



PRESS RELEASE

August 25, 2008

Klamath Cogen continues history of environmental stewardship with latest contribution to The Climate Trust

This week IBERDROLA RENEWABLES sent another payment to The Climate Trust, this one in the amount of \$3.1 million, for Klamath Cogeneration Plant CO2 mitigation.

“The Klamath Cogeneration Plant has been, and continues to be, a pioneer in the use of carbon offsets as a mitigation tool for new power plants,” said Mike Burnett, Executive Director of The Climate Trust. “The Climate Trust receives funds from new power plants regulated by the Oregon Carbon Dioxide Standard and invests in high quality projects that reduce atmospheric carbon dioxide levels.” In addition to providing funding to The Climate Trust, the plant has sponsored tree planting in Oregon, methane recovery at coal mines in Ohio, geothermal expansion in Klamath Falls, and solar electrification in Sri Lanka to offset part of its emissions.

IBERDROLA RENEWABLES, formerly PPM Energy, worked closely with the City of Klamath Falls to develop the award-winning 506 MW Klamath Cogeneration Plant. When commissioned in 2001, Klamath became the cleanest fossil-fueled power plant ever constructed in the US in terms of greenhouse gas emissions. It was a model for Oregon legislation that now governs the carbon dioxide emissions of new fossil-fuel power plants built in the state.

The plant won *Power Magazine's* Power Plant of the Year 2001 award when it came online and won Oregon Governor Kitzhaber's 2000 Community and Economic Development award. This year, the plant won “Best of the Best” honors for operations and maintenance at the *Combined Cycle Journal's* 2008 Best Practices Awards. Klamath Cogeneration won awards in two other categories -- Safety and Environmental Stewardship.

In addition to greenhouse gas mitigation, Klamath uses up to 3 million gallons per day of treated municipal wastewater provided by the City to meet 100% of its cooling needs, helping the City reduce its discharges into the Klamath River by about 2.3 million gallons per day.

The cogeneration process itself is environmentally responsible. The Klamath plant creates two useful forms of energy—electricity and process steam—from a single fuel source.

The Klamath plant staff has maintained a zero-lost-time accident rate since 2000 when the first employee was hired. In addition, the company has earned consecutive Oregon OSHA SHARP Awards. This recognition by OSHA distinguishes the safety culture and track record at Klamath as essentially 'best in class.'

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About IBERDROLA RENEWABLES:
Oregon Workforce (as of July 31, 2008)
IBERDROLA RENEWABLES
Portland: 340 (includes 26 contractors)
Klamath Falls: 24
Wasco: 18
Arlington: 4

IBERDROLA RENEWABLES HOLDINGS, Inc.
Portland: 13 (includes 4 contractors) and 13 Group employees

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