



May 21, 2009

Ms. Barbara Stokes
Director of Finance & CFO
National Renewal Energy Laboratory
1617 Cole Blvd.
Golden, CO 80401-3393

Dear Ms. Stokes:

2008 National Renewal Energy Laboratory (NREL) Support Cost by Functional Activity Peer Review

We have reviewed the FY2008 Support by Functional Activity Report (SCFAR) of NREL. The purpose of the review was to confirm that the data reported by NREL complied with the guidelines and definitions issued by the United States Department of Energy (DOE) and to fulfill a DOE-HQ requirement to have all of the reporting sites independently reviewed by a SCFAR Peer Review Team on a periodic basis.

NREL FY2008 Support Cost by Functional Activity Report Process:

NREL primarily uses a methodology based upon the Site's Work Breakdown Structure (WBS). Actual cost is collected by subtask within the Site's WBS. Allocations, such as overhead, are stripped from the total actual cost to derive raw cost. Appropriate SCFAR categories are then assigned.

Implementation of Recommendations from Previous SCFAR Peer Reviews:

The recommendations from the last SCFAR Peer Review August 25, 2006 for FY05 have been implemented.

Items Identified During the FY2008 Peer Review

1. WBS tasks identified as 2020 and 2A00 for Fellows in Other (\$135K)

Team Recommendation: Move this cost to Executive Direction
Site Response: NREL agrees to the team's recommendation
2. WBS task identified as 80007051 for Local Economic Development is currently categorized as Executive Direction (\$15K)

Team Recommendation: Move this cost to Information/Outreach Activities
Site Response: NREL agrees to the team's recommendation
3. WBS tasks identified as 31601501 for Printing is currently categorized as Information/Outreach Activities (\$201K)

Team Recommendation: Move this cost to Central Administrative Services
Site Response: NREL agrees to the team's recommendation

4. WBS task identified as 59005362 for System Maintenance is currently categorized as Information Services (\$58K)

Team Recommendation: Move this cost to Maintenance
Site Response: NREL agrees to the team's recommendation

5. WBS task identified as 67001030 for Equipment & Repair is categorized as Information Services (\$25K). This cost was related to a facility modification.

Team Recommendation: Move this cost to Facilities Management
Site Response: NREL agrees to the team's recommendation

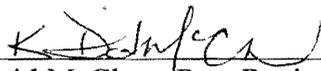
6. WBS task identified as 35105010 for DOE Electrical Safety Work is categorized as Facilities Management (\$37K)

Team Recommendation: Move this cost to Safety & Health
Site Response: NREL agrees to the team's recommendation

Accuracy Assessment:

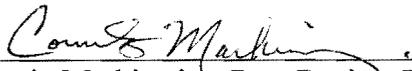
The SCFAR Peer Review Team has concluded that NREL has met the intent of the SCFAR guidelines and definitions and has achieved a level of accuracy at or above 90%.

We would like to thank Karen Keeran, Deonne Degner-Krenz and Patty Jones-Arnold for their effort and outstanding support in assisting the Peer Review Team.



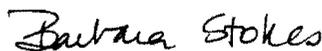
K. David McClure, Peer Review Team Lead
Pacific Northwest National Laboratory

5-21-09
Date



Connie Markiewicz, Peer Review Team Member
Argonne National Laboratory

5-21-09
Date



Barbara Stokes, Director of Finance & CFO
National Renewable Energy Laboratory

5-21-09
Date