

RENEWABLE ENERGY CERTIFICATES & ECONOMIC GROWTH IN NEW JERSEY

Brent Alderfer
Community Energy, Inc.
an Iberdrola Company



The 2006 New Jersey

Clean Energy Conference

& Leadership Awards, September 18, 2006



CEI Ignites the Market...and Supplies the Demand



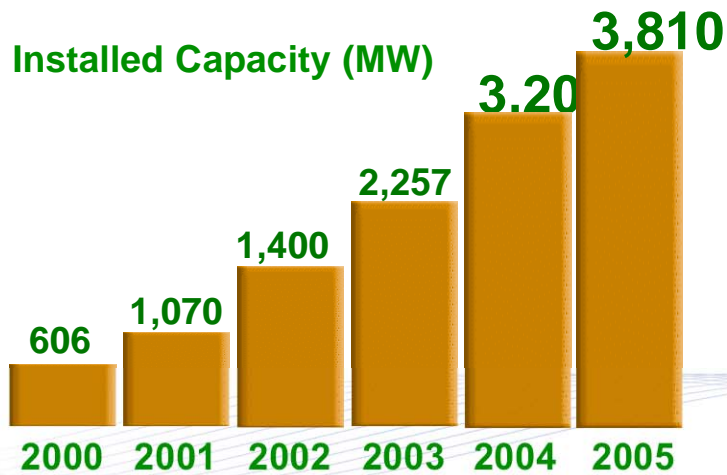
IBERDROLA

PARENT COMPANY OF
COMMUNITY ENERGY, INC.

Renewable Energies
represent
17% of Iberdrola's Group
generation capacity
and 9% of its production

