



## **Constellation Energy's Projects and Services Group teams with Maryland Environmental Service on First of a Kind Solar Project**

MILLERSVILLE, MD (September 30, 2008) – Governor Martin O'Malley and Maryland Environmental Service (MES) announced today that it has signed an agreement with Constellation Energy's Projects & Services Group, a subsidiary of Constellation Energy, to construct a solar power system that will generate approximately 300 kW of power at the agency's headquarters in Millersville. When the installation is complete, anticipated for late 2008, it is expected to be the first of its kind among Maryland State agencies. "Maryland is quickly emerging as a national leader in renewable energy, and with projects like this one at Maryland Environmental Service, we will move forward toward making our State a model for the rest of the country," said Governor O'Malley. "The unique partnership with Constellation's Projects and Services Group provides the added benefit of advancing renewable energy without the prohibitive burden of upfront, taxpayer-funded capital expenditures. Maryland will continue to invest in renewable energy resources, including the use of Maryland's share of the \$38 million generated in the nation's first mandatory cap-and-trade auction to reduce greenhouse gas emissions."

Governor O'Malley referred to Maryland's participation in the first market-based, mandatory cap-and-trade program in the U.S. to reduce greenhouse gas emissions. The ten participating states have committed to cap and then reduce the amount of CO<sub>2</sub> that power plants in their region are allowed to emit, limiting the region's total contribution to atmospheric greenhouse gas levels. The Regional Greenhouse Gas Initiative (RGGI) auction this week generated more than 51.7 million requests for allowances, exceeding the available supply.

"Maryland Environmental Service has always been at the forefront of projects that protect and enhance the State's air, land and water resources," said James M. Harkins, Director of Maryland Environmental Service. "Clean, renewable solar energy is going to be an important part of our State's energy future, and we look forward to working with Constellation Energy to demonstrate that solar energy is a practical alternative source of power for Maryland."

Over the 15 year term of the agreement, the electricity generated by the solar power system is estimated to displace the release of more than 10 million pounds of carbon dioxide emissions, when compared to a coal fired electric generating unit. That is the equivalent of removing more than 800 vehicles from the road or powering 600 homes. The installation will serve as a solar educational facility, in addition to generating electricity equivalent to approximately 50 percent of MES headquarters annual electricity requirement.

"Constellation Energy is pleased to be working with Maryland Environmental Service and the State of Maryland to support solar energy innovations," said Greg Jarosinski, President of Constellation Energy's Projects & Services Group. "Pairing the renewable energy development expertise of Constellation Energy with Maryland's progressive State government partners will result in an environmental and energy milestone for a state that is already among the national leaders in support of renewable energy."

The system will be comprised of two different types of solar technologies, both thin film and crystalline photovoltaic solar cells. The lightweight and flexible thin film panels will be applied directly to the building rooftop. The crystalline silicon panels will be deployed on the grounds of the Maryland Environmental Service near Interstate 97.

Under the terms of the agreement, Constellation Energy's Projects & Services Group will construct the approximately \$2 million facility, own the energy assets, and sell the electricity it generates on-site to Maryland Environmental Service under a 15-year power purchase agreement. This structure enables organizations to undertake on-site renewable energy generation without a prohibitive, upfront capital expenditure. The installation also qualifies for the State of Maryland Production Tax Credit of \$0.0085 per kilowatt hour. The Solar Renewable Energy Certificates (SRECs), which account for the environmental benefits of the solar project, will be owned by Constellation Energy's Projects & Services Group, which will use them toward compliance with Maryland's Renewable Energy Portfolio Standard.

Since 2007, Constellation Energy's Projects & Services Group has developed nearly 5 megawatts of on-site solar energy projects in five states. Constellation Energy's Projects & Services Group has also developed geothermal heating and cooling projects at sites in Maryland for the U.S. Army and U.S. National Park Service, and brokered the purchase of 70,000 megawatt hours annually of wind energy by the Washington Suburban Sanitary Commission in Laurel, MD.

Governor O'Malley announced a series of planned initiatives this summer, including a continued partnership with metropolitan, county, and municipal governments using the bonding authority of MES to develop smaller scale "peaking plants" to bring new plants online as soon as possible. In order to become a national leader in renewable energy, Governor O'Malley announced that Maryland will offer long-term contracts for clean, renewable power, to accelerate the arrival of more commercial scale projects like Delaware's off-shore wind farm. In addition, Governor O'Malley proposed an acceleration of the deployment of so-

called smart meters and smart pricing for consumers to reduce consumption and the provision of assistance to low-income families who are struggling to afford energy prices, during difficult economic times.

Created in 1970, Maryland Environmental Service is an independent State agency that works with both government and private sector clients to protect the State's air, land and water resources. Among the 582 current MES environmental projects are water and wastewater operations, solid waste facilities, and dredged-material management projects on Hart Miller and Poplar Islands.

Constellation Energy's Projects and Services Group is the energy services arm of North America's largest retail and wholesale energy company, Constellation Energy. Serving business and institutional customers nationwide, Constellation Energy's Projects & Services Group specialize in financial and environmental solutions that can significantly reduce energy consumption and costs. Constellation Energy's Projects & Services Group delivers the technical expertise to develop large scale energy projects, such as solar, biomass and geothermal projects and on- or off-site power generation systems. The company also designs and implements full energy system retrofits that save energy, and reduce harmful emissions.

Last year, under the O'Malley-Brown Administration, Maryland passed the Clean Cars Act and adopted new green building standards for public buildings while investing in green technology for our schools. During the recent legislative session, Governor O'Malley signed the EmPOWER Maryland Initiative, one of the most ambitious goals in the nation for lowering energy consumption 15% by 2015. In addition, the Administration helped pass legislation that requires 20% of Maryland's energy portfolio to come from renewable sources of energy by 2022.