



FOR IMMEDIATE RELEASE

PJM BEGINS STAKEHOLDER REVIEW OF RPM CAPACITY MARKET

(Valley Forge, Pa. – June 30, 2008) – The release today of a study of PJM Interconnection’s Reliability Pricing Model (RPM) capacity market initiates a stakeholder review of potential changes to RPM.

PJM commissioned The Brattle Group to analyze the RPM base residual auctions held to date, assess whether the RPM is achieving its objectives and to recommend modifications to the RPM.

“The release of the Brattle report launches an important examination of the RPM through stakeholders’ assessment and review of the report’s findings, including their discussion of its recommendations for changes to RPM,” said Terry Boston, PJM president and CEO. “In the meantime, PJM will continue to reach out to all interested parties to better understand their resource adequacy needs and issues.”

On July 11, The Brattle Group will present to PJM stakeholders a detailed explanation of its report. On July 31, PJM will hold a stakeholder forum to discuss the report’s recommendations. An ongoing stakeholder process is expected to emerge from that meeting.

The RPM ensures that PJM members that sell electricity to end-use customers must have access to adequate power supplies. They can use generation, transmission or demand response, including energy-efficiency programs. They can meet their supply requirements by owning resources (self-supply) or contracting for them (bilaterals).

The Brattle Group provides consulting services and expert testimony in economics, finance, and regulation to corporations, law firms, and public agencies worldwide.

PJM Interconnection ensures the reliability of the high-voltage electric power system serving 51 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region’s transmission grid, which includes 6,038 substations and 56,350 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at www.pjm.com.

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