



*High Winds (Solano County, CA)*

# California Energy Commission

## Workshop on Renewable Development and Transmission Constraints in Southern California

**May 10, 2004  
Sacramento, CA**

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**Jon Fischer**

**Business Development & Origination**

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**PPM Energy**  
A ScottishPower Company

# Agenda

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- ScottishPower Overview
- PPM Overview
- PPM's Business Focus: Tehachapi-Area Wind

# ScottishPower plc

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## One of the World's Largest Publicly-traded Energy Companies

### Financial Performance

- Market Cap: \$13.2 Billion (May 04)
- Annual Revenues: \$8.35 Billion \*
- Net Income: \$1.24 Billion \*

### Operating Statistics

- Generation: 14,932 MW
- Electricity Distributed: 86,049 Gwh
- Customers: 5 Million\*

### UK's Largest Wind Developer

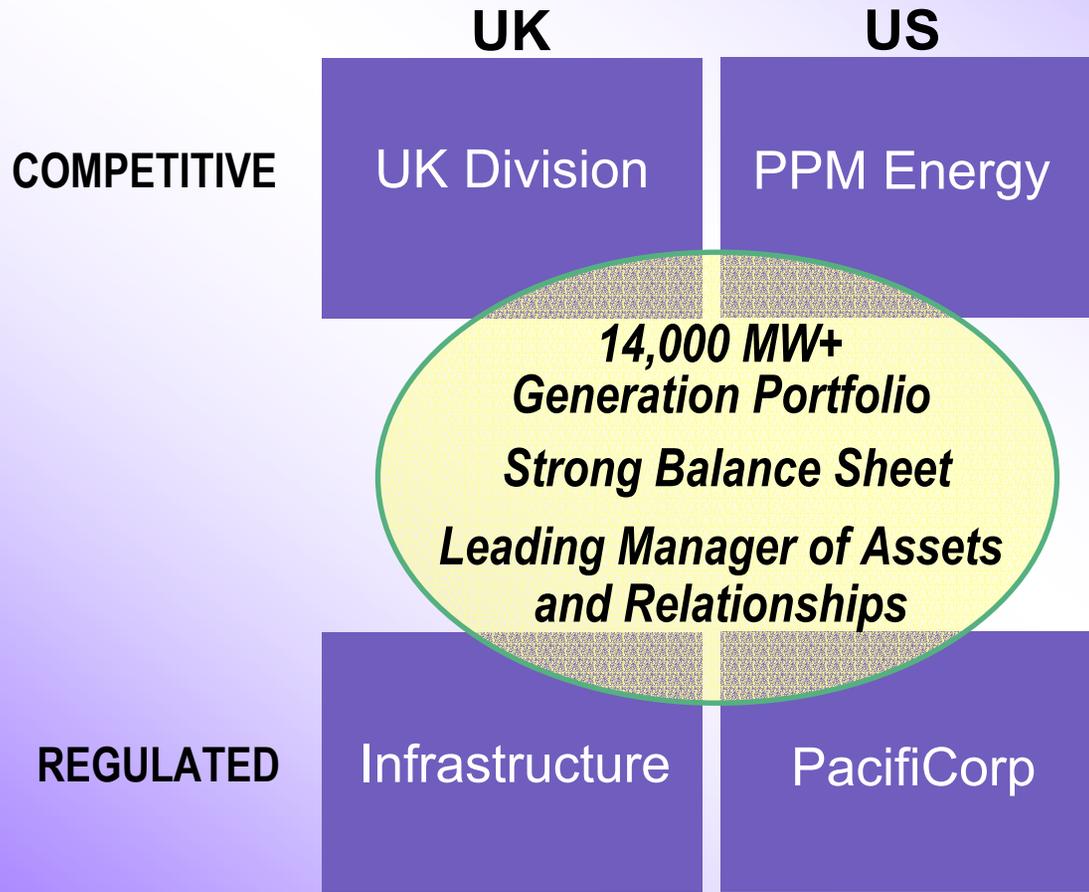
- 128 MW Current Capacity
- 546 MW in planning/ under development
- Goal: 785 MW by 2010

\* Financial results and operating statistics: March 31, 2003

# PPM Energy. . .

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Built on the Foundation of the ScottishPower Group



# **PPM Energy Inc.** (Headquarters: Portland, Oregon)

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## **Business Segment Focus**

- **Wind Generation (2<sup>nd</sup> largest wind developer in the U.S.)**
- **Thermal Generation**
- **Natural Gas Storage**

## **Financial Performance**

- **Growing contributor to SP group - \$45 million in 2003**
- **Capital Assets: \$593 million\***
- **A- Corporate Rating (S&P)\*\***

