

Harvard Electricity Policy Group

May 21, 2003

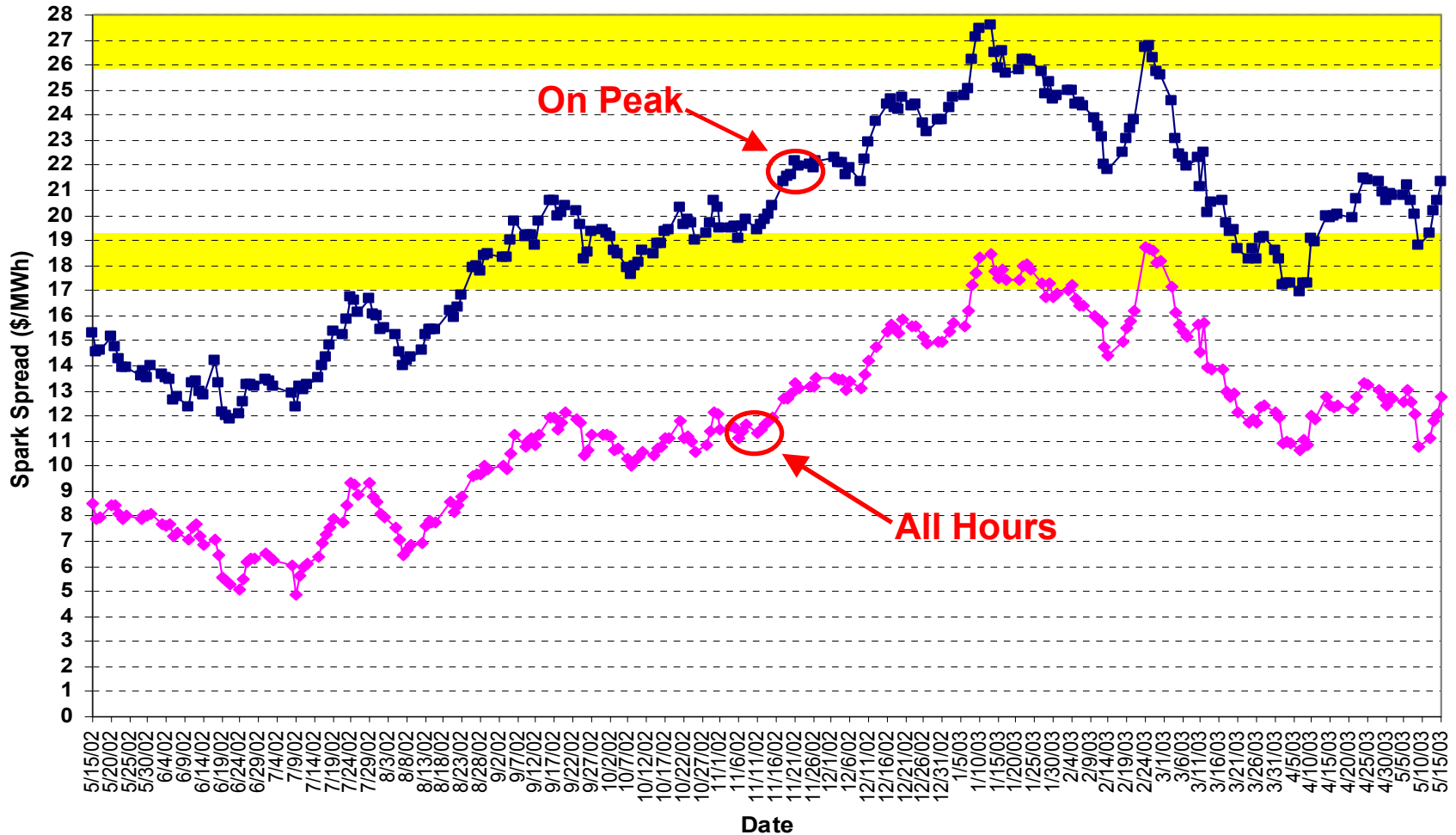
Michael R. Niggli
President, Sempra Energy Resources

