CLEAN TECH REPORT

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Midtown Partners™
Helping Companies Grow

Clean Technology, Micro & Small Cap Focus

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Please see full Safe Harbor statement on page 8.

The last few years saw huge increases in spending in so-called "clean tech" energy. Midtown Partners has focused on micro and small cap players in the clean-tech space, and highlights ***both the small company breakthroughs, as well as the macroeconomic changes*** *that can shape the clean tech universe. We also track micro and small cap sector performance, broken down into sectors.*

Special points of interest:

- **VC investments** in U.S. clean tech companies grew by 41% to $961.7M during the Q2 2008: Ernst & Young report.
- **Solar Stocks** battered in early Sept 2008 due to increased supply
- **Wind,** the fastest growing sector of renewable energy in the U.S., generates about 16.8 billion watts (slightly more than 1%) of domestic electric utility power
- **Revolution in batteries**: silicon has more than 10 times as much charge capacity as carbon; silicon nanowires may revolutionize battery usage in cars, laptops, phones
- **Small & Micro Cap Indices**— performance in clean tech sectors through the past year

Inside this issue:

Clean Technology Overview

The collapse in petroleum prices in the past month has seriously impacted investors' relative confidence in many Clean Tech companies to generate previously expected revenue and earnings gains over the intermediate term. If we measure performance over the past year, the Russell 3000 index has dropped about 21.5%, but our Clean Tech index has dropped about 38.6%, or about an 80% greater decline. Until two months ago, the Clean Tech index was holding up better than the larger market average and that was after greatly outperforming the rise in the NASDAQ in 2007. Clean Tech had also been the fastest growing field in early stage investment and accounted for about 10% of VC placements in the past year.

Investors had been showing continued confidence in the long term need for most sectors of Clean Tech, even after the

(continued on page 8)

By William Relyea, Director of Research

Senate Passes Energy Tax Bill Offering Solar Industry a Boost

Late Sept 2008

The Senate passed a $17 billion energy tax measure that gives an unprecedented boost to the solar-power industry and extends tax credits for wind as well as for refineries that process heavy oil.

The energy measure, passed by a 93-2 vote margin, is part of a tax bill pegged at more than $100 billion. The energy portion of the bill failed eight times in the Senate and has faced opposition in the House because portions of the legislation haven't been paid for with offsetting revenue.

"It is the most significant legislation ever introduced in Congress for solar," said Rhone Resch, president of the Solar Energy Industries Association." It will provide a stable market for businesses to grow over the next 10 years."

First Solar Inc., Suntech

(continued on page 8)

Source: Daniel Whitten, Bloomberg

U.S. Wind Energy Capacity reaches 20,000 Megawatts

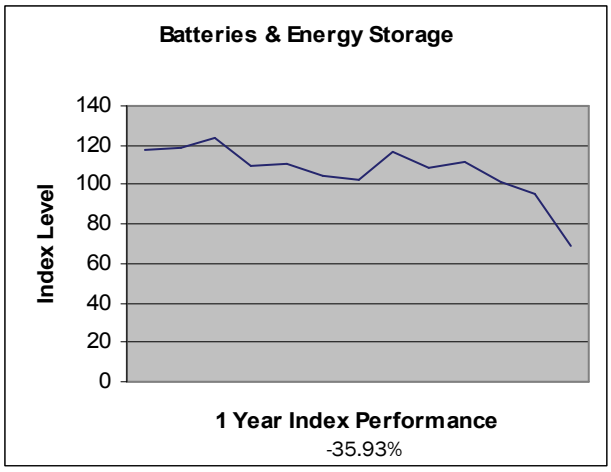
Early September 2008

According to the American Wind Energy Association, the U.S. wind industry, the fastest growing sector of renewable energy, has doubled its capacity in just two years. Wind energy now provides 20,152 megawatts of electricity capacity, enough to serve more than 5 million American homes. This is the equivalent of 90 million barrels of oil, without the actively produced carbon footprints.

The U.S. Department of Energy envisions 20% of the U.S. electric power supply to be powered by wind. This realization is beneficial to both the country and environment; wind energy creates hundreds of thousands of jobs and is the equivalent of taking more than 100 million vehicles off the road.

