

INDIGO

First of all I would like to thank Bill Kruper for all of his efforts to move the Indigo project forward as he did on site and I look forward to working with Bill on future projects.

There have been more than a few snags, which have caused Adco some delays in the original proposed start date of Christmas 2003. A number of elements have forced this project to be delayed. Being involved with the many entities which you must have contact with in California to ensure the effective and timely completion of cogeneration projects such as Indigo there are often some anomalies.

Adco and Simmax Energy have put forth great effort to ensure that all engineering and construction issues have been addressed. There are many entities that have strict policy and procedures with which to comply. The area of cogeneration has a good deal of new rules and regulations, which sometimes are even new to the planners and inspectors that have jurisdiction over cogeneration projects.

Being that this is a newer area of construction some of the newer technology available is being used on the Indigo project which makes construction and operation more cost effective. With the new technologies comes some initial coordination issues and until all disciplines become familiar with the technology there will continue to be issues. With the advent of new devices it is often a bit of a task to get the technology to coordinate and on this project we have seen some coordination issues. None of course which have not yet been overcome. With all this technology an internet based monitoring system will enable our sister company Simmax Energy to have monitoring and operation capability. I look forward to the day when the Indigo site is in full operation, which should be in the summer of 2004. I would like to thank everyone for their help with this complex project.

