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Results of Nation's First Completed Clean Coal Power Initiative Project Announced

NeuCo Optimization Project Improves Emissions, Efficiency and Availability at Dynegy's Baldwin Plant

Boston, MA (December 19, 2008) – NeuCo, Inc., a leading provider of optimization software solutions to the electric power industry, in conjunction with Dynegy, Inc. and the United States Department of Energy's (DOE) National Energy Technology Laboratory (NETL), today announced the results of a four-year optimization software development and demonstration project that took place at the Baldwin Energy Complex. This project was part of DOE's Clean Coal Power Initiative (CCPI), and is the first CCPI project to reach successful conclusion.

The CCPI is an innovative technology demonstration program that fosters more efficient clean coal technologies (CCT) for use in new and existing electric power generating facilities in the United States to enhance the long-term viability of the nation's abundant coal resources. A four-year, \$19 million cost-shared power plant optimization project was awarded to NeuCo, Inc. in 2004 and encompassed the design, development and demonstration of separate but integrated online optimization systems at Dynegy's three-unit 1800-MW Baldwin Energy Complex (BEC) in Baldwin, Illinois. These software products were developed to optimize the combustion and soot blowing processes, reduce the ammonia consumed by selective catalytic reduction (SCR) systems, and improve unit thermal performance and plant-wide availability. "No one has applied artificial intelligence-based optimization technologies to a power plant system on such a broad scale," stated Curt Lefebvre, President and CEO of NeuCo Inc. "Particularly exciting is the way these software systems coordinate in real-time to manage tradeoffs between different processes and goals."



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The initiative's objective was to improve coal-based generation's emissions profile, fuel efficiency, equipment reliability and plant asset life. "We are pleased to announce that this first-completed CCPI project has been very successful," stated Brad Tomer, Deputy Director of NETL's Strategic Center for Coal. "It reflects CCPI's goal of accelerating the deployment of technologies to ensure that the United States has clean, reliable, and affordable electricity well into the future."

The suite installation concluded at the end of 2007, and was followed by data analysis and reporting, culminating in a final technical report. In this report, the NeuCo and Dynegy project team announced quantitative project benefits that include: reduced nitrogen oxide (NO_x) emissions by 12-14%; improved average heat rate (fuel efficiency) by 0.7%; increased available megawatt hours by an estimated 1.5%; reduced ammonia (NH₃) consumption by 15-20% on a unit with SCR; commensurate reductions in greenhouse gases, mercury and particulates; and commensurate economic benefits from lower costs, improved reliability and greater commercial availability.

"The optimization solutions developed as part of this CCPI project are helping Baldwin take a more holistic and proactive stance towards plant operations," stated Stan Sander, Managing Director of Dynegy's Baldwin Energy Complex. "This project reflects our commitment to balancing reliable and economically-viable electricity production with environmentally-responsible operations."

"We are very pleased to announce such strong results, especially at a site that was already performing extremely well from emissions and efficiency perspectives before optimization was applied," said Lefebvre. "We look forward to extending the benefits of these systems more broadly across the U.S. generating fleet."



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Based on the results achieved at BEC, the suite of four integrated optimizers commercialized as part of this project are expected to yield under a one-year payback for average sized units across all unit types and fuel categories comprising the U.S. fossil power industry. The savings benefits available to the industry are estimated between \$2.3 and \$2.6 billion dollars per year.

About NeuCo

NeuCo, Inc. is a leading provider of artificial intelligence-based optimization software solutions that help electric power producers reduce plant emissions and improve generating asset efficiency, reliability and availability. NeuCo's shareholders include CRA International (Nasdaq: CRAI), NStar and employees. More information about NeuCo can be found on the company's website at www.neuco.net.

About the Clean Coal Power Initiative

Administered through the Department of Energy's Office of Fossil Energy, CCPI is an industry/government cost-shared partnership that addresses the challenges of ensuring the reliability of the nation's electric supply while simultaneously protecting the environment. Cost-shared partnerships leverage public/private investment, enhance teamwork, promote technology transfer, and provide the expertise and funding needed to ensure successful development and deployment of new technologies. Priorities include increasing the domestic energy supply, protecting the environment, ensuring a comprehensive energy delivery system, and enhancing national energy security. The CCPI provides an important platform to respond to these priorities.

About Dynegy

Dynegy provides wholesale power, capacity and ancillary services to utilities, cooperatives, municipalities and other energy companies in 13 states in key U.S. regions of the Midwest, the Northeast and the West Coast. The company's power generation portfolio consists of more than 18,000 megawatts of baseload, intermediate and peaking power plants fueled by a mix of coal,



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fuel oil and natural gas. Dynegy's geographic, dispatch and fuel diversity contribute to a portfolio that is well-positioned to capitalize on regional differences in power prices and weather-driven demand.

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