Source: Julie Clendenin & Kathy Belyeu, AWEA

Batteries & Energy Storage—Small & Micro Cap Index



Midtown Small / Micro Cap Index	Top Performers, YTD		Ticker	Price Level
6 Month Performance: -35.84%	VLNC	+22.3%	AXPW.OB:	$1.29
3 Month Performance: -50.64%	MXWL	+14.8%	CHP:	3.38
1 Month Performance: -34.10%	**Worst Performers, YTD**		CBAK:	2.81
	ACPW	-80.0%	EEEI:	0.34
	ULBI	-57.8%	MXWL:	9.83
			ULBI:	8.93
			VLNC:	2.41
			ACPW:	0.47
			ABAT:	2.90
			ALTI:	1.76
			HEV:	7.52
			(As of 11/04/08)	

Index Return YTD:	-20.96%
S&P 500 Return YTD:	-31.23%
Russell 3000 Return YTD:	-18.81%

Newsworthy Sector Developments

Altair Nanotechnologies Develops Revolutionary Battery for U.S. Navy—Early September 2008

Altair Nanotechnologies Inc. announced the completion of a 500 full depth cycle test of a unique lithium titanate battery developed for the U.S. Navy.

In capacity tests, the battery only lost about one percent of total capacity, a remarkable result that can lead to the development of longer lasting batteries, particularly to store high amounts of energy.

The goal in developing such a technology is to reduce dependency on costly jet fuel for back-up turbines and to reduce carbon emissions. Estimates show that the technology could reduce the Navy's consumption of fuel by tens of millions of gallons each year. Altair Nanotechnologies Inc.'s battery backup technology could be applied to many different types of ships and jets.

(Source: Altairnano.com)

China BAK Announces Closing of $16M Registered Direct Offering—Early Sept 2008

China BAK Battery Inc., one of the largest lithium-ion battery cell manufacturers in the world, announced that it has closed a Registered Direct Offering of 4,102,564 shares of its common stock at $3.90 per share, totaling $16 million.

The net proceeds will go towards funding expansion of the company's notebook cell lines, to fund working capital, and to reduce debt.

The company also raised guidance of FY08 revenue to $240 million from $210 million, reflecting strong demand for its products, especially laptop battery cells.

(Source: Press Release, China BAK Battery Inc.)

LTi REEnergy Selects Maxwell Technologies BOOSTCAP® Ultracapacitors for Backup Power in Wind Turbine Blade Pitch Control Systems—Mid Sept 2008

LTi REEnergy GmbH, one of the world's leading producers of electro-mechanical wind turbine blade pitch control systems, has selected Maxwell's BOOSTCAP ultracapacitors to supply backup power for LTi's PitchMaster blade pitch control system.

Blade pitch control systems enhance the consistency of wind turbines' electrical energy output and ensure that rotor speed remains within a safe operating range by constantly adjusting turbine blades to compensate for changes in wind velocity. Ultracapacitors supply backup power for orderly system shutdown in the event of a main system power failure.

"LTi supplies blade pitch control systems to a number of major wind turbine manufacturers around the world, and already sold more than one thousand PitchMaster® systems, so this new supply agreement represents a significant expansion of Maxwell's penetration of the rapidly growing wind energy industry," Schramm said. "We are pleased to be aligned with another leading player in the dynamic renewable energy marketplace."

Matthias Vehring, LTi's Managing Director, said that ultracapacitors were chosen over batteries for backup power because of their longer operating life, lower maintenance requirements and ability to operate more reliably in harsh climates.

(Source: Maxwell Technologies Inc.)

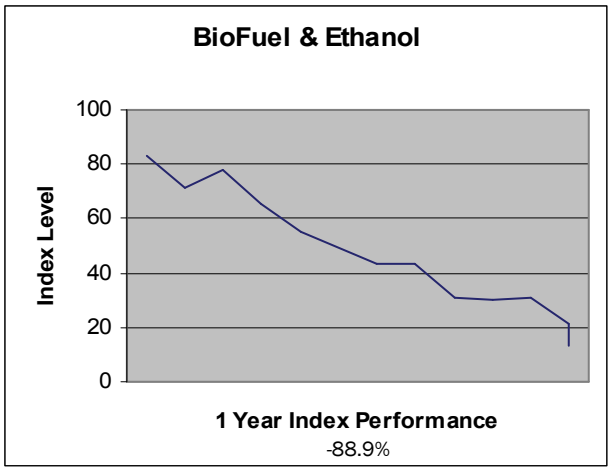
Advanced Battery Technologies Announces New Contract—Mid October 2008

Advanced Battery Technologies, Inc. announced it has signed a five-year sales contract with Veken USA Co. Ltd., a China-based multi-billion dollar corporation and one of the world's leading OEM manufacturers serving many famous power sports brands. ABAT anticipates delivering 10,000 sets of battery modules per month to Veken USA, generating approximately $27 million in annual revenue.

Advanced Battery Technologies Inc., founded in September 2002, develops, manufactures and distributes rechargeable Polymer Lithium-Ion batteries for use in electric automobiles, motorcycles, mine-use lamps, notebook computers, walkie-talkies and other devices.

