



Press Release

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For Immediate Release
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\$50 MILLION INVESTOR FINANCING BACKS TWO NEW WIND FARMS IN PENNSYLVANIA AND NEW JERSEY

(Wayne, PA) Community Energy, Inc. (“CEI”), a leading wind energy marketer and developer, has closed a \$50 million investor financing package on two new wind energy generation facilities under construction in Pennsylvania and New Jersey. A group of leading private and public energy finance institutions joined in closing the financing, which will allow the new wind farms to come on line by the end of this year.

CEI partnered with Central Hudson Energy Group, Inc. (NYSE: CHG) and investment banking firm, Babcock & Brown, as the long-term owners of the wind projects, backed by project financing from a group of public and private funding sources. The Bear Creek wind farm, located near the Pennsylvania Turnpike just south of Wilkes Barre, PA, received financing from the five regional Pennsylvania sustainable energy funds and the newly authorized Pennsylvania Energy Development Authority. The first-of-its-kind Jersey-Atlantic wind farm on the site of the Atlantic County Utilities Authority (“ACUA”) wastewater treatment plant in

Atlantic City, New Jersey, received financing from the state's Clean Energy Program and a production grant from the New Jersey Board of Public Utilities.

"This first-rate finance team was able to translate the obvious fuel-free advantages of wind energy into market grade investments ranging from secure debt to long-term equity," said Brent Alderfer, President of CEI. "The exciting part of this deal is it opens the door for broader investor participation in the wind energy market."

The Bear Creek wind farm will install 12 wind turbines each providing 2 megawatts of generation capacity—the largest turbines in use in the U.S.—supplied by Gamesa Eólica of Spain. The five regional sustainable energy funds in Pennsylvania providing financing to the Bear Creek project are the TRF Sustainable Development Fund, which also structured the financing on behalf of the regional funds, the Sustainable Energy Fund of Central Eastern Pennsylvania, the West Penn Power Sustainable Energy Fund, the Penelec Sustainable Energy Fund and the Metropolitan Edison Sustainable Energy Fund.

The Jersey-Atlantic wind farm will install five wind turbines, 1.5 megawatts each, supplied by General Electric. In a pioneering partnership with the ACUA, the wind farm will supply about one-half of the electricity used at the wastewater facility, and will be New Jersey's first commercial scale wind project, and the nation's first coastal wind farm.

About Community Energy, Inc.

Community Energy, Inc. (CEI) is a marketer and developer of wind energy generation founded in 1999 and headquartered in Wayne, Pennsylvania. CEI has more than 3 billion kilowatt-hours of wind energy sales, 40,000 residential customers and marketing arrangements with 18 investor-owned and municipal

utilities. CEI cites its utility partners and customers, which include many of the largest retail purchases of wind energy in the country, as the reason for its success in bringing wind energy to market in new regions of the country. CEI has wind projects under development in the Northeast, Mid-Atlantic and Mid-Western states. CEI acquired the Bear Creek project from early-stage developer Global Winds Harvest, based in New York. www.CommunityEnergy.biz

About CH Energy Group

With more than 440,000 customers, CH Energy Group, Inc. is a family of companies seizing new opportunities in the energy marketplace through two primary subsidiaries: *Central Hudson Gas & Electric Corporation* is a regulated transmission and distribution utility serving approximately 358,000 customers in eight counties of New York State's Mid-Hudson River Valley, and delivering natural gas and electricity in a 2,600-square-mile service territory that extends from the suburbs of metropolitan New York City north to the Capital District at Albany. *Central Hudson Enterprises Corporation* includes business units delivering energy and related services to nearly 85,000 customers in eight states and the District of Columbia. Its regional footprint stretches from Connecticut to the Washington, D.C. area, as well as an interest in a Lexington, Neb., ethanol plant.

About Babcock & Brown

Babcock & Brown is a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Stock Exchange.

Babcock & Brown operates from 18 offices across Australia, the United States, Europe, Asia and Africa and has in excess of 550 employees worldwide. Babcock & Brown has five operating divisions including real estate, infrastructure and project finance, operating leasing, structured finance and corporate finance. The company has established a funds management platform across its operating divisions that has resulted in the establishment of a number of focused investment vehicles in areas including real estate and infrastructure.

For further information please see our website: www.babcockbrown.com.