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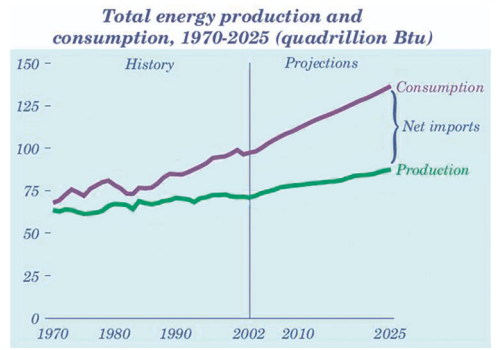
STORM TECHNOLOGIES, INC.
411 N. Depot St.
P.O. Box 429
Albemarle, NC 28002

Why Do We Need A National Energy Policy??

The Four E's: Economy, Energy, Environment, and Education

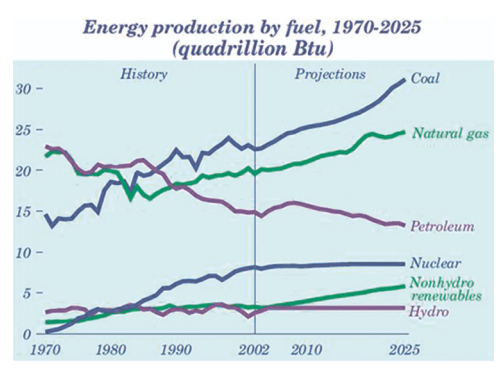
ECONOMIC PROSPERITY

Economic prosperity is linked to manufacturing, jobs and better things for better living. According to the US Department of Energy, consumption is expected to continue to increase through 2025. Note the expected increase in imports to make up for the expected reduction in domestic US production of oil and gas.



So what does this have to do with economic prosperity? Well, according to the *Economist* magazine about 7 trillion US dollars have been transferred to Middle Eastern countries for oil over the last few decades. The USA imports about 9 million barrels per day, what is this worth? Well, the price of a barrel of oil earlier this week was \$36.00. So multiply \$36.00 by 9,000,000 by 365 days/year and this comes out to \$118,260,000,000.00. Which is about half the total revenue of the world's largest corporation, Wal-Mart. This is total revenue dollars, no profit or value added for USA companies, revenue leaving the USA to foreign interests. Yeah, this really help our balance of payments, and who knows what this enormous stash of cash is being used for in Middle Eastern and thug-ruled developing countries?

Energy production in the USA is expected by the DOE to follow the graph below.



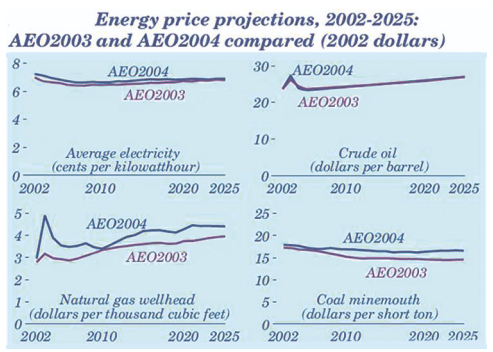
In America we are blessed with enormous natural resources. Guess what?! If we use the God given natural resources within the borders of the USA then the jobs to operate the mines, the railroads, the drilling rigs, the refineries...all stay at home. Gee, what a brilliant idea to improve the job situation? Drill for oil and gas within the USA, build refineries, build power plants, mine coal, mine uranium, build nuclear power plants and keep the energy development within our borders and reduce the cost of energy production by keeping it homegrown. Nearly all Alaskan's want to drill for oil and gas in Alaska, in the Arctic National Wildlife Preserve. North Carolinians, if it was properly reported, would want oil and gas drilling and development off the NC coast. What if it was the difference between economic decline and greatly increased job losses, or economic prosperity? It may be this important for our grandchildren, the choice of either "poverty" or "prosperity." Which do you want for your children?

Conservation and windmills are a good idea. However, we cannot conserve our way into growing economic prosperity, with a growing population and increased use of electric powered technology...

Like it or not, Economic prosperity means more jobs; economic prosperity is linked to more energy consumption! Windmills, natural gas fueled fuel cells and solar energy are great ideas, but not likely to carry the heavy load of industry for manufacturing or primary metals production.

Want to see a really good example? Travel to Cross, South Carolina, and see Santee Cooper's new coal fueled power plants.

Graphs Credits:
"EPA's Draft Report on the Environment and Draft Report on the Environment Technical Document 2003."
"Annual Energy Outlook 2003 with Projections to 2003" Energy Information Administration/Department of Energy January 2003.