TOTAL RENEWABLE INSTALLED CAPACITY

December 2005: 3,810 MW
June 2006: 4,004 MW



5 % Worldwide
wind market

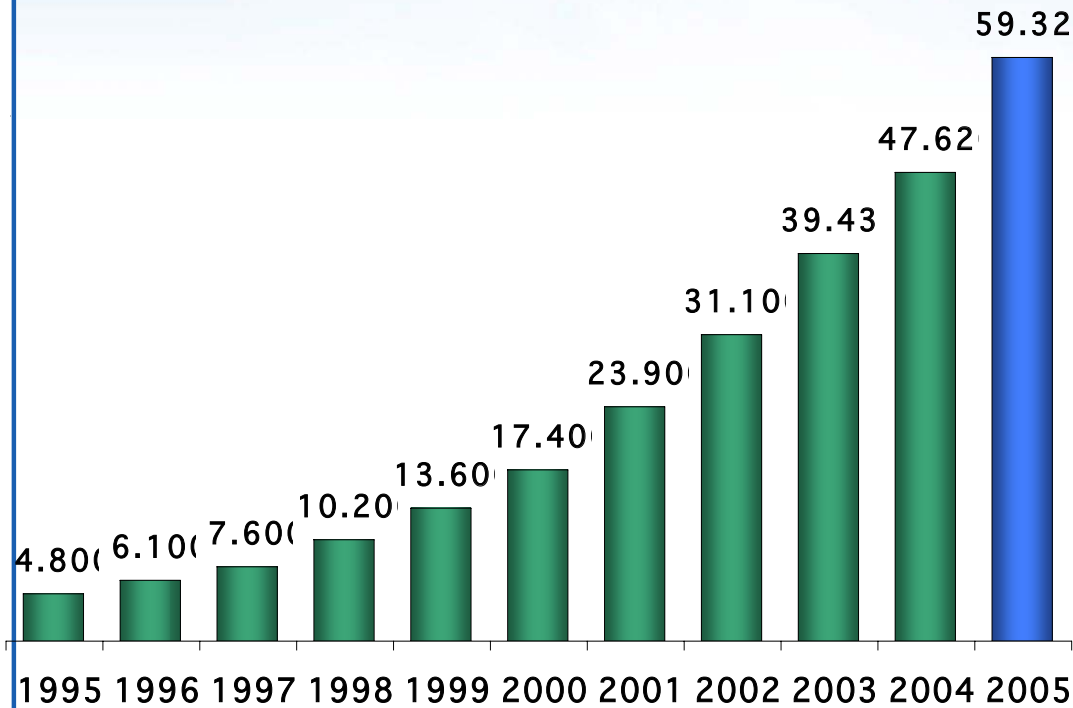


Economic Growth Strategy State of New Jersey 2007

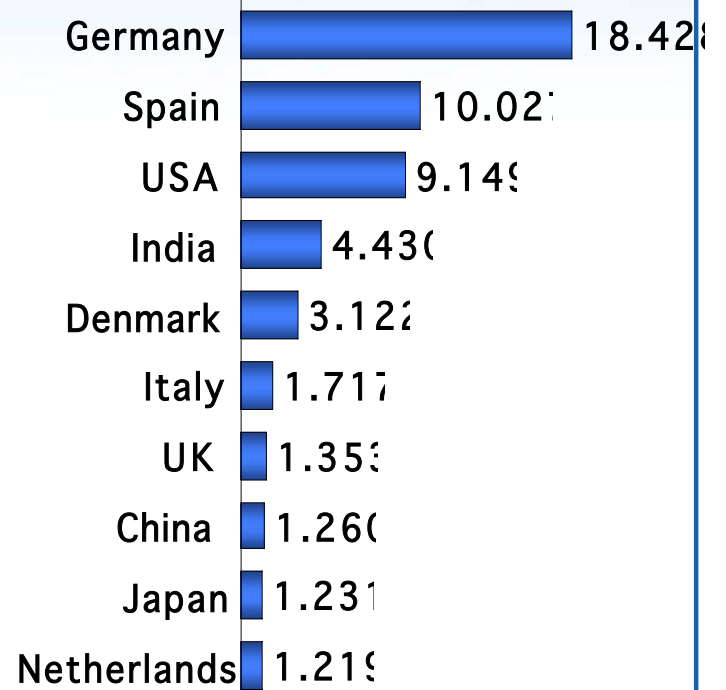
- ENERGY MASTER PLAN
 - Board of Public Utilities and Office of Economic Growth
 - \$20% Renewable by 2020
 - Reduce State Electricity Imports (currently 25%)

