

Glossary

ABI	Association of British Insurers, a body which, inter alia, sets standards of corporate governance on behalf of insurance companies.
ANP	American National Power.
Availability	A measure giving the proportion of electrical energy that was available during the year, after taking account of both planned and unplanned plant outages.
BACT	Best available control techniques.
BITC	Business in the Community, a charitable foundation.
Bond	Security that obligates the issuer (International Power) to make specified payments to the bondholder (financial institutions).
CO₂	Carbon dioxide.
CSR	Corporate social responsibility.
CCGT	Combined cycle gas turbine – turbines, that are typically fuelled by natural gas, are used to drive generators to produce electricity. The exhaust gases are then passed through a boiler to produce steam that in turn drives an additional turbine coupled to a generator.
Cogen	The simultaneous generation of heat and electricity, typically where the need for both arises for industrial or commercial purposes.
Debt capitalisation	Net debt divided by the sum of the net debt and total equity
Demerger Agreement	The demerger agreement dated 21 August 2000 between National Power, Innogy Holdings and Innogy.
EH&S	Environmental, health and safety.
EPS	Earnings per share, calculated by dividing the profit after interest and tax by the number of shares in issue.
EV	Enterprise value – market capitalisation plus debt capitalisation.
ERCOT	The Electric Reliability Council of Texas – is the corporation that administers the power grid for the state of Texas.
ESPS	Electricity Supply Pension Scheme.
FRS	Financial Reporting Standard.
Gearing	Net debt divided by total equity.
Generator nameplate capacity (installed)	The maximum output of a generator under specific conditions designated by the manufacturer. Installed generator nameplate capacity is commonly expressed in megawatts (MW) and is usually indicated on a nameplate physically attached to the generator.
GT24B	Proprietary gas turbine built by Alstom Power.
Heat rate	A measure of the amount of heat required to produce a unit of electricity.
HUBCO	The Hub Power Company.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards.
IGCC	Integrated gasification/combined cycle – a combined cycle gas turbine that is fired on a gas fuel derived from the gasification of liquid or solid carbonaceous material, eg. oil residues or coal.
ISO 14001	The international standard of environment management systems.
KAPCO	Kot Addu Power Company.
Merchant market	A merchant market is a deregulated market.

Glossary continued

Merchant plant	Our merchant plants operate in deregulated markets selling power into the traded market without long-term power purchase agreements (PPAs).
MIGD	Millions of imperial gallons per day.
MW	Megawatt; one MW equals 1,000 kilowatts.
MWth	One megawatt of thermal power.
NEPOOL	The New England Power Pool – together with the ISO New England (Independent System Operator, New England) is responsible for managing the region's electric bulk power generation and transmission systems.
NO_x	Oxides of nitrogen.
Non-recourse debt	Debt secured on an asset.
OCGT	Open cycle gas turbine. Turbines, typically fuelled by gas or diesel oil, are used to drive the generators to produce electricity.
OHSAS 18011	Occupational Health and Safety Assessment Series 18011. A management system specification, developed by the British Standards Institute, for health and safety which is compatible with ISO 9001:1994 (Quality) and ISO 14001:1996 (Environmental) management.
O&M	Operations and maintenance, usually used in the context of operating and maintaining a power station.
Off-take agreement	Power purchase agreement between International Power and its customer (the offtaker) whereby the customer takes the electricity generated by a power station.
PAT	Profit after tax.
PBIT	Profit before interest and tax.
Peak load	The maximum demand during a specified high demand period. This may require use of plant (for example, pumped storage) that is generally idle.
Put	To sell a security back to the issuer at a pre-determined price.
RPI	Retail Price Index.
Recourse debt	Debt secured by the Company.
Reliability	A measure giving the proportion of planned electrical energy that was actually available during the year, after taking account of unplanned plant outages.
Safety walk	A formally structured safety inspection of all operational areas to assess aspects of general safety, good housekeeping, lighting etc.
SCR	Selective catalytic reduction – equipment to reduce the concentration of NO _x in flue gases.
Spark spread	The difference between the power price and fuel costs.
Tolling contract	A form of long-term electricity contract where the buyer of the electricity also supplies the fuel and the generator provides the energy conversion services in the form of the plant and operational services required to change the energy in the fuel into electricity.
Toolbox talk	Team discussions held on topics related to health and safety, environment, technical and business environment as a means of improving communication.
Trade investment	A business entity over which the investor does not exercise significant influence.
UK GAAP	Generally Accepted Accounting Principles in the UK.