## **Business Approach**

- **Quality Assets**
- **Creditworthy counterparties**
- **Balanced Portfolio**

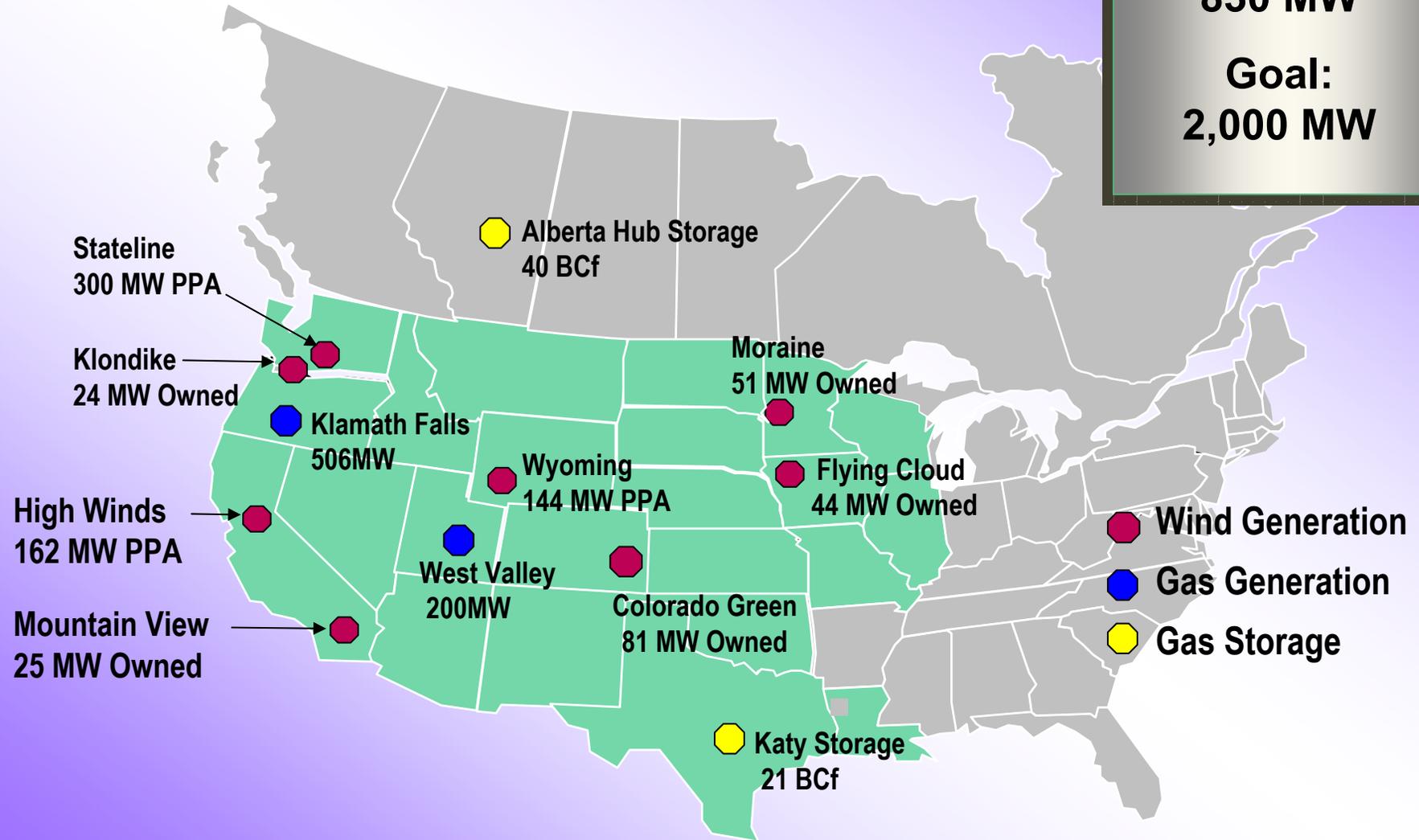
\* Net plant in service + plant in construction (9/30/03)

