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Onorato, Ravenstahl Announce Savings from Initial Joint Energy Purchase

PITTSBURGH — Allegheny County Chief Executive Dan Onorato and Pittsburgh Mayor Luke Ravenstahl today announced the successful completion of the initial online reverse auction through the Western Pennsylvania Energy Aggregation Program. Allegheny County, the City of Pittsburgh, Sports & Exhibition Authority of Pittsburgh & Allegheny County, Pittsburgh Water & Sewer Authority, and Zoological Society of Pittsburgh will collectively save \$1.4 million over the next two years as a result of combining their energy needs.

“These initial results demonstrate that the County, City and other organizations can achieve savings by combining and maximizing our purchasing power,” said Onorato. “Taxpayers and patrons will benefit from these low energy costs, and we encourage other organizations to join in this cost-saving effort.”

The energy purchasing consortium awarded a two-year contract in the amount of \$15.6 million to Duquesne Light Energy to provide generation and transmission services for approximately 230,000,000 kilowatt hours of energy. The contract includes a requirement that 10 percent of the energy come from renewable sources – a doubling of the current requirement. Additional online reverse auctions will take place as new members join the consortium and as existing energy contracts expire.

“The Western Pennsylvania Energy Aggregation Program is a great example of the City, County and other agencies jointly pursuing best-in-class purchasing practices that are enabled by 21st Century technology to make the best use of limited dollars,” said Ravenstahl.

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“We are pleased to partner in the ongoing efforts to improve economic vitality in the Pittsburgh region by providing the City and County with the best competitive market price for energy,” said Morgan K. O’Brien, president and chief executive officer of Duquesne Light Holdings, the parent company of Duquesne Light Energy.

The City and County contracted with Co-exprise Inc. in October 2007 to coordinate the energy aggregation program and conduct online reverse auctions. Co-exprise is a Wexford-based technology and strategic sourcing company that acquires a variety of commodities for thousands of organizations across the country, including the District of Columbia and Ford Motor Company.

“We are thrilled with the outcome of the Western Pennsylvania Energy Aggregation Program,” said Co-exprise Chief Executive Officer Bill Blair. “The result was a powerful display of strategic sourcing processes coupled with next generation technology deployed to assist public and private entities in achieving best market price for their electricity contracts.”

The selection of Co-exprise was based on its competitive fee and proven experience in conducting online reverse auctions. Co-exprise’s fee is structured with no upfront costs, and it is earned only after an energy contract is awarded to a supplier. In addition, the fee is a transparent addition to the energy price and is paid by the successful supplier based on the consumer’s actual energy consumption.

An online reverse auction is a real-time bidding process in which each energy supplier is given a generic identifier and can see competitors’ bids, but not their names. Based on this real-time market feedback, the energy suppliers continue lowering bid prices until best market price is achieved.

Onorato and Ravenstahl invite other organizations in Western Pennsylvania, including counties, municipalities, hospitals, school districts, colleges, universities, municipal authorities, non-profit organizations and private businesses, to participate in the energy purchasing consortium.

Any organization interested in participating in subsequent phases of the aggregation program should contact David Mikula at Co-exprise at 412-933-1180 or visit www.co-exprise.com.

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