

HOW MUCH CAN YOUR BUSINESS AFFORD FOR INCREASES IN ELECTRIC COSTS?

(Don't wait until July 1, 2004 to find out...)

By July 1, 2004, business account holders in the BGE and PEPCO territories must select an energy provider. If the business does not select a provider, it will be placed into a pool of accounts with the designation "POLR "or "Provider of Last Resort."

A business may solicit bids from numerous providers licensed to do business in Maryland, negotiate with a single licensed provider, go into the POLR pool or join an aggregation group.

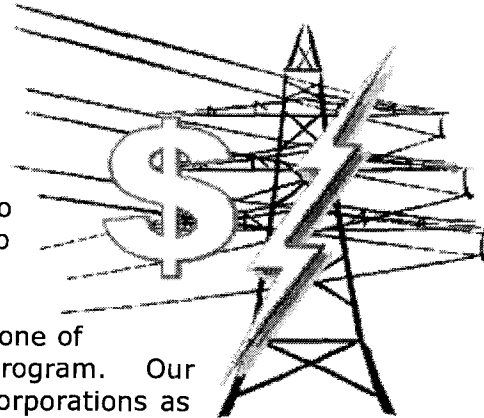
The Baltimore/Washington Corridor Chamber of Commerce (BWCC) is one of only a few chambers in Maryland to establish an aggregation program. Our consultant, CQI Associates of Columbia MD, is an advisor to large corporations as well as numerous institutions and school systems. Our first "class" of businesses has already gone out for bid and we expect to have pricing in late April to early May. Our buying power in this cooperative approaches \$3 million. A new "class" is now forming, and we expect to have bids received for contracts to commence by September 2004.

While we purchase electricity collectively, the contract is between the selected energy bidder and the member business; the BWCC is not a party to the contract and receives no remuneration from the selected energy provider. A business, agency or organization must be a member of the Baltimore/Washington Corridor Chamber of Commerce and also pay a fee of \$250 per **location** (not meter accounts per location) to join the cooperative. Businesses with more than twelve locations will be eligible for a negotiated fee.

The goal of the cooperative is to obtain the best rate for the longest and most fiscally responsible term so as to provide pricing stability and budget certainty.

Electric energy deregulation became law in 2000. Electric rates were capped and businesses have enjoyed a price that was not subject to the "market." If anyone follows the NYMEX, you know that electricity is traded as a commodity and is subject to many variables, including crises in the Middle East, the price of natural gas and other factors. As we enter true "market" pricing, there is bound to be an increase. Think of it this way: Suppose you had been able to buy gasoline for the last three years at the average price you paid for it in 2001 (\$1.42). Tomorrow you must pay the market price; will you pay more? The *Miami Herald* in a recent article described the newly deregulated markets as places "where prices can change from one day to the next and the overall trend is typically upward -- **an average of 33 percent...**" We don't know at this point what the new utility rate or "price to compare" will be, but the prudent business person must consider that an aggregation of accounts should enjoy an economy of scale in its pricing.

Want to learn more? Want to join our September "class"? Please call the Baltimore/Washington Corridor Chamber of Commerce and speak to President & CEO Walt Townshend, or call our Electric Cooperative Task Force Chairman, Don Danneman at 301-725-2244. Mr. Danneman, a former Board Chairman and successful business owner, took on the role of chairman to assist fellow business owners in making prudent choices for energy purchasing. Working together, we can be wiser consumers of energy.



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