(Source: Press Release, ABAT Inc).

BioFuel & Ethanol—Small & Micro Cap Index



Midtown Small / Micro Cap Index	Top Performers, YTD		Ticker	Price Level
6 Month Performance: -81.40%	IFUE	+73.9%	AEBF.OB	$6.00
3 Month Performance: -71.18%			BIOF	0.58
1 Month Performance: -50.84%	Worst Performers, YTD		BFRE.OB	1.45
	VSE	-98.5%	CCGY.OB	0.30
	PDAE	-94.2%	IFUE.OB	0.28
			MGPI	1.65
			NBF	0.25
			OTOD.OB	0.05
			PEIX	1.32
			PDAE.OB	0.19
			PBOF.OB	0.08
			RVBF.OB	0.35
			RTK	0.79
			VRNM	1.31
			GNH	0.21
			FTEK	12.63
			CDTI	3.39
			VSE	0.28
			AVR	1.61
			(As of 11/04/08)	

Index Return YTD:	-81.97%
S&P 500 Return YTD:	-31.23%
Russell 3000 Return YTD:	-18.81%

Newsworthy Sector Developments

BlueFire Ethanol to Construct Cellulosic Ethanol Production Plant—late July 2008

BlueFire Ethanol Fuels, Inc., a leader in cellulosic ethanol production technology, was granted a permit to construct the nation's first commercial facility to convert bio-waste into ethanol.

The plant will be built on 10 undeveloped acres near Lancaster, CA. The plant is expected to be opened in late 2009. Through it, BlueFire will be able to convert cellulosic waste ("Green Waste") into as much as 3.2 million gallons of cellulosic ethanol per year. This form of ethanol is renewable and highly economical, compared to gasoline and other types of ethanol.

Sources of this biowaste include woodchips, grass cuttings and other organic waste.

(Source: BlueFire Ethanol website)

International Fuel Technology wins "Fuel Technology Specialist 2008/2009 Award from ITM—Late August 2008

International Fuel Technology, Inc (IFT) earned the award for DiesoLIFT™, its proprietary fuel additive breakthrough designed to improve output and performance of diesel and biodiesel fuel blends.

IFT's products enhance fuel economy, protect against corrosion, reduce maintenance costs, prolong engine life, decrease emissions and improve engine lubrication.

(Source: Business Wire)

BioFuel Plants Hit Provisional Acceptance—Mid Sept 2008

BioFuel Energy Corp announced that both of its 115 million gallons a year ethanol plants had met Provisional Acceptance, the first step in their final commissioning. Provisional Acceptance is the first of three tests required under the Company's turn-key construction contracts with TIC (The Industrial Company). To pass, the plants had to operate at or above design capacity for seven days while meeting specified quality, efficiency and environmental standards. With Provisional Acceptance, operational control of the plants passed to the Company from TIC. A punch list of required repairs has been agreed upon with TIC and is being addressed. Full completion of the facilities along with final testing required under the construction contracts should occur within sixty to ninety days.

BioFuel's production facilities are located in Wood River, Nebraska and Fairmont, Minnesota. When operating at nameplate capacity, the Company's plants are expected to be able to produce 230 million gallons of fuel grade ethanol and up to 720,000 tons of dried distillers' grain annually. A portion of distillers' grain may be sold as wet distillers' grain based on market conditions. BioFuel has long-term contracts with Cargill to handle corn procurement and the sale of ethanol and distillers' grain for its plants.

(Source: Press Release, BioFuel Energy Corp)

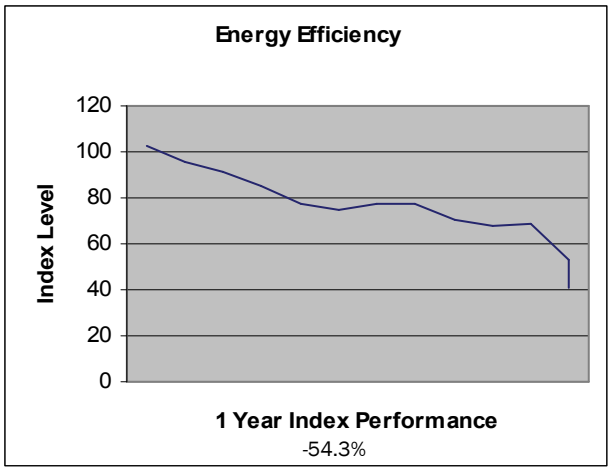
VeraSun's Bankruptcy Latest Growing Pain for BioFuels—Early November 2008

VeraSun Energy's bankruptcy symbolized that "the market has found this industry too carcinogenic to own," said David Menlow, an IPO analyst who covered the much-heralded debut of VeraSun's stock two years ago. "Ethanol is a bit like what the solar market was in the 1970s."

