

# BP and Sempra U.S. Gas & Power Announce Plans to Further Expand Strategic Relationship in Wind Business

# Companies to jointly develop 560 megawatts

BP Wind Energy and Sempra U.S. Gas & Power today announced plans to further expand their strategic relationship by jointly developing the Mehoopany Wind Farm in Pennsylvania and the Flat Ridge 2 Wind Farm in Kansas that represent a combined investment of more than \$1 billion. Both wind farms are fully-contracted under long-term agreements, and are expected to be in commercial operation by year-end 2012. The wind farms will have a combined total output of 560 megawatts (MW) and will each be the largest ever built in their respective states.

The Mehoopany Wind Farm will be located in Wyoming County, Pennsylvania and is expected to generate up to 141 MW of energy. The power output from the wind farm has been sold under contract to Old Dominion Electric Cooperative and Southern Maryland Electric Cooperative Inc. The contracts were negotiated by the National Renewables Cooperative Organization.

Construction of the Mehoopany Wind Farm site began in November 2011. The wind farm will utilize 88 GE 1.6 MW wind turbines and will employ some 250 workers during peak construction. The construction contract has been awarded to Renewable Energy Systems Americas Inc. (RES Americas).

The Flat Ridge 2 Wind farm will be located on a 66,000-acre site approximately 40 miles southwest of Wichita, Kansas. The wind farm will utilize 262 GE wind turbines each with a rated capacity of 1.6 MW to generate 419 MW of renewable power. The power output from the Flat Ridge 2 Wind Farm has been sold under contracts to Associated Electric Cooperative, Inc. and Southwestern Electric Power Company, a unit of American Electric Power. A third contract has been secured but has yet to be announced.

The construction contract for the Flat Ridge 2 Wind Farm has been awarded to Blattner Energy and is expected to employ approximately 500 people on-site during the peak of construction.

"Today's announcement reinforces BP's commitment to produce essential sources of energy and provide cost-competitive power to our customers," said John Graham, president and CEO, BP Wind Energy. "Our strategic relationship with Sempra U.S. Gas & Power also continues to grow as a result of our aligned thinking and professional approach to energy generation. As new members of the community where the Mehoopany and Flat Ridge 2 wind farms are to be built, we will strive to further enhance our proven track record in construction safety and on-going operational excellence."

"Through strategic partnerships with world-class companies like BP, Sempra U.S. Gas & Power continues to grow a highly successful wind business while extending its position as a leading solar energy developer," said Jeffrey W. Martin, president and CEO of Sempra U.S. Gas & Power. "This is an exciting time for our company. Over the next 12 months we expect to more than double the size of our operating wind and solar generation portfolios, resulting in significantly improved recurring cash flows from long-term contracted assets."

BP will be the operator of both wind farms when they become commercially operational.

#### About BP

BP Wind Energy is a principal owner and operator of wind power facilities with interests in 13 wind farms. BP Wind Energy has a gross generating capacity of 1,730 MW - enough electricity to power over 500,000 average American homes. For more information, visit the company's Web site at <a href="http://www.bpalternativenergy.com">http://www.bpalternativenergy.com</a>.

BP is one of the world's largest energy companies. In the US, BP has approximately \$52 billion in assets and employs some 23,000 staff. The company's main businesses are exploration and production of oil and gas; refining, manufacturing and marketing of oil products and petrochemicals; transportation and marketing of natural gas. With a growing business in wind power, advanced biofuels and one of the largest solar farms on the east coast, BP Alternative Energy will have invested around \$7 billion in energy development, including \$4 billion in the US by the end of 2011. Our commitment is helping to create a secure and sustainable energy future for us all.

#### About Sempra U.S. Gas & Power

Sempra U.S. Gas & Power, LLC is a leading developer of renewable energy and natural gas solutions. The company operates solar, wind and natural gas power plants that generate enough electricity for nearly 1 million homes, along with natural gas

storage and pipelines, and distribution utilities. Sempra U.S. Gas & Power is a subsidiary of <u>Sempra Energy</u> (NYSE: SRE), a Fortune 500 energy services holding company with 2010 revenues of \$9 billion. The Sempra Energy companies' nearly 17,500 employees serve about 31 million consumers worldwide. For more information, visit <u>www.SempraUSGP.com</u>.

# **Notes to Editors**

Included in BP Wind Energy and Sempra U.S. Gas & Power's joint venture portfolio:

- The 200 MW Fowler Ridge 2 Wind Farm in Benton County, Indiana located about 90 miles northwest of Indianapolis. The wind farm utilizes 133 GE sle turbines each with a rated capacity of 1.5 MW. The wind farm became operational in December 2009. BP is operator.
- The 250 MW Cedar Creek 2 Wind Farm in Weld County, Colorado located some 20 miles north of New Raymer. The wind farm utilizes 63 GE sle wind turbines, each with a rated capacity of 1.6 MW, and 60 Nordex wind turbines, each with a rated capacity of 2.5 MW. The wind farm became operational in July 2011. BP is operator.

## For Sempra Energy Investors

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "will," "would," "could," "should," "potential," "target," "depends," or similar expressions, or discussions of strategies, plans or intentions. These forward-looking statements represent our estimates and assumptions only as of the date of this news release. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, California State Legislature, Federal Energy Regulatory Commission, Nuclear Regulatory Commission, California Energy Commission, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and other countries where the company does business; capital market conditions, including the availability of credit and the liquidity of our investments; inflation, interest and exchange rates; energy markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied natural gas; weather conditions, natural disasters, catastrophic accidents, and conservation efforts; wars, terrorist attacks and cybersecurity threats; business, regulatory, environmental and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts and construction, maintenance and capital projects; the inability or determination not to enter into long-term supply and sales agreements or long-term capacity agreements; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the Securities and Exchange Commission. These reports are available through the EDGAR system free-ofcharge on the SEC's website, www.sec.gov, and on the company's website at www.sempra.com.

Sempra U.S. Gas & Power, LLC is not the same company as the utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra U.S. Gas & Power, LLC is not regulated by the California Public Utilities Commission.

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