ENERGY SUPPLY STABILITY

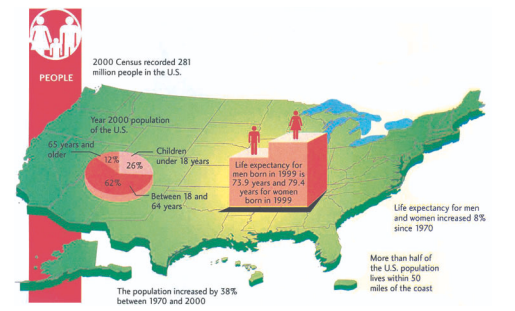
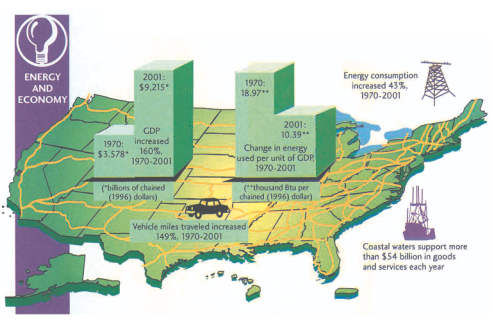
Our economy runs on energy. The graph above was published last year by the DOE for the Annual Energy Outlook from 2003 to 2025. Check out the projections of fuel costs. Electricity \$0.07/KWh projected (check what you pay now and it is going to go higher lots higher because it is costing more and more to generate it). Crude oil projected about \$22.00/barrel, actual \$36.00/ barrel this week. Natural gas \$3.00/1,000ft3, actual about \$6.00/1,000ft3 this week. Coal projected about \$15.00/short ton, actual about \$15.00/short ton at the mine, (no significant increase yet but it will!).

The chart below shows total energy consumption. Note this is total, including transportation, electricity, home heating and industrial uses.

ENVIRONMENTAL PROTECTION

Like homeland security, if we do not have a safe and clean environment to live in, then the economy, energy, energy self sufficiency and little else matters, so where do we stand on real environmental quality? There are some doomsday voices that say we are killing more people with smokestack emissions than with guns, and other absurdly stretched statistics. Want to see dirty air? Travel to Manila, New Delhi, Mexico City or another developing country with few emission controls on millions of automobiles and motorbikes.

Here are some excerpts from the little known, rarely referred to EPA Draft Report on the Environment 2003.



EDUCATION IN THE SCIENCES

We read and hear a lot about technical jobs being moved overseas, and technically trained immigrants coming to America to take USA jobs. Well, consider this: India graduates about 367,000 engineers each year. The USA engineering graduates are about 67,000. So when there are technical jobs to be done, salaries aside, "who" is going to accept these positions that require high skills?

PLEASE CONTACT YOUR SENATORS:

SENATOR JOHN EDWARDS
(202) 224-3154

SENATOR ELIZABETH DOLE
(202) 224-6342

A SHORT REVIEW OF THE STATE OF THE ENERGY SERVICES SUPPLIERS

America's power and utilities infrastructure has been neglected and criticized for decades. Then along came the ethically challenged managers of Enron and a few other energy companies. This did not help energy companies gain confidence from the average American. With both Wall Street and investors confidence at low levels the stock prices plummeted. Some of the premier power generating equipment suppliers are in serious financial condition, such as Babcock & Wilcox Company, the builder of the steam boilers at Duke Power's Belew's Creek Plant, and the Oconee Nuclear Plant reactor and steam generators. B&W, primarily because of frivolous and unfair asbestos lawsuits by aggressive trial lawyers, is operating in bankruptcy. I say partially due to assaults by trial lawyers and partially because the new power plant business dried up about 20 years ago. Few new large power plants have been built in the USA. Another of the four major steam plant suppliers, Foster-Wheeler, has moved headquarters to Bermuda, and their stock has declined from over \$40.00/share about five years ago to less than \$2.00/share now. The other two suppliers, Combustion-Engineering and Riley Stoker are now owned by French, (Alstom), and German interests. So who is building some new plants in North America? The Japanese suppliers Hitachi and Mitsubishi are now building two of the few new coal plants in North America. According to *Engineering News and Record* such as Bechtel, Fluor, and Kellogg Brown and Root...substantial amounts of their work is overseas, (as is Storm Technologies, Inc.). In the USA the federal regulations on industry, such as the EPA, OSHA and others have literally driven good companies either into bankruptcy or overseas.