VeraSun fell victim to costs associated with this summer's record corn prices, coming up short when it locked in hedging agreements to buy corn at $6.75 to $7 a bushel during the commodities boom and ahead of the fall harvest. This led to a loss of up to $103 million tied to making the wrong bet. Just as it needed cash, the company ran headlong into the credit crunch.

(Source: Steve Gelsi, Marketwatch)

Energy Efficiency—Small & Micro Cap Index



Midtown Small / Micro Cap Index	Top Performers, YTD		Ticker	Price Level
6 Month Performance: -46.23%	IBOT	+144.4%	CPWE.OB	$0.48
	FSYS	+131.0%	COMV	5.07
3 Month Performance: -25.05%	**Worst Performers, YTD**		CYBL.OB	0.00
			ELON	8.39
1 Month Performance: -16.06%	COMV	-83.6%	ENOC	8.23
	ENOC	-82.3%	FSYS	32.22
			FTEK	12.63
			IBOT.PK	0.55
			IRF	14.06
			IXYS	8.41
			LIME	4.85
			OESX	4.50
			PEFF.OB	0.20
			PWER	1.34
			RNGY	1.16
			TKO	0.20
			USAT	2.42
			(As of 11/04/08)	

Index Return YTD:	-43.11%
S&P 500 Return YTD:	-31.23%
Russell 3000 Return YTD:	-18.81%

Newsworthy Sector Developments

KONE Inc and Power Efficiency Corporation Implement Innovative Energy Efficiency Program on Escalators at Las Vegas Convention Center—Mid Aug 2008

Power Efficiency Corporation, a green energy company focused on efficiency technologies for electric motors, announced that KONE Inc. installed Motor Efficiency Controllers with Power Efficiency's E-Save Technology™ on escalators at the Las Vegas Convention Center.

Power Efficiency's patented E-Save Technology improves the efficiency of electric motors in escalators and other applications. E-Save monitors the load on an electric motor and reduces the amount of power consumed by the motor when it is lightly loaded. By conserving energy, E-Save Technology supports building owners' sustainability programs, reduces CO2 emissions, and saves money by reducing energy bills. Steve Strasser, Chairman and CEO of Power Efficiency Corporation, commented, "this project is an excellent example of how energy efficiency can be implemented into existing facilities and can positively impact the owners and the communities that they serve."

(Source: Press Release, Power Efficiency Corporation)

Echelon Corp Unveils Smart Metering System in Germany—Early September 2008

Echelon Corp introduced its Networked Energy Services (NES) in Germany. Germany recently proposed a new energy law requiring all new and remodeled homes to be equipped with smart meters by 2010 to promote energy conservation and efficiency.
The NES metering system consists of highly integrated, advanced electronic electricity meters accessed via a Web-based network over an IP networking infrastructure.

(Source: San Jose Biz Journal)

Power-One's Aurora® PVI-Central Inverters Win EPD Magazine Environmental Design Award—Mid Sept 2008

Power-One, Inc., a leading provider of power conversion and power management solutions, today announced that its Aurora PVI-Central commercial renewable energy inverters have won Electronic Product Design Magazine's 2008 e-Legacy Award in the Environmental Design Category. This prestigious award recognizes products that provide innovative electronic design solutions for responsible energy use.

Power-One's PVI-Central Inverters are designed for large solar applications, such as apartment buildings and industrial facilities. These grid-tie products provide scalability in a common-enclosure package that is delivered pre-configured and pre-tested. In addition to reducing on-site installation wiring and testing, this modular approach facilitates cost-effective solutions with smaller footprints and increased reliability.

(Source: Press Release, Power-One, Inc.)

Orion Energy Systems Launches Patent-Pending Negawatt Energy Supply Contract—Mid Oct 2008

Orion Energy Systems Inc. announced the launch of the Orion Virtual Power Plant negawatt energy supply contract. The term negawatt is used to describe the electricity that is not generated and not consumed as a result of Irion's energy efficient upgrades. Under the Orion Virtual Power Plant supply contract, customers purchase these negawatts at a fixed rate that is lower than their existing utility rate.

