IPT STATEMENT OF QUALIFICATIONS

IPT's Experience and Qualifications in the Energy Industry fall into two broad categories:

- Project Development Experience
- Operations Maintenance and Management Experience

Company History:

IPT was among the founders of the cogeneration and independent power business in California. From its formation in 1974 until 1982, IPT mainly performed research and development on power generation technologies. In 1982, IPT turned to commercialization of a promising, advanced technology for steam injection of gas turbines. This technology, known as "Cheng Cycle", is ideally suited for small to medium sized industrial and institutional cogeneration customers. Beginning in 1982, venture capital investors recognized the potential of the Cheng Cycle and provided the capital necessary to build IPT into a successful company.

In 1983 IPT co-developed the Allison 501-KH steam injected gas turbine with Detroit Diesel Allison in Indianapolis, Indiana and Allison subsequently named the new 501-KH gas turbine the "Cheng Cycle" in honor of its inventor Dr. Dah Yu Cheng. In 1984 the first commercial Cheng Cycle was installed at San Jose State University located in San Jose California and is still operational today.

Most in the cogeneration and independent power business are familiar with IPT's Cheng Cycle activities. IPT has evolved from a technology development company to an energy service company. IPT took complete responsibility for the development, specification, project management, and startup of the initial Cheng Cycle plants. IPT then assumed long term OM&M responsibility on behalf of project owners and financiers.

The design of the Cheng Cycle system was largely refined and standardized over the first six installations. By 1987 commercialization was complete, and marketing, sales, and packaging activities were licensed out to selected manufacturing and engineering companies. A worldwide network was thus established with licensees in Ohio, Japan, Western Europe and Australia. Free of Cheng Cycle marketing and manufacturing duties, IPT entered the 1990s as a company focused primarily on OM&M of cogeneration plants. Secondarily, IPT provided design, startup, and operating services to licensees of Cheng Cycle technology. There are now 135 Cheng Cycle units worldwide using the 501-KHX technology and more than 120 Cheng Cycle power plants in operation.

In 1991, IPT was acquired by ELIN, an Austrian industrial holding company, with annual sales of $3 billion, employing more than 14,000 workers, with divisions in industrial plant construction, power generation and electronics. It was during this period that the Vic Hospital Cheng Cycles were constructed.

In 1999, there was a management buyout of IPT. Today, IPT continues to provide power plant project development, consulting, and operations, maintenance and management services to the power industry. Please see www.intpower.com for more detailed information about IPT.

Project Development Experience:

International Power Technology (IPT) is an experienced developer of cogeneration power plants. In many instances, IPT has enabled steam and electricity users ("hosts") to obtain all the benefits of cogeneration without making capital outlays. IPT has successfully developed six cogeneration projects in California, and currently services a number of Cheng Cycle cogeneration facilities including: SRI International in Menlo Park, California, Frito Lay, and Hershey Chocolate. Over the past 25 years, IPT has been involved with the development and operations and maintenance of many other projects in Australia, Europe and Japan.

IPT developed projects include:

- San Jose State University – San Jose, California (Currently Operational)
- Frito Lay – Bakersfield, California (Currently Operational)
- Sunkist Growers – Ontario, California (Currently Shut Down)
- Hershey Chocolate – Oakdale, California (Currently Operational as Peaking Unit)
- SRI International – Menlo Park, California (Currently Operational)
- Loma Linda University – Loma Linda, California (Currently Operational)

A pioneer in the development of Cheng Cycle cogeneration technology, IPT began offering project development services in the early 1980's to promote the sales of Cheng Cycle equipment. This activity lead to the formation of a highly capable and successful team of experts dedicated exclusively to project development. Today IPT draws upon a wide variety of manufacturers and models when selecting the equipment that will best suit customer operating and economic goals. IPT works only with quality partners to guarantee successful project completion and long term project success. To design, build and finance its projects IPT has retained the services of reputable companies such as Bechtel Construction, Inc., Ebasco Services, Inc., Merrill Lynch, Citibank, Drexel Burnham Lambert, Bear Stearns, and Union Bank. Since 1984 IPT has participated in the design, installation, and operation of over thirty Cheng Cycle steam injected cogeneration plants worldwide including the 6 Vic Hospital Projects in Melbourne, Australia.

