



FOR IMMEDIATE RELEASE

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UPC Kauai Wind Power Selected for Kauai Wind Project

*Lihue, Kauai, HI – 4/21/06* - UPC Kauai Wind Power, LLC has been selected to develop a 10.5-to 15 mega-watt (MW) wind facility as one of KIUC's four renewable energy projects. UPC Kauai Wind Power was formed by UPC Wind Partners (UPC) and Makani Nui Associates to develop a renewable wind energy project on the island of Kauai.

UPC, a Boston based company develops, finances, constructs, owns, and operates wind farms to promote the fastest growing and cleanest energy in the world. The company was formed by principals of UPC Group, one of Europe's largest and most successful wind farm developers, to pursue projects in the United States. To date, UPC has installed and operates over 650 MW of large-scale wind turbine generators in southern Italy and the island of Sardinia. UPC is also pursuing the development of several hundred megawatts of wind energy projects in North Africa. In the North American market, UPC is developing over 2,500 MW of wind energy projects in several different states through various subsidiary companies.

Makani Nui Associates is a Maui based company, that together with UPC is currently in the construction phase of the 30 MW Kaheawa Wind Power (KWP) project on Maui. KWP is the first wind energy project to complete a Habitat Conservation Plan to protect the endangered bird species that may be impacted by the project. The underlying principle of the plan is to provide mitigation for any impact and ultimately a "net benefit to the species."

Wind power systems convert the movement of air to electricity by means of a rotating turbine and generator. Wind power has been the fastest growing energy source of the last decade and has realized an approximate 30 percent compound annual growth rate over the last 5 years. The booming U.S. wind market has been driven by a combination of state mandates for renewable energy, such as in Hawaii, and the federal production tax credits

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which provides a 10-year 1.8 cents per kilo-watt hour incentive for wind power. As a result, wind power has become competitive with conventional sources of electricity such as oil or gas. However unlike these traditional sources of energy, wind has no fuel cost and therefore acts as a natural hedge against volatile fuel prices. This is particularly important for Kauai as over 90 percent of our electricity comes from imported oil.

Wind turbines come in a variety of sizes and styles. The proposed project would consist of multiple horizontal axis wind turbines that range in size from 1 to 2 MW. If implemented as proposed, this project could annually generate 42,000 mega-watt hours of emission free electricity. This project could provide power for approximately 4,000 homes, and eliminate the burning of 83,000 equivalent barrels of oil annually.

The wind regime throughout Kauai is varied with respect to its strength and variability. The final site selection will be dependent upon the wind resource, accessibility, and environmental impacts. Once a site is selected, UPC Kauai Wind Power proposes to construct, own, and operate the wind facility. They intend to sell electricity to KIUC under a long-term purchase power agreement.

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