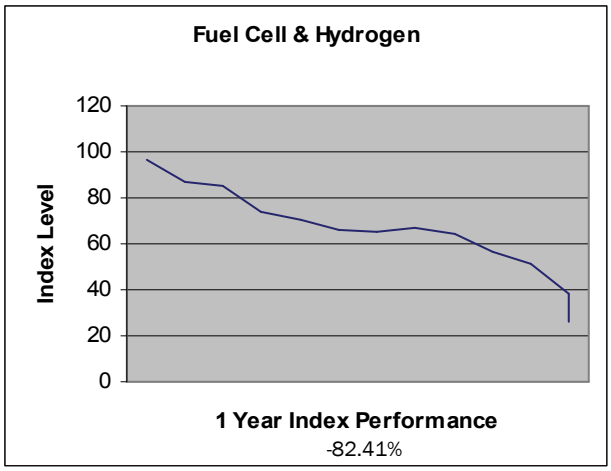
Lime Energy Saves 2 Million KW Hours at Harrah's in San Diego—Late Oct 2008

Lime Energy and Harrah's Rincon Resort and Casino today announced they have completed an energy efficiency retrofit project that produces significant benefits to the resort and to the environment. The project includes LED technology in elevators, recessed downlights and outdoor signage. Lighting with LED uses about 1/7th to 1/10th the energy of standard lighting and lasts at least 10 times longer, to significantly reduce maintenance costs.

"The Orion Virtual Power Plant further demonstrates Orion's thought leadership in providing workable solutions to help our customers reduce their energy usage," said Erik Birkerts, Orion's Chief Operating Officer.

(Source: Press Release, Orion Energy Systems)

Fuel Cell & Hydrogen—Small & Micro Cap Index



Midtown Small / Micro Cap Index	Top Performers, YTD		Ticker	Price Level
6 Month Performance: -71.62%	QTWW	+70.91%	ARTX	$0.74
3 Month Performance: -63.25%			BLDP	3.13
1 Month Performance: -31.20%	Worst Performers, YTD		BWTAF.PK	20.00
	KEM	-91.14%	ENTG	2.82
	MDTL	-88.51%	FCEL	5.23
			HYEG.OB	0.20
			HYGS	0.69
			KEM	0.57
			MAG	2.30
			MHTX.PK	0.04
			MKTY	1.13
			MDTL	1.74
			PLUG	2.06
			PWAC.OB	0.13
			QTWW	0.94

Index Return YTD:	-72.64%
S&P 500 Return YTD:	-31.23%
Russell 3000 Return YTD:	-18.81%

(As of 11/04/08)

Newsworthy Sector Developments

Missouri's First Hydrogen Fuel Station Welcomes Cars on Tour—Mid August 2008

Missouri's University of Science and Technology rolled out the state's first hydrogen fueling station along with hydrogen-powered cars. The university uses the equation "E^3 = C" - "Energy, environment and education equals civilization."

The project promotes hydrogen cell powered cars and buses because they produce virtually no greenhouse gas emissions; water is its only by-product, along with trace amounts of carbon dioxide.

(Source: ENS)

Medis 24/7 Fuel Cell Power Pack Chosen as 'Top Emerging Product' for RetailVision's FRESH Showcase—Late Aug 2008

Medis Technologies Ltd. Announced that the Medis 24/7 Fuel Cell Power Pack has been selected as one of the "Top Emerging Products" at RetailVision's newest technology showcase event: FRESH, A First Look at New Technology. RetailVision is a premiere event bringing together retailers, e-tailers, direct marketers and leading channel decision-makers from the US and Latin America to share today's most innovative technology products.

The Medis 24/7 Fuel Cell provides portable power to a variety of handheld devices such as cellphones, smartphones, MP3 Players, GPS systems and handheld gaming devices. The 24/7 provides portable power while on the go without the need for the wall outlet. The new Medis 24/7 Xtreme Charger, with replaceable fuel cell for iPhones and BlackBerry products, was highlighted on Business Week TV on ABC on August 24th. The new Xtreme 24/7 Charger will be available in time for the Christmas retail season and will provide multiple charges for a variety of high power draining devices.

(Source: Press Release, Medis Technologies Ltd.)

MTI Micro Demonstrates Third Generation Mibion® Chip—Mid Sept 2008

MTI MicroFuel Cells Inc., the developer of Mobion off-the-grid portable power solutions and subsidiary of Mechanical Technology, Incorporated, today announced that its third generation Mobion® Chip has improved power performance by approximately 25% as compared to the previous generation unveiled last June. In laboratory testing, the Mobion® Chip demonstrated power of over 62 mW/cm^2 while producing more than 1800 Watt Hours Per Kilogram (Wh/kg) of energy from the direct methanol fuel feed.

In addition to the ongoing power performance improvements, the third generation Mobion® Chip is approximately 25% smaller than the prior generation was in June 2007 and over 50% smaller than the initial generation at the beginning of 2007.

(Source: Press Release, MTI MicroFuel Cells Inc.)