VIC Hospital Project Development

The SECV (State Electricity Commission of Victoria) in Australia established and incentive program in 1987 to encourage the development of cogeneration and renewable energy projects. Feasibility studies determined that cogeneration was technically viable at several hospitals in Victoria. However, cogeneration was only marginally viable economically primarily because of SECV's very low off-peak tariffs. The tariffs were so low that a cogeneration plant could only be operated profitably during the peak hours. Because it was difficult to recover capital costs from a plant operating only on-half of the year and because of the requirements for third party financing, several trade-offs were necessary to improve the economics of cogeneration sufficiently for the six projects to be financeable. The major trade-offs were:

- selection of a single Developer
- selection of the same operator for all the sites
- use of the same prime mover (IPT Cheng Cycle)
- combining the hospitals where necessary into a single contractual entity
- negotiation of a single energy services agreement for all the Hospitals

A consortium headed by Fletcher Construction Australia (FCA) was selected as the preferred bidder in 1991. The other key members of the team were Ewbank Preece Sinclair Knight (EPSK, design and engineering), ANZ Capel Court (financial advisor), National Mutual Limited (equity financing), and Command Environment and Energy Services (CEES, operations). These were the entities which initially sponsored the limited company known as Varnsdorf. Varnsdorf (the ESCO)

was responsible for the design, construction, financing and operations of the plants, though many of these tasks were performed by other parties under Varnsdorf's direction.

Detco Engine Services was the IPT Licensee for the Cheng Cycle at the time and IPT worked with EPSK, Fletchers, and Detco in the design and installation of the six Vic cogeneration plants throughout the entire construction phase.

Tax-Exempt Financing for Cogeneration Projects

As part of its project development activities, International Power Technology, Inc. (IPT) offered energy users (Hosts) a variety of financing services tailored to their financial needs and goals. IPT implemented finance structures developed specifically for tax-exempt institutions. In this area, IPT developed a model non-recourse tax-exempt structure that offered strong benefits and maximum flexibility to qualifying institutions.

Tax-exempt financing involves the use of debt financing instruments where the interest is exempt from federal income tax. In some states, interest on these financing instruments may also be exempt from state income taxes. The debt obligations involved may be referred to as tax-exempt bonds," "tax frees," "certificates of participation" or "municipal bonds."

At the time IPT developed the six cogeneration projects in California, tax-exempt bonds fell into two basic categories: (1) "general obligations" for which the taxing power or full faith and credit of the issuing entity is pledged and (2) "limited obligations," which are comprised of annual assessment or revenue bonds. Much public utility power plant financing has been done with revenue bonds. This type of "non-recourse" financing can also be used to finance cogeneration projects. Although the laws of states vary, non-recourse project financing could, at the time, be accomplished by tax-exempt entities in all states in either of two ways:

- Using non-recourse debt obligations
- Using non-recourse Certificates of Participation with a lease/purchase agreement

Both approaches limit the Host's risks while assuring that the benefits of the project flow to the Host and are not shared with equity partners. The Host retains maximum control over the project. The debt instrument, whether bonds or Certificates of Participation, will generally be slightly more expensive than a recourse obligation, requiring an interest rate about 25 to 50 basis points higher, depending on the credit rating of the tax-exempt institution's general obligation and the economic strength of the project.

The cogeneration development markets in California were changing significantly in 1986. Tax reform, with the elimination of Investment Tax Credits and accelerated depreciation, reduced some of the attractiveness of large capital expenditures. The overall decrease in fuel prices that had begun in 1985 pushed the goal of saving energy far down on most potential customer’s lists of pressing concerns. Additionally, many of the Nations electric utilities became increasingly hostile toward independent electric power generation after observing the “gold rush” of cogeneration projects planned in California under attractive standard electric power purchase agreements. Cogeneration deferral rates began to proliferate, whereby utility customers could receive attractive rates for purchased power in exchange for agreeing to refrain from cogeneration. These developments in the marketplace had the combined effect of drying up development opportunities in California and subsequently, IPT stopped developing projects in California.

