



**Constellation Energy®**

# Bank of America Merrill Lynch Power and Gas Leaders Conference



The way energy **works**.™

**James L. Connaughton**

Executive Vice President, Corporate Affairs, Public  
and Environmental Policy

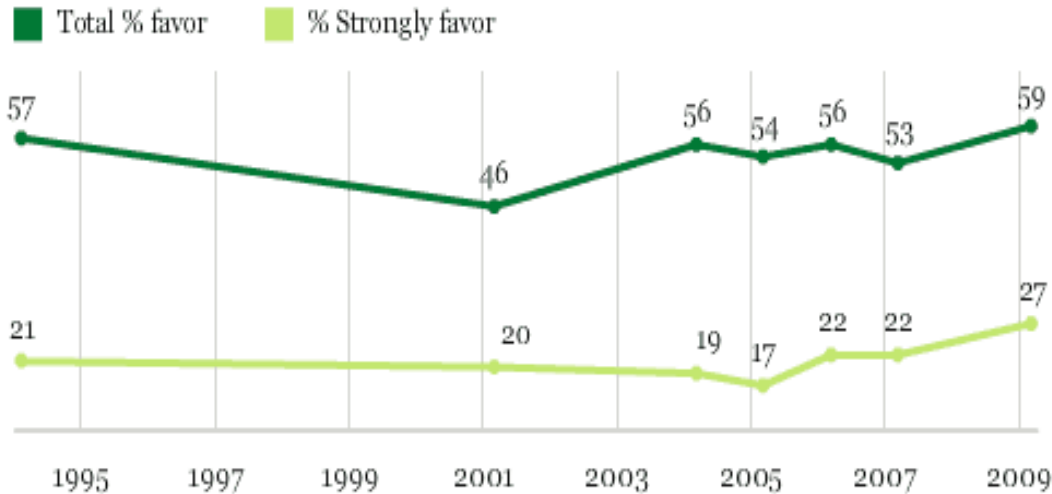
September 22, 2009

# Forward Looking Statements Disclosure

Certain statements made in this presentation are forward-looking statements and may contain words such as “believes,” “anticipates,” “expects,” “intends,” “plans,” and other similar words. We also disclose non-historical information that represents management’s expectations, which are based on numerous assumptions. These statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to be materially different from projected results. These risks include, but are not limited to: the timing and extent of changes in commodity prices for energy including coal, natural gas, oil, electricity, nuclear fuel, freight and emissions allowances and the impact of such changes on our liquidity requirements; the liquidity and competitiveness of wholesale markets for energy commodities; the conditions of the capital markets, interest rates, availability of credit, liquidity and general economic conditions, as well as Constellation Energy’s and BGE’s ability to maintain their current credit ratings; the effectiveness of Constellation Energy’s and BGE’s risk management policies and procedures and the ability and willingness of our counterparties to satisfy their financial and other commitments; the ability to complete our strategic initiatives to improve our liquidity and the impact of such initiatives on our business and financial results; losses on the sale or write-down of assets due to impairment events or changes in management intent with regard to either holding or selling certain assets; the ability to successfully identify, finance and complete acquisitions and sales of businesses and assets; the likelihood and timing of the completion of the pending transaction with EDF and the terms and conditions of any regulatory approvals; the effect of weather and general economic and business conditions on energy supply, demand, and prices, and customers’ and counterparties’ ability to perform their obligations or make payments; the ability to attract and retain customers in our customer supply activities and to adequately forecast their energy usage; the timing and extent of deregulation of, and competition in, the energy markets, and the rules and regulations adopted on a transitional basis in those markets; uncertainties associated with estimating natural gas reserves, developing properties and extracting gas; regulatory or legislative developments that affect deregulation, transmission or distribution rates, demand for energy, or that would increase costs, including costs related to nuclear power plants, safety, or environmental compliance; the ability of our regulated and non-regulated businesses to comply with complex and/or changing market rules and regulations; the inability of BGE to recover all its costs associated with providing customers service; operational factors affecting the operations of our generating facilities (including nuclear facilities) and BGE’s transmission and distribution facilities, including catastrophic weather-related damages, unscheduled outages or repairs, unanticipated changes in fuel costs or availability, unavailability of coal or gas transportation or electric transmission services, workforce issues, terrorism, liabilities associated with catastrophic events, and other events beyond our control; the actual outcome of uncertainties associated with assumptions and estimates using judgment when applying critical accounting policies and preparing financial statements, including factors that are estimated in applying mark-to-market accounting, such as the ability to obtain market prices and in the absence of verifiable market prices, the appropriateness of models and model impacts (including, but not limited to, extreme contractual load obligations, unit availability, forward commodity prices, interest rates, correlation and volatility factors); changes in accounting principles or practices; and cost and other effects of legal and administrative proceedings that may not be covered by insurance, including environmental liabilities. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Please see our periodic reports filed with the SEC for more information on these factors. These forward-looking statements represent estimates and assumptions only as of the date of this presentation, and no duty is undertaken to update them to reflect new information, events or circumstances.

