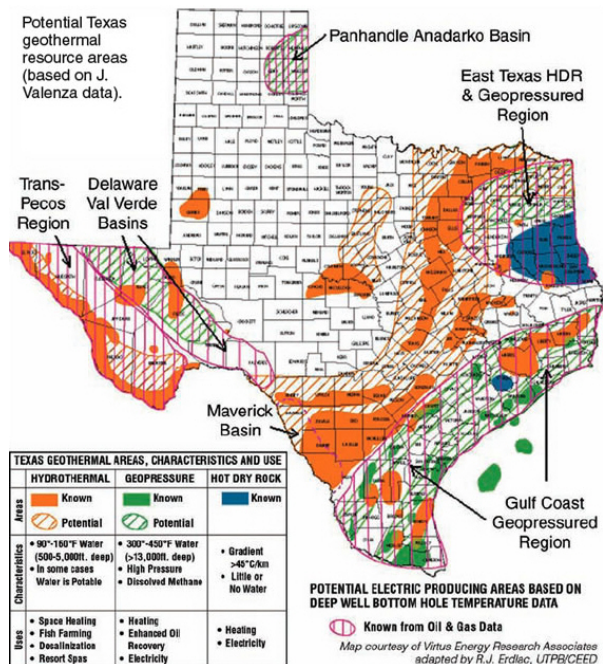


Harnessing the Geothermal Power Potential of Texas Numerous Economic, Environmental and Energy Benefits Await

The State of Texas holds massive potential for the development of clean, reliable, renewable geothermal power plants. In fact, the Texas Bureau of Geology estimates that as much as 20,000 megawatts (MW) of renewable geothermal power lies under the State, enough yearly power for about one-third of Texas' generation.¹ Most of Texas' geothermal potential lies near the coast, under 22 counties² in the form of "geopressed-geothermal."

Geothermal power development will bring additional energy, environmental and economic benefits to Texas. A typical geothermal power plant (30 MW in size), which is nearly emissions-free³, creates 250 two-year construction jobs and roughly ten full-time power plant jobs, which is approximately ten times the number of jobs when compared to a natural gas power plant.

A 30-MW geothermal power plant represents a 60 million dollar investment in Texas. To harness 1,000 MW of Texas geothermal capacity, approximately 33 power plants would need to be built, creating 8,250 direct construction jobs and 300 permanent power plant jobs. Building this 1,000 MW of new Texas geothermal capacity would result in a \$1.9 Billion investment in the state. The economic and employment benefits of geothermal power are abundantly clear.



Presently there is no geothermal power in the State of Texas. If developed, power prices for clean, domestic, nearly emissions-free Texas geothermal power would be roughly 20-25% higher than the average wholesale market price for power, or similar in price to a "clean-coal" power plant. The Texas renewable portfolio standard (RPS) adopted in 1999, to incent the construction of new renewable power plants, provides an incentive that works exceedingly well for wind power, but falls short for geothermal power technologies.

To successfully encourage the development of geothermal power, a tiered system is needed in the Texas RPS— one tier for wind power and another tier for "non-wind" renewable resources, such as geothermal. A tiered-RPS policy is successfully used in 14 of the 25 U.S. states with an RPS.

By creating a tiered-RPS in Texas, the proper incentives will flow in a market-driven fashion to the developers of geothermal power plants, ensuring robust geothermal

development, which will bring new jobs, clean power, an improved environment and consumer savings to the Lone Star State.

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¹ Like a coal, nuclear or natural gas power plant, geothermal power plants operate in "baseload" fashion, meaning that they generate electricity 24 hours a day, 7 days a week except for occasional maintenance downtime.

² Cameron, Hidalgo, Zapata, Duval, Kenedy, Colorado, Webb, Waller, Montgomery, Galveston, Austin, Aransas, Jefferson, Brazoria, Matagorda, Goliad, Dewitt, San Patricio, Nueces, Kleberg, Liberty and Harris.

³ Geothermal power plants release, for example, less than one to four percent of the amount of carbon dioxide emitted by coal power plants.