Project Development Experience – Public Power:

Between 1983 and 1989, International Power Technology was directly involved with the development of six gas turbine based cogeneration facilities in California. Of those six, IPT was directly responsible for the financing for three of the plants including the:

1) San Jose State University Cogeneration project
2) Sunkist Grower's Cogeneration project
3) SRI Cogeneration project

San Jose State University Cogeneration Project - In 1983, the California Alternative Energy Source Financing Authority (CAESFA) awarded IPT a contract to install the first Cheng Cycle Series 7 cogen at the San Jose State University. This plant was initially owned by IPT/Catalyst Development Corporation, an affiliate 50% owned by IPT. IPT/Catalyst secured a construction loan with no recourse to IPT and San Jose State University and work on the plant began in 1983. In 1984 IPT secured permanent financing on the project in the form of $4.4 million of tax-exempt revenue bonds and $4.1 million of equity from Liberty Equipment Investors, a limited partnership. The plant came on line in 1984 and today IPT continues to operate and manage the San Jose Cogeneration power project

Sunkist Growers Cogeneration Project – Located in Ontario, California. In February, 1984, Ontario Cogeneration, Inc. (OCI), a wholly-owned subsidiary of IPT, entered into a construction agreement to build the two-unit Cheng Cycle facility at Sunkist Growers. This "project finance" loan had recourse only to OCI and not to either IPT or Sunkist Growers. The Sunkist project was sold in a non-recourse leveraged lease transaction to Citicorp Industrial Credit for $16 million. The Sunkist plant started in 1985 and IPT operated and managed the plant for 13 years between 1985 and 1998.

SRI International Cogeneration Project – Located in Menlo Park, California. In 1985, SRI International and CAESFA contracted IPT to build and operate a 6 MW cogeneration facility at SRI International. The CAESFA bonds that were issued for the SRI project were the first 100% debt, non-recourse, tax exempt, project finance bonds issued in California. Today, IPT continues to operate and manage the SRI Cogeneration power project.

Operations, Maintenance, and Management Experience:

IPT provides a variety of services to more than a dozen separate cogeneration, small power production, and thermal energy generation facilities throughout the western United States and Canada. IPT serves over 50 MW of generating equipment on a regular basis. In addition, IPT provides plant design consulting, financial analysis, maintenance services, and operations consulting to cogeneration facilities in North America, Europe, Canada, and Australia.

Complete OM&M Responsibility

IPT has accumulated over 1.5 million hours of operations and management experience over the past 25 years. In addition to providing complete operation, maintenance, and management services IPT has developed steam injection emissions control technology and systems capable of meeting the most stringent USA NOx and CO standards which are currently at 5 ppm NOx (10 mg/L) and 60 ppm (120 mg/L) CO.

IPT buys natural gas and backup fuels, arranges gas transport, sets operating strategy, reports emissions, handles accounts payable and receivables, manages contracts and relations with electric utilities, does virtually all on-site service, upgrade, and retrofit activities, and schedules and manages off-site engine overhauls. IPT also acts as owner's agent for the administration and management of bond financing documents and accounts.

Renewable Technologies Experience:

International Power Technology ("IPT"), founded in 1974, has become a leader in the cogeneration and small power production business in the State of California.

Between 1995 and 2000, IPT was the exclusive authorized distributor for Jenbacher biogas fueled engines in California. Jenbacher biogas fueled engines have a leading market share in Europe due to superior emissions, efficiency, and durability. Over the last few years Jenbacher biogas fueled engines have been introduced into North America where they rapidly are establishing new standards for "state-of-the-art" biogas enginators.

Between 1996 and 1999, IPT contracted with the Monterey Regional Waste Management District (MRWMD) to install two Jenbacher 320, 900 kW, landfill gas engines at their power facility in Marina, California. IPT provided engineering, construction, permitting, financial analyses, maintenance, and field service support to MWRMD between 1994 and 1999.

Since 1995, IPT has provided turnkey operations and maintenance services directly to Waukesha Pearce Industries (WPI) for their SO4 landfill gas power project located in Palo Alto, California. This day to day operating experience separates IPT from other energy service companies and vendors, whose service technicians may lack an understanding of the special requirements of biogas fueled facilities.

