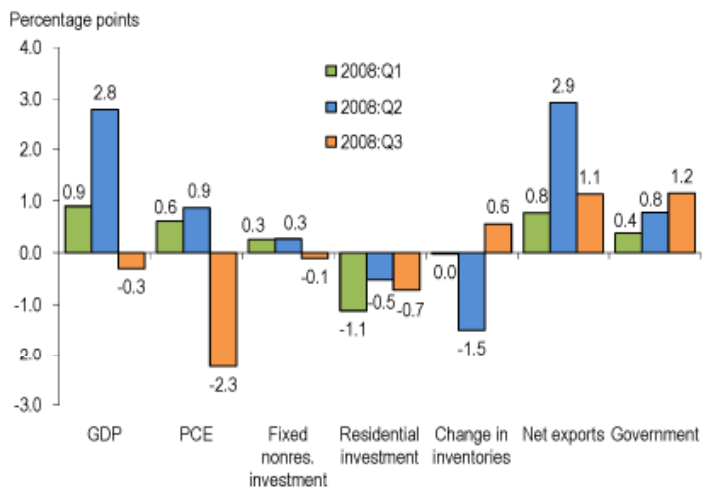


Overview of US Energy Trends and Stimulus Package Energy Programs

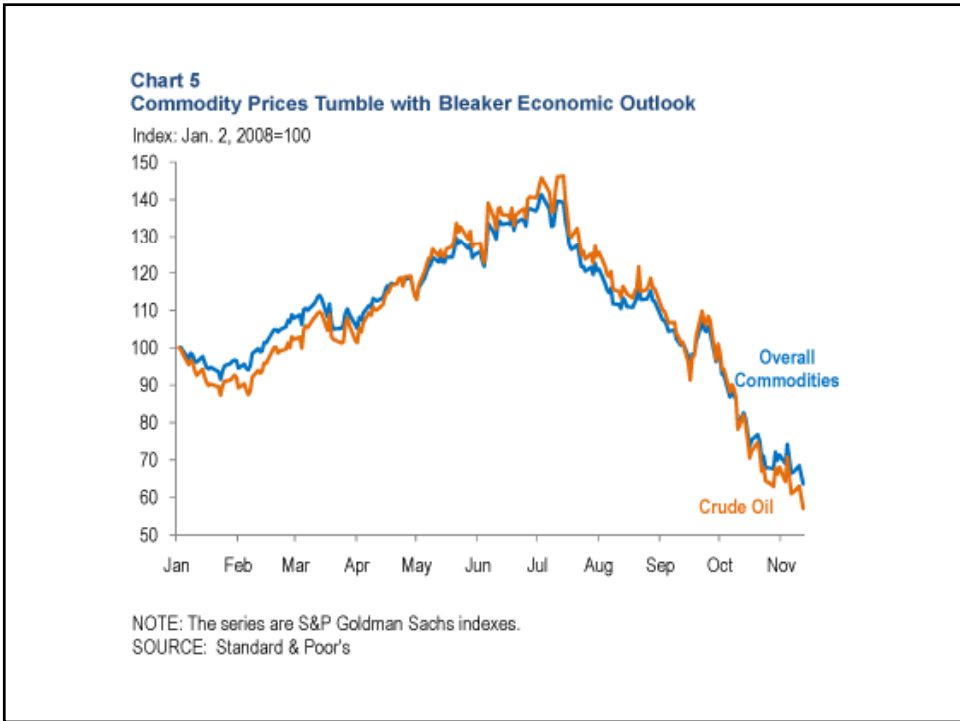
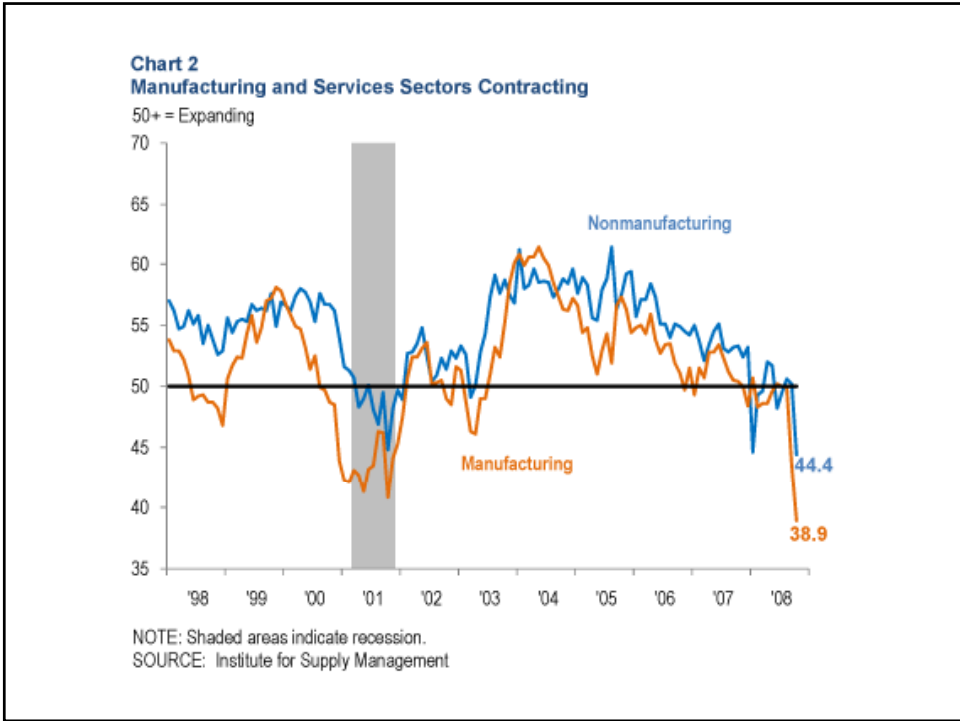
Thomas R. Harris, Chair, Professor and Director
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 Reno, Nevada 89557
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 e-mail: harris@cabnr.unr.edu



