



Contact: Mark Evans
Cohn & Wolfe Read-Poland for CAPP or Ashley Monts
(512) 472-4122 or (979) 492-1150 (214) 875-8010

Cities Aggregation Power Project Announces Long-Term Electricity Contract with Luminant, Could Save Texas Cities Millions
Groundbreaking Agreement to Lock in Competitive Energy Prices and Limit Energy Price Increases

AUSTIN, TX – September 18, 2008 – Cities Aggregation Power Project (CAPP), a non-profit organization that makes bulk electricity purchases on behalf of its member cities and local subdivisions, has signed an unprecedented 24-year agreement to purchase power from Luminant and its affiliates at highly-competitive, long-term energy prices, potentially saving Texas communities and taxpayers hundreds of millions of dollars.

Under the agreement, more than 150 members of CAPP and its sister organization, the South Texas Aggregation Project (STAP), can insulate municipal budgets from potential energy price spikes due to natural gas commodity price volatility. Based on CAPP’s conservative projections, the resulting reductions in energy spending by member governments could lead to more than \$10 million in taxpayer savings in 2009 alone – and hundreds of millions of dollars of savings over the life of the contract.

“Traditionally, CAPP has been limited by one- to two-year electricity contracts,” CAPP Chairman Jay Doegey said. “However, with this groundbreaking 24-year agreement, we can offer our member cities even greater savings and budget predictability for more than two decades into the future.”

The unique long-term contract will limit energy price increases, provide highly-competitive prices for members of CAPP and STAP who choose to participate and will add greater energy price stability to potentially volatile market prices, he said. A product of years of planning, the agreement is believed to be the first of its kind in the United States.

“Through this contract with CAPP, we can deliver important benefits and savings to communities in Texas,” said Greg Kelly, Senior Vice President of Origination and Business Development for Luminant. “Participating cities anticipate competitive and more predictable energy prices for their municipal energy use.”

- continued -

These competitive, more predictable energy prices are achieved by prepaying a fixed cost portion of the contract. CAPP will issue bonds to finance the prepayment on behalf of participating cities. Cities choosing to take part in the contract will sign a complementary contract with CAPP agreeing to pay for their annual share of the prepayment cost of the long-term purchase of electric power. Under the contract, cities will obtain almost two-thirds of their annual power requirements at contractually specified energy prices, allowing local governments to better budget this important component of their operations.

The long-term contract will provide electricity to cover approximately 70 percent of a city's annual usage. The remaining 30 percent will be purchased through supplemental one- to three-year contracts that CAPP has previously used to serve its members.

“Since its inception, CAPP has pursued a long-term contract with a power provider as the ultimate way of securing predictable energy prices for Texas communities and political subdivisions,” CAPP Vice Chairman Randy Moravec said. “The signing of this contract with Luminant represents an unprecedented achievement by our members to regain some control over rising energy prices, freeing them to focus on providing other city services and saving their taxpayers money in the process.”

CAPP and STAP have helped members achieve more predictable municipal budgets for their electricity needs that have resulted in more than \$100 million in collective savings.

- ### -

ABOUT CITIES AGGREGATION POWER PROJECT

CAPP is a non-profit group created in 2001 that pools Texas cities' electric power needs in order to negotiate lower, more stable prices through bulk purchasing. The organization has 111 members representing cities and other political subdivisions around the state that purchase 1 billion kWh annually. CAPP members are able to create better, more fiscally responsible budgets because of the stable and predictable energy costs available to CAPP members. CAPP is run by a voluntary 10-person board of directors made up of city officials. For more information, visit www.capptx.com.

ABOUT LUMINANT

Luminant, a subsidiary of Energy Future Holdings Corp. (EFH), is a competitive power generation business, including mining, wholesale marketing and trading, construction and development operations. Luminant has over 18,300 megawatts of generation in Texas, including 2,300 megawatts of nuclear and 5,800 MW of coal-fueled generation capacity. Luminant is also the largest purchaser of wind-generated electricity in Texas and fifth largest in the United States. EFH is a Dallas-based energy holding company that has a

portfolio of competitive and regulated energy subsidiaries, primarily in Texas. Visit www.luminant.com or www.energyfutureholdings.com for more information.

9/18/08 9:00 am