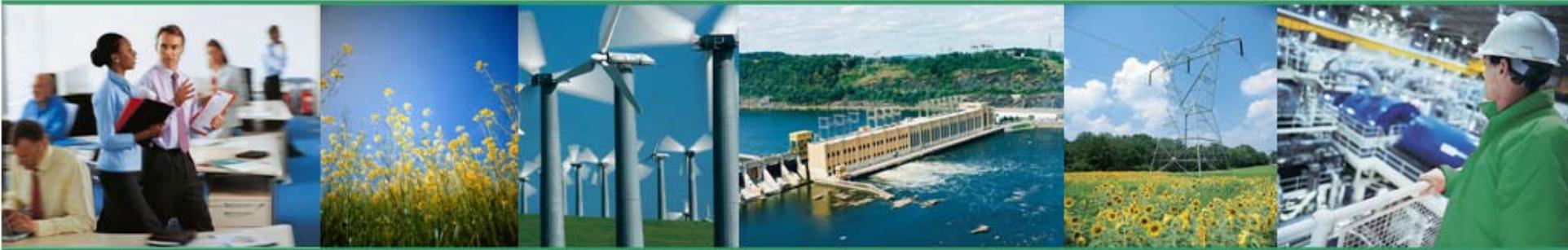




Constellation Energy®



DOE Wind Energy Workshop for Federal Energy Managers

Mass. Military Reserve
Cape Cod, MA
May 22, 2008

Christopher Abbuehl
Amy Richard
Robert Shaw

Who is Constellation Energy?

Constellation Energy (CE) is North America's leading competitive energy company - we provide competitively-priced energy in more forms than any other energy company

Scale	Scope
<ul style="list-style-type: none"> ➤ Fortune 125 company 	<ul style="list-style-type: none"> ➤ Managing over \$1 billion/year in energy usage in over 5,000 facilities nationally
<ul style="list-style-type: none"> ➤ 2007 Revenues: \$21.2B 	<ul style="list-style-type: none"> ➤ Serving 35,000 MW of customer load
<ul style="list-style-type: none"> ➤ 2007 Assets: \$21.9B 	<ul style="list-style-type: none"> ➤ Managing over 8,000 MW of generation (solar, biomass, coal, natural gas, nuclear)
<ul style="list-style-type: none"> ➤ Employees: over 10,000 	<ul style="list-style-type: none"> ➤ Delivering 450 billion cu ft natural gas
	<ul style="list-style-type: none"> ➤ Owner or co-owner of nearly 700 MW of renewable energy capacity with more than 400 MW under contract

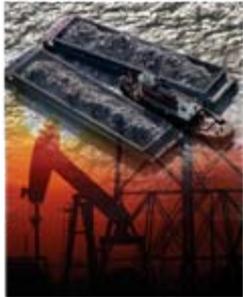
Constellation Energy Value Chain

Constellation Energy has unprecedented scope, scale and capabilities, at every stage of the energy value chain

Wholesale Competitive Supply:
Commodities Group

Retail Competitive Supply:
NewEnergy

Demand Side:
Projects & Services Group



Fuels:
Commodities Group



Generation:
Generation Group



Transmission:
BGE



Distribution:
BGE



Constellation Energy can positively impact all aspects of a customer's energy usage and environmental footprint

Renewable Energy Systems



- Own and operate 16 different large scale systems
- Most in operation since 1980's
- Technologies include
 - Geothermal Heat Pumps
 - Concentrating Solar Thermal
 - Geothermal to Electric
 - Hydro & pumped storage
 - Solar Photovoltaic
 - Biomass
- 400 MWs of electric capacity
- Power sold under PPAs
- Market maker in REC sales and procurement



