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News Release

Energy Group Cites Risks Associated with Establishing Public Power Authorities

- Provides Whitepaper in Testimony before Maryland House Committee -

King of Prussia, PA - The PJM Power Providers Group (P3), in testimony today before the Maryland House Economic Matters Committee, recommended that the committee reject the creation of a power authority in the State of Maryland. The group cited a number of current and historical concerns that policymakers should consider before creating a public power authority.

“In today’s marketplace, state government assuming the role of market participant will only increase regulatory uncertainty, chill private sector investment, and cast doubt on the viability of competitive markets,” said Glen Thomas, President of P3. “Unless they are severely limited in scope, creating a public power authority is a high-stakes policy gamble which policymakers would be wise to avoid.”

The group presented the committee with a whitepaper entitled “Big Risks, Small Rewards: Why States Should Say No to Power Authorities.” The paper, which details experiences of other states, cites that no matter how well intentioned such efforts are, they can be fraught with peril for energy consumers and regulators alike. They have the potential to increase the price of energy, stifle investment, and compromise system reliability. The paper also argues that the financial burden energy customers face today could be dwarfed by the commitments associated with a state government agency overseeing all aspects of power generation construction, operations, and transmission.

In general, the paper concludes that while some power authorities have created limited benefits in areas that are hard to serve, most power authorities have been costly experiments that have not yielded their intended benefits. For more information or a copy of the report, go to www.p3powergroup.com.

P3 is a non-profit organization that supports the development of properly designed and well functioning markets in the PJM region. Combined, P3 members own nearly 74,000 megawatts of power and over 51,000 miles of transmission lines in the PJM region, serving nearly 12.2 million customers.

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