



COMPETITIVE POWER VENTURES, INC.

PRESS RELEASE

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CPV Petition Filed Today Breaks Maryland Generation Gridlock; Improves Environment and Saves Ratepayers Billion\$

- Enhanced local reliability and price certainty to jump-start
Old Line State economy with support from policymakers, says leading developer -

A Silver Spring, Maryland-based energy company, Competitive Power Ventures, Inc. ("CPV"), took action today requesting the Maryland Public Service Commission ("Commission") to take greater control over runaway electricity prices by ordering utilities to negotiate long-term contracts, rather than depending solely on current resource-constrained markets.

"We are strong believers in the power of markets to drive wholesale-level savings that translate into real dollars in ratepayer's pockets, but this market is in need of a fix," said Doug Egan, CPV Chairman. "What we are proposing is really quite simple. By adding additional clean electrical supply to a grid-locked region, Marylanders will obtain the maximum rate reduction possible on electricity rates in the current situation. It's the simple law of *supply and demand*: add supply to a closed market and prices will fall, benefiting consumers."

What is preventing this from happening currently is that dried-up financial markets are not strong enough yet to finance new energy projects, and yet Maryland desperately needs new regionally-based electricity supplies. Requiring utilities to enter into long-term contracts will facilitate the financing of new, clean energy projects that will be essential to power Maryland's future economic growth. A long-term electricity supply contract will also help smooth out electricity price volatility that Marylanders have come to loathe.

CPV's petition provides for the benefits of the regulated environment by providing an "open book" approach whereby the Public Service Commission bases the price to be paid on CPV's demonstrated costs to construct and operate the St. Charles project. At the same time, this provides protections to ratepayers against cost-overruns and operational risks which are borne by the owners of the St. Charles project. This is a model that has been adopted in other states that performs to the benefit of ratepayers.

Various studies into the matter—including one commissioned by the Maryland PUC¹—have all concluded that the addition of significant new electricity supplies will result in dramatic environmental and economic benefits. In a study commissioned by the Maryland Legislature, the addition of the St. Charles project would decrease ratepayer power costs by \$150 - \$400 million per year.

CPV's St. Charles project is the only new combined-cycle facility in Maryland positioned to commence construction in 2010 and, thus, the only option in the State at this time that could create the aforementioned ratepayer benefits.

Of the more than 3,000 MW of new generation approved by the Commission in recent years, only 200 MW has actually reached commercial operation, as of the end of 2009.² Projects in general cannot sit on the shelf indefinitely, and the Commission is well aware that lengthy delays ultimately can threaten the likelihood that a project will ever reach commercial operation.³

Therefore, today CPV Maryland respectfully requested that the Commission grant the Petition, and order the Investor Owned Utilities ("IOUs") to negotiate and enter into a CPV MD LTC for the sale of energy and capacity from the St. Charles Project. CPV Maryland further requested that the order contain a provision that requires the IOUs to finalize the CPV MD LTC within thirty (30) days from the issuance of such order stating that should the parties fail to reach such agreement, the Commission Staff will negotiate the respective CPV MD LTC with CPV Maryland on the IOUs' behalf.

"As a Maryland-based company, of all the various projects we are involved with across North America, this one is particularly close to our hearts. We know how it can provide significant economic and environmental benefits to our friends and neighbors right here at home where we are growing this progressive energy company, CPV," said Egan.

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CPV: Energizing America's Future

Competitive Power Ventures, LLC (CPV) is dedicated to increasing America's sustainability; both economically and environmentally. Using domestically-available energy sources, like wind and natural gas, and partnering with host communities to support their tax base and school districts, CPV works to stabilize and improve local and state economies. CPV's corporate mission is built around a belief that progressive companies can be powerful agents of change for a better world and a cleaner environment. To this end, we have focused our core activities around

¹ Analysis of Resource and Policy options for Maryland's Energy Future 12-1-2008 at 12

² PSC Final Report at 27.

³ D. Magill Testimony at 2134.

developing and operating energy facilities that can make a significant difference in improving the environments and economic well-being of a region.

Headquartered in Silver Spring, MD, with offices in Braintree, MA and San Francisco, CA the company currently has nearly 5,000 (MWs) of conventional generation projects in various stages of development across North America. The company's Asset Management division has ramped up to more than 6,100MWs of natural gas generation under management and is currently expanding its expertise into ethanol plant management.

CPV Renewable Energy Company is currently developing 5,000 MWs of wind power projects across North America.

Find out more at www.cpv.com.