Wind Farm Experience

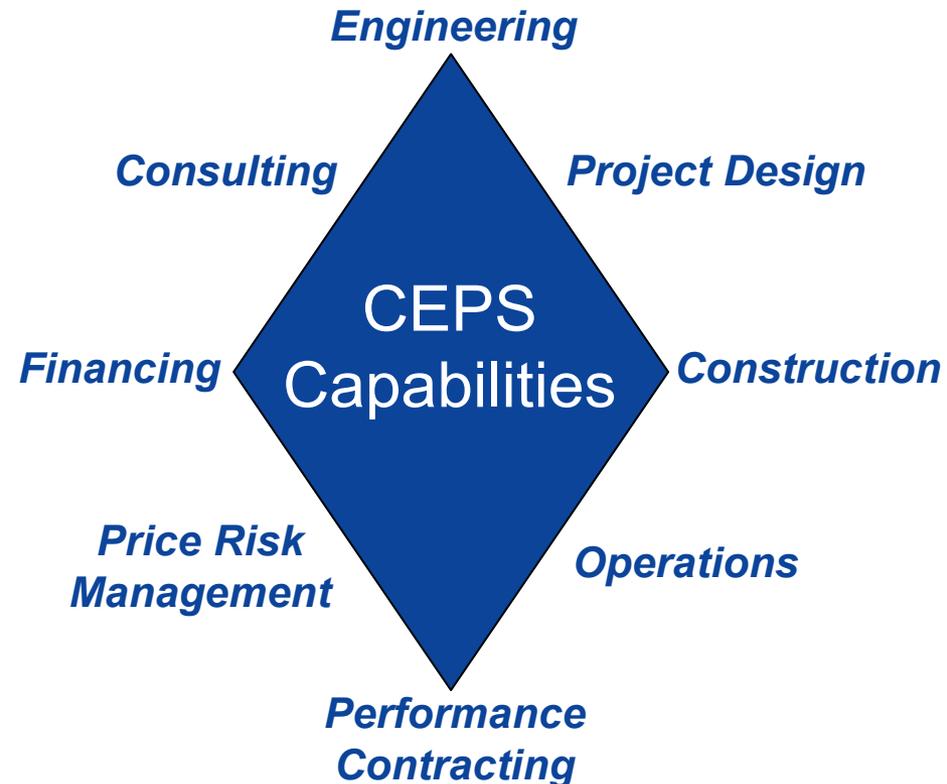
- **Somerset, PA**
 - 30 MW Constellation helped develop
 - Purchased 100% output for 20 years
 - 85% provided to our customer WSSC
- **Twin Groves II (Bloomington, IL)**
 - 198 MW
 - 18 year PPA with Constellation
 - Sell to customers looking for green power, Illinois RPS
- **Lackawanna, NY**
 - 20 MW
 - Located on reclaimed steel mill
 - Power used for RPS requirements in NY & MA



Constellation Energy Projects & Services Group

CEPS is an energy solutions company providing energy projects and consulting behind the meter

- **More than 20 years of experience delivering successful energy projects**
- **Over 4,000 Energy Saving Projects implemented**
- **Financed and built over \$1 Billion in energy related projects**
- **Energy savings and delivery portfolio consistently achieves over 105% of estimated projections**
- **History of award-winning commercial and government partnerships**



Constellation Energy Projects & Services - Business Lines

1. Energy Consulting:

- More than 20 years of experience
- High End Strategic Planning - Align with financial and marketing plans
- Data Mining – Carbon foot printing & Benchmarking