Between 1999 and 2001, IPT operated and managed a landfill gas compression station located at the Waste Management Davis Street Transfer Facility in San Leandro, CA. The landfill gas compression station was owned by Montauk Corporation based in Moon Township, PA. IPT's services included operation and management of the compression station, maintenance, and landfill monitoring and maintenance services.

IPT's Experience with Distributed Generation:

Distributed Generation makes up the bulk of IPT's experience. IPT's distributed generation experience includes:

- Development of six, Cheng Cycle, gas turbine distributed generation projects in California
- Cheng Cycle design responsibility for the Vic Hospital projects in Melbourne, Australia
- Turn-key financing for three projects in California – two tax exempt bond financings and one leveraged lease
- Development and commercialization of steam injection technology for the Allison (now Rolls Royce) 501-KH Cheng Cycle gas turbine
- Development of over 49 U.S. and International patents relating to the 6 MW Cheng Cycle gas turbine
- Over 25 years of "third party" operations, maintenance, and management experience

As a consequence of IPT's technology development activities, IPT entered the operations, maintenance, and plant management business. IPT has since accumulated over 1,500, 000 fired hours of plant management on continuous duty cogeneration facilities.

IPT'S APPROACH TO PROJECT DEVELOPMENT

Project Development

The development stage begins when a project is first conceived and continues until all contracts are in place and funding is obtained. Functions of this stage include:

- Economic Modeling
- Equipment Selection
- Permitting
- Financial Structuring
- Contractual Arrangements
- Engineering
- Project Design

The developer needs to employ specialists with a thorough understanding in each of the above areas. In addition, the developer undertakes each of the development stage activities in a way consistent with the selected financing structure. As a result, the "due diligence" and financial structuring steps go smoothly, avoiding a protracted series of iterations and costly delays.

Economic Modeling

Projecting long term economic benefits requires the use of detailed modeling tools. These tools must take into account financier needs, long term energy price trends, construction costs, potential overruns and operating and maintenance costs.

IPT's team of specialists has developed sophisticated economic models that help evaluate the feasibility of potential cogeneration projects. The models enable the developer to accurately gauge the economic performance of a proposed system, considering numerous details such as:

- Price payable for electrical energy on an hourly basis
- Steam and electric loads of the Host on an hourly basis
- Variable ambient temperature and humidity conditions

Based on the operating statistics generated by the models, a project can be analyzed using any number of financial structures, including strict third party structures, leveraged lease structures, joint ventures, structures using tax-exempt financing and Host ownership.

Equipment Selection

The developer needs to be dedicated to finding the equipment configuration which most closely matches a Host's operating and economic goals. Using computer-based models, experienced personnel gauge the expected economic performance of equipment of various sizes and vendors.

Contract Negotiations

The developer needs to have a working knowledge of the contract structures that are required to

develop projects in today's market. The developer typically drafts and negotiates the contracts necessary for all aspects of financing, building, managing and operating the cogeneration facility. To achieve a successful project, each agreement must satisfy the requirements of all parties involved. In order to avoid extended negotiation and costly delays the developer can sometimes have standardized agreements that address the needs of all parties and have been successfully used in previous projects. Depending on the Host's desires, these may include:

- Site Lease Agreement - with the Host providing for a lease of premises for the project.
- Energy Sale Agreement - with the Host whereby the Host agrees to purchase energy from the project.
- Monitoring Agreement - (where appropriate) with the Host providing for utilization of Host employees.
- Equipment Lease Agreement - whereby the Host leases the project equipment from a financing source.
- Construction Loan Agreement - with construction lender (including various Security Agreements as to equipment, real property and rights to payment).
- Standby Letter of Credit and Reimbursement Agreements - together with Security Agreements (where necessary) as desirable to improve the rate on long term debt.
- Long Term Loan Agreement - tailored to the needs of commercial lenders or Indentures of Trust which satisfy the needs of more passive, institutional investors.
- Development & Management Agreement - which specifies the performance of these tasks.
- Operations & Maintenance Agreement - which specifies the performance of these tasks.
- Technical Advisory Agreement - with the Host whereby the service providor provides supervision and advice to the Host's operating personnel.
- Fixed Price Construction Contract - which guarantees construction for a fixed price, required equipment warranties, and debt service coverage in the event of delay.
- Interconnection Agreements with the utility.
- Power Purchase Agreements and Options with the utility.

