

# NEWS RELEASE

## For Immediate Release

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## **PENNSYLVANIA LEAGUE OF CITIES AND MUNICIPALITIES SECURES CONSTELLATION NEWENERGY AS THE SUPPLIER FOR MUNICIPAL UTILITY ALLIANCE ELECTRICITY PROCUREMENT PROGRAM**

### *MUA Program Will Save Pennsylvania Municipalities Money On Imminent Escalating Electricity Costs*

**Harrisburg, PA – May 15, 2009** – Electricity rate caps are expiring. How will Pennsylvania municipalities afford the escalating electricity costs, given their already stressed and stretched municipal budgets? In response to this dire situation, and in a continuing effort to bring valuable and cost saving services to municipalities, the Pennsylvania League of Cities and Municipalities (PLCM) -- through their Municipal Utility Alliance (MUA) -- has forged a strategic partnership with Constellation NewEnergy to be the endorsed energy supplier for their aggregate Electricity Procurement Program for Pennsylvania communities.

Since its inception in 1997, the primary objective of the PLCM MUA Program has been to help local governments navigate their way through the complexities of electric restructuring while educating their members on the current state of the energy market. In doing so, they have evaluated potential savings opportunities and how best to realize them.

“The PLCM is pleased to be partnered with Constellation NewEnergy -- one of the nation’s leading providers of electricity -- in providing this timely MUA aggregate electricity purchasing program,” said John A. Garner, Jr., executive director of PLCM. “We are excited to offer this much needed cost savings option to our member municipalities, as well as to municipalities statewide.”

Through the PLCM MUA Electricity Procurement Program, Constellation NewEnergy is committed to assisting municipalities in implementing energy management strategies and making smart purchasing decisions. Their current price offer for municipalities located with the PPL service territory is both lower and for a longer term (2 or 3 years) than anything that will be provided by PPL.

“Constellation NewEnergy is thrilled to have been chosen as the recommended retail energy supplier for the Pennsylvania League of Cities and Municipalities,” commented Brian Weatherford, vice president of sales for Constellation NewEnergy. “We are committed to delivering exceptional pricing, value, and first-class customer service, which has been a Constellation NewEnergy trademark in all of today's restructured markets.

To date, we have successfully developed similar electricity programs with other municipalities and cities throughout the country. In doing so, we have helped implement energy-management strategies and smart purchasing decisions. We look forward to this opportunity to help guide you through the restructuring of the Pennsylvania energy market and beyond.”

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Although many municipalities in Pennsylvania are located in electric utility areas where rate caps have ended, the majority of municipalities are not. In 2010, municipalities in the PPL service territory will have their rate caps expire. In 2011, municipalities in PECO, PenElec, and MetEd will no longer have rate caps; the MUA Electricity Procurement Program will also be addressing these service areas in the near future.

With the removal of the rate caps, the cost impact and potential for pricing volatility will be dramatic and beyond that currently being experienced with natural gas and oil prices. Additionally, these electric rate caps are ending at a time where energy prices are trading at historical highs.

“Everyone is aware of the extraordinary increases in energy costs associated with all energy commodities – oil/gasoline, natural gas and electricity (except in those areas where rate caps are still in place),” stated Art Morris, president of Utility Solutions, Inc. “Fortunately, the wholesale market costs for these commodities have dropped substantially over the past nine months, providing a window of opportunity for consumers to reduce the impact of price increases that all PPL customers will experience when rate caps are removed. Utility Solutions, Inc. is glad to be partnered with the PLCM in assisting MUA members in shopping for electricity in the post-deregulation environment, allowing municipalities to band together to deal with the challenge of the impending rate cap removal.”

The Pennsylvania League of Cities and Municipalities through its MUA program has undertaken actions to deal with both the current situations and to prepare municipalities for the post rate cap period. Because reducing the use of energy consumed is critical to managing energy costs, the MUA has also put in place conservation programs such as the LED Traffic Signal Retrofit Program. Other conservation programs are currently being considered as well.

“The electric procurement program sponsored by the Municipal Utility Alliance and coordinated through PLCM, is a unique and highly effective program for local governments working to manage their purchase of electricity. This inter-municipal cooperative allows participants to pool their purchase of electricity, as one entity, and bid a greater volume of product,” said George Wolfe, MUA advisory committee member and manager of Lower Paxton Township. “In its competitive bid of electricity, the Alliance has been able to secure attractive electric rate pricing for member municipalities in the PPL service area, where rate caps are scheduled to expire at the end of this year.”

There are presently 45 participants in the current MUA Electricity Procurement Program purchase. Any Pennsylvania municipality within the PPL service territory is eligible to participate in this cost savings program, and if interested should contact the PLCM at 717-236-9469 as quickly as possible due to the volatility of the market.

### ***About the Pennsylvania League of Cities and Municipalities***

The Pennsylvania League of Cities and Municipalities is a nonprofit, nonpartisan organization established in 1900 as an advocate for Pennsylvania’s 3rd class cities. Today, PLCM represents Pennsylvania’s cities, townships, towns, boroughs, and home rule municipalities that all share the League’s municipal policy interests. The Board of Directors oversees the administration of a wide array of municipal services including legislative advocacy, publications, education/training, consulting-based programs, and group insurance trusts.

For more information about the Pennsylvania League of Cities and Municipalities, please visit [www.plcm.org](http://www.plcm.org).