▶ **Too Little Money**

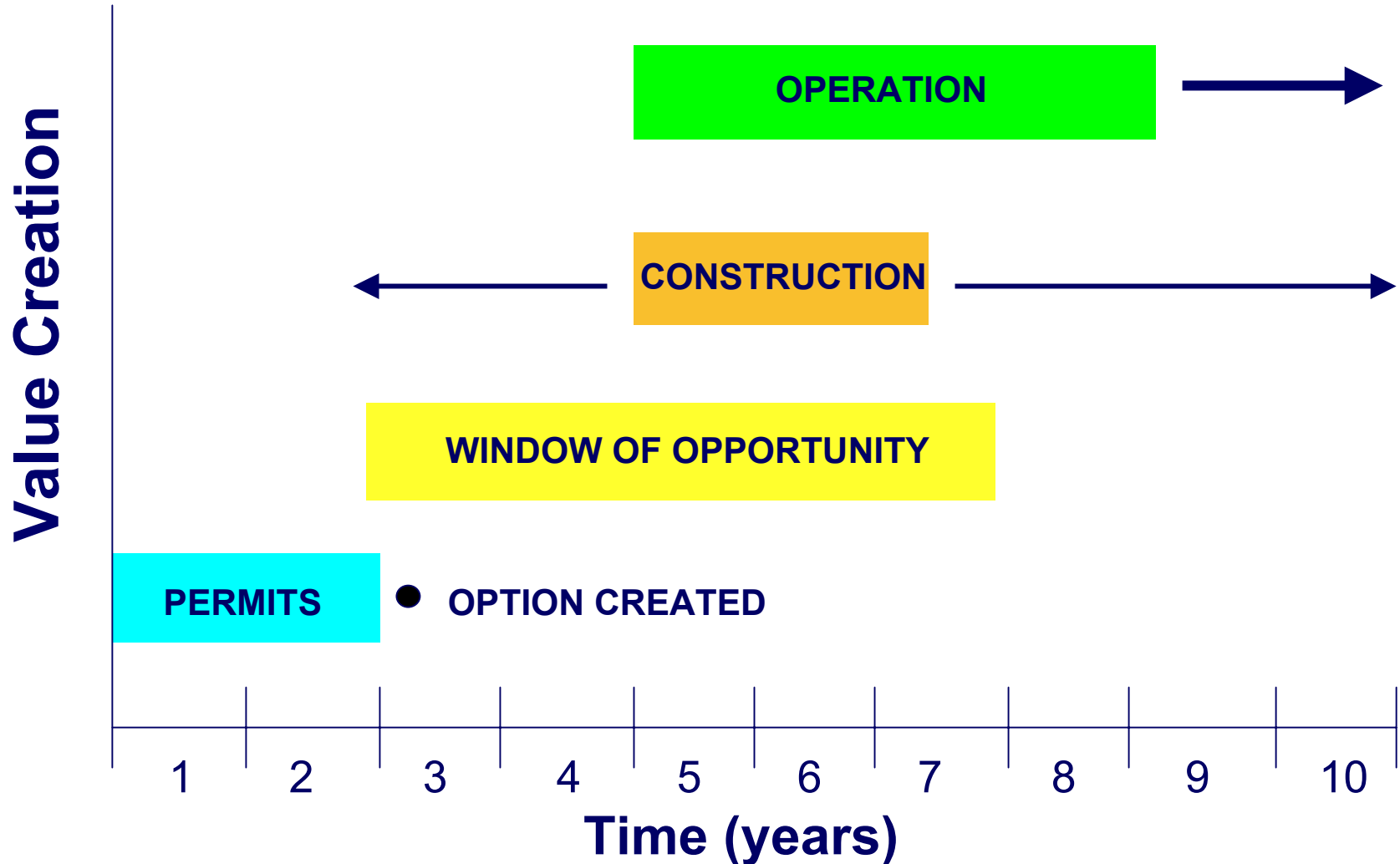
and

▶ **Too Little Commitment**

SP-15 Forward Curve (2006)



