



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy partners with government agencies in first-of-its-kind carbon sequestration project

Hagerstown, Md., May 7, 2001 – Allegheny Energy, Inc. (NYSE: AYE), in partnership with the U.S. Department of Energy and the Department of Interior’s Office of Surface Mining, as well as several other local agencies and organizations, has undertaken a first-of-its-kind pilot project to demonstrate the technical and economic feasibility of revegetating strip-mined land for carbon sequestration, water quality enhancement, and environmental stewardship value.

The project is part of Allegheny Energy’s ongoing commitment to environmental leadership and stewardship for the enhancement of the region and the communities the Company serves.

Carbon sequestration is the absorption of carbon dioxide (CO₂) by trees and other vegetation as part of the growing process. Sequestration is considered to be one of the more practical and cost-effective means of reducing CO₂ concentrations in the atmosphere. CO₂, one of the byproducts of fossil-fuel combustion, is one of the so-called “greenhouse” gases often cited for contributing to global climate change.

The *Limestone Run Revegetation Project* will involve planting more than 7,000 red and white pine seedlings and two acres of warm season, native grasses on a 20-acre former strip mine site purchased by Allegheny Energy after it had been mined and reclaimed. Students from the Lenape Technical School in Ford City, Pa., will help plant the trees during a kick-off ceremony beginning at 11 a.m. on Tuesday, May 8, 2001, at the site between Cowansville and Adrian, Pa.

“This is an exciting project with multiple benefits that fits perfectly into our commitment to the environment,” said Victoria V. Schaff, Allegheny Energy’s Vice President, External Affairs, and a member of the Company’s Executive Environmental Review Committee. “In addition to sequestering CO₂, it will enhance the environment and provide an opportunity for Allegheny to beneficially use fly ash from our power stations. It’s a win-win for our Company and our communities.”

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As part of the research for the project, Allegheny Energy will mix fly ash from Armstrong Power Station with the revegetated soil to measure its effectiveness in stimulating plant growth. If proven effective, the application of fly ash could increase its marketability so that greater quantities can be used beneficially, reducing the amount that is deposited in landfills.

“The revegetation of the strip-mined land will add ecological value in our region by helping to control soil erosion, reducing sedimentation and improving water quality in streams that receive soil runoff, and improving the wildlife habitat,” Schaff said. “We are excited to be involved in the first project of its kind implemented under a recent agreement between the Department of Energy and the Office of Surface Mining.”

The two agencies signed a Memorandum of Understanding last year to promote the reclamation of abandoned mine lands and to encourage third parties such as utilities to plant trees for carbon sequestration value. The Limestone Run project is the first one in the nation to implement the agreement.

Other partners in the *Limestone Run Revegetation Project* include the Pennsylvania Department of Environmental Protection, the Pennsylvania Game Commission, the Armstrong Conservation District, Pheasants Forever, and Lenape Technical School.

Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. We have been named to the *Fortune* 500 list, the Standard and Poor's 500 index, and the *Forbes* "Platinum 400" list. The Allegheny Energy family includes *Allegheny Power*, which delivers electric energy and natural gas to about three million people in parts of Maryland, Ohio, Pennsylvania, Virginia, and West Virginia; *Allegheny Energy Supply Company, LLC*, which operates and markets competitive retail and wholesale electric generation and operates regulated electric generation for its affiliates; and *Allegheny Ventures*, which actively invests in and develops telecommunications and energy-related projects. For more information, visit our web site at www.alleghenyenergy.com.