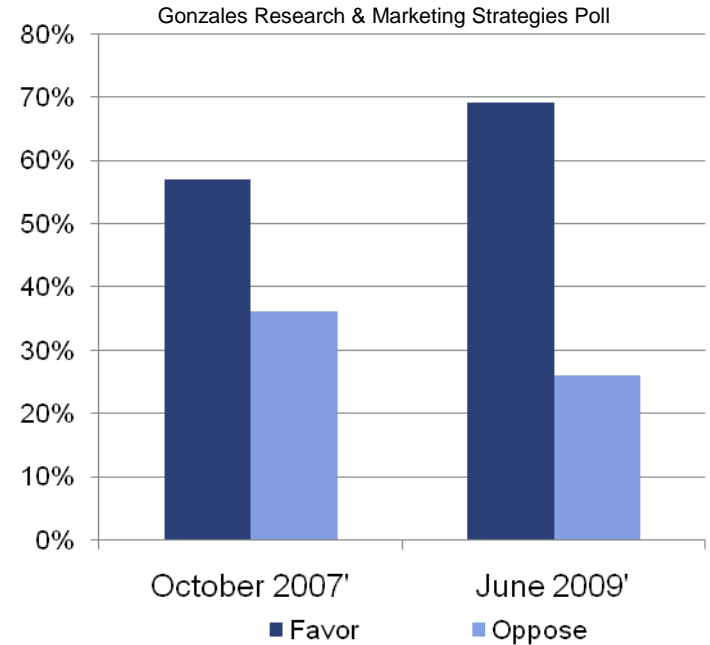
# Nuclear Is On The Rise

Do you favor the use of nuclear to produce electricity in the US? (1)



GALLUP POLL

69% of Maryland residents favor (2)



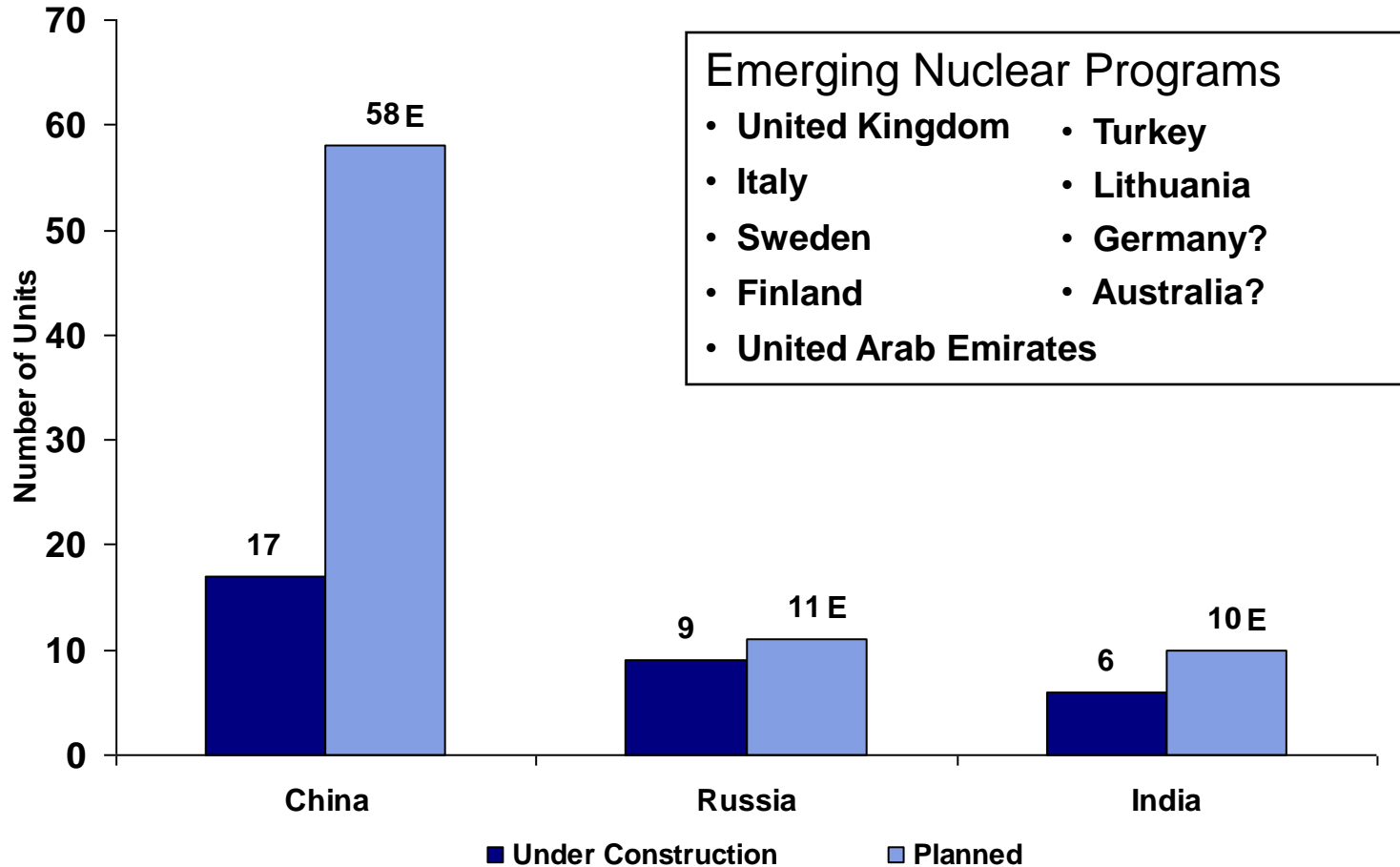
Support for nuclear has risen to new high levels in the U.S. and abroad

