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NEWS RELEASE

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AMP SIGNS MOU WITH FIRSTENERGY ON GAS GENERATION PROJECT

(Columbus) American Municipal Power, Inc. (AMP) has executed a non-binding memorandum of understanding (MOU) with Akron, Ohio-based FirstEnergy Corp. (NYSE: FE) to construct, own and operate a proposed natural gas generating facility. The 873 MW (summer) gas combustion turbine project would be located on the premises of FE's plant in the City of Eastlake, Ohio, and is subject to regulatory approval.

The intent of the MOU is that AMP and FE will negotiate details of the relationship to develop, and ultimately own and operate a facility consisting of four simple cycle combustion turbines. It is contemplated in the MOU that FE will construct, operate and maintain the facility on behalf of itself and AMP. Upon completion, AMP will own 75 percent of the generation output, with FE owning the remaining 25 percent.

The project would support AMP's updated 2014-2038 long-term power supply modeling, which shows need for significant peaking generation. The anticipated date of commercial operation for the proposed project would be prior to June 2016.

In 2011, AMP purchased the Fremont Energy Center, a 707 MW (fired) natural gas combined cycle facility located in Fremont, Ohio, from FE. That project (known as the AMP Fremont Energy Center) began commercial operation in 2012 and has been a valuable resource for participating municipal electric systems. AMP President/CEO Marc



AMP / FirstEnergy MOU

S. Gerken, P.E, commended the positive working relationship between AMP and FE. “FE has been a good partner for AMP,” stated Gerken. “FE has proven construction oversight experience and a successful operational track record.”

“The Eastlake peaking project has the added benefit of helping to alleviate concerns AMP has about future capacity cost increases resulting from PJM’s proposed formation of a new Locational Deliverability Area (LDA) covering the greater Cleveland area beginning with the 2016-17 Reliability Pricing Model (RPM) auction,” explained Gerken. “LDAs are established by PJM in areas where there is limited transmission capability to import capacity to satisfy reliability requirements. FE’s efforts to upgrade transmission around Cleveland combined with the Eastlake project should help to mitigate future constraints and higher capacity market prices in the area.”

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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, solar and landfill gas. The organization is focused on sustainability and increased use of renewable generation resources. AMP has a robust energy efficiency program, and currently has four run-of-the-river hydroelectric projects under construction on the Ohio River representing the largest deployment of new hydro in the nation. Combined these four projects will add 300 MW of new hydro capacity to the region. For additional information, visit AMP’s Web site at www.amppartners.org.

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