

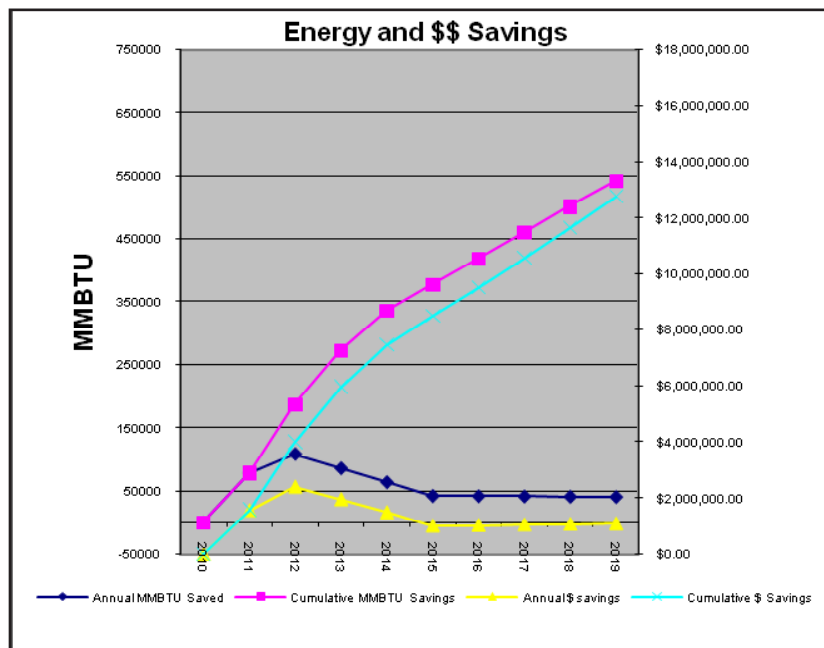


# Sustainable Communities in Delaware Program Proposal

Pepco Energy Services, Inc. is a subsidiary of Pepco Holdings, Inc. (NYSE: POM)  
With Over \$750 Million in Energy Efficiency and Renewable Energy Projects Developed Since 1995

## Proposal Overview

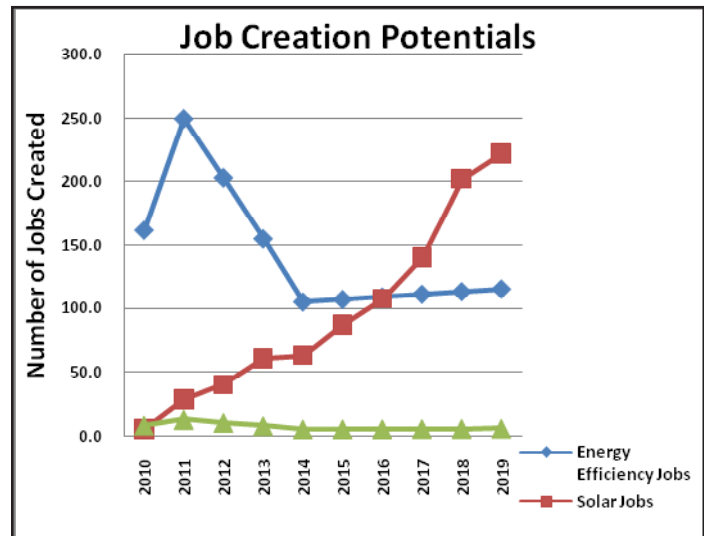
Focus:	Large Commercial and Industrial Sectors.
Strategy:	Proactive Marketing in Coordination with the DE SEU.
Estimation of Potential:	30% Market Penetration over 10 Years. 3% Price Escalation. 30% Initial Market Share. 5% Annual Reduction.
Projected Market Penetration by Pepco Energy:	\$16 Million in Projects During 2010.
Energy and Dollar Savings:	582,346 MMBTU Energy Savings Estimated Over 10 Years. 78,247 MMBTU Energy Savings Estimated for Year 2010. \$13.88 Million Cost Savings Estimated Over 10 Years.



## Potential for Job Creation in Delaware

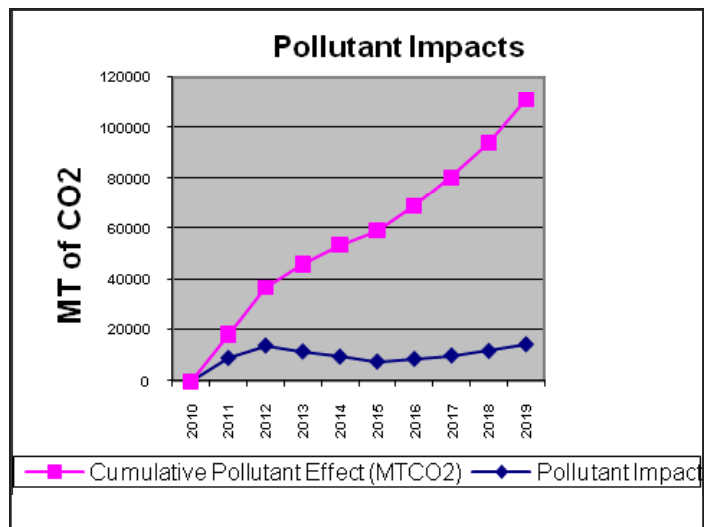
- 175 Jobs in 2010.
- 2,465 Jobs Over 10 Years.

(Based on EERE Guideline: \$92,000 Investment = One Job Created.)



## Pollution Reduction

- 9,000 Metric Tons of CO<sub>2</sub> in 2010.
- 96,000 Metric Tons of CO<sub>2</sub> Over 10 Years.



Pepco Energy Services is committed to Energy Efficiency and Renewable Energy Projects in Delaware and will strive to realize the estimated market potential of \$16 Million during 2010.

Pepco Energy Services recognizes the policy commitment of the State of Delaware through its unique SEU initiative and its efforts to encourage commercial and industrial energy users to implement both renewable and energy efficiency projects. We consider the SEU an invaluable entity which can create and sustain market confidence in the implementation of energy efficiency and renewable energy technologies throughout the State of Delaware.

