

ORIGINAL

Arizona Independent Power, Inc.
Subsidiary of Green Planet Group
14988 North 78th Way, Suite 103
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Tel: (480) 222-6222 Fax: (480) 222-6225

January 1, 2014

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

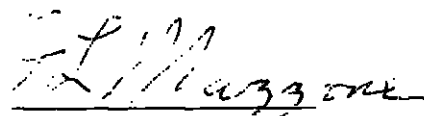
Subject: FERC Project No. 14061-000
Verde Pumped Storage Project
December 30 2013, Status Report No. 5

Dear Secretary:

In compliance with Article 4 of the Order Issuing Preliminary Permit, four copies of the subject status report, due January 1, 2014, are enclosed. .

If you have questions , please contact me at (707) 996-2573.

Sincerely,


Frank L. Mazzone

Attachments: 1

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SECRETARY OF THE
COMMISSION
2014 JAN 13 A 9 14
FEDERAL ENERGY
REGULATORY COMMISSION

Arizona Independent Power, Inc.
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cc:

Edmond L. Lonergan, President
Arizona Independent Power, Inc.
14988 North 78th Way, Suite 103
Scottsdale, AZ 85260

Mr. Joseph E. Tegda
3000 Cradle Mountain Drive
Las Vegas, NV 89134

**ARIZONA INDEPENDENT POWER, INC.
VERDE PUMPED STORAGE PROJECT
FERC PROJECT NO. 14061-000**

PROJECT STATUS REPORT NO. 5

December 30, 2013

**ARIZONA INDEPENDENT POWER, INC.
VERDE PUMPED STORAGE PROJECT
FERC PROJECT NO. 14061-000**

PROGRESS STATUS REPORT NO. 5 - December 30, 2013

TABLE OF CONTENTS

- 1.0 General Introduction**
- 2.0 Discussion of Permit Acquisition Activities**
- 3.0 Milestone Schedule**
- 4.0 Activities Planned for Next 6 Months**
- 5.0 Consultations Planned for Next 6 Months**
- 6.0 Assessment of Project Feasibility**

1.0 INTRODUCTION AND GENERAL INFORMATION

The Arizona Independent Power, Inc. seeks to develop the Verde Pumped Storage Project and herein is referred to as the Company or AIP.

The project will consist of:

- 1) a 265-foot high dam impounding the 150 acre upper reservoir,
- 2) two 19 foot diameter, 12,180 foot long penstocks connecting the upper reservoir with the powerhouse,
- 3) a powerhouse containing 800 MW generating capacity,
- 4) two 21 foot diameter, 3,000 foot-long tail races, connecting the powerhouse to the lower reservoir,
- 5) a dam approximately 95 feet high, impounding the 280-acre lower reservoir,
- 6) a 500 KV transmission line at an undetermined location about 40 miles long, and
- 7) appurtenant facilities.

The proposed site for the Verde Pumped Storage Project is located in the State of Arizona, Maricopa County, about 40 miles west of central Phoenix and north of Interstate I-10. The land within the project boundary is primarily administered by the Arizona State Land Department, the Town of Buckeye, the U.S. Bureau of Land Management (BLM), and about 75 acres of the project's upper reservoir located on the south boundary between the White Tank Mountain Regional Park and Buckeye.

The water requirements for the project are about 20,000 acre-feet for initial fill, and 5,000 acre-feet per year for evaporation and ground seepage losses. The Company and investors recognize that guaranteed long term "water-rights" are required. The Company has access to such "water rights" and upon the receipt of the initial anticipated investment funds it will enter into the water purchase agreement. Under this scenario the Company and the Central Arizona Project, CAP, will mutually establish the locations for the "put-in and take-out" stations in the CAP Aqueduct system. The Maricopa Water District will prepare the Tariff Schedule for transporting the water in the CAP system. The Company will install the required infrastructure to convey the water from the CAP Aqueduct, "take-out" station, and deliver the water to the project.

1.1 COMMUNICATIONS

The following information is provided to insure and maintain the unencumbered flow of the communications between the FERC and Arizona Independent Power, Inc.

The exact name, business address, and telephone number of the Applicant are:

Arizona Independent Power, Inc
14988 North 78TH Way, Suite 103
Scottsdale, AZ 85260

(480)222-6222

Fax (480) 222-6225

The exact name and business address of each person authorized to act as agent for the applicant in this application are:

Edmond L. Lonergan
Arizona Independent Power, Inc.
14988 North 78th Way, Suite 103
Scottsdale, AZ 85260

The Applicant also requests that copies of all pleadings and correspondence be sent to the following parties:

The exact name and business address of each person authorized to act as agent for the applicant in this application are:

Frank L. Mazzone
957 Fairway Drive
Sonoma, CA 95476

(707) 996-2573
Fax (707) 996-4311

Joseph E. Tegda
3000 Cradle Mountain Drive
Las Vegas, NV 89134

(702) 228-7660
Fax (702) 242-8121

2.0 DISCUSSION OF PERMIT ACQUISITION ACTIVITIES

Background

Prior to the submission of the "Request for Preliminary Permit" to FERC, January 12, 2011, and subsequent to the issuance of "Preliminary Permit", by FERC, on August 15, 2011, AIP began its search to find a project Sponsor to provide the resources, funds, to determine the overall feasibility of the project and to prepare the final permit to the FERC to acquire the License to Construct and Operate the Verde Pumped Storage Project". However, during this same time period there has been a hiatus in the financial lending and the venture capital communities. The AIP is continuing and increasing its efforts to find a Project Sponsor.

Upon the receipt of funds from the Project Sponsor, AIP will select and engage the Consulting Engineering company to proceed with preparation of the Preliminary Permit.