This is my opinion of why we need a National Energy Policy.
Sincerely,
Jim Storm

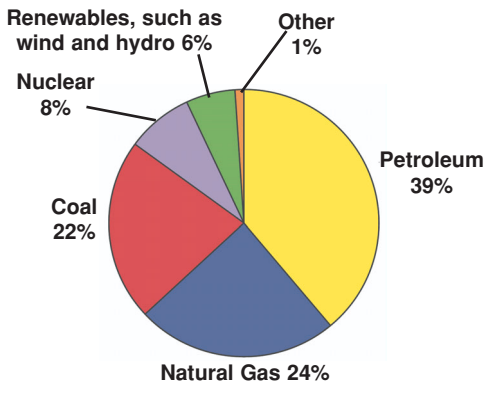
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We have attempted in three public service advertisements to make up for decades of misinformation on Energy, the Environment and the inter-relationship of Energy and the Economy. This is the month that the Senate is supposed to reconsider the Energy Bill that failed to pass in 2003. So if you agree with us that our energy policy needs to be overhauled, please express your thoughts to Senators Dole and Edwards. Both of them need to better understand the information presented in this series of public service advertisements. Their actions can have consequences for jobs in America and jobs in Stanly County.

SO DO YOU WANT JOBS IN AMERICA? IN NORTH CAROLINA?
Here are some suggestions to write our two Senators, Dole and Edwards about. This is a non-partisan opinion; an opinion that I sincerely believe will benefit North Carolina and our whole nation:

RECOMMENDATIONS:

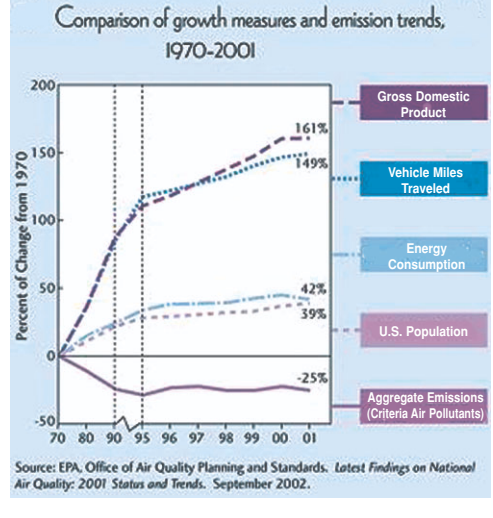
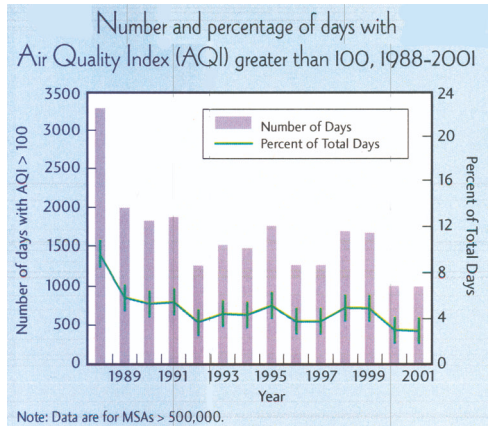
1. Pass a national energy policy to work toward 80% coal and nuclear power generation by 2014. (It is now 72%, but more than half the existing plants will be over 30 years old in 2 years.)
2. Energy exploration and production to produce at least 60% of this nations oil and gas within the USA borders, and keep it at 60% minimum, by 2014. Including NC, Alaska (ANWR), Florida, and California.
3. Provide loan guarantees for new nuclear plants. Nuclear should generate at least 50% of our electricity by 2025. By the way we lag the world here, France is about 77% nuclear, and Lithuania 78%, and Belgium 58%.
4. Provide loan guarantees for all electric utilities so that all utilities will have at least 25% spinning reserve during peak summer and winter load periods...as it used to be in the more black out free days of the late 70s and 80s.



APPROXIMATE TOTAL ENERGY CONSUMPTION

Ok, this is where the energy we use comes from. How do we increase population, increase manufacturing productivity, increase the use of technology and conserve our way into these increases? Please ask you energy illiterate Senators that question.

So, as more and more emphasis is put on "clean natural gas fuel" and it sure is clean (but so is a modern coal plant!) where will it come from? Check the news releases; for example, just this week one of the largest LNG exporting terminals had a massive explosion. Believed to be a simple mechanical failure, but it did kill 23 people, and impaired Algeria's ability to increase exports of LNG (liquefied natural gas) to the USA. Algeria currently supplies only about 10% of our natural gas, but because we are doing very little exploration and new production in the USA, as compared to the demand, this LNG problem can become a factor of our energy supply and our economy. LNG is presently only a small part of the USA natural gas supply, but will become larger if we do not use more domestically produced energy, such as from coal and nuclear.



TOP 15 COUNTRIES BY SHARE OF OUTPUT FROM NUCLEAR POWER

Lithuania78%	Slovenia39%
France77%	South Korea39%
Belgium58%	Switzerland36%
Slovakia53%	Armenia35%
Ukraine46%	Japan34%
Sweden44%	Finland31%
Bulgaria42%	Germany31%
Hungary39%	