

**COUNCIL OF INDUSTRY
OF SOUTHEASTERN NEW YORK**



For Immediate Release

June 22, 2010

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**Council of Industry Energy Purchasing
Consortium Participants Save \$1 Million
(20%) On Energy Costs**

Participants in the Council of Industry's Energy Purchasing Consortium have saved one million dollars this year compared with the market rates for electricity.

Since 2006, when Pepco Energy Services (PES) became the Energy Service Company for the Council of Industry's Energy Purchasing Consortium, PES and the Council have been working together to help the association's members, mostly manufacturing firms, manage their electricity costs in New York State's deregulated market. Last fall, 25 Council of Industry members signed fixed priced supply contracts with Pepco Energy Services to collectively purchase 80,000 megawatt hours of electricity annually. Over

the first eight months of 2008, the Council of Industry Energy Purchasing Consortium has saved over one million dollars compared to the applicable utility rates. Participating companies include Alcoa Fastening Systems, Pawling Corporation, Southeastern Container and Mount St. Mary College, to name a few.

Based on current market conditions, Pepco Energy Services estimates that the Council of Industry Energy Purchasing Consortium will save an additional \$504,000 for a total savings of over \$1.5 million for the 2008 calendar year. That translates into about an 18% savings. In 2005, the first year of the Consortium, the savings were 24%, in 2006 and 2007 the savings were less than 2%.

“By working together with Pepco Energy Services, the Council of Industry was able to help our members take a proactive approach toward managing their electricity costs. PES kept us well informed and helped us understand our options. The result was a tremendous savings for our members,” stated Harold King, Executive Vice President of the Council of Industry.

Energy costs are generally a big portion of the overall expenses for manufacturing companies. These costs, like so many others, are higher in New York State than they are in other parts of the nation and the world putting our members at a competitive disadvantage. If the Council can help its members manage those costs – even a little – we are mitigating that disadvantage and providing them with a valuable service.

Energy markets in general, and the electricity market in particular, are very volatile. Supply and demand of energy are shaped by everything from national and international politics, economic growth both at home and around the world and even the weather. No one really understands or can accurately predict short term movements. The Council's Energy Purchasing Consortium can, however, keep members focused on their individual situations and help them find a price and product that meets their needs.

"With the help of Pepco and the Council we were able to lock in a price for 2008 and 2009 that fits nicely into our facility budget and we were pleased. When we saw what happened to energy prices in the first part of 2008, we were ecstatic," commented Russell Yeager, President of Alcoa Fastening Systems in Kingston.

"Pepco Energy Services is pleased to have saved \$1 million for the members of the Council of Industry electricity aggregation," said John Huffman, President and Chief Operating Officer of Pepco Energy Services.

Already the Council's Energy Purchasing Consortium is at work trying to find the best opportunity for participants for 2009 and beyond.

About Pepco Energy Services

Pepco Energy Services, Inc. is a wholly owned subsidiary of Pepco Holdings, Inc. (NYSE: POM) and a leader in providing commercial, institutional, government and industrial customers with competitive electricity and natural gas supply and energy efficiency services. For more information, visit www.pepcoenergy.com or call Kelly Dowlis, our Regional Sales Manager in New York at 845.897.3661.

Pepco Energy Services, Inc. is not the same company as Potomac Electric Power Company, and prices and services of Pepco Energy Services, Inc. are not set by the Public Service Commission.

Information contained in this news release may include forward-looking statements which should be considered in light of the risks inherent in the business of Pepco Holdings, Inc. and its subsidiaries, as discussed in public documents filed with the Securities and Exchange Commission.

About the Council of Industry of Southeastern New York

Founded in 1910, the Council of Industry of Southeastern New York is the manufacturer's association of the Hudson Valley. A privately funded not-for-profit organization with more than 130 members, the mission of the Council of Industry is to promote the success of its member firms, and their employees, and through them contribute to the success of the Hudson Valley. For more information, please visit www.councilofindustry.org.

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