Roughly 70% of Maryland residents now favor the construction of new nuclear plants

1 Gallup Poll, conducted March 2009, +/-3 percentage points

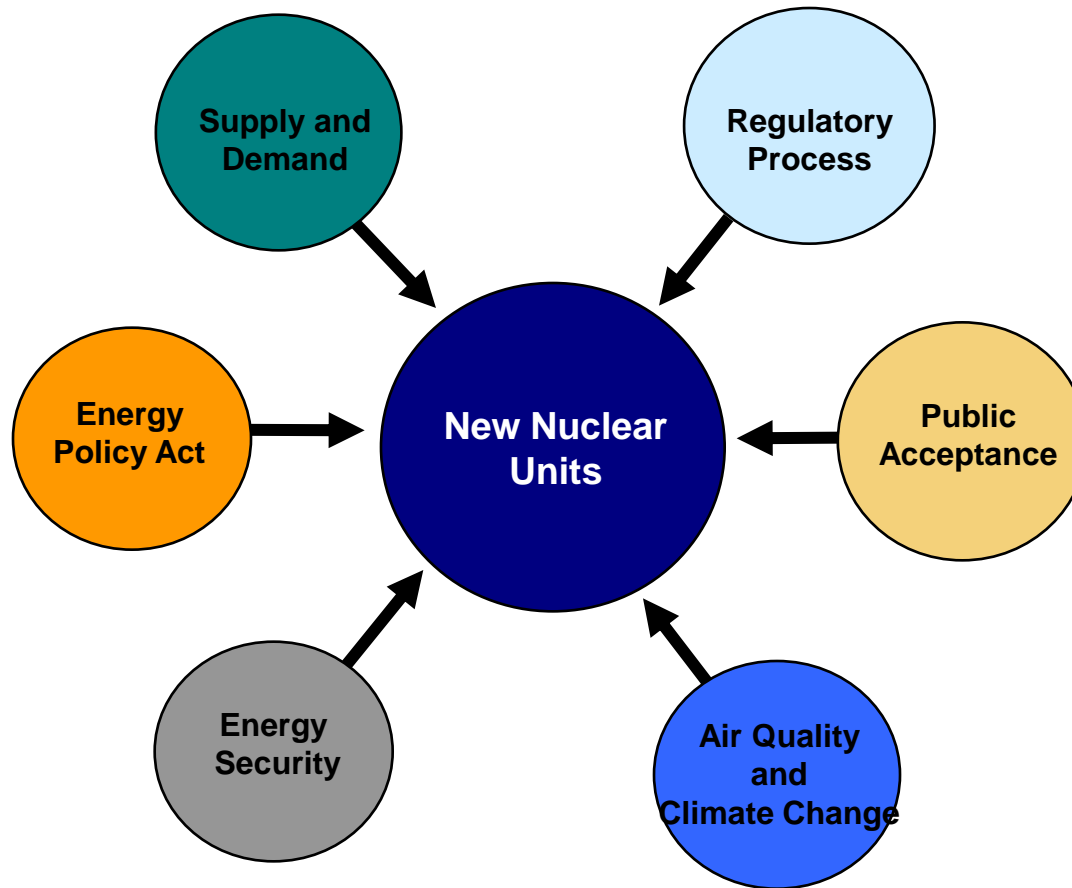
2 Gonzales Research & Marketing Strategies, conducted June 2009, +/- 3.5 percentage points