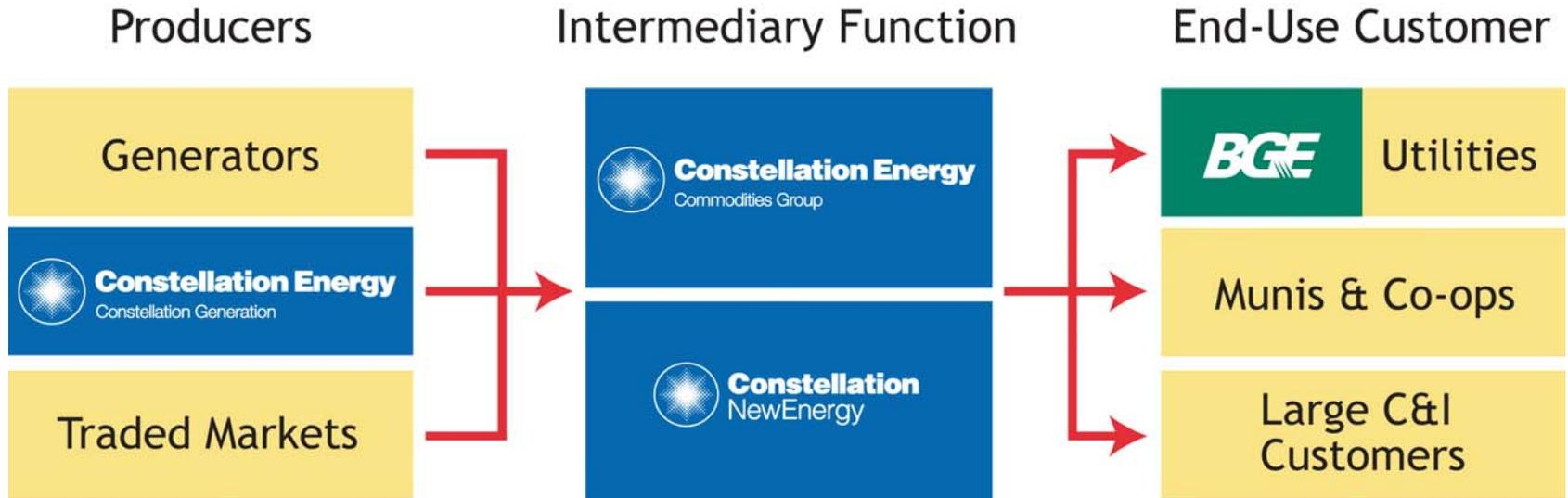
2. Energy Services:

- Over 4,000 Energy Projects Implemented
- Energy savings and delivery portfolio consistently achieves over 105% of estimated projections
- Efficiency Engineering – Sustainability – Solar – Biomass – Wind

3. Energy Assets:

- Financed and built over \$1 Billion in Energy Related Projects
- Own and/or Operate – Co-gen plants, central heating and cooling plants, distributed generation systems

Competitive Supply- Constellation NewEnergy



Serving retail customers' energy requirements requires strong physical market knowledge and risk management capabilities

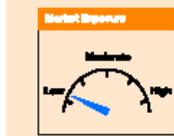
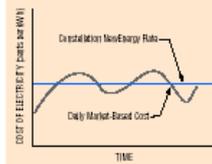
NewEnergy's Products Give Customers Options

Market Lock
SOLUTION

Fixed price electricity supply contract for price stability

Fixed Price

- FEATURES**
- Customers will pay a fixed price
 - Hedge your company's exposure
 - Protection against electricity price volatility
- BENEFITS**
- Budget and forecast electricity costs
 - Clear and concise contracts
 - Access to free web-based energy management tools
 - Dedicated and objective energy management
 - Superior customer service and support
 - A variety of payment options
 - New bills and billing history on demand



111 Market Plaza
7th Floor
Baltimore, MD 21202

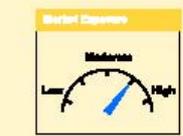
tel: 855.237.7550
fax: 410.230.4839
www.newenergy.com

Market Watch
SOLUTION

Electricity supply contract when your deal is best

Market

- FEATURES**
- Customer and Constellation NewEnergy agree on a price
 - Constellation NewEnergy monitors the market for better prices
 - Customer remains in the market
 - The term during which the contract is in effect
- BENEFITS**
- We work on behalf of the customer to meet their needs
 - Customer is not locked into a fixed price
 - Customer can gain savings



- WHO SHOULD BUY THIS PRODUCT**
- Customer who prefers not to lock into a fixed price
 - Customer who is in the market for electricity
 - Customer who is looking for a better price

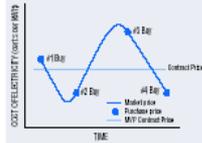
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Market Flex
SOLUTION

Customized electricity supply contract matched to your business objectives

Managing Volatility (MVP)

