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AMP/VEIC Execute New Efficiency Smart Contract

July 15, 2013 (COLUMBUS, OHIO) American Municipal Power, Inc. (AMP) and the Vermont Energy Investment Corporation (VEIC) have executed a contract that will extend the operation of Efficiency Smart – AMP’s successful energy efficiency program – beyond its initial three-year contract term. The new contract will run from January 2014 through December 2016.

Launched in January 2011, Efficiency Smart provides a broad range of energy efficiency services for AMP member utilities. Its goal is to encourage residential, business and industrial customers to adopt cost-effective energy efficiency services that provide reliable, verifiable cost savings. VEIC was contracted to create and implement the initial program, which expires at the end of 2013. Forty-nine AMP member communities in Ohio, Pennsylvania and Michigan currently participate in Efficiency Smart.

The original three-year service period, valued at approximately \$27 million, was designed to save participants 81,000 megawatt-hours (MWh) of energy by the end of 2013. Efficiency Smart surpassed this savings target in March of this year, and is now focused on achieving individual savings targets for each of its participants. To date, 34 participating communities have reached at least 70 percent of their energy savings goal for the first contract period, and of these communities, 22 have already exceeded 100 percent of their savings target.

“There are still a lot of energy savings to attain as well as money that we are committed to returning to businesses and residents, said Kristyn Wilder, Executive Director of Efficiency

Smart. “We plan to build on the momentum of our first contract to achieve even greater energy savings for our participating members in 2014 and beyond. We also look forward to continuing to make a lasting impact in each of our communities, not just through energy savings, but also through workforce, economic and community development.”

Under the terms of the new agreement, the cost to participate in Efficiency Smart will decrease from the current rate of \$1.50 per MWh of the municipality’s annual retail sales to \$1.40 per MWh with no impact on the level of services participants receive. Two other key updates to the second contract include removing the minimum level of subscription required for Efficiency Smart to operate – although a minimum of 5 million MWh per year is targeted – and stipulating that AMP may seek to bid MWh savings into the available capacity market.

Most of the provisions will remain the same during the next service period, including that VEIC fees will still be at-risk through a 70 percent performance guarantee for participants, savings will continue to be independently verified by a third-party hired by AMP, and VEIC will still have the opportunity to engage in activities outside of AMP through Efficiency Smart as long as it does not interfere or present a conflict of interest in providing energy efficiency services for AMP.

“Efficiency Smart has been extremely successful in its first years of operation,” said AMP Senior Vice President Jolene Thompson, who supervises Efficiency Smart for AMP. “The program is an important component in participating communities’ portfolios and the renewed contract allows us to build on this success. Increased participation and additional energy savings are definitely goals going forward. The new contract with VEIC will allow a continuity in program management and continued success.”

“VEIC is excited to continue our strong partnership with AMP and the member utilities of Efficiency Smart,” said VEIC Executive Director Scott Johnstone. “With the continuation of Efficiency Smart, businesses and homeowners will continue to have opportunities to save money and energy, while also supporting local job creation and economic development. This successful partnership is a national model in providing energy efficiency services for municipal utility customers.”

More information about Efficiency Smart can be found at www.energysmart.org.

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ABOUT AMP:

American Municipal Power, Inc. is the nonprofit wholesale power supplier and services provider for 129 member municipal electric systems in the states of Ohio, Pennsylvania, Michigan, Virginia, Kentucky, West Virginia and Delaware. Combined these public utilities serve more than 625,000 customers. AMP members receive their power supply from a diversified resource mix that includes wholesale power purchases through AMP and the open market and energy produced at AMP and member-owned generating facilities utilizing fossil fuel, hydroelectric, wind and other renewable resources. The organization is focused on sustainability and increased use of renewable generation resources. AMP currently has four run-of-the-river hydroelectric projects under construction on the Ohio River. Combined these four projects will add 300 MW of new hydro capacity to the region. AMP is pursuing additional hydro, solar, wind and landfill gas projects. For additional information, visit AMP's Web site at www.ampppartners.org.

ABOUT VEIC

The Vermont Energy Investment Corporation (VEIC) is a mission-driven nonprofit organization, founded in 1986, dedicated to reducing the economic and environmental costs of energy consumption through cost-effective energy efficiency and renewable energy technologies. VEIC has consulted in 25 states, 6 Canadian Provinces and 7 countries outside North America to design programs that reduce energy use through energy efficiency and renewable energy. For more information: www.veic.org.