Chart 1
Contributions to Recent Real GDP Growth



SOURCE: Bureau of Economic Analysis



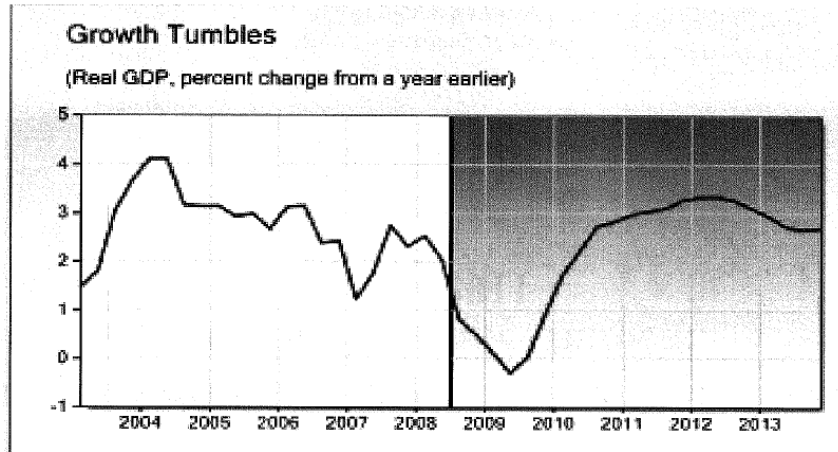
Length of Past Recessions

| Date Peak | Date Through | Length in Months | GNP Contraction | Maximum Unemployment |
|-----------|--------------|------------------|-----------------|----------------------|
| 11-48 | 10-49 | 11 | -1.5 | 7.9 |
| 7-53 | 5-54 | 10 | -3.2 | 6.1 |
| 9-57 | 4-58 | 8 | -3.3 | 7.5 |
| 4-60 | 2-61 | 10 | -1.2 | 7.5 |
| 12-69 | 11-70 | 11 | -1.0 | 6.1 |
| 11-73 | 3-75 | 16 | -4.9 | 9.0 |
| 1-80 | 7-80 | 6 | -2.5 | 8.6 |
| 7-81 | 11-82 | 16 | -2.6 | 10.8 |
| 7-90 | 3-91 | 8 | -0.5 | 6.0 |
| 3-01 | 11-01 | 8 | -0.5 | 6.0 |
| Average | | 10 | -2.2 | 7.7 |

Past Recession Notes

- National Bureau of Economic research determined that peak in economic activity occurred in December 2007.
- A combination of federal tax rebates and unusually strong export sales delayed the recession.
- Had 10 recessions since World War II.
- Peak to bottom lasted 8 to 16 months.
- Unemployment spikes in a recession on average 7.8% but went over 10% in 1980s.
- Current unemployment is 7.2% in December 2008.
- Last two recessions' length were 8 months; current recession could be longer.