Negotiating the above contracts requires a wide range of skills in business, financial, legal, energy, regulatory, and operational areas. While the Host's staff may have many of these skills, it is unusual that the Host has previously coordinated them toward the end of developing a comparable project. In addition, such Host's resources are not generally available for full time assignment to a project. Procuring these services via consultants and outside counsel not only requires significant manpower for administration and coordination, but also introduces the risk that gaps will develop in the allocation of responsibility.

Utility Contracts and Interconnect

Successfully negotiated utility contracts for electric power sales, standby, and fuel supply require expertise in utility regulatory affairs as well as knowledge of current and future rates, regulation, and trends. In the past, many cogeneration projects have been cancelled or delayed because contract terms and options of "Standard Offers" were not carefully evaluated by knowledgeable professionals.

The developer needs to include individuals with extensive up-to-date experience in the area of utility contracts. Interconnection of the cogeneration plant to the electrical and gas utility systems is an important aspect of a cogeneration project and often becomes the "critical path" item in the construction schedule. The potentially high cost of "Special Facilities" required by local utilities can be a large portion of the project construction cost. Minimizing time and expense in the utility interconnections also requires a wide range of skills from the early stages of project development all the way through project implementation and construction.

Permits

Cogeneration projects are subject to a variety of government regulations concerning

environmental protection and land use issues. Permitting requirements associated with these regulations must be handled professionally both to insure compliance with standards and to avoid controversies and delays.

As part of its development services, the developer will obtain all necessary permits including air quality and local use permits. The developer should have extensive experience in environmental permitting and should provide a full range of environmental services to support project development activities. Professionals familiar with all aspects of permitting will determine permitting strategy, prepare applications, and follow up to expedite permit approval.

Following is a list of possible permits, approvals and documentation that may be required for a cogeneration facility, depending on location, size and applicable regulations:

• State Air Quality Permitting
- Installation Permit
- NSR permit
- PSD Permit
- Stack Design Approval
- Air Impact Analysis
- BACT/LAER Determination
- Monitoring-Reporting Program
- Compliance Testing Program

• Land Use Permitting
- Negative Declaration
- Conditional Use Permit
- Zoning Variances
- Environmental Report
- Acoustical Studies

• Hazardous Materials Management Permitting
- Fuel Storage
- Contingency Plans Requirements
- RCRA Hazardous waste Management
- Chemical Storage Permit

• Wastewater discharge permit
- Municipal Sewer Use Permit
- NPDES Permit

Financing Structures and Arrangements

Depending on the needs of financing sources and the Host, contracts will be negotiated to include required or desired provisions. The developer typically recommends the amount, timing, and type of financing for a project, negotiates such financing on favorable terms, and supports the due diligence efforts of the financing sources.

IPT has first hand experience in selecting and negotiating the most appropriate financing structure for a project. Prior project financing structures have included joint ventures, leveraged leases, partnerships, syndications and tax-exempt bonds. While these financing structures have generally been non-recourse to the Host, IPT has assisted in arranging recourse financing as well. The developer has to have established a working relationship with several investment banks and they must ensure competent and expeditious service. Through innovative financing structures, Hosts may receive benefits in several forms:

• Reduced current energy costs
• Opportunity to own a cogeneration plant in the future with no capital outlay
• Obtain "balance sheet" financing to modernize its steam plant and steam delivery system
• Cash from after-debt cash flows of the cogeneration facility to finance other improvements or satisfy other business needs

Project Implementation

As total plant developer, IPT delivered a fully functioning integrated plant. The developer that the CPA chooses needs to do the same. The prime contractor will generally have a limited scope with significant "owner supplied" items and responsibilities. The developer also needs to provide project management for the following:

- Site related engineering (technical review)
- Scheduling
- Equipment Procurement
- Construction (technical review and cost control)
- Start-up and acceptance

Because IPT owned and operated similar cogeneration systems at a number of sites, IPT's projects benefited from valuable feedback which was absent from a one-of-a-kind system design approach. Hosts who develop one-of-a-kind projects and developers involved in a wide variety of energy projects often lack repetitive design and operation feedback. In self-development projects, hosts often find that individual component vendors and A/E's have no incentive to see that problems with unrelated equipment or systems are resolved in future designs. The IPT-developed projects included balance-of-plant integration which was based on previous operating experience.

