

Prairie State Energy Campus Signs Letter of Intent With Bechtel for Engineering and Procurement Services

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Prairie State Generating Company, LLC and Bechtel Power Corporation have signed a letter of intent (LOI) for development of the power-related facilities at the Prairie State Energy Campus. Prairie State is a major mine-mouth electricity generating station and coal mine that would be located in Southern Illinois. Under the agreement, Bechtel will provide engineering and procurement services for Prairie State's power-related facilities and will work with Prairie State to negotiate the terms of an engineering-procurement-construction (EPC) contract.

"We are pleased to have Bechtel as part of the Prairie State team," said Colin Kelly, President of Prairie State Generating Company, LLC. "Bechtel has a well-established record of developing state-of-the-art power plants like Prairie State and shares our commitment to safety and environmental excellence."

Prairie State has received the major permits necessary for construction, which include a recent affirmation of the project's air permit from the U.S. Environmental Protection Agency. Prairie State would invest more than a half billion dollars in emission controls to create one of the cleanest major coal- fueled power plants in the United States, with emissions that would be one- fifth the average of existing U.S. coal plants.

Prairie State will generate low-cost electricity for more than 1.5 million Midwest families, create more than 450 permanent jobs and inject nearly \$100 million in economic benefits into the regional economy each year, according to a study by Southern Illinois University at Carbondale.

"We are very pleased to have been selected by Prairie State to provide engineering and procurement services to further develop the Prairie State Energy Campus," said Richard Smith, President of Bechtel Fossil Power.

Selection of an EPC firm and execution of the LOI are key milestones in the development of Prairie State. Prairie State is in the midst of completing its financial arrangements and power agreements. Recently, CMS Enterprises, a subsidiary of CMS Energy, was named operating partner and will co-develop Prairie State.

CMS Enterprises and Peabody Energy will each own 15 percent of Prairie State indirectly through a joint venture. The remainder is owned by a number of Midwest municipal utilities and electric cooperatives with commitments already secured for 53 percent of the ownership.

The consortium of Midwest generators includes the Indiana Municipal Power Agency; Kentucky Municipal Power Agency; Missouri Joint Municipal Electric Utility Commission; Northern Illinois Municipal Power Agency; Soyland Power Cooperative, Inc. in Illinois; and Wolverine Power Supply Cooperative, Inc., in Michigan. In addition to the ownership stake, the consortium will use a corresponding amount of the plant's output.

Vendors or job seekers may express their interest by contacting Robert Albrecht aralbrecht@bechtel.com. For more information on the Prairie State project, visit www.PrairieStateEnergyCampus.com.

Bechtel is a global engineering, construction and project management company. Privately owned with headquarters in San Francisco, Bechtel has 40

offices around the world and 40,000 employees. The company had revenues of \$18.1 billion in 2005 and booked new work valued at \$18.5 billion in 2005.

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