
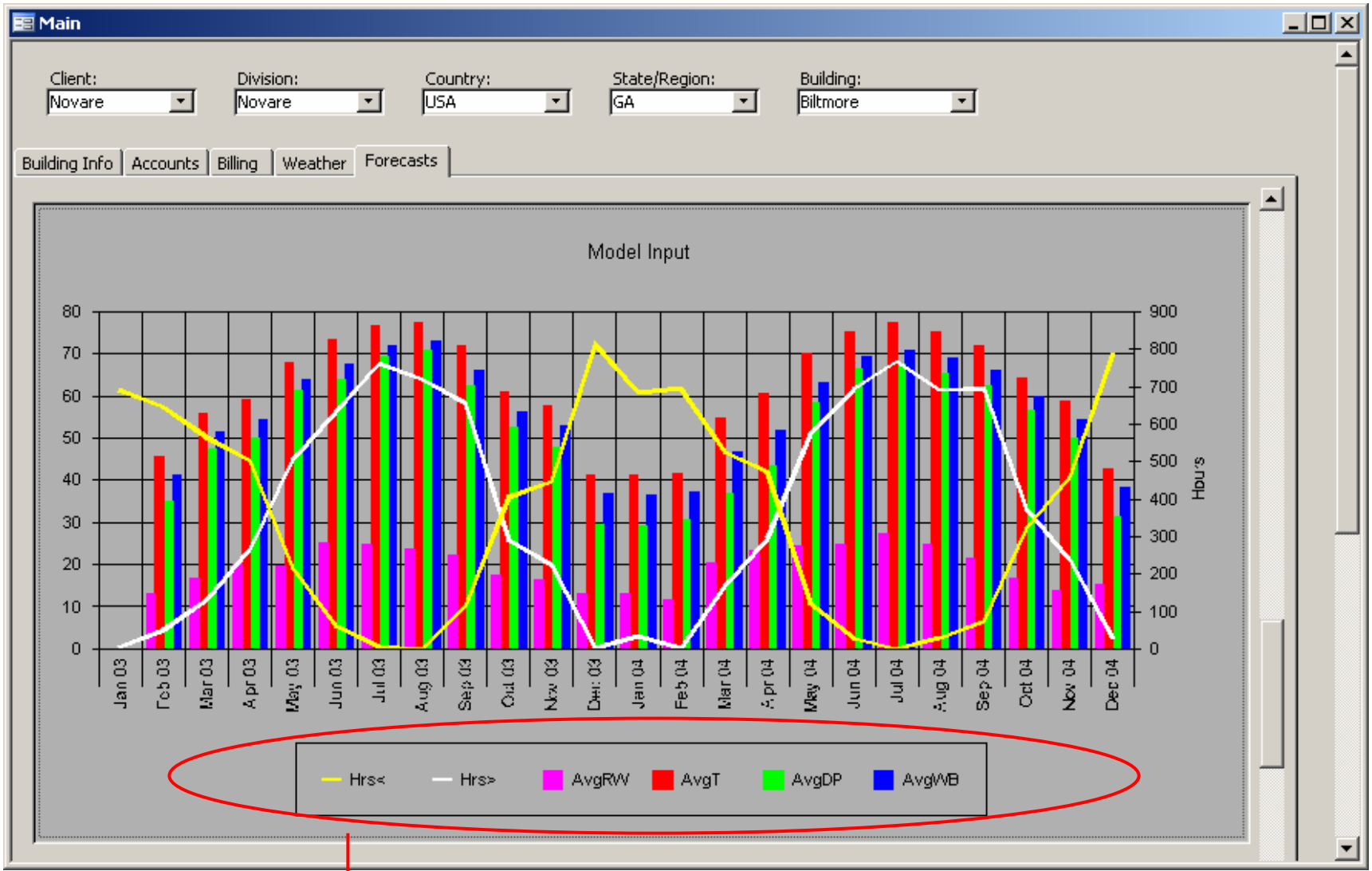
Formulate ("Build") Model



