ENERGY SAVERS, INC.

306 McKnight Park Drive
Pittsburgh, PA 15237-6534
(412) 364-6468, Fax (412) 364-6503

November 13, 2009

To all ESI Customers, Partners & Friends:

Energy Alert

Volume 2, series 1

If you currently have any type of **Electricity Energy Conservation Program** in progress, we believe it would be in your best interest to immediately suspend the program!

I know this sounds strange; however, any type of current electric conservation program will reduce or prevent a facility from participating in your electric utility's program.

All major electric utilities are currently developing programs for the PUC to approve. Participants in these programs will receive "cash rebates" or credits based upon their level of participation and documented reduced consumption. Reduced consumption prior to the program's start date will not qualify. The programs are "at no cost to the utility" and, therefore, funding will be by customer rate class. Basically, rates will increase for everyone; those participating in the program will be offset by rebates, credits and savings from the reduced consumption. Those not participating or those participating at reduced levels due to previously completed energy reduction programs will basically pay for the cost of the program.

The following could have a major impact on all commercial real estate. We are in the process of notifying our customers about this program and advising them to suspend Energy Conservation Programs until all details are known.

The PUC is actively involved in the implementation process for Act 129 of 2008. On October 15, 2008, Governor Rendell signed HB 2200 to become effective November 14, 2008. The Act expands the PUC's responsibilities and imposes new requirements on electric utilities, with the overall goal of reducing energy consumption and demand. Act 129 directed that by July 1, 2009, all electric utilities with at least 100,000 customers are to develop and file an energy efficiency and conservation plan with the PUC.

This program requires electric utilities to adopt a plan, approved by the PUC, to reduce electric consumption by at least one percent of its expected consumption for June 1, 2009 through May 31, 2010. This reduction is to be completed by May 31, 2011. Total annual consumption is to be reduced by a minimum of three percent and peak demand is to be reduced by a minimum of four-and-a-half percent of the utility's annual system peak demand by May 31, 2013. The PUC is to assess the cost effectiveness of the program by November 30, 2013 and set additional reductions if the benefits of the program exceed its costs.

The process will address utility default service provider responsibilities; conservation service providers; smart meter technology; time-of-use rates; real-time pricing plans; default service procurement; market misconduct; alternative energy sources; and cost recovery.

Should you have questions or require additional information, please feel free to contact Mike Behr, Jim Behr or Natalie Abel at our office at your convenience.