\*\* PacifiCorp Holdings, Inc. (PHI) - Level Rating

# Current PPM Energy Assets

Wind Assets:  
830 MW

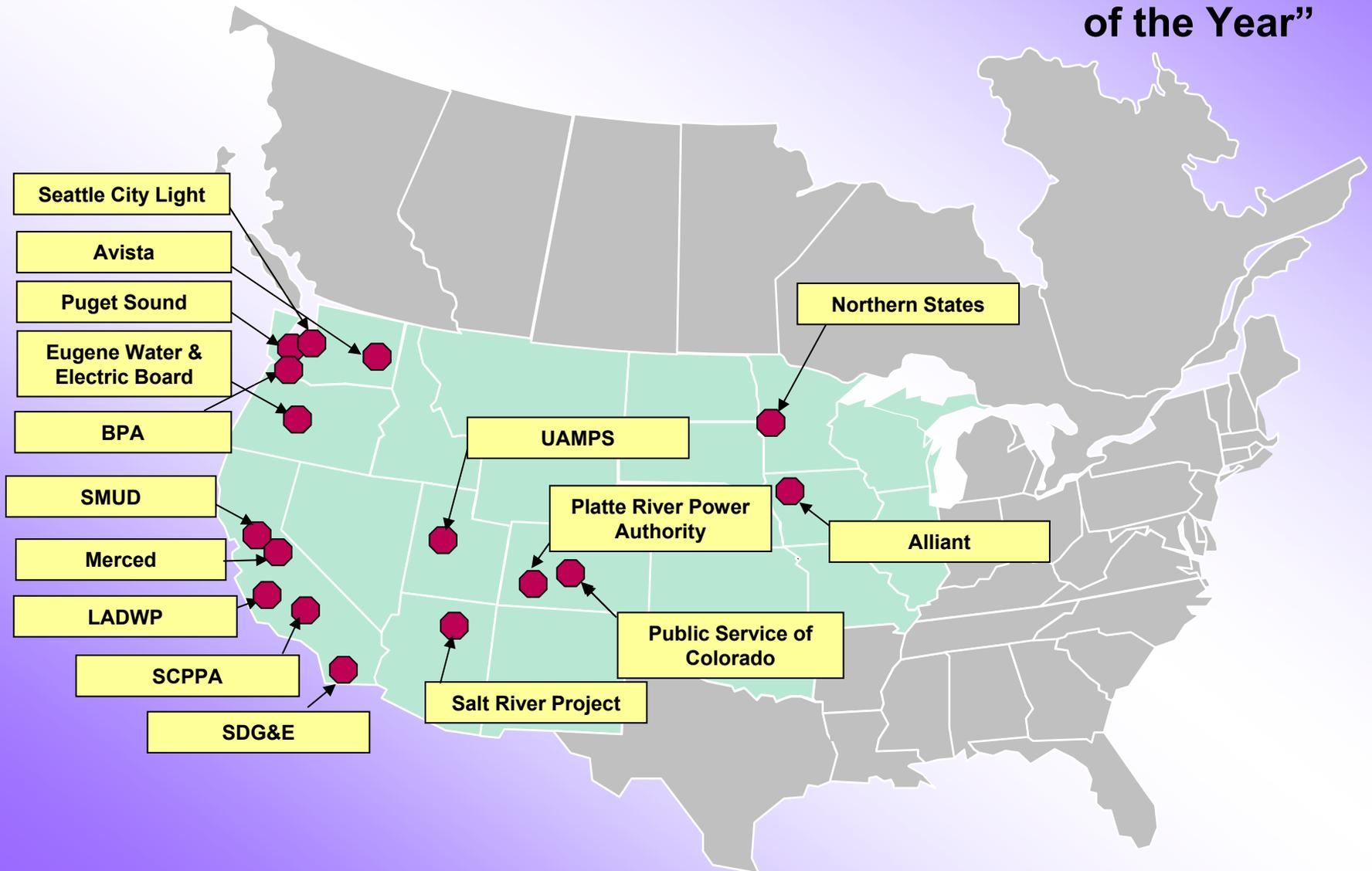
Goal:  
2,000 MW



# PPM Wind Portfolio

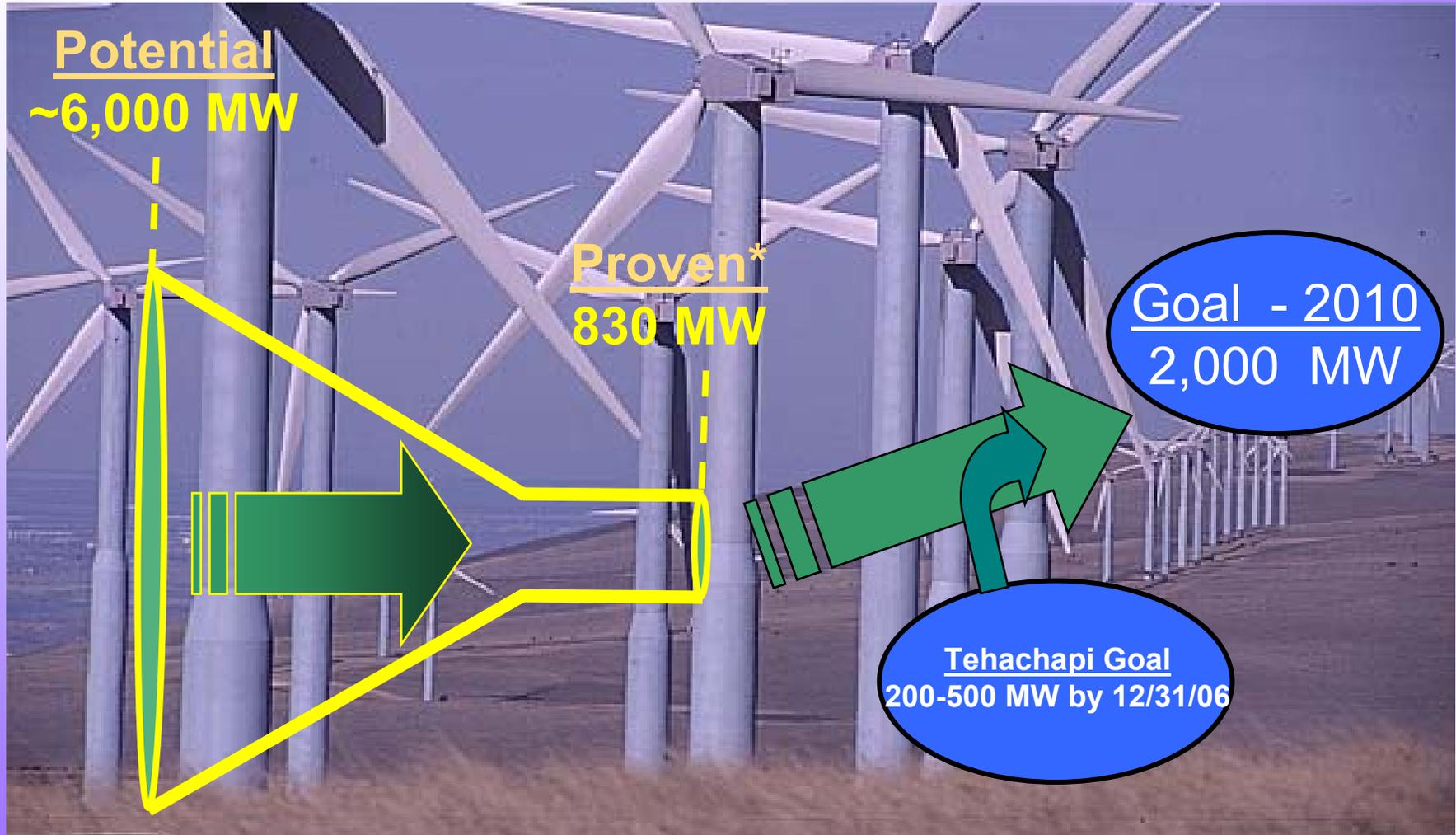
## Broad Base of Current Customers

**AWEA**  
“Market Maker  
of the Year”



# PPM Wind Portfolio

## Wind Project Pipeline



\*Developed, announced or under construction and PPA s as of October 2003

*Stateline (WA)*

# **PPM's Business Focus: Tehachapi-Area Wind**

- ◆ **PPM is focused on bringing 200-500 MW on-line by December 31, 2006**
- ◆ **Toward that end, 200 MW PPM project south of Tehachapi (in LA County) has been in ISO interconnection queue since October 2002**
- ◆ **PPM has additional Tehachapi area projects in the ISO queue**
- ◆ **Re: 200 MW project, PPM and SCE have worked cooperatively through the FERC-prescribed interconnection process:**
  - **System Impact Study completed August 2003**
  - **Facility Study completed February 2004**
  - **Next Step: Interconnection Agreement – expected June 2004**

# **PPM's Business Focus: Tehachapi-Area Wind**

- ◆ **Completion of LA County Project by December 31, 2006 is Critical:**
  - To capture (expected) Federal Production Tax Credit benefits (~\$20 MWh)
  - To lower PPM's production costs
  - In turn, to provide lower cost new windpower to California customers at the earliest possible date
- ◆ **Requirements to Complete the Project:**
  - Substantial "Phase 1" SCE transmission upgrades (SCE has identified)
  - "Phase 1" of a larger transmission upgrade plan to deliver Tehachapi wind
- ◆ **PPM Project Represents Phase 1 of Tehachapi Wind & Transmission Solution**
  - Highest ISO queue status in the SCE/Tehachapi area
  - PPM is a motivated developer that plans to participate in RPS solicitations but whose primary focus is on achieving a 2006 commercial operation date

# Simplified Tehachapi-Area Representation