- FEATURES**
- The MVP product minimizes the customer risk by allowing them to purchase portions of load for different times
 - Constellation NewEnergy experts consult with customers on strategies for buying portions of load for the following:
 - When certain pre-defined trigger prices occur
 - On pre-defined dates
 - A combination of trigger prices and dates
 - Prices must be executed on 100% of the load for the start of the contract period
 - Constellation NewEnergy provides the customer choose the optimum time to purchase



MVP Contract Price: \$4.00
Market Price: \$4.00
MVP Contract Price: \$4.00



- BENEFITS**
- We work on behalf of the customer to meet the customer's unique needs
 - By helping the customer monitor forward market prices, Constellation NewEnergy facilitates the decision making process
 - Customers gain long-term price stability
- WHO SHOULD BUY THIS PRODUCT**
- Customers who do not wish to enter into a fixed price contract
 - Customers interested in a customized electricity supply contract

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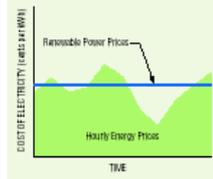
AN ElectricGreen
SOLUTION

Renewable electricity supply contract to protect the environment

Renewable Power

Renewable Power is environmentally friendly power that is generated from low pollution sources such as wind, solar, geothermal, hydro and biomass.

- FEATURES**
- Renewable resources are naturally replenished by the sun, wind, rainfall, and organic waste
 - Reduces dependency on foreign energy sources, increasing the independence and security of America



- BENEFITS**
- Contributes to solving global environmental problems such as acid rain, smog, global warming, and respiratory disease by reducing greenhouse gases resulting from the burning of fossil fuels
 - Gives your company a competitive advantage by allowing you to display the green power logo on your products
 - By purchasing renewable power now you will be able to more easily adapt to ever increasing environmental regulations
 - Allows your company to make a positive impact on the environment through your energy choices

- WHO SHOULD BUY THIS PRODUCT**
- Socially responsible, innovative companies that want to have a positive impact on the environment through their energy choices
 - Customers who want to be trend setters in the environmentally friendly energy movement

HOW DO I BUY RENEWABLE POWER?
Constellation NewEnergy can help you secure a Renewable Power blend that best suits your preferences for environmental stewardship and provide you with stable costs into the future. Call us today at 1.866.237.POWER (7669) for more information on renewable power.

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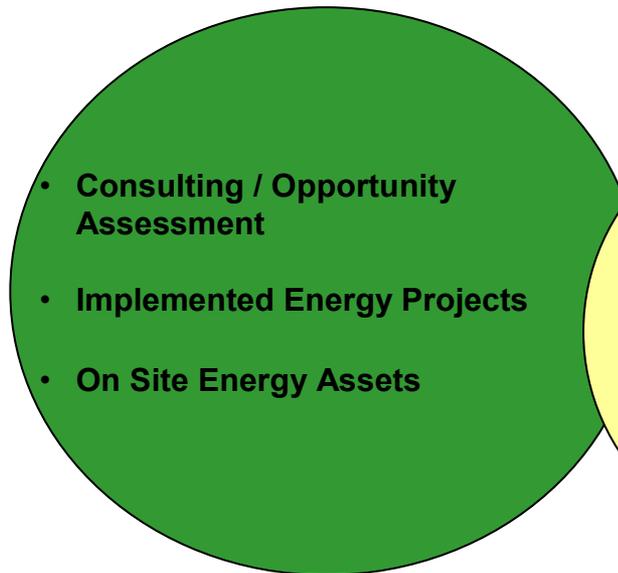


