



2005 Annual Report

The New England Power Generators Association (NEPGA) successfully completed its first year in 2005 representing the interests of generation owners in New England. While there are many challenges that lie ahead in 2006, the organization's successful efforts to grow its membership and build its analytical and outreach capabilities have it well-positioned to meet those challenges.

NEPGA laid the foundations early in 2005, filing state incorporation papers in Massachusetts. The organization also began implementing the strategic plan adopted in 2004, first by bringing on John Farr as our Technical Director, and then on November 1 by announcing the appointment of Angela O'Connor as the President and chief spokesperson for the Association. These two well-known industry professionals provide NEPGA with a tremendous depth of experience and capability.

Prior to joining NEPGA, Angie was Vice President of Energy Policy for Associated Industries of Massachusetts (AIM). In the short time that Angie has been with NEPGA, she has made appearances in local and national trade press as well as on local television and public radio in Boston promoting the association's primary policy goal of competitive markets as a means to achieve the reliable and affordable energy essential for the economic growth and development of the entire region. She has also made presentations at regional energy policy forums, with more scheduled for the new year.

NEPGA's Technical Director, John Farr, has led the efforts to improve the Ancillary Services Market re-design, has provided several analytical papers on capacity markets, the Regional Greenhouse Gas Initiative and related issues, and appeared before a legislative committee in Maine discussing energy policy issues.

During 2005, NEPGA also intervened and provided comments in proceedings in New Hampshire and Connecticut dealing with legislative threats to competitive market structures, and participated in several regional market reform efforts, including the Ancillary Services Markets project and the capacity market settlement talks. Working with the business community, NEPGA was the exclusive sponsor of an AIM Executive Forum in January 2006 with FERC Commissioner Nora Brownell that was attended by approximately 300 business leaders in Massachusetts.

Critical to the strength of the organization is the number of members and the amount of the region's generation fleet represented by NEPGA. Over the course of 2005, membership grew from the four founding companies to a membership of twelve companies, representing over 19,000 MW of capacity in New England, as we head into 2006.

A major focus of NEPGA in 2005 and moving into the future is ensuring that energy policy makers have a solid appreciation of the energy generation business and its interactions with the system operator, transmission and distribution functions and ultimately the consumer. We began laying the foundations in 2005 for an educational outreach campaign, which will include educational materials, one-on-one meetings with policy makers in the region and in Washington DC, and power plant visits to NEPGA members' facilities.

Moving into 2006, NEPGA will formulate a new mission statement and a strategic direction to guide the organization as we build on our 2005 accomplishments and work to make NEPGA a respected advocate for competitive markets and a trusted resource for policy-makers dealing with the complex and vitally important energy challenges facing the region.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Peter D. Fuller". The signature is fluid and cursive, with a long horizontal stroke at the end.

Peter D. Fuller
Chairman