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NEWS RELEASE

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AMP SIGNS MOU WITH FIRSTENERGY ON FREMONT ENERGY CENTER

COLUMBUS: American Municipal Power, Inc. (AMP) has entered into a non-binding memorandum of understanding (MOU) with FirstEnergy Corp. (NYSE: FE) regarding the Fremont Energy Center, a 707 MW (fired) natural gas combined cycle generation plant currently under construction by FE and located predominantly in the City of Fremont, Ohio. The Fremont Energy Center is owned by FirstEnergy subsidiary, FirstEnergy Generation Corp.

Construction on the Fremont Energy Center is largely complete and the plant is expected to be commercially available by year end. Under the MOU, AMP and FirstEnergy have agreed to enter into exclusive negotiations toward AMP executing a definitive agreement by March 11, 2011, to purchase the facility from FE on or about July 1, 2011.

The Fremont Energy Center was formerly owned by Calpine Corporation, which filed bankruptcy in 2005. Calpine subsequently suspended construction of the plant and it was



auctioned in 2007. AMP conducted considerable due diligence and bid on the facility at the time -- with FirstEnergy ultimately having the winning bid.

The Fremont Energy Center fits well with AMP's overall power supply strategy of reducing its members' long-term reliance on wholesale power markets through development of diverse generation assets. AMP members presently rely on the wholesale market for more than 90 percent of their intermediate power supply needs. Based on AMP members' long-term power supply analysis conducted by R.W. Beck (an SAIC company), the Fremont facility would provide a cost-effective, environmentally friendly, asset-based alternative to wholesale energy and capacity markets.

Analysis indicates that when compared to natural gas combined cycle alternatives, the Fremont facility would provide a \$350 million savings to participating AMP members over 30 years, as well as a favorable energy market location and fuel supply optionality. Also important to AMP members is the mitigation of construction and permitting risks by acquiring a facility that is largely complete.

In late 2010, AMP announced its intent to develop a natural gas combined cycle facility on land in Meigs County that was formerly the site for a proposed coal-fired facility known as the American Municipal Power Generating Station (AMPGS). Those plans have been suspended based on the new developments with the Fremont facility.

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Fremont Energy Center

ABOUT AMP

American Municipal Power, Inc. is the nonprofit wholesale power supplier and services provider for 128 member municipal electric communities in the states of Ohio, Pennsylvania, Michigan, Virginia, Kentucky and West Virginia. Combined these public power systems serve more than 570,000 customers. Headquartered in Columbus, Ohio, AMP provides a variety of services for its members including: power supply planning, financial, environmental, generation, legal, engineering, public relations and other support services. AMP members receive their power supply from a diversified resource mix that includes: wholesale power purchases through AMP and on the open market, as well as energy produced from a variety of base load and distributed generation assets utilizing hydro, wind, landfill gas and fossil fuels. AMP built and operates the 42 MW Belleville Hydroelectric Plant and the 7.2 MW American Municipal Power Wind Farm, Ohio's first utility-scale commercial wind farm. AMP is currently in varying stages of development for six new run-of-the-river hydroelectric plants at existing dams on the Ohio River. The undertaking, which includes three projects under construction, represents the largest deployment of new run-of-the-river hydro generation in the country. When completed, the hydro projects will add more than 400 MW of renewable generation capacity. AMP is the largest equity owner of the 1,600 MW Prairie State Energy Campus, currently under construction in southern Illinois. The organization owns 23 percent of the state-of-the-art, mine-mouth plant and adjacent coal mine. Additionally, AMP recently launched Efficiency \$mart, a comprehensive energy efficiency program designed to assist residential, commercial, and industrial customers in participating member communities lower their power bills by installing energy efficient equipment and systems. The organization is also pursuing development of new solar, landfill gas and wind generation resources. For additional information, visit AMP's Web site at www.amppartners.org.