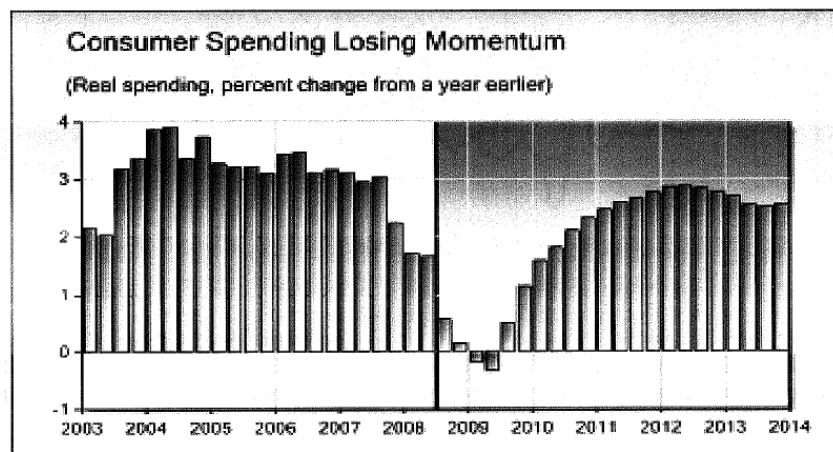
The Deeping Recession



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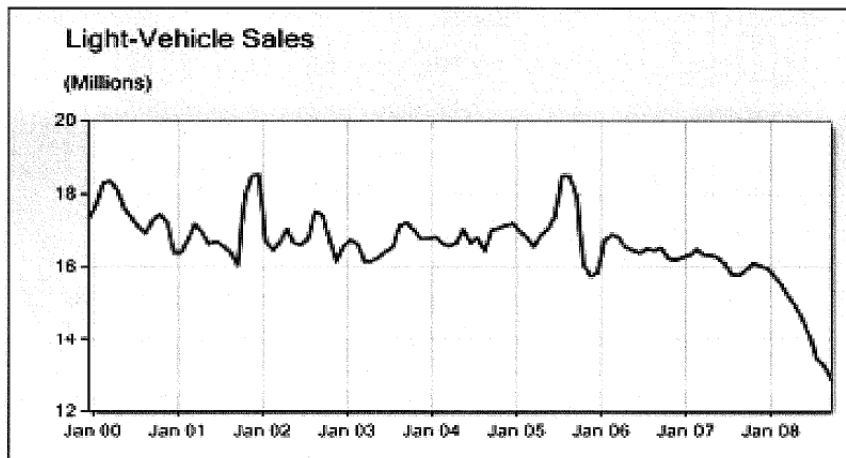
Consumer Spending: Turning Negative



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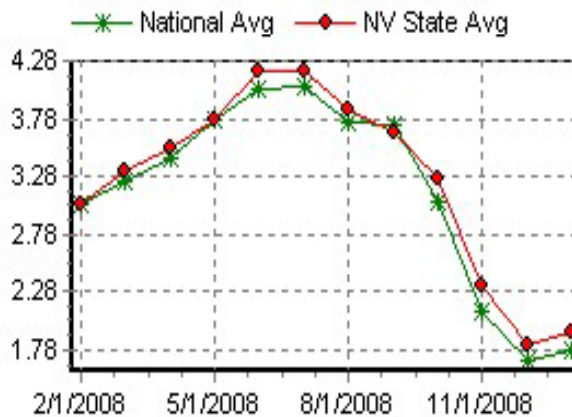
Consumer Spending: Turning Negative