Constellation— What We Do

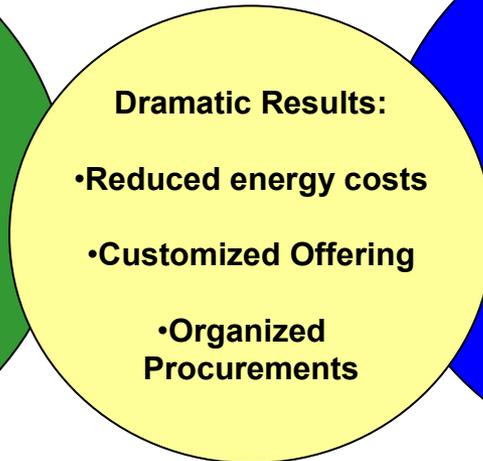


Demand and Supply Integrated Offering

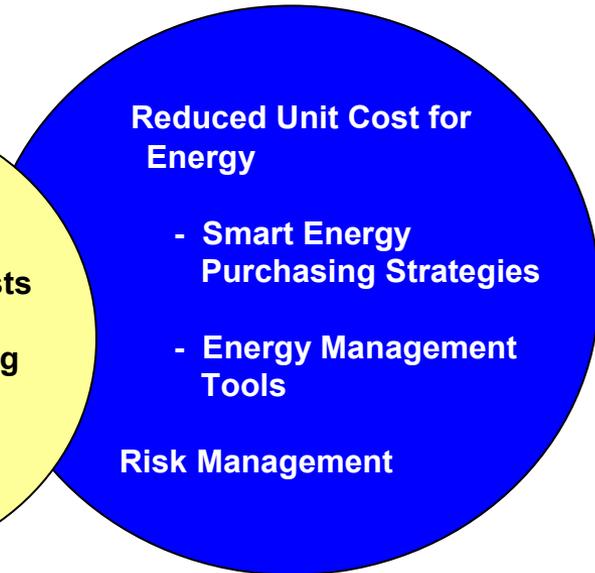
Demand Side Solutions



For Our Clients



Supply Side Solutions



Washington Suburban Sanitary Commission

Constellation Energy provides Demand Side Energy Conservation Measures Supply Side Commodity Procurement and Green Energy

Green Power

- Wind Power to provide 33% of total electrical needs
- Customer purchases 85% of plant output, measured hourly- “Unit contingent”
- Customer purchases power + RECs
- For remaining needs, purchases wholesale blocks of energy and at hourly market index
- Estimated \$20 Million in energy savings due to contract

Demand Side

- \$20 Million capital project covering 6 facilities and HQ building
- More than 12 M kWh in annual electric savings
- Over \$1.5M in guaranteed demand side energy and operating cost savings

Supply Side

- \$3.4 Million net electrical procurement savings through first 2 years
- Exceeded guaranteed performance by 6%
- Real-time energy market decision making



Environmental Benefit

Annual reduction in green house gases and other air pollutants

- 90 Million pounds of CO₂
- 180,000 pounds of NO_x
- 600,000 pounds of SO₂

Financing Options

- Energy Savings Performance Contracts (ESPCs)
 - DOE Super ESPCs Regional (Mid-Atlantic & MidWest)
 - DOE Super ESPCs Technology Specific (Biomass &GHP)
- Utility Energy Savings Contracts (UESC's)
 - BG&E GSA Utility Energy Services Agreement
 - PGW Utility Energy Services Agreement
 - Ft. Detrick Basic Ordering Agreement
- Power Purchase Agreements (PPAs)
 - Finance renewable energy projects
 - Known price
 - Long-term contract
- Enhanced Use Leases (EULs)
 - Larger projects
 - Contract process differences

Tax Credits & RECs

- Tax Credits
 - Production Tax Credit
 - State Tax Credits and Property Tax Relief
 - Accelerated Depreciation
 - Constellation has capability and appetite
- RECs
 - Can add significant value to renewable project, particularly in Massachusetts
 - Constellation has a nationally ranked trading desk
 - CNE can provide nationally-sourced RECs less costly than the MA REC for a green purchase

Project Design in Massachusetts

- Projects up to 2 MW: Net metering has passed House and Senate
 - If passed, production that is exported will reduce both distribution and supply costs
 - Bill currently in conference, expected resolution by July 2008
- Projects > 2 MW:
 - Can be at connected to grid wholesale
 - Distribution costs will not be offset
 - Constellation as lead participant for plant NEPOOL
 - For NEPOOL registration, energy and capacity settlement
 - REC management in Generation Information System
 - Constellation purchases PPA at fixed price/MWh from plant
 - Price can be passed along to loads through power purchase

THANK YOU FOR YOUR TIME!

Q & A