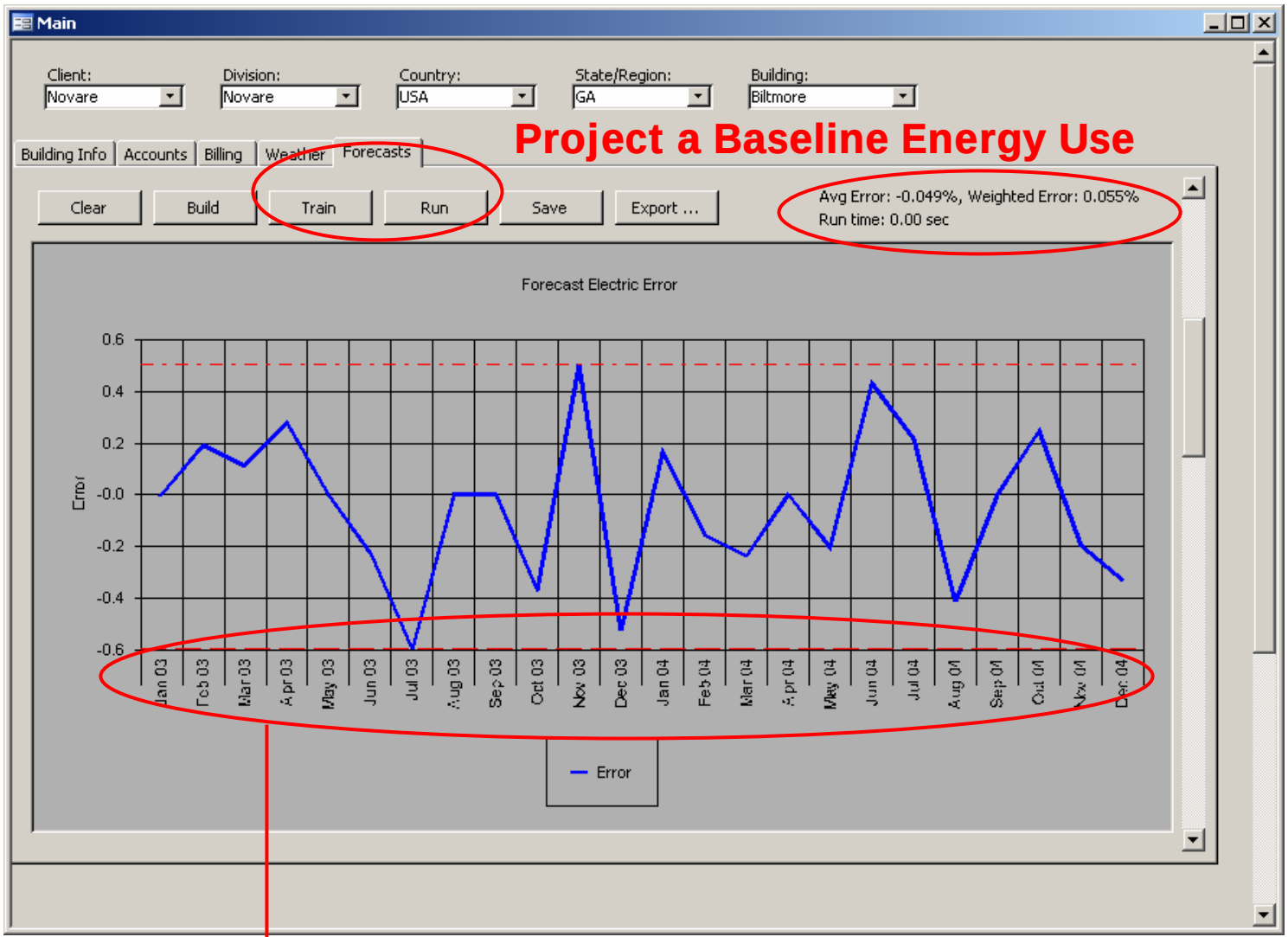
Baseline Energy Use Data Model of a Facility (historical)