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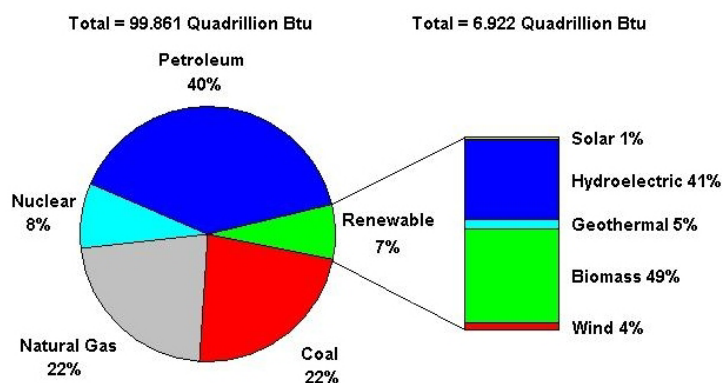
12-Month Average for Regular Unleaded



Energy Outlook

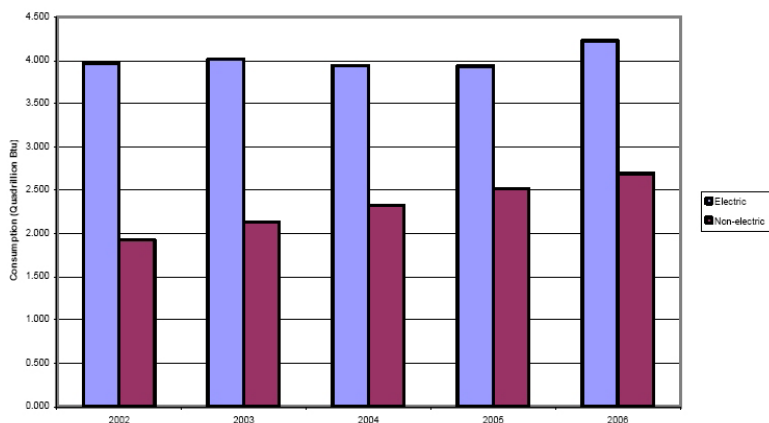
- Energy forecasts sensitive to forecasts of U.S. GDP.
- Long-term growth estimates that oil prices will rise to \$130/barrel in 2007.
- Robust domestic natural gas resource base.
- Recently enacted policies and concerns over greenhouse gas emissions combined with high energy prices will moderate energy consumption.
- Electricity demand in short-run is forecasted to be flat but will rebound by 2010.
- Expansions in coal-fired electric power plants.
- Future for power plants is alternative fuels given energy portfolios.

The Role of Renewable Energy Consumption in the Nation's Energy Supply, 2006



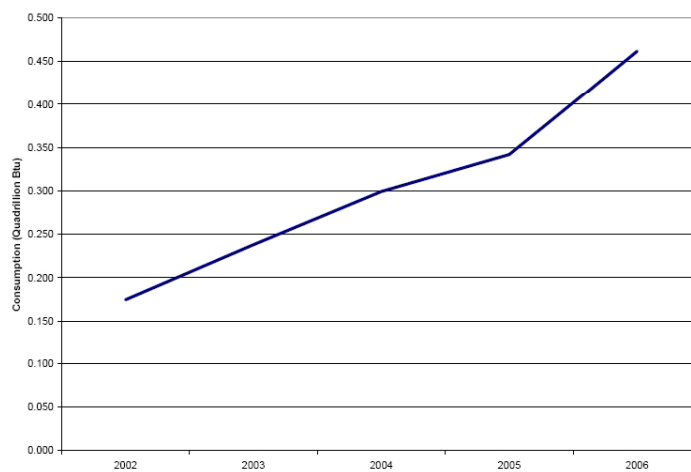
Source: Energy Information Administration, Office of Coal, Nuclear, Electric and Alternate Fuels.

Renewable Energy Consumption, 2002-2006



Source: Energy Information Administration, Office of Coal, Nuclear, Electric and Alternate Fuels.

Ethanol Consumption, 2002-2006



Source: Energy Information Administration, Office of Coal, Nuclear, Electric and Alternate Fuels.

Potential Stimulus Package for Energy

- Reliable Electric Grid - \$11 Billion
- Energy Efficiency and Renewable Energy Research - \$2 Billion
- Energy Efficiency Grants and Loans for Institutions - \$1.5 Billion
- Electric Transportation - \$200 million