3.0 MILESTONE SCHEDULE

The "Milestone Schedule During the Term of the Project" (Vrd-e-sch-01b.123) is attached to this report This Schedule will be updated and modified by the Engineering firm.

4.0 ACTIVITIES PLANNED FOR THE NEXT 6 MONTHS

- 4.1 Obtain a County permit to enter the White Tank Mountain Regional Park to obtain data and information for the project.

Obtain Right of Entry to the land from the Arizona State Land Department. The land

for the project includes BLM Federal Land, who will be contacted, BLM Land administered by the Arizona State Land Department, Maricopa Country, Maricopa Parks Department, the Town of Buckeye, and private Parcels. Most of these mentioned entities have been contacted.

Obtain from an available source long term Water Rights.

4.2 Engineering

The Company has contacted and interviewed engineering companies with EPCM (Engineering, Procurement and Construction Management) capabilities. The engineering activities will commence immediately.

4.3. Environmental

Defining and performing the on site investigations, environmental studies and mitigation measures will commence immediately.

4.4 Land and Other

The lands for the project have been identified. These lands will be secured by November 2013.

Other activities will include discussions with the local and regional electric utilities related to new presence and utilization of the Verde Pumped Storage facility, and negotiations for the power sales contracts. These other activities will commence by September 2013.

5.0 CONSULTATIONS PLANNED FOR NEXT 6 MONTHS

The engineer will prepare the consultation package for "Stage 1 Agency Consultations" is scheduled to start about March 1, 2014.

6.0 ASSESSMENT OF PROJECT FEASIBILITY

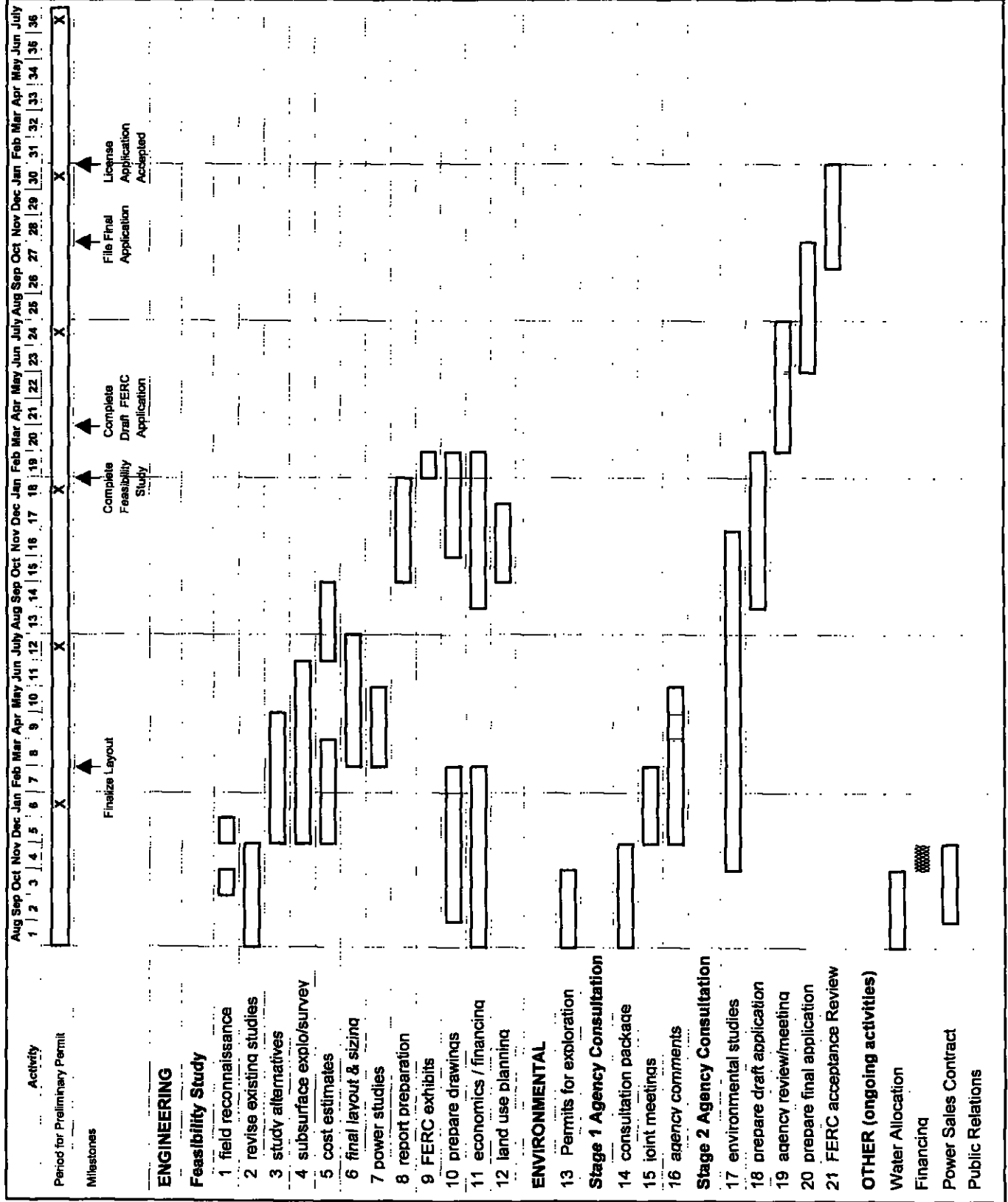
The assessment of the project feasibility will commence about June 2014.

SCHEDULE DURING THE TERM OF THE PERMIT

Verde Pumped Storage Project

Arizona Independent Power Company

§ 4.81 (c)(2)(ii)



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