Key Data Variables



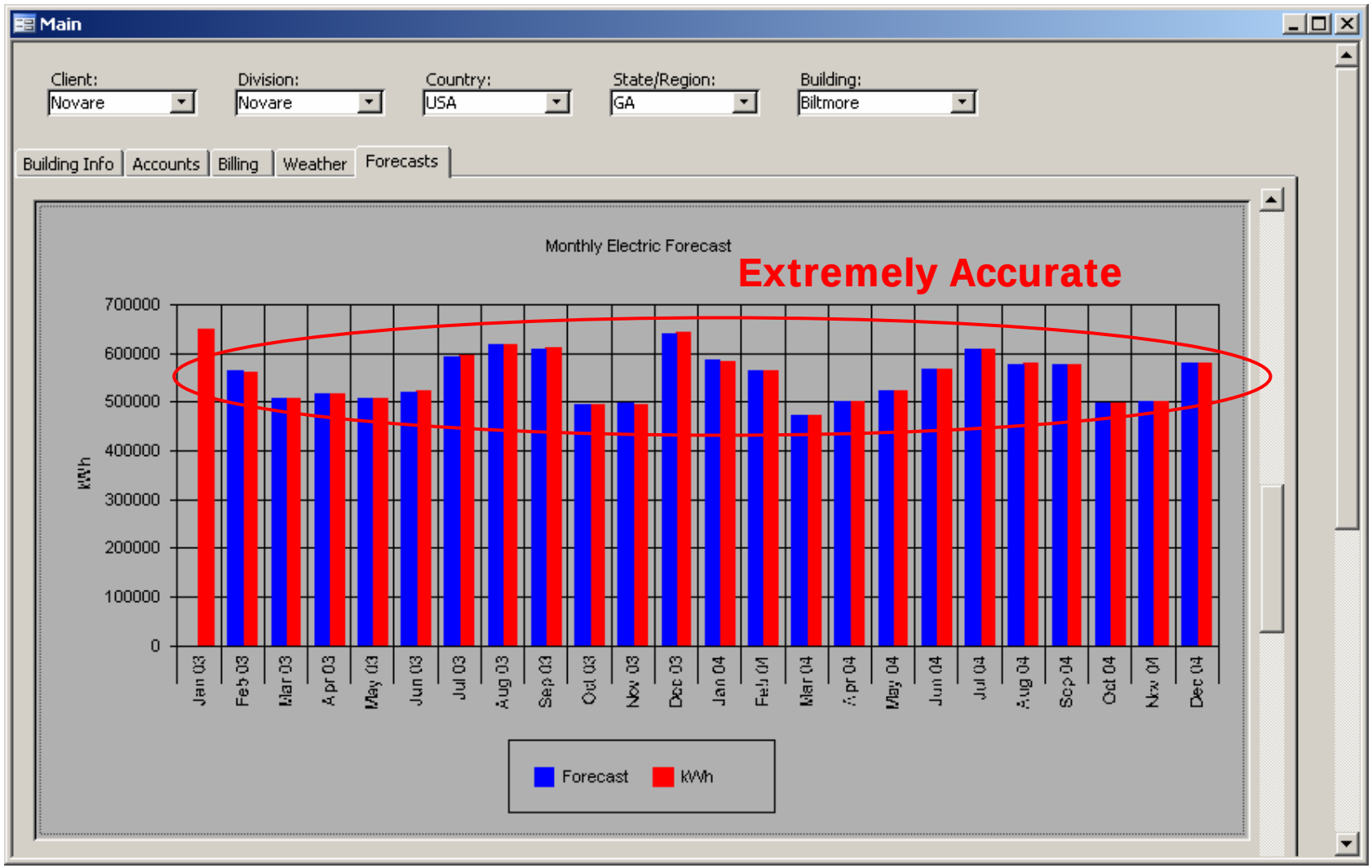
Plus Manufacturing Data (MUC) for Industrial

Train & Run the Model



Projecting Historical Baseline Energy Use to Test Accuracy

Monthly Projections



Why is this Important?

White Tags created by energy conservation projects can be certified by 4 different methods:

- Prescriptive - applicable to purchase of specific technology & assumes savings are independent of operations (with a pre-set amount and lifetime)
- Metered - applicable to installation of generation and operationally independent sub-metered loads (expensive)
- Modeled - applicable to any technology, either new installation or retrofit, as well as operational changes achieved (low cost, scalable, no time limit)
- Design - applicable to new buildings (LEED)

Create the Most White Tags

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Questions?

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