



**NEW STATE ELECTRICITY CONTRACTS
WILL SAVE MARYLAND TAXPAYERS 31.3 MILLION**
DGS/USM Partnership Maximizes Energy Savings

BALTIMORE (November 20, 2006) – In one of the largest electricity procurements ever, the Maryland Department of General Services (DGS) and the University System of Maryland (USM) have purchased 1.4 billion kilowatt hours (kWh) for \$243 million. The unprecedented purchase of electricity will save Maryland taxpayers more than \$31.3 million over a two-year period.

“The State has scored a major success,” said Governor Robert L. Ehrlich, Jr. “This partnership between the Department of General Services and the University System of Maryland has produced significant savings that will help avoid costly rate increases.”

DGS and USM purchased electricity for more than 4,300 State accounts in the Allegheny, BGE, Delmarva, and PEPCO service territories. The auction was conducted on World Energy Solutions’ online platform.

“As a business arm of State government, DGS has always made accountability to Maryland taxpayers its top priority,” said DGS Secretary Steve Cassard. “With this procurement, the DGS-USM partnership was opportunistic and has leveraged the State’s buying power to reduce the impact of increasingly higher energy costs.”

Thirteen contracts were awarded for a total of 1,479,405,395 kilowatt-hours. The terms of the contracts are 24 months or longer, beginning in January 2007 for Allegheny Power accounts, and later during 2007 for other utilities.

“The University System and DGS partnership allowed us to maximize competition and drive down the cost of electricity,” said USM Vice President for Administrative Affairs John D. Porcari. “In this case, grouping large USM and State accounts together has provided an aggregate benefit to the State.”

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The contracts will serve USM member institutions and agencies throughout the State, including State office buildings, Baltimore City Community College, the Maryland Department of Transportation, the Department of Public Safety and Correctional Services, the Maryland State Police, the District Court of Maryland, and the Maryland Stadium Authority – which operates M&T Bank Stadium and Oriole Park at Camden Yards. Several non-profits also benefited, including the Maryland Food Bank.

Winning bidders were ConEdison Solutions of Wymomissing, PA, Amerada Hess of New York, NY, Pepco Energy Services of Arlington, VA, Reliant Energy of Houston, TX, and Washington Gas Energy Services of Herndon, VA

Last week's energy auction was the fifth time DGS has conducted a "reverse auction" since rate caps expired for commercial and government businesses in 2004. Over the three year period, the State has saved an estimated \$49,778,681 in its electricity costs, and \$4.9 million natural gas costs.

The Department of General Services supports State and local government agencies by providing a full spectrum of design and construction, facilities operations, security, procurement, real estate, and surplus property services

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