Wind Generation Growth World-wide

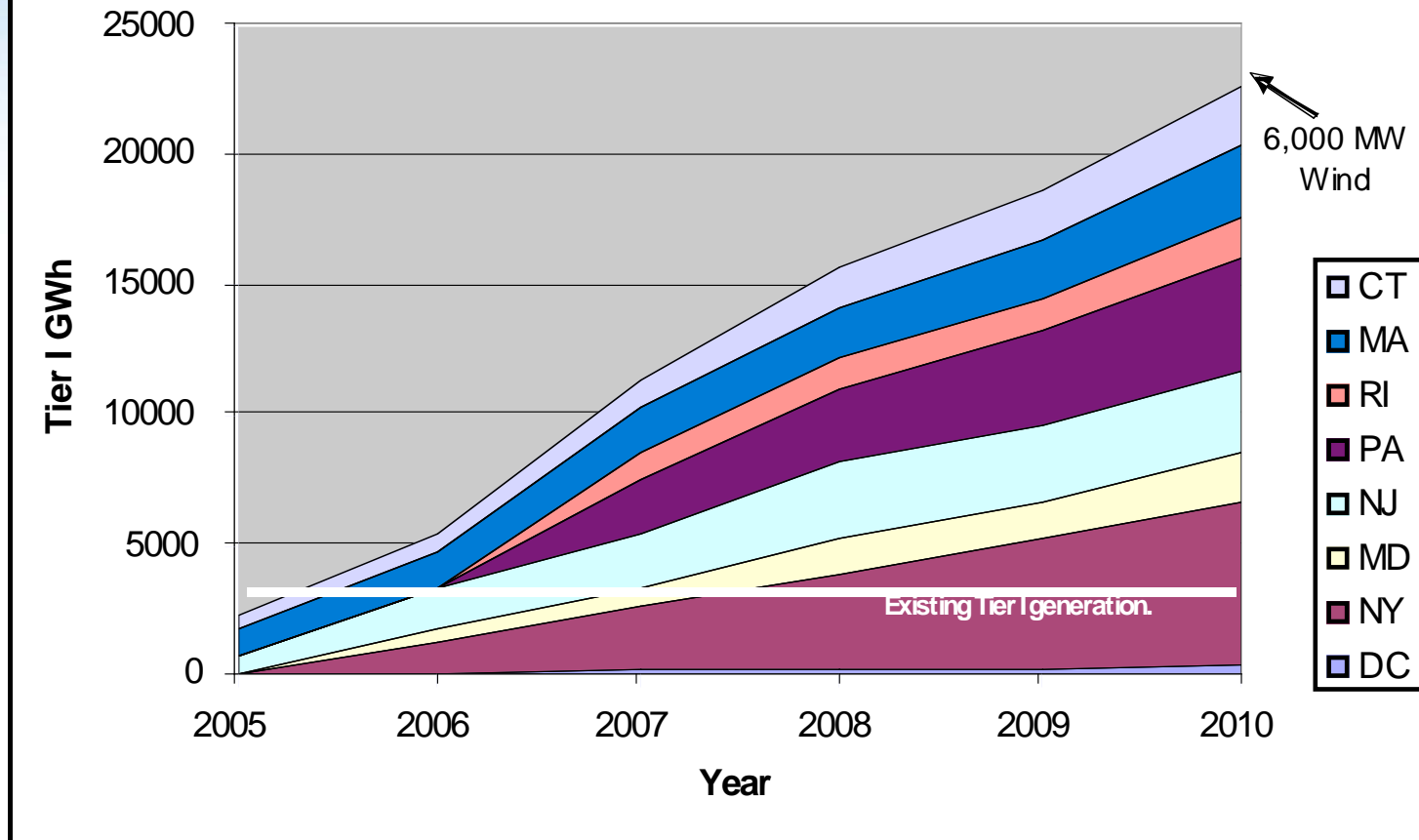
Installed Capacity Worldwide



Country Distribution

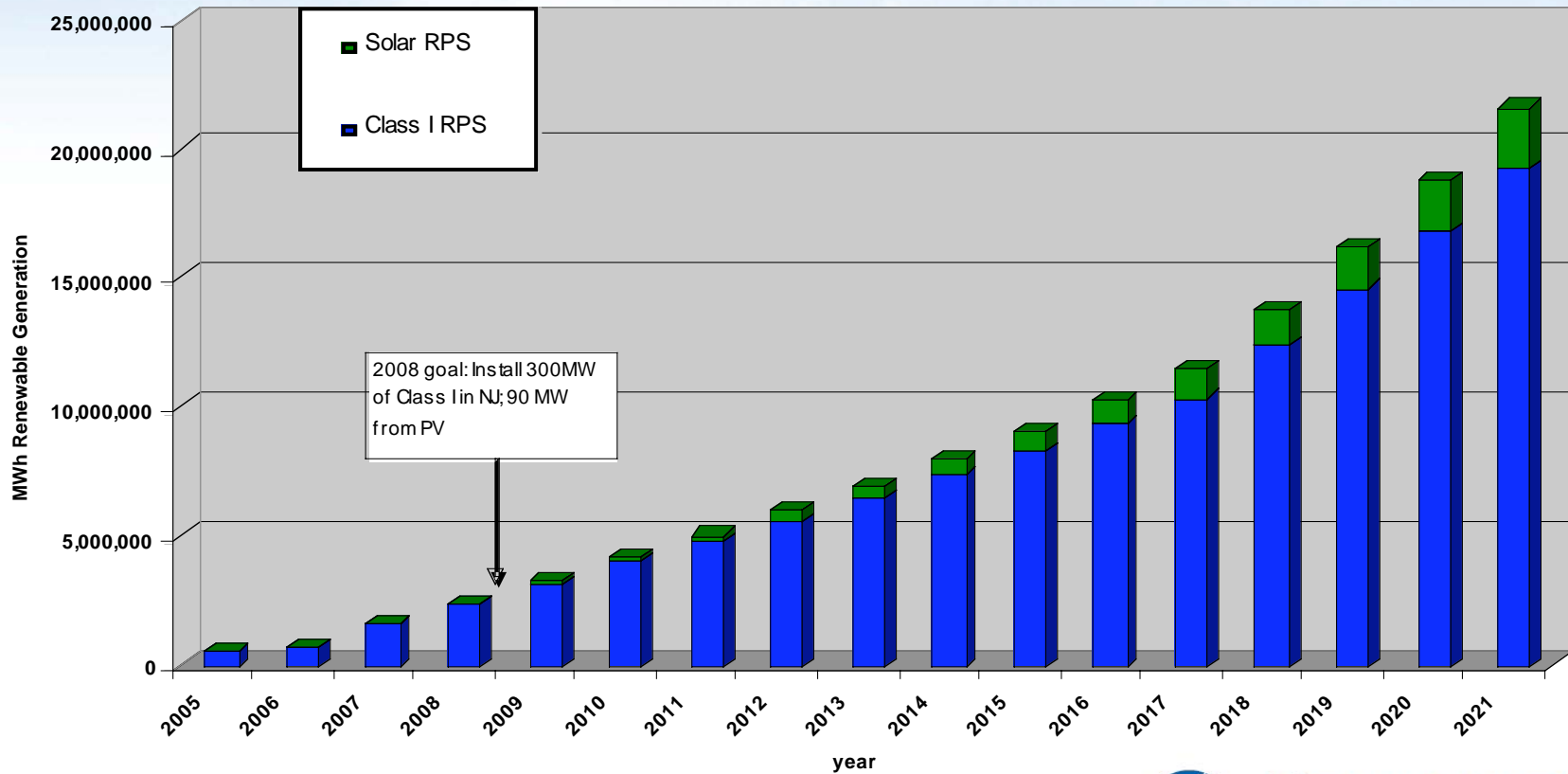


Estimated Demand for Tier I Renewable Energy (based on 1% annual load increase)