# Resurgence of Global Support for Nuclear



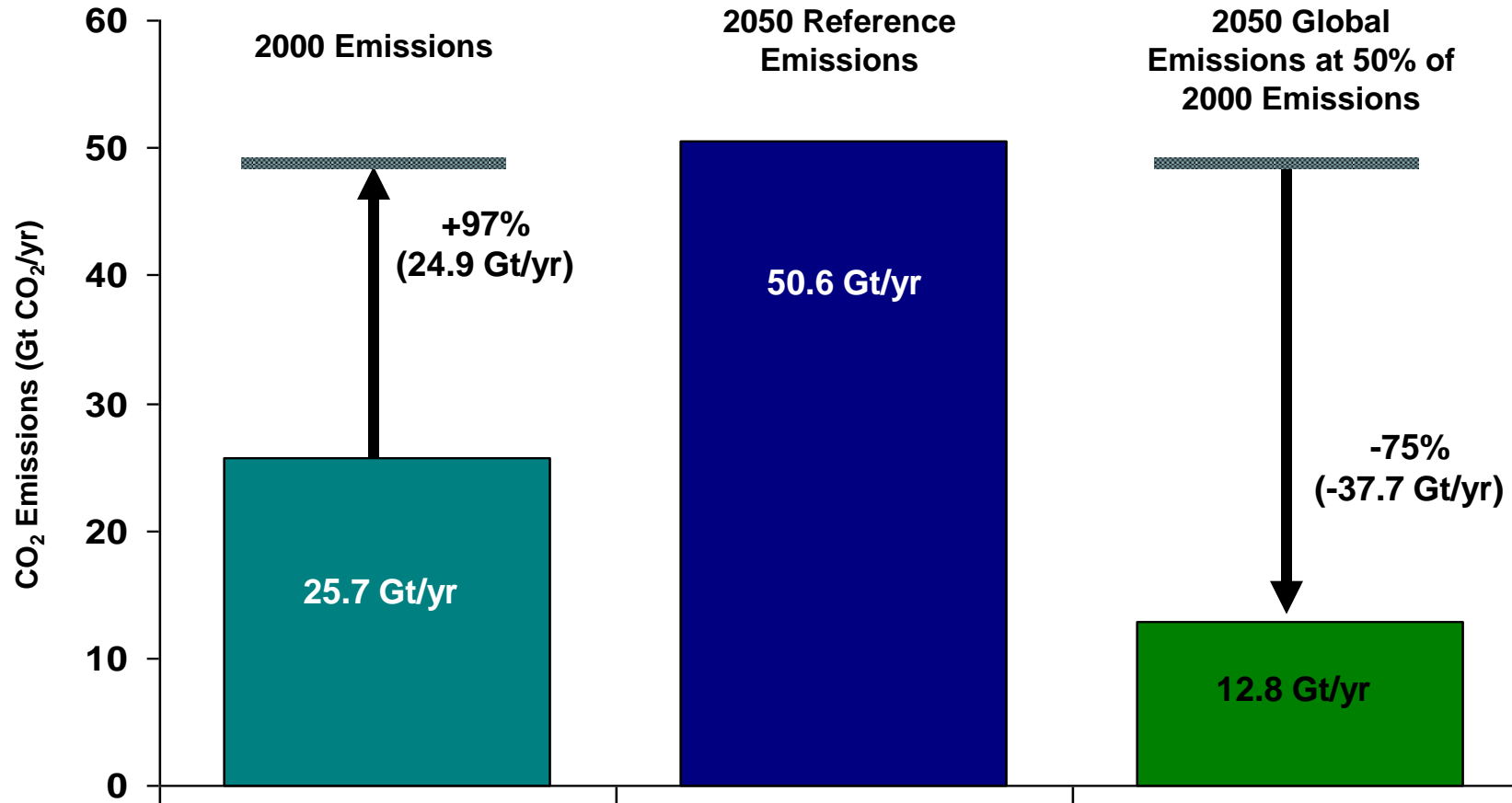
To remain competitive, the U.S. must develop clean, cheap, reliable nuclear energy  
 Vendors are competing globally to grab market share

# Forces Driving New Nuclear in the U.S.



Regulatory stability and current economic and environmental conditions support new nuclear construction in the U.S.

# Nuclear: A Major Part of the Solution to Ambitious Goals

