

Press Release

PEPCO ENERGY SERVICES PROVIDES GREEN ENERGY TO THE AMERICAN PSYCHOLOGICAL ASSOCIATION'S HEADQUARTERS IN WASHINGTON, DC

January 7, 2008

ARLINGTON, VA – Pepco Energy Services, a subsidiary of Pepco Holdings, Inc. (NYSE: POM) and a leader in supplying renewable electricity, announced today that it has been awarded a contract to supply green energy to the headquarters of the American Psychological Association in Washington, D.C.

The two and a half-year contract that begins this month calls for Pepco Energy Services to provide the American Psychological Association with nearly 16 million kilowatt hours of 100% renewable energy certificates for its two buildings located at 750 First Street, N.E. and 10 G Street, N.E.

Under this contract, Pepco Energy Services will provide renewable energy certificates that are green-e certified from Sterling Planet. Affiliated Power Purchasers International, LLC, an energy consulting firm in Salisbury, Maryland, advised the American Psychological Association on this decision and facilitated the contract.

"We are extremely happy to be doing our part in helping the environment by purchasing green energy," stated Dr. Norman Anderson of the American Psychological Association.

"Pepco Energy Services is delighted to be supplying renewable energy certificates to the American Psychological Association," said John Huffman, President and Chief Operating Officer of Pepco Energy Services.

Pepco Energy Services currently supplies 100% renewable resources to the Statue of Liberty on Liberty Island and the Ellis Island Immigration Museum on Ellis Island, as well as the U.S. Environmental Protection Agency Headquarters, located in Washington, D.C.

About Pepco Energy Services

Pepco Energy Services, Inc. is a wholly owned subsidiary of Pepco Holdings, Inc. (NYSE: POM) and a leader in providing commercial, institutional, government and industrial customers with competitive electricity and natural gas supply and energy efficiency services. Visit www.pepcoenergy.com for more information.

Pepco Energy Services, Inc. is not the same company as Potomac Electric Power Company. Prices and services of Pepco Energy Services, Inc. are not set by the Public Service Commission.

Information contained in this news release may include forward-looking statements that should be considered in light of the risks inherent in the business of Pepco Holdings, Inc. and its subsidiaries, as discussed in public documents filed with the Securities and Exchange Commission.

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