- New Jersey Portfolio Standard

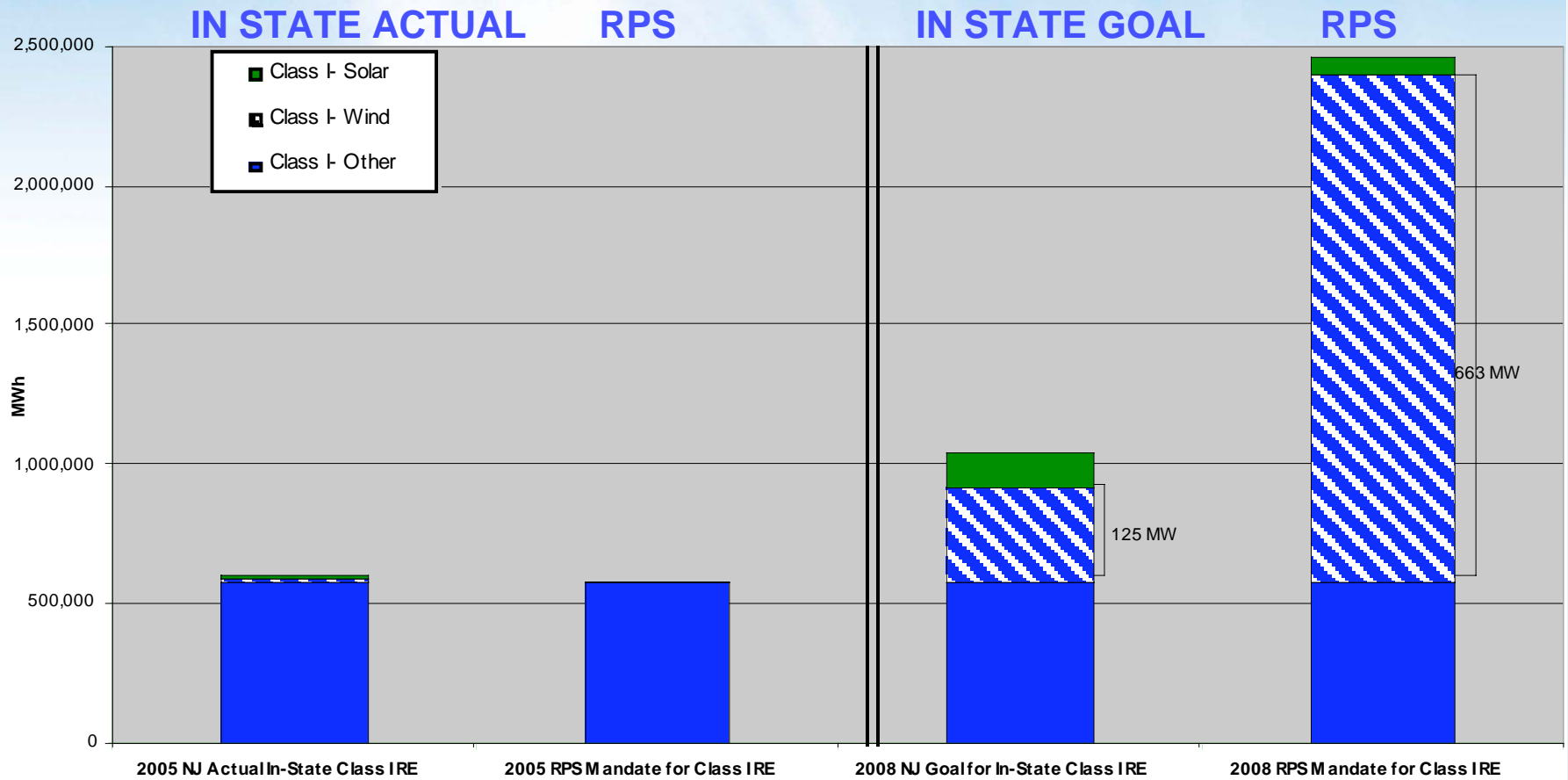
Class I Renewable Generation Ramp Up for NJ RPS



NEW JERSEY IN-STATE VERSUS TOTAL RPS

2005

2008



Financing Wind Projects

Three Revenue Streams

1.) Commodity Energy (Utility Off-take, Wholesale Spot, CFD Contracts)