Operations and Site Management

IPT typically acts as Owner's Agent for projects and/or provides a wide variety of management support services after the project is built. Agency relationships are important under a “third-party” arrangements. The operator of the plant can make or break a project and it is very important that the operator be qualified and that the operator’s incentives are aligned with the owner’s incentives. IPT’s typical compensation structure for full time O&M support entails a “cost plus fixed fee” contract with the host whereby all project costs are “passed through” to the host and the operator’s compensation is based on a monthly fee and plant performance bonuses. It has been IPT’s experience that cost plus contracts align the incentives of the owner and the operator and produce healthy, long term host relationships and foster equipment longevity. IPT frequently plays the role of Owner's Agent to provide overall management (including financial management) of the project. There are a group of functions which must be performed by a cogeneration plant owner to ensure sound plant financial management and optimization. A cogeneration plant is a self-contained profit center in a high volume, low margin business. Qualified management must be provided at both the site operations level and at the ownership level of the facility to achieve best economic results.

While quality O&M is essential to the project, optimizing the overall cash flow requires a different set of skills, personnel and expertise. Financial optimization and management of the Project require skills in:

- Energy accounting
- Regulatory affairs
- Energy engineering
- Economic analysis
- Utility contracts
- Fuel sourcing

IPT believes that based on its success in providing these services for its other projects, it is uniquely qualified to serve as an active and aggressive owner's agent for new hosts.

Management Consulting Services

IPT will also provide the following advisory services to the cogeneration facility:

1. As owner and owner's agent for a number of large gas consuming cogeneration projects, IPT is in a position to advise and help secure low cost gas purchases for its clients. IPT closely follows legislation and utility tariff changes and can procure natural gas for any new cogeneration or distributed generation project.
2. Advise on how best to satisfy financing and operating documentation requirements such as invoicing and monitoring utility service billings to the Host and Utility.
3. Advise on adequate insurance coverage for the facility at competitive rates.
4. Advise on collecting and remitting gross revenues to a trustee (if necessary). These would include energy payments, insurance benefits, and payments under warranties and indemnities.
5. Advise on maintaining financial records as required under the project documents and also as necessary for good operation, maintenance, and management of the facility. These would include financing documents such as the reports required by any trustee and any letter of credit bank.
6. Advise on appropriate changes to the Power Purchase Agreement in light of any changes in the local utility environment.
7. Investigate and advise on economic matters affecting the profitability of the project. This would include energy price changes, current and contemplated actions of the local Public Utility Commission, and possible local customers of thermal and electrical output of the facility.

Plant Operations

IPT typically provides some or all of the following plant operations and maintenance services.

On-Site Services:

1. Provide experienced operating and maintenance (O&M) personnel for the plant.
2. If the host uses its own operations staff, ensure that these operators are thoroughly trained in all aspects of the facility.
3. Ensure that Host operators are trained in O&M of all balance of plant systems through the Engineering and Construction agreement with the project's A/E.
4. Administer warranty work on any IPT supplied equipment and expedite warranty satisfaction for balance of plant equipment.