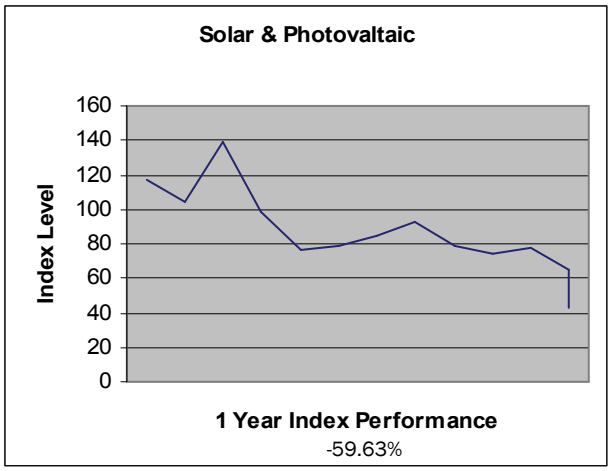
Enbridge and FuelCell Energy Power Up World's First DFC-ERG Fuel Cell—Late Oct 2008

Enbridge Inc and FuelCell Energy announced the opening of the world's first Direct Fuel Cell—Energy Recovery Generation power plant. The plant, which produces 2.2 megawatts of environmentally preferred, ultra-clean electricity, or enough power for approximately 1,700 residences, is also the first multi-megawatt commercial fuel cell to operate in Canada.

Support for this $10 million breakthrough project was provided by both the federal and provincial governments. "This is an exciting day for clean energy technology in Ontario and in Canada," said Patrick D. Daniel, President and CEO of Enbridge Inc. "We've taken two proven, low-carbon technologies and integrated them in a unique way to increase the environmental benefits. The new technology will offer the highest natural gas-to-electricity efficiency of any distributed generation technology, and since it operates without the combustion of fuel the power has near-zero air pollutants."

(Source: Enbridge Inc and FuelCell Energy Inc Press Release)

Solar & Photovaltaic—Small & Micro Cap Index



Midtown Small / Micro Cap Index	Top Performers, YTD	
6 Month Performance: -63.21%	SWTX	+12.5%
	SUNV	+4.8%
3 Month Performance: -45.72%	**Worst Performers, YTD**	
1 Month Performance: -44.72%	WWAT	-76.6%
	SOLF	-76.3%

Index Return YTD:	-74.58%
S&P 500 Return YTD:	-31.23%
Russell 3000 Return YTD:	-18.81%

Ticker	Price Level
AKNS	$3.26
ASYS	7.05
CSIQ	12.08
CSUN	5.33
DSTI	1.90
ESRG.PK	0.11
EMKR	3.73
LDK	23.38
SATC	1.85
SOPW.OB	1.26
SWTX.OB	0.90
SOLF	8.77
SOEN.OB	0.36
SPIR	7.90
SUNV.OB	0.65
TSL	14.02
WWAT.OB	0.44
XSNX.OB	0.25

(As of 11/04/08)

Newsworthy Sector Developments

LDK Solar Reaches 1 GW Wafer Production Capacity—Late August 2008

LDK Solar Co announced that its wafer plant reached the milestone of 1 GW annualized capacity. Chairman Peng, founder, chairman and CEO of the company, congratulated the team on August 23, 2008.
LDK Solar is one of the largest and lowest cost wafer producer in the solar industry. Solar wafers are the principal raw material used to produce solar cells. The company sells wafers globally to manufacturers of photovoltaic products, including solar cells and solar modules. LDK Solar's headquarters and manufacturing facilities are located in the People's Republic of China.
(Source: RenewableEnergyWorld.com

XSunxX Launches Turning Renewable Energy Into Renewable Revenues Initiative and Garners First 100kW Project—Early Sept 2008

Xsunx, Inc., a solar technology Company engaged in the build-out of its multi-megawatt amorphous thin film photovoltaic (TFPV) solar manufacturing facilities in Oregon, today provided an update to its business development initiative to utilize a portion of its future TFPV solar module manufacturing capacities for the construction of solar power fields.

In June of this year the Company announced efforts to develop business relationships directly with utilities working to meet renewable energy mandates and developers of Power Purchase Agreements "PPA". In July XsunX began participating in responding to requests for proposals from a targeted list of utilities and PPA opportunities located in the Western United States. The Company's principal goal under this initiative is to work to leverage the long term power production capabilities of each watt of its factory produced solar modules into greater per watt revenues for XsunX.
(Source: Press Release, XsunX, Inc.)

Trina Solar Signs Sales Agreement with Invictus—Mid Sept 2008

Chinese solar company Trina Solar Ltd said it signed a sales agreement with Invictus NV, a Belgium company, to supply at least 50 megawatts (MW) of solar modules over two years.