2.) REC's (Regulatory, Voluntary and emerging Environmental Allowances)

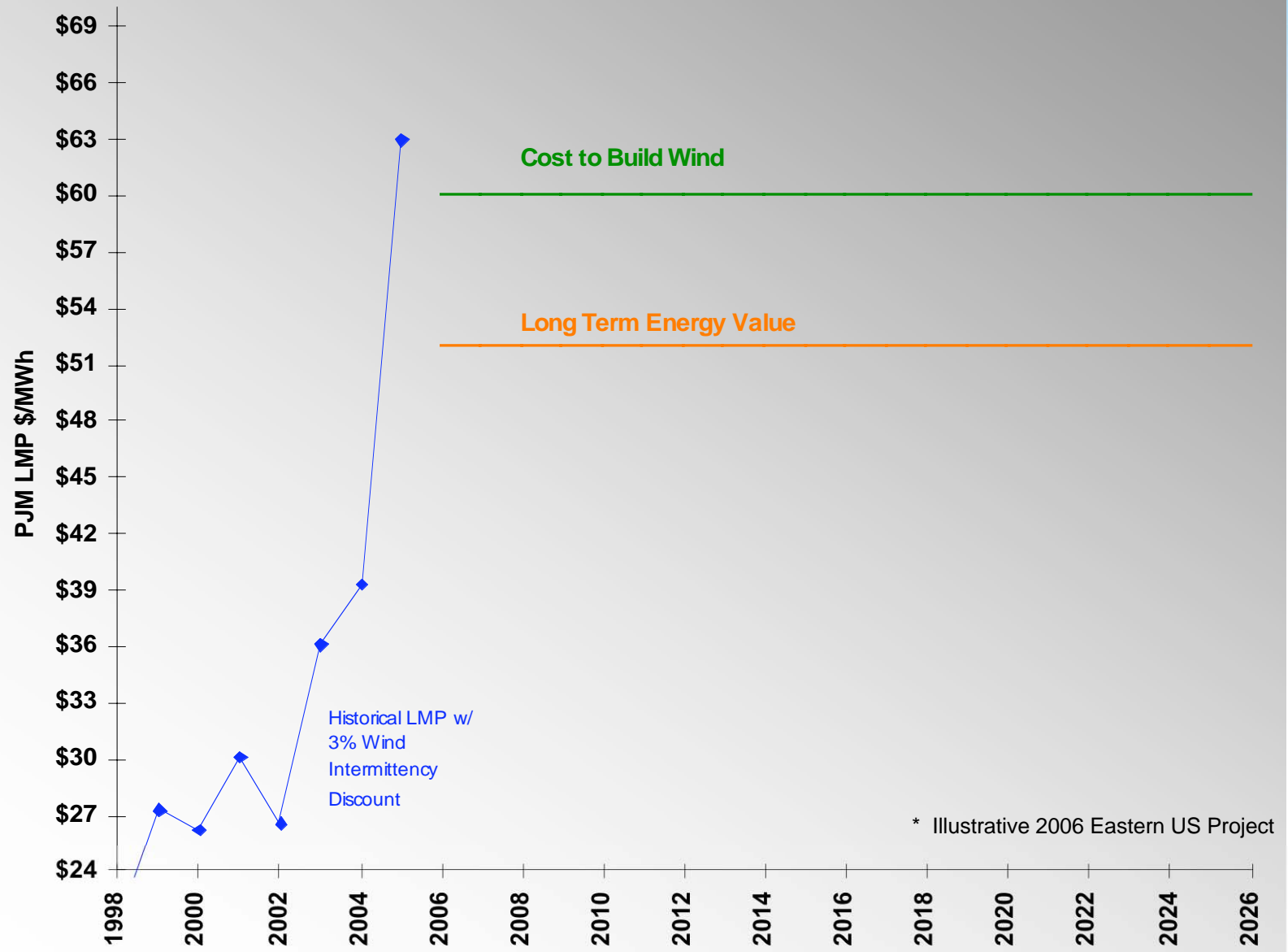
3.) PTC's



Economics of Wind

- Cost of Wind Energy in PJM: - \$ 60/MWh
- PJM Energy Value - \$ 48/MWh
- **ENERGY ECONOMICS** (- \$ 12/MWh)
- REC Value +\$ 15/MWh
- **GREEN ENERGY ECONOMICS** +\$ 3/MWh

