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FOR IMMEDIATE RELEASE

PPM Energy sells out 150 MW Shiloh Wind Project

PORTLAND, Ore. – PPM Energy, Inc. (PPM), ScottishPower's (LSE: SPW; NYSE: SPI) competitive US energy business, has executed long-term power purchase agreements for all of the output from its 150-megawatt Shiloh Wind Project before construction is completed.

The Palo Alto City Council Tuesday night approved a long-term contract in which the City of Palo Alto Utilities (CPAU) will purchase wind energy generated by the Shiloh Wind Project located in Solano County, California for 15 years. The Shiloh Wind Project will have a capacity of up to 150 megawatts (MW). Palo Alto's share of up to 25 MW will generate enough electricity to supply nearly 9,500 homes. CPAU joins Modesto Irrigation District and Pacific Gas & Electric Company (PG&E) as customers of PPM's Shiloh Wind Project.

The Palo Alto City Council set a target in 2002 to add new renewable energy resources to meet 10% of CPAU power needs by 2008 and 20% by 2015.

"The Palo Alto community's strong environmental ethic became evident in the 1960s when major commitments were made to invest in hydroelectric resources rather than nuclear power and continues today," said John Ulrich, City of Palo Alto Utilities Director. "By securing long-term contracts such as the Shiloh Wind Project, we can continue to serve our customers reliably and responsibly through our ongoing commitment to renewable energy."

The City of Palo Alto also purchases from PPM 20 MWs of electricity for nearly 24 years generated from the nearby High Winds Project also in Solano County.

"The fact that we've sold out the Shiloh Project before its completion to repeat customers, such as Palo Alto and Modesto Irrigation District, and first-time customers, such as PG&E, demonstrates the strong market demand for clean, renewable energy as well as PPM's ability to successfully tailor products to various types of customers," said Barrett Stambler, managing director of renewables origination at PPM. "It also shows that wind power is an attractive hedge to volatile fossil fuel prices."

More

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About The City of Palo Alto Utilities

The City of Palo Alto Utilities (CPAU) is the only full-service municipal utility in California that operates services including electricity, commercial fiber optic, wastewater, natural gas and water. Visit www.cpau.com for more information.

About PPM Energy

Portland, Oregon-based PPM Energy is part of the ScottishPower (NYSE: SPI) group of companies. With a portfolio of more than 1,405 MW of wind power currently in operation or under construction across the country, PPM Energy has a goal of bringing 2,300 MW of new wind power to market by 2010. For more information, please visit www.ppmenergy.com

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