Under the two-year agreement starting in 2009 with predetermined prices, Trina Solar will supply Invictus with 20 MW for 2009 and 30 MW for 2010, with an option for Invictus to purchase an additional 10 MW for each year.
(Source: AP)

Sunovia Energy Technologies, Inc. Wins Top Honor from Florida Governor—Mid Sept 2008

Sunovia Energy Technologies, a renewable energy company based in Manatee County, has received the 2008 Governor's Business Diversification Award in the first-ever "Green to Gold" category. The award recognizes the company's business achievements in advancing the state's economy through job creation and distinctive community involvement and capital investment.

Founded in 2004, Sunovia develops advanced solar PV materials and systems, and energy-efficient light-emitting diode (LED) products. The company's product lines reduce carbon emissions and fossil fuel dependence by as much as 83.3 percent.

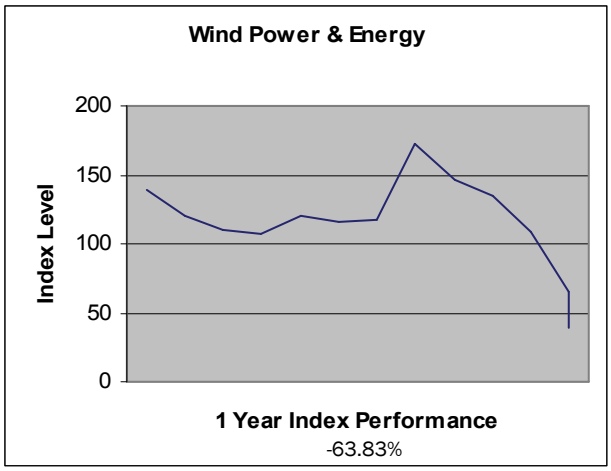
The company's LED lighting product lines, branded as EvoLucia(TM), are extremely energy-efficient and environmentally friendly.
(Source: Press Release, Sunovia Energy Technologies, Inc.)

Solar Power, Inc. and AEG Commemorate Solar Systems to power STAPLES Center and NOKIA Theatre L.A. LIVE—Late Oct 2008

Solar Power Inc and AEG announced the completion of the installation of new photovoltaic solar electric systems to provide solar power to STAPLES Center and NOKIA Theatre L.A. LIVE, two of the world's best known sports and entertainment venues. California Governor Arnold Schwarzenegger presided over a ceremony held atop STAPLES Center's roof along the arena's newest architectural feature, a solar array utilizing 1,727 solar panels.

(Source: Solar Power Inc., Press Release)

Wind Power & Energy—Small & Micro Cap Index



Midtown Small / Micro Cap Index	Top Performers, YTD	Ticker	Price Level
6 Month Performance: -55.42%		CWSI.OB	$0.94
3 Month Performance: -55.85%	Worst Performers, YTD	CPTC.OB	0.34
1 Month Performance: -38.20%	CPTC -76.1%	NCEN.OB	0.82
	OPTT -60.9%	WNDEF.PK	0.78
		OPTT	6.11
		(As of 11/04/08)	

Index Return YTD:	-58.30%
S&P 500 Return YTD:	-31.23%
Russell 3000 Return YTD:	-18.81%

Newsworthy Sector Developments

NorthWestern Energy Submits Filings for Mill Creek Generating Station—Late August 2008

NorthWestern Energy's new generating station to be built in Montana, would provide regulating resources to balance the company's transmission system and enable additional wind power (from the state's existing wind projects) to be integrated onto the network to meet the state's future renewable energy needs.

NorthWestern Energy CEO and President Bob Rowe stated "this application moves us another step toward the price stability and operational benefits that utility-owned, rate based energy can provide over the long-term."

The total capacity of the plant is expected to be 200 megawatts from four highly efficient units.

The plant will be a natural gas fired electric generation facility. It will meet or exceed all air and water quality standards, a measure becoming increasingly important among electricity generation plants, and one of the first of its kind in Montana.

(Source: NorthWestern Energy)

Northwest Companies Keeping Close Eye on Energy Tax Credits—Late Sept 2008

"Bill could be lifeline for those investing in renewable sources"

In SIn Seattle and across the Pacific Northwest, entrepreneurs and others betting their future on renewable energy are breathing a sigh of relief as Congress appears poised to finally renew tax credits that many see as a lifeline.

Perhaps the sixth try will be the charm. That's how many times tax credits designed to spur innovation and investment on the energy front have come up this year for congressional approval.

This week, there's more reason for hope, with the Senate voting 93-2 Tuesday to pass a compromise package negotiated by Washington Democrat Maria Cantwell and Nevada Republican John Ensign. The agreement broke a months-long deadlock.