Wind Economics



* Illustrative 2006 Eastern US Project

Atlantic City Case Study



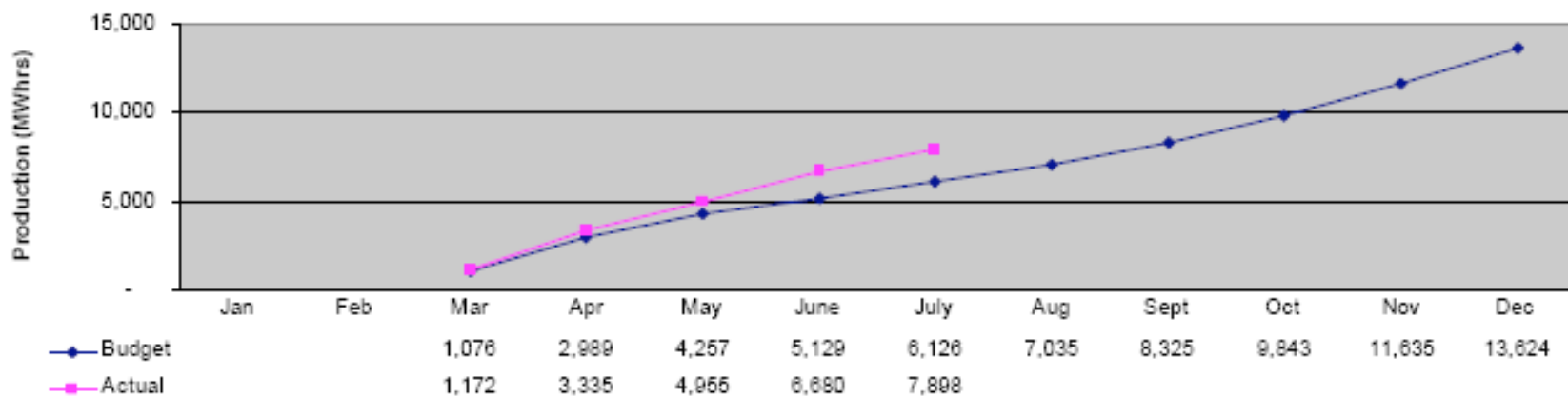
Jersey Atlantic Wind Project 2006

Photo courtesy of M.A. Mortenson Company

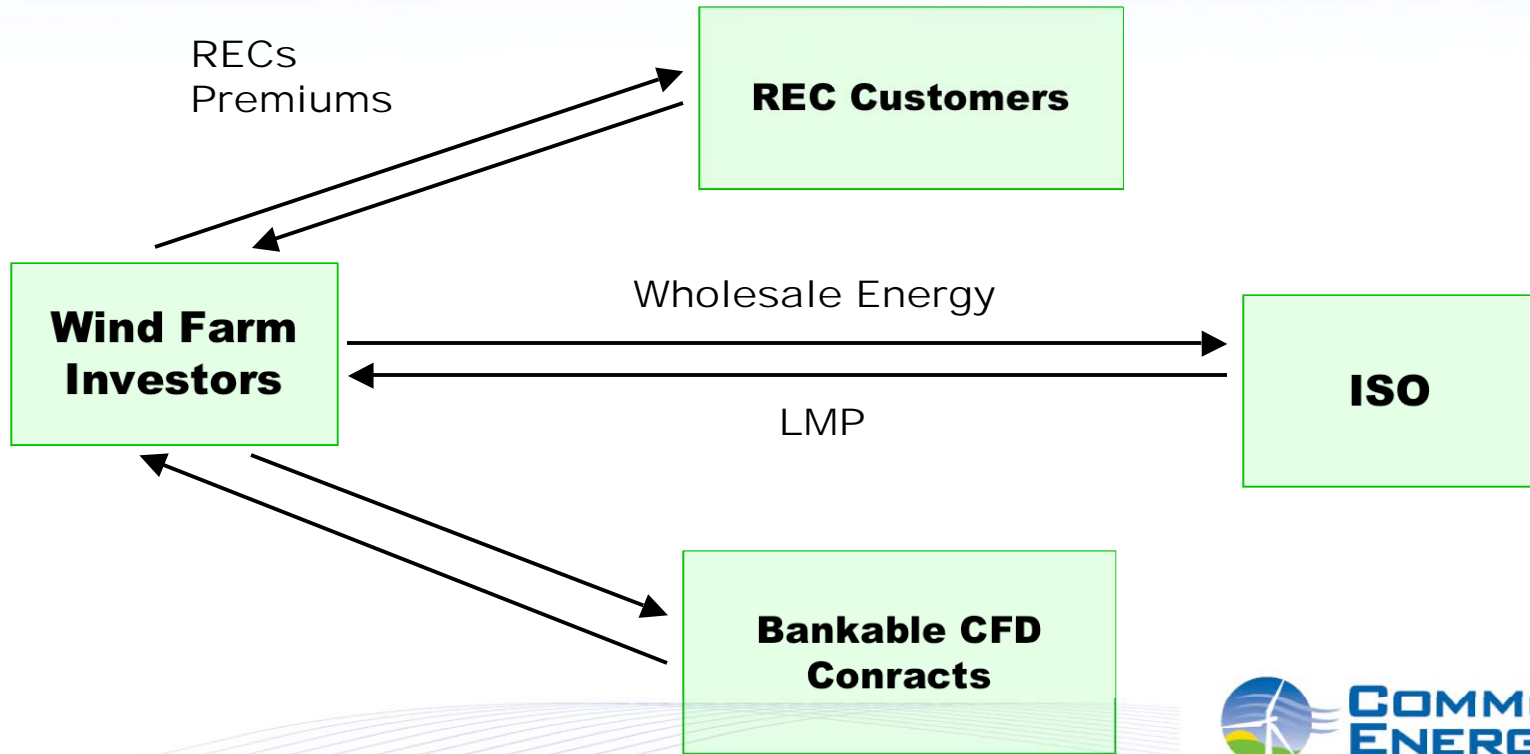
Atlantic City Case Study

- Jersey Atlantic Wind Project (Atlantic City, NJ)
 - 7.5 MW project with five GE WTGs
 - \$12 million financing closed 3/06
 - 1/2 Commodity sold to ACUA; 1/2 Sold merchant to PJM
 - 1/4 RECs sold into NYSERDA; 3/4 RECs sold at retail

Jersey Atlantic 2006 Year-To-Date Net Production



New Deal Structure



Make the Powerful Choice



A simple way to support clean, renewable sources of energy.

Brought to you by the New Jersey Board of Public Utilities

See inside for details.



Yes, I want to make the CleanPower Choice to cleaner energy! I understand a renewable energy charge will be added to my monthly electric bill.



Below are your CleanPower supplier options. Read through them and see which one works best for you. Be sure to indicate your selection by placing a check in the box next to one of the CleanPower suppliers.

Company (check one box only)	Product Name	Resource	Price per Kilowatt Hour	Percent of monthly electricity usage	Average Additional Monthly Cost (avg. home = 700 kWh/mo.)
<input type="checkbox"/> Jersey-Atlantic Wind, LLC njwind.com	NJ Wind	100% NJ Wind	5.5¢	15%	\$5.78
<input type="checkbox"/> Sterling Planet, Inc. sterlingplanet.com	Sterling Select™	33% Wind 34% Landfill Gas 33% Small Hydro	1.2¢	100%	\$8.40
<input type="checkbox"/> Community Energy, Inc. newwindenergy.com	Community Energy	50% Wind 1% NJ Solar 49% Low-Impact Hydro	1.3¢	100%	\$9.10