PROJECT DEVELOPMENT Value Creation



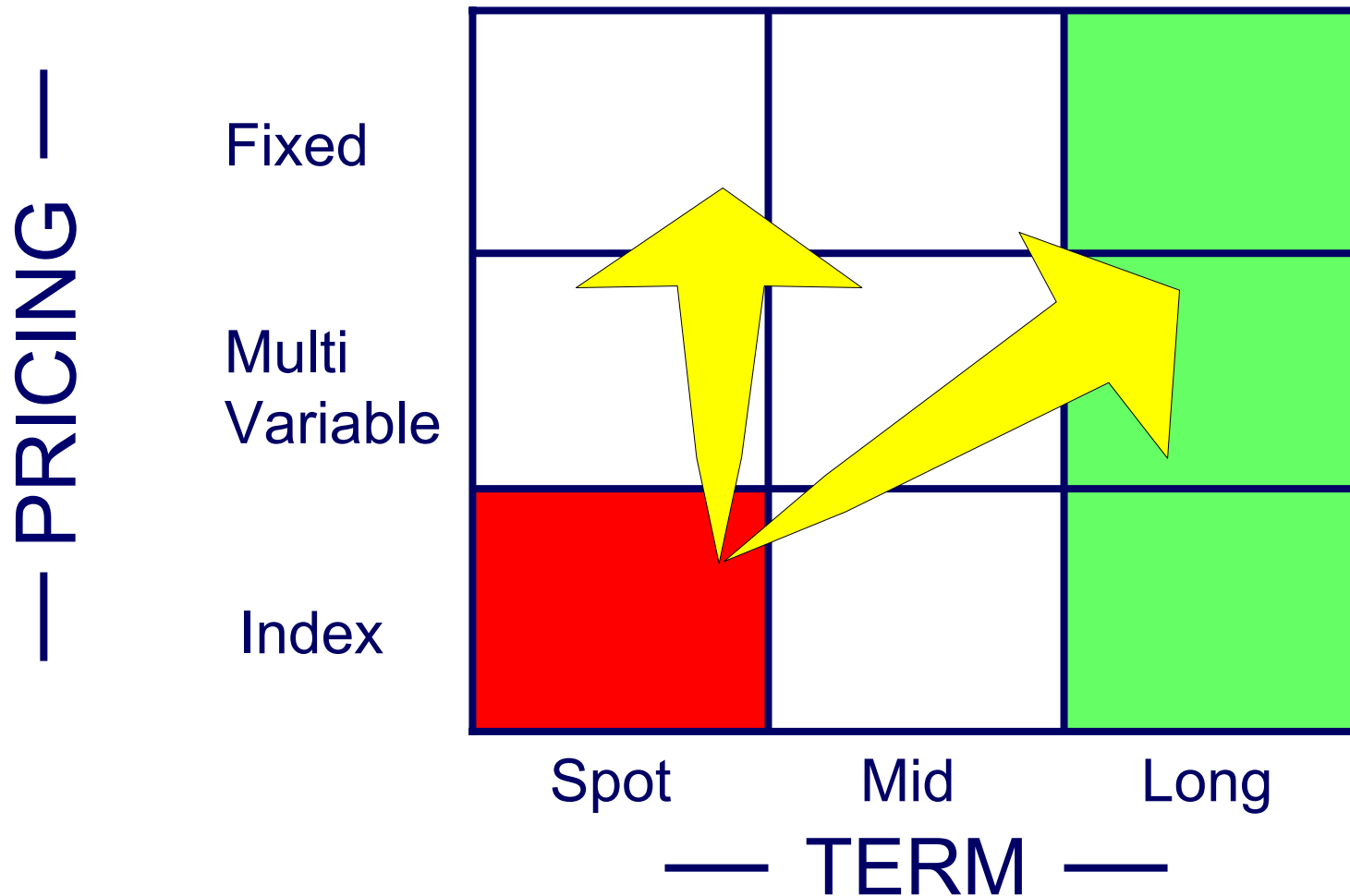
Contracting Portfolio

— PRICING —

Fixed			
Multi Variable			
Index			
	Spot	Mid	Long

— TERM —

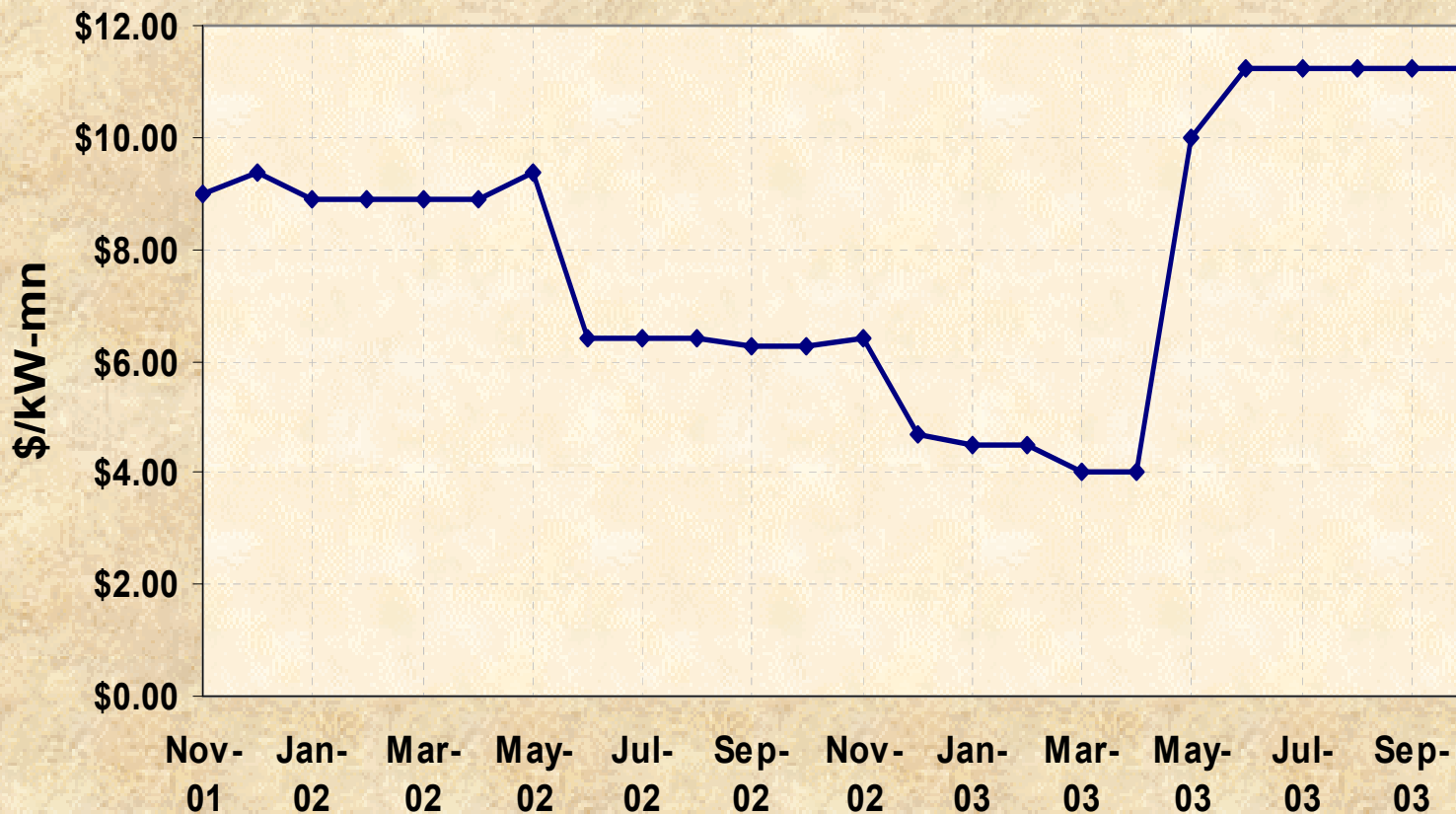
Contracting Portfolio



Is an ICAP an Efficient Mechanism?

- Valuation Forecast
- Reliable
- Risk Mitigation
- Compared to What?

Monthly Auction Results for UCAP (NYC)



Back To The Future

What's Important?

- Contracts
- Contracts
- Contracts
- How Much/How Long?