



A Constellation Energy Company

News Release

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Emergency Activation of BGE's PeakRewardsSM Program Reduced Peak Energy Demand by More than 600 Megawatts, Equivalent to a Medium-Sized Power Plant

Absent an unforeseen emergency event, the utility does not expect to activate PeakRewardsSM system-wide during the week ending July 30

BGE reviewing processes related to emergency activation of voluntary program

BALTIMORE, July 24, 2011 – [Baltimore Gas and Electric Company \(BGE\)](http://www.bge.com) today announced that Friday's emergency activation of its [PeakRewardsSM](#) program resulted in the reduction of peak energy demand of more than 600 megawatts, which is equivalent to a medium-sized power plant. The utility also announced it is reviewing its processes and procedures related to the emergency activation of the voluntary peak demand reduction program. In exchange for participation in this voluntary program, which is designed to defer the need for construction of new and expensive power plants and to lower the cost of electricity, participating BGE customers receive annual bill credits of up to \$200 in the first year and up to \$100 every year thereafter. Bill credits to participating customers will exceed \$20 million this year alone.

Friday's emergency load reduction — which was repeated across the region by other utilities to varying degrees — was taken at the direction of the PJM Interconnection, the regional transmission operator (power grid) serving Maryland and several other states. Without this emergency activation, brownouts and rolling blackouts could have been implemented throughout BGE's Central Maryland service area, affecting all of BGE's 1.2 million electric customers. Emergency activations of the PeakRewardsSM program have been infrequent in the past and are expected to remain infrequent in the future. In fact, the last time BGE's customers experienced an emergency event was in 2007— four years ago. Based on current weather and energy usage forecasts, and absent any unforeseen emergency events, BGE does not expect to activate PeakRewardsSM system-wide during the week ending July 30.

“BGE certainly recognizes the frustration experienced by some customers during this event and is committed to reviewing the processes related to this voluntary program,” said Jeannette M. Mills, chief customer officer for BGE. “While we can appreciate the challenges associated with not having central air conditioning for an

extended period of time on an extremely hot day, the PeakRewardsSM program worked exactly as designed by averting far more serious consequences, such as potential brownouts and rolling blackouts, which would have interrupted electric service to thousands of BGE customers throughout the day. However, BGE will work to identify potential areas of improvement to ensure the program continues to successfully reduce peak electric demand and meet our customers' expectations."

In addition to the hot weather and extremely high electric usage, there were other factors contributing to the emergency activation. BGE experienced a problem on a transformer at one of its key substations, forcing the utility to take that transformer out of service until repairs were completed. Taking the transformer out of service reduced the available supply of power on a day when demand was unusually high.

Once the emergency event ended, cycling for all participating customers continued at the 50 percent level, even for those who as part of the voluntary program, chose to be cycled at the 75 and 100 percent levels. This is a standard practice to allow for the gradual restoration of power and ensure the stability of BGE's electrical network. However, once all cycling ended, some customers did not have full restoration of their air conditioning until an hour or more later. Typically central air conditioning systems return to normal operations within approximately 30 minutes after the event ends. BGE is investigating why the restoration took longer than usual in this instance. All participating customers, however, should have had full restoration of their air conditioning systems by Friday evening.

BGE advises its PeakRewardsSM customers whose air conditioning systems failed to resume normal operations following the emergency event to contact a service technician. The problem is most likely not the result of the emergency event.

BGE, www.bge.com, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 650,000 natural gas customers in Central Maryland. The company's approximately 3,000 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is an indirect subsidiary of Constellation Energy, www.constellation.com, a FORTUNE 500 company also headquartered in Baltimore, with subsidiaries that generate, sell and provide other energy-related services to customers throughout North America.

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