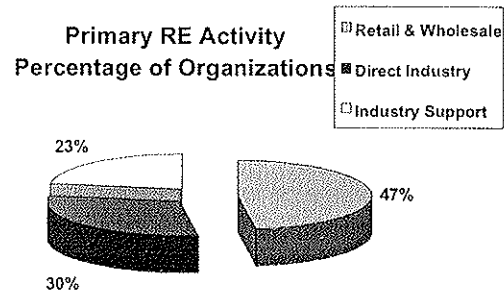


II. Profile of Colorado Renewable Energy Business

Based on responses to a 1998 survey, the composition of renewable energy industry in Colorado is largely retail, wholesale and support organizations, with only 30% of organizations involved in direct industry functions such as manufacturing, construction, design, engineering, and R&D. Retail and wholesale functions account for 47% of the Colorado industry, while 23% provide support functions such as trade associations, training, policy, and planning.



Direct industry activities would presumably present the most potential for Colorado participation in global economic opportunities. Only 3.6% of Colorado-based operations identify product manufacturing and assembly as the primary business activity, while 12.8% identify it as a secondary business function. Another 20% of in-state operations involve primarily construction, installation, design, and engineering. The potential for industry growth based on new technology is represented by 5.4% of organizations showing R&D as a primary activity and 10.3% of organizations that list it as a secondary activity.

Based on employment levels, however, the industry composition looks much different. In 1997 the direct industry organizations accounted for about 83% of the industry employment, while retail and wholesale organizations make up slightly more than 13% of the total. Data provided by 117 renewable energy organizations verify overall in-state employment in 1997 of 4,866 workers, with 24%, or 1,166, employees actually involved in renewable energy activities. Of these, 882 are involved in direct RE industry activities. These companies estimated RE employment growth of about 10% a year through 2000.

In terms of number of employees, Colorado organizations participating in renewable energy activities are small, with 81% having 10 or fewer total employees in 1997 and 50% having only 1 employee involved in renewable energy activities.

About 36% of these organizations generate less than \$100K in total annual gross revenue, and for 55% less than \$100K in gross revenue is attributable to renewable energy products and services. The majority [64%] of these organizations generate all of their revenue from RE sources.

On average, almost 73% of the organizations indicated that Colorado was their primary market in 1997. Almost 39% reported that 100% of their 1997 sales were in the state. A total of 79% of organizations had no international sales in 1997, a percentage that is expected to decrease to 66% in 2000 as more organizations pursue international opportunities.

The industry in Colorado is relatively young, as nearly 45% of RE organizations are in their first eight years of existence. One-third of the organizations have been in business five years or less. Slightly more than 31% started their business during the 1980s and almost 16% started business in the 1970s. Only 8% were in business before 1970.