



CPV

Competitive Power Ventures Says Stable Regulatory Environment Key to New Energy Investments for Maryland *CEO of Silver Spring Company Testifies before Maryland Public Service Commission Hearings*

SILVER SPRING, MD (July 27, 2007) – In testimony later today before the Maryland Public Service Commission (PSC), Competitive Power Ventures (CPV) Chairman and Chief Executive Office Doug Egan will urge Maryland policymakers to provide a stable regulatory environment to encourage new investments in much-needed power generation across the state.

[See the full text of Egan's testimony at:

http://webapp.psc.state.md.us/Intranet/AdminDocket/NewIndex3_VOpenFile.cfm?ServerFilePath=C%3A%5CAdminDocket%5CPublicConferences%5CPC9%5C14%2Epdf]

"Maryland badly needs new native power generation that is environmentally friendly with state-of-the-art efficiency and reliability," said Doug Egan, Chairman and Chief Executive Officer of CPV, which is headquartered in Silver Spring. "The Commission should not only maintain, but improve current policies, and look favorably upon new proposals that encourage the building of generation in Maryland."

Earlier this week, CPV announced plans to build a 600 megawatt natural gas-fired combined cycle power plant in Charles County. The new facility, CPV St. Charles, will generate enough electricity to power 600,000 homes and use the most advanced and environmentally-conscious power generation technologies to produce electricity efficiently and cleanly to help meet the region's demand for energy.

Maryland currently imports more than a quarter of its electric energy needs, making it the fifth largest importing state in the country, according to Maryland PSC reports. In addition, more than three-fourths of the generation capacity in the state is more than 21 years old and in need of environmental improvements.

"A stable regulatory environment is critical to upgrading our power infrastructure. Investors need to feel comfortable that the policy landscape won't suddenly shift under them," Egan said in his testimony. "In order for markets to work properly and for customers to fully realize the benefits of wholesale and retail competition, Maryland needs to construct a significant amount of new generation. CPV's view is that the best way to make this happen is to foster policies that bring new sources of private sector investment to the table, instead of retrenching back to the days when the entire burden of new generation was placed squarely on the ratepayers' backs."

Egan said that power plant siting plans now in development are based on the current market and regulatory structure, and warned that a significant sudden change or regulatory uncertainty would slow down efforts to address Maryland's looming energy shortages.

"If a fundamental change in direction were to occur, nobody can predict with any confidence where things might end up," Egan said. "Consequently, it is hard to see how

anyone could move forward with projects to address the supply-demand imbalance with any confidence that their investments in such projects would prove to be wise ones.”

In addition to calling on the PSC to maintain a stable regulatory system, Egan urged the commission to establish a clear permitting process that would help grant final approvals in a timely manner. He also said that Maryland customers would be best served by the state continuing to promote transparent power pricing and the removal of barriers to building new Maryland-based power facilities. In addition, Egan said the State of Maryland should encourage an environment for the utilities to meet some of their energy requirements with longer-term power supply agreements.

When completed in 2011, CPV St. Charles will be one of the cleanest natural gas facilities ever built in Maryland and the Washington DC area. The new plant, which will use clean-burning natural gas, will help reduce dependency on older coal-burning power plants which currently supply a majority of the region’s power. Additionally, the plant’s innovative design will prevent it from being a strain on local water resources by employing a cooling system that requires only minimal groundwater.

The new facility will be built and operated through CPV’s wholly-owned subsidiary, CPV Maryland, LLC. It will be constructed on a 77-acre site in Charles County which was previously fully permitted by another power company. In addition, the site is adjacent to an existing power line, which will eliminate the need to construct new transmission towers or power lines. CPV also has obtained priority rights to tie the plant directly into the region’s power grid, giving CPV St. Charles a time and cost advantage over other proposed new power plants in the metropolitan Washington DC area.

About Competitive Power Ventures

CPV Maryland, LLC and CPV Warren, LLC are wholly-owned subsidiaries of Competitive Power Ventures. Established in 1999, Competitive Power Ventures is a North American power industry development and asset management company. In addition to its Silver Spring, Maryland headquarters, CPV has offices in Boston and San Francisco. The company’s development professionals have played critical roles in the successful development of more than 30 power plants, representing over 15,000 megawatts of currently operational power generation capacity. CPV is majority owned by Warburg Pincus. For more information please visit www.cpv.com.

###

For More Information Contact:

Scott Milburn, APCO Worldwide, (202)778-1037, smilburn@apcoworldwide.com
Sharon Segner, Competitive Power Ventures, (240) 723-2329, ssegner@cpv.com