Off-Site Services:

1. Maintain operating and performance records of cogen systems under management. Institute a database which can provide feedback for plant maintenance schedules, failure prevention programs, equipment upgrade programs, and performance maintenance programs.
2. Maintain staff of experts for consulting and special project assistance.
3. Provide a remote monitoring system by which IPT experts at the home office can monitor plant performance. Through a modem hook-up, expert engineers can observe plant performance as it occurs and help on-site operators resolve problems. With fast, accurate diagnostic judgements, plant down-time is greatly reduced.
4. For Cheng Cycle systems, IPT offers access to a spare engine for quick rental, greatly reducing downtime during engine repair/overhaul periods.
5. IPT is not in the spare parts business but does maintain an inventory of spare parts at some of its plants. These parts may be available in an emergency. The company does provide a consulting service to help owners of Cheng Cycle plants develop a list of spares that is economically compatible with the owner's operating goals.
6. Facilitate sharing of operating know-how and operating experience with other IPT operated plants. Wages and maintenance expenses are typically paid directly out of operating revenues as an operating expense. A fee is charged against operation revenues to cover administrative

expenses as well as the expenses of maintaining the spare parts and spare engine inventory. Depending on the level of service the Host desires, the Host may need to provide skilled operators to conduct routine preventive maintenance, corrective maintenance, and system monitoring under the direction of IPT's Operations and Maintenance personnel. In this case the Host is reimbursed for the amount of wages paid to the Host's personnel engaged in such support work.

IPT developed projects include:

- **San Jose State University** – San Jose, California
  start date: 1984
  size: 6 MW
  owner: San Jose State University
  operator: IPT
  financing mechanism: CAESFA Bonds/State purchase in 1991
- **Frito Lay** – Bakersfield, California
  start date: 1984
  size: 6 MW
  owner: Frito Lay
  operator: Frito Lay
  financing mechanism: Frito Lay purchase
- **Sunkist Growers** – Ontario, California
  start date: 1985
  size: 12 MW
  owner: CitiCorp/Union Bank/Indeck
  operator: IPT/Indeck
  financing mechanism: Leveraged Lease/Indeck purchase
- **Hershey Chocolate** – Oakdale, California
  start date: 1986
  size: 6MW
  owner: Hershey Chocolate
  operator: Hershey/IPT
  financing mechanism: Hershey purchase
- **SRI International** – Menlo Park, California
  start date: 1986
  size: 6 MW
  owner: CAESFA
  operator: IPT
  financing mechanism: CAESFA Bonds,100% Debt, Non Recourse
- **Loma Linda University** – Loma Linda, California
  start date: 1988
  size: 12 MW
  owner: Loma Linda University
  operator: Loma Linda University
  financing mechanism: Loma Linda purchase

PPA Contract Negotiations

The consultant/developer needs to have a working knowledge of the contract structures that are required to develop projects in today's market. The developer typically drafts and negotiates the contracts necessary for all aspects of financing, building, managing and operating the cogeneration facility. To achieve a successful project, each agreement must satisfy the requirements of all parties involved.

Negotiating the PPA Agreement requires a wide range of skills in business, financial, legal, energy, regulatory, and operational areas. IPT's approach to brokering a power sales agreement for an existing facility involves understanding the incentives and cost structures of the potential parties to the new contract and then structuring the provisions to accomplish a win-win document.

Possible Tasks and Specific Skills Required:

- review of plant operations and existing contracts
- review of project financial reports
- review of regulatory issues effecting power pricing

IPT Examples of this Project Type:

- Palo Alto Landfill Project – Palo Alto, CA – SO4 with PG&E
- Soledad Cogeneration Project – Soledad, CA – SO4 with PG&E
- MRWMD Power Project – Marina, CA – Pioneer SO4 with PG&E

Operations and Site Management:

IPT typically acts as Owner's Agent for projects and/or provides a wide variety of management support services after the project is built. Agency relationships are important under "third-party" arrangements. The operator of the plant can make or break a project and it is very important that the operator be qualified and that the operator's incentives are aligned with the owner's incentives. IPT frequently plays the role of Owner's Agent to provide overall management (including financial management) of the project. There are a group of functions which must be performed by a cogeneration plant owner to ensure sound plant financial management and optimization. A cogeneration plant is a self-contained profit center in a high volume, low margin business. Qualified management must be provided at both the site operations level and at the ownership level of the facility to achieve best economic results.

IPT Examples of this Project Type:

Projects that IPT has operated on a "third party" basis include:

- San Jose State University
- Sunkist Growers
- SRI International
- Soledad Cogeneration
- Rohr Riverside Cogeneration
- Palo Alto Landfill
- Hershey Chocolate Company