But time is slipping away. Congress is scheduled to recess Friday. Alternative-energy producers and startups say they actually needed the tax credits extended earlier this year -- but will settle for this week.

"I wish we would have gotten this done in January and preserved even more of the industry," Cantwell said Monday. "We were lucky we were able to get this."

The package before the House would extend tax credits for solar and fuel-cell technology for eight years; extend production tax credits to wave and tidal technologies, which are under development in the Northwest; and provide incentives for installing "smart meters" that allow homeowners and businesses to time their electric usage to when it's most efficient.

Cantwell said the solar tax credit extension alone is expected to create 10,000 permanent "green-collar" jobs in Washington along with up to 15,000 temporary construction jobs.

Wind would get just a one-year extension of its tax credit, instead of the eight years granted to solar.

"One year's not long enough," said Gregory Wetstone, senior director for government at the American Wind Energy Association. "We've been saying all along we need the stability of a long-term commitment."

(Source: Robert McClure, P-I Reporter)

Composite Technology's DeWind Secures Rights to Develop 620 MW Wind Farm—Early Oct 2008

Composite Technology Corporation is pleased to announce that its DeWind subsidiary has entered into agreements with Higher Perpetual Energy LLC to form DeWind SWI Wind Farms, LLC to develop four wind farms in Texas totaling up to 620 megawatts of electrical energy capacity.

(Source: Composite Technology Corporation Press Release)

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Midtown Partners has a commitment to research and promotion of the surging global demand for innovative clean tech products and services. Concentrating on the micro-cap and small cap companies, this newsletter lets readers and investors know about the trends and opportunities that may create new players in the explosive and seemingly limitless opportunity of clean technology.

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This newsletter may involve forward-looking statements which may involve risks and uncertainties that could cause actual events or results in future periods to differ materially from what is expressed in, or implied by, these statements. Discretion was used in selecting companies with a market cap between $10-$300 million market cap with a main focus in their respective technology sector. Companies without a relatively stable market price were excluded. FINRA has published information on how to invest carefully: http://www.finra.org/

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Overview of Clean Tech (continued) by William Relyea, Director of Research

misdirected incentives for ethanol and the unintended consequences of higher food prices. Now, the lower cost of the basis for almost all transportation fuels is calling into question the length of payback periods for many of the alternative technologies being proposed. Many of the Clean Tech technologies require fairly heavy capital expenditures up front, and with the availability of financing far more doubtful than just a couple of months ago, prospects for reaching production volumes that will bring costs down to reasonable levels are greatly lowered.

Several aspects of Clean Tech companies are in need of rethinking in terms of how they should be analyzed and the financing strategies that should apply, even if they seem unfamiliar for companies at the early stages of growth. The business models vary greatly on many parameters. Many Clean Tech companies are still in science phases and investors must bet on scientists and techies to make critical business decisions. A number of types of clean tech companies are fairly capital-intensive and in order to generate attractive equity returns project financing will be needed for plants and for the infrastructure necessary to make these go. Some Clean Tech, wind farms, biomass dependent operations, etc., require fairly large amounts of land, which can be a major diluting factor for the technological element and probably for the potential margins. Very few fields have the immediate payback for the user that certain fuel additives can claim.

There is no predominant background that Clean Tech entrepreneurs come from and there are very few second and third generation company leaders to look to as models for the current company founders and leaders. Are CEOs from IT going to do better than guys from materials or from biotech?

The fate of a number of energy production technologies are tied to developments in energy storage. Energy storage is the key to time-shifting between production and use and often, for mobile applications, between the site of production and its use. This is true for both large, consolidated energy operations and for small distributed applications.

A major issue in several clean technologies is permitting which takes a long time and is different at every level of government. For instance, biomass and nuclear plants require permitting at each level and this is involved, expensive and time consuming.

The Clean Tech field is far from uniform, is highly complex and full of surprises that should keep it interesting for many years. Also, how clean does Clean Tech need to be?

Energy Tax Bill (cont'd)

Power Holdings Co. Ltd., SunPower Corp. and other companies would create 441,000 permanent jobs and inject $232 billion in new spending into the economy by 2016 because of tax credits, according to a study commissioned by Resch's group.

The legislation "will help take that industry to new heights," said Senator Maria Cantwell, a primary proponent of the renewable energy tax credits.

The revenue-generating provisions include curtailing a tax break oil companies get for job creation and overseas production and ending the ability of hedge-fund managers to defer taxes on profits earned in offshore funds.

The White House Office of Management and Budget issued a statement today saying the administration opposes the new taxes, but that the president would sign the bill.