<input type="checkbox"/> Green Mountain Energy Company greenmountain.com/nj	Green Mountain Energy®	50% Wind 50% Small Hydro	1.3¢	100%	\$9.10

New Jersey CleanPower Choice Program charges are in addition to your normal monthly charges. Check your electric bill for your actual monthly usage to determine your cost. The average residential customer pays between 13.76¢ and 15¢ per kilowatt hour. For more information visit www.NJCleanPower.com or call 1-800-515-5353.

THE FOLLOWING INFORMATION IS REQUIRED FOR PROCESSING:

Electric Utility Account Number: (check your bill for #)

Name: _____

Mailing Address: _____

Telephone Number: _____

Signature: _____

By signing this, I agree to pay an additional charge for renewable energy.

Email (optional): _____

Additional options and prices are available with the above CleanPower suppliers. See back panel for contact information.

Program eligibility is limited to customers receiving Basic Generation Service from the local electric utility who are current on payment of their electric bills. Universal Service participants are not eligible.

OCE0206 Printed on recycled paper. Printed with soy-based ink.

Shortly after we receive this form indicating your CleanPower supplier selection, you will receive a welcome package with terms and conditions.



So many reasons.
A new, clean, and simple solution.



COMMUNITY ENERGY®

An Iberdrola company

**Make the
Powerful Choice**



**A simple way
to support clean,
renewable sources
of energy.**

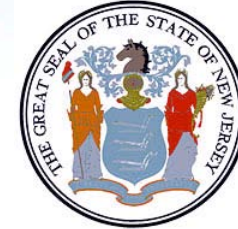
Brought to you by the
New Jersey Board of Public Utilities

See inside for details.

