

PPL operates power plants and sells electricity in competitive markets in the Northeast and West. We value open dialogue with public officials to achieve constructive outcomes on energy policy issues. Contact us with questions or requests for information about competitive electricity markets and energy policy.



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PPL EnergyPlus is again a successful bidder in New Jersey BGS auction

PPL EnergyPlus was one of the winning bidders in the New Jersey Board of Public Utilities' annual Basic Generation Service auction, a vibrant marketplace that helps provide customers with competitive prices for electricity supply.

"We're pleased to continue providing electricity supply to New Jersey's major electric distribution companies," said Gene Alessandrini, senior vice president-Marketing for PPL EnergyPlus. "The results of this year's fixed price auction, with prices 6 percent to 10 percent lower than the 2008 auction, show that the competitive market provides a positive outcome for consumers.

"PPL has long supported the development of open, competitive electricity markets. We believe well-structured, properly regulated markets provide lower costs to consumers than the old cost-of-service regulatory model, while spurring greater efficiency, new technologies and further development of renewable energy projects," he said.

"In addition, PPL has long supported electric distribution companies' efforts to procure electricity supply from the whole-

sale market in the form of full requirements services. The price, volume and regulatory risks related to these products are best managed by the marketplace rather than being placed on the consumer," stated Alessandrini.

Since 2002, the four major electric distribution companies in New Jersey have procured electricity supply in a single, statewide auction process that is held each February. PPL EnergyPlus has been a successful bidder in every one of these auctions.

The rules of the New Jersey BGS auction prevent PPL EnergyPlus from disclosing details of the supply award it received in this year's auction.

Energy secured in the 2009 fixed price auction will meet one-third of the state's residential and small business electric demand for the next three years, and will replace power supply contracts from the 2006 auction. The remaining two thirds of demand will be met by generation secured in the auctions of 2007 and 2008.

The net result for New Jersey residential consumers from this year's auction is minimal change on their electric bills in 2009.

New Jersey BGS auction results on average residential bills

Utility	Usage	Current bill	New bill	Percentage change
Atlantic Electric	650	\$109.70	\$109.70	0%
JCP&L	650	\$119.09	\$119.09	0.1%
PSE&G	650	\$118.54	\$119.21	0.6%
Rockland	650	\$122.26	\$122.46	0.2%

Source: New Jersey Board of Public Utilities

PPL EnergyPlus buying New Jersey solar energy certificates

Taking another step to support the development of renewable energy, PPL EnergyPlus has announced an agreement to purchase New Jersey Solar Renewable Energy Certificates (SRECs) from new solar energy projects developed by SunPower Corp.

“Combining the advantages of competitive markets with extended incentives for projects that support renewable energy and energy sustainability is a winning formula,” said Gene Alessandrini, senior vice president-Marketing for PPL EnergyPlus. “It builds our renewable energy portfolio, and advances the production of green energy.”

PPL EnergyPlus will purchase New Jersey SRECs from solar power generated at SunPower installations in the state. Starting with a sale in 2009, the agreement enables SunPower to finance the construction of about 2.5 megawatts of solar energy projects in New Jersey.

SRECs are tradable certificates representing the renewable energy benefits generated from a solar energy project. Each time a solar energy project generates one megawatt hour of electricity, an SREC is issued that can be sold or traded

separately from the power.

SunPower is a California company that has been delivering solar energy systems to residential, commercial and utility customers for more than 20 years. SunPower maintains an office in Trenton, and has completed solar power installations in New Jersey for customers such as Johnson & Johnson, Tiffany & Co., JC Penney and the New Jersey Department of Military and Veterans Affairs.

“Although the agreement will only address a small portion of new solar capacity to be built in New Jersey in the coming years, it is an indication that the SREC market can facilitate the construction of solar power projects,” said Tom Leyden, managing director of SunPower’s Trenton office. “We expect more of New Jersey’s electricity suppliers will follow suit with similar long-term SREC purchase agreements.

“PPL EnergyPlus is reducing compliance costs and demonstrating good corporate citizenship by entering into this long-term agreement,” he said.

PPL EnergyPlus has about 12 megawatts of solar facilities under ownership or contract and has grown its total

renewable energy portfolio to more than 250 megawatts, including wind, landfill gas and fuel cells in addition to solar. PPL EnergyPlus also has nearly 950 megawatts of clean, hydroelectric energy.

New Jersey is one of the fastest growing solar energy markets in the U.S., with more than 3,500 solar power installations representing more than 69 megawatts of installed capacity.

Maryland procurement reflects financial market conditions

The results of recent electricity procurements in Maryland reflect changes in the competitive wholesale electricity market that are related to the upheavals in financial markets.

PPL EnergyPlus has been an active participant in the Maryland power procurement process, and a supplier to electric distribution companies in the state. We have a sincere interest in making sure that the competitive electricity market produces good results for consumers.

Initially, higher prices for fuel and the basic materials used in electric power generation drove electricity prices higher. While the cost of fuel and materials has been dropping in recent months, these reductions have been partially offset by higher financing and credit costs for electricity suppliers. These financing costs are necessary for suppliers to provide collateral that covers the risk inherent in power supply contracts.

Despite the financial issues, Maryland’s power procurement process remains competitive. PPL EnergyPlus is committed to addressing market issues and remaining a participant in the state’s competitive electricity market.

PPL EnergyPlus awarded supply contract in Delaware

PPL EnergyPlus was one of companies awarded contracts to provide Standard Offer Service electricity supply to customers of Delmarva Power in Delaware starting June 1, 2009.

PPL EnergyPlus has been a participant over the years in Delaware’s procurement process.

The results of the Delmarva Power solicitation produced electricity prices that are 6 percent lower than last year.

The new contracts, effective June 1, will replace expiring contracts signed in 2005. The

net result is that electricity prices for Delmarva Power customers in Delaware will be virtually unchanged.

The technical consultant retained by the Delaware Public Service Commission reviewed the results and determined that the procurement is a “competitive process that resulted in fair results for the ratepayers of Delaware.” The consultant found that prices were in line with market conditions, and the level of participation was satisfactory.