

Charles River Associates' NeuCo Subsidiary Named as a Winner in Department of Energy's Clean Coal Power Initiative Competition

Department of Energy Selects NeuCo's Proposal for \$8.4 Million in Funding To Demonstrate Comprehensive, Integrated Online Plant Optimization Systems

BOSTON, Feb 3, 2003 (BUSINESS WIRE) -- Charles River Associates Incorporated (Nasdaq: CRAI) today announced that a proposal submitted by its NeuCo subsidiary for \$8.4 million in Department of Energy (DOE) funding was selected as a winner in President Bush's Clean Coal Power Initiative (CCPI) competition. NeuCo's proposal is for the design, development and demonstration of a comprehensive and fully integrated suite of online plant optimization solutions at Dynegy's Midwest Generation Baldwin Energy Complex in Baldwin, Illinois.

The CCPI is a \$1.3 billion cost-shared partnership between the industry and government to demonstrate advanced coal-based power generation technologies that could help meet the President's Clear Skies and Climate Change initiatives. NeuCo is one of eight companies to be selected as a winner in the initial round of competition. "The level of interest expressed in this first competition was tremendous," said Secretary of Energy Spencer Abraham. "That is a clear indication of the potential to develop and apply technology to improve our energy security through the use of coal, our most abundant natural resource."

NeuCo's proposal is for a 4-year technology development initiative that would cost up to \$18.6 million. Upon successful contract negotiation, the DOE would provide cost-sharing funds of 45%, or up to \$8.4 million.

The new optimization solutions to be developed by NeuCo under the proposed contract include sootblowing, SCR operations, overall unit thermal performance and plant-wide profit optimization. In addition, this would be the first time an integrated real-time software environment is able to coordinate these critical plant sub-systems to optimize a unit's performance goals, and to coordinate multiple units to optimize a plant's business objectives. The expected benefits of these solutions include reduced NOx emissions, improved fuel efficiency and increased availability. The improvements in fuel efficiency are expected to provide commensurate reductions in greenhouse gases, mercury and particulates.

These new applications will be built on NeuCo's ProcessLink(TM) optimization technology platform, a proprietary software environment that was specifically designed to handle large-scale, diverse and distributed process optimization challenges. NeuCo's ProcessLink technology was first applied to combustion optimization at wall-, roof- and tangentially-fired fossil steam boilers, and has helped over 40 generating units throughout the United States to reduce NOx emissions by 10% to 30% and improve fuel efficiency by 0.5% to 1.5%. The new applications will address the critical operating systems of complex fossil steam generation, and extend the ProcessLink capabilities to all fossil generation.

"We are thrilled to be one of the initial eight companies selected in President Bush's Clean Coal Power Initiative," said Curt Lefebvre, NeuCo's president and CEO. "This is a testament to the significant impact that NeuCo's technology can have on boosting the efficiency, cleanliness and competitiveness of coal-fired power plants. NeuCo has long seen the value of deploying advanced technologies to optimize and integrate all the critical plant operations in real time. The Clean Coal Power Initiative funding will significantly speed up the delivery of this network of solutions into the market to help power producers meet the objectives set forth in the Clear Skies and Climate Change initiatives."

About NeuCo, Inc.

NeuCo, Inc. provides optimization software solutions that help electric power producers reduce emissions, perform more efficiently and improve plant reliability and profitability. NeuCo's suite of plant-wide optimization products integrate into a common information technology platform called ProcessLink(TM), so that synergies between products and objectives can be achieved. NeuCo is jointly owned by Charles River Associates Incorporated (Nasdaq: CRAI), Advanced Energy Systems, Babcock-Borsig Power, and employees. More information about NeuCo can be found on the company's Web site at www.neuco.net.

About Charles River Associates Incorporated

Founded in 1965, Charles River Associates is an economics, finance, and business consulting firm that works with businesses, law firms, accounting firms, and governments in providing a wide range of services. CRA combines economic and financial analysis with expertise in litigation and regulation support, business strategy and planning, market and demand forecasting, policy analysis, and engineering and technology management. CRA is distinguished by a corporate philosophy of providing responsive, top-quality consulting; an interdisciplinary team approach; unsurpassed economic, financial, and other analytic skills; and pragmatic business insights. In addition to its corporate headquarters in Boston and international offices in Brussels, London, Melbourne, Mexico City, Toronto, and Wellington, CRA also has U.S. offices in College Station, Houston, Los Angeles, Oakland, Palo Alto, Philadelphia, Salt Lake City, and Washington, D.C. More information about the Company can be found on its Web site at www.crai.com.

Statements in this press release concerning the potential award of \$8.4 million in DOE funding to NeuCo are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current expectations and are subject to a number of factors and uncertainties. Information contained in these forward-looking statements is inherently uncertain and actual performance and results may differ materially due to many important factors. Such factors that could cause actual results to differ materially from any forward-looking statements made by the Company include, among others, dependence on key personnel, attracting and retaining qualified consultants, dependence on outside experts, utilization rates, risks inherent in international operations, NeuCo's performance, management of new offices, dependence on growth of the Company's business consulting practice, the ability of the Company to successfully integrate new consultants into its practice, intense competition, and professional liability. Further information on these and other potential factors that could affect the Company's financial results is included in the Company's filings with the Securities and Exchange Commission. The Company cannot guarantee any future results, levels of activity, performance or achievement. The Company undertakes no obligation to update any of its forward-looking statements after the date of this press release.

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