

GE ANNOUNCES WINNERS IN AUCTION FOR NEW YORK CITY ELECTRIC TRANSMISSION CAPACITY

STAMFORD, Conn. and LINDEN, NJ - Jan. 31, 2007 – Four power marketing and trading companies have won an auction of the electric capacity from what GE Energy Financial Services believes is the first truly merchant US transmission project. The project will provide New York City with much-needed additional power.

A three-month-long open season process -- including a fair, open, and transparent marketing program -- culminated in a successful auction for transmission rights. Winning bidders were Cargill Power & Gas Markets, Conectiv Energy Supply, Inc. (Conectiv Energy), Consolidated Edison Energy, Inc., and a fourth company that requested its name not be disclosed. None of the winning bidders is affiliated with GE. Financial details were not disclosed.

The project will create an additional 300 megawatts of electricity transmission transfer capability from the Pennsylvania/Jersey/Maryland (PJM) Interconnection, the largest centrally dispatched electric grid in the world, to the NYISO grid serving the New York metropolitan area. Capacity was auctioned in twelve 25-megawatt blocks of transmission scheduling rights, which include all associated rights for withdrawing energy and generation capacity from PJM and its delivery into NYISO. Transmission scheduling rights were offered in three-, five-, and seven-year contract lengths. Cargill Power Markets won three blocks for three years. Conectiv Energy won one block for five years. Consolidated Edison Energy won one block for three years.

The project, to be constructed adjacent to GE's 900-megawatt Linden, NJ, cogeneration power plant, will be the first truly merchant transmission project in the United States. While regulators set tariff rates on other transmission projects or developers negotiate those rates with a utility, rates for transmission scheduling rights on the Linden project were set solely in an open auction, held Jan. 16, among market participants competing for economic power sources.

"Capacity-constrained New York City has among the highest electricity costs in North America, creating strong demand for PJM's historically lower-cost sources of power generation," said Mark Mellana, a managing director for power at GE Energy Financial Services. "Winning bidders gain access to a diverse universe of economic power sources, while New York City gains access to enough electricity to power up to 300,000 homes."

The project will transmit power from PJM to NYISO using excess capacity available in a cable running in bedrock 60 feet beneath the Arthur Kill waterway, originating at the Linden power plant and connected to Consolidated Edison's Goethals substation in the New York City borough of Staten Island. The project will increase the capacity of the cable, which

went into operation in 1992, to 1190 megawatts. Project construction is expected to commence during the first half of this year, with commercial operation anticipated during the fourth quarter of 2009.

Building on GE Energy Financial Services' 25-year legacy of investment in power, the project will consist of the design, construction, and operation of three 100-megawatt Variable Frequency Transformers, using proprietary GE technology that enables a simple and controlled transmission path between electrical grids. The three Variable Frequency Transformers will be installed at the Linden plant, which GE Energy Financial Services purchased last year. This would be the third installation of GE's Variable Frequency Transformer technology in North America.

The proposed project reflects GE Energy Financial Services' commitment to investing in and financing transmission projects. GE Energy Financial Services holds investments in power projects with a capacity to produce 22 gigawatts, enough to power more than 20 million homes.

About GE Energy Financial Services

GE Energy Financial Services' 300 experts invest globally with a long-term view, across the capital spectrum and the energy and water industries, to help their customers and GE grow. With \$13 billion in assets, GE Energy Financial Services, based in Stamford, Connecticut, invests more than \$5 billion annually in two of the world's most capital-intensive industries, energy and water. More information: www.geenergyfinancialservices.com.

About GE

GE (NYSE: GE) is a diversified technology and services company dedicated to creating products that make life better. From aircraft engines and power generation to financial services, medical imaging, television programming and plastics, GE operates in more than 100 countries and employs more than 300,000 people worldwide. For more information, visit the company's Web site at <http://www.ge.com>.

About Cargill Power & Gas Markets

Cargill Power & Gas Markets is a proprietary trader of electricity and natural gas, with offices in Minneapolis and Calgary. CPGM leverages its trading and risk management capabilities by aligning itself with entities that own, control or seek control of energy assets including gas transportation and storage or power generation. It is a business unit of Cargill, Incorporated, an international provider of food, agricultural and risk management products and services. With 149,000 employees in 63 countries, the company is committed to using its knowledge and experience to collaborate with customers to help them succeed.

About Conectiv Energy Supply, Inc. (Conectiv Energy)

GE

Energy Financial Services

www.geenergyfinancialservices.com

Conectiv Energy is the competitive, wholesale subsidiary of Pepco Holdings, Inc. (NYSE: POM). Their teams of professionals operate a portfolio of 3700 MW of environmentally friendly, highly flexible power plants, located in five states within the PJM Interconnection power pool. Conectiv Energy applies the expertise of an in-house wholesale merchant asset management team to responsibly optimize the value of its energy portfolio.

About Con Edison Energy

Consolidated Edison Energy, Inc. (CEE) is a wholesale energy supply company, and is a wholly owned subsidiary of Consolidated Edison, Inc. CEE sells energy and capacity from power generating facilities, obtains energy for energy marketers including Consolidated Edison Solutions, its retail affiliate, and is an active participant in the wholesale markets and regulatory process in the Northeast.

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Editor's Note: Caption for image accompanying this press release -- GE Energy Financial Services auctioned electricity from a proposed transmission project in New Jersey capable of increasing the power supply to energy-constrained New York City. Shown here is construction of a similar project, called a Variable Frequency Transformer, in Laredo, TX.