Clean Power Program Results

- **6,750 customers**
- **50,000 MWh**
mid-Atlantic clean
= 20 MW Wind
- **4,200 MWh New Jersey**
98% NJ Wind
2% NJ Solar

More than 100,000 households and organizations purchase renewable energy from Community Energy



Market Next Steps

or Beauty is in the Eye of the Beholder

Market Support:
New Generation
Secure Energy
Clean Environment
Investment at Home

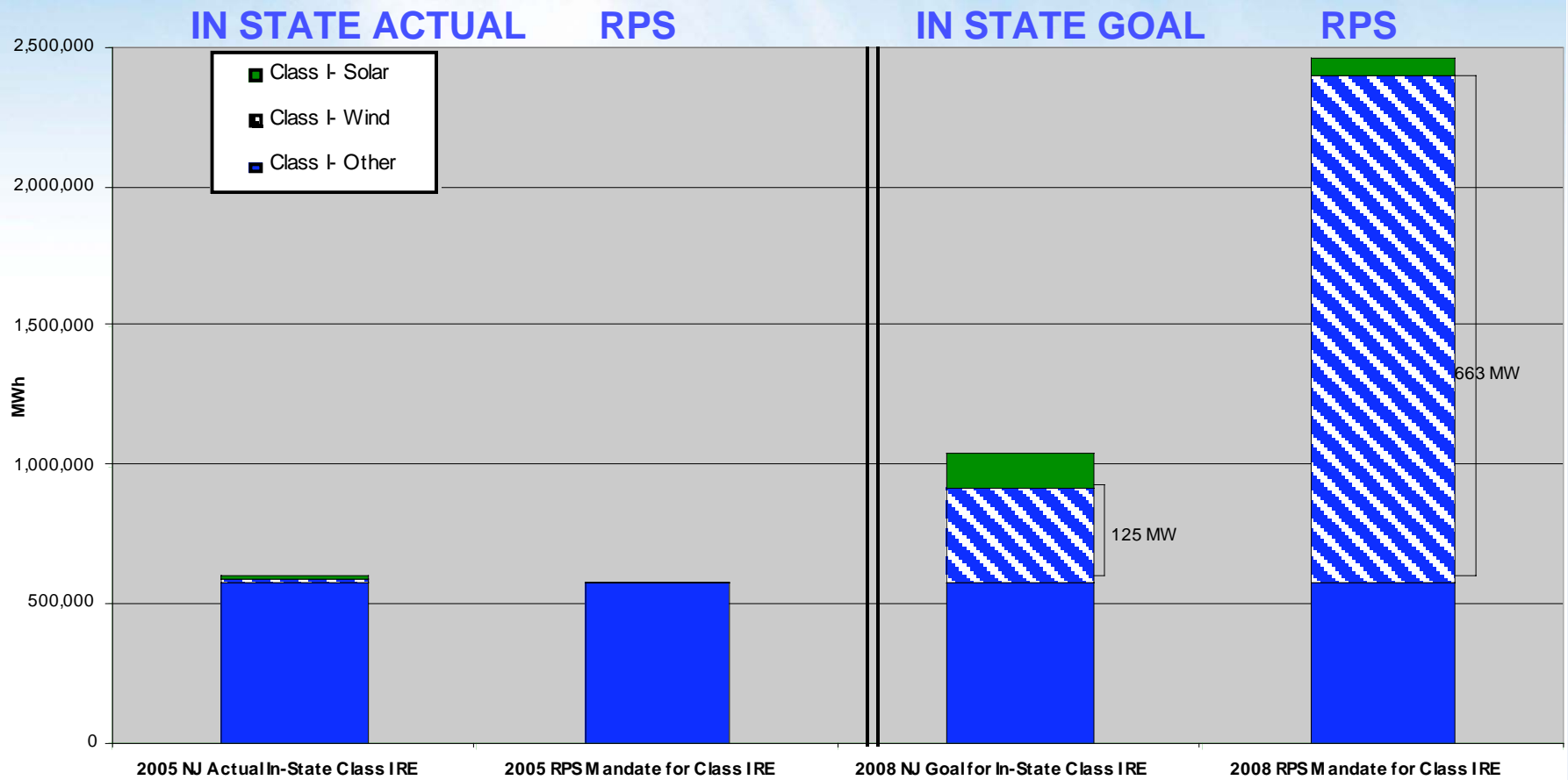
Getting to the Numbers:
7500 to 75000
Sandy Alexander to
all printing companys
From Rowan Unversities to
a way of business



Photo courtesy of M. A. Mortenson Company

NEW JERSEY IN-STATE VERSUS TOTAL RPS

2005 2008



REC Markets

Lead Energy
Development

Finance Renewable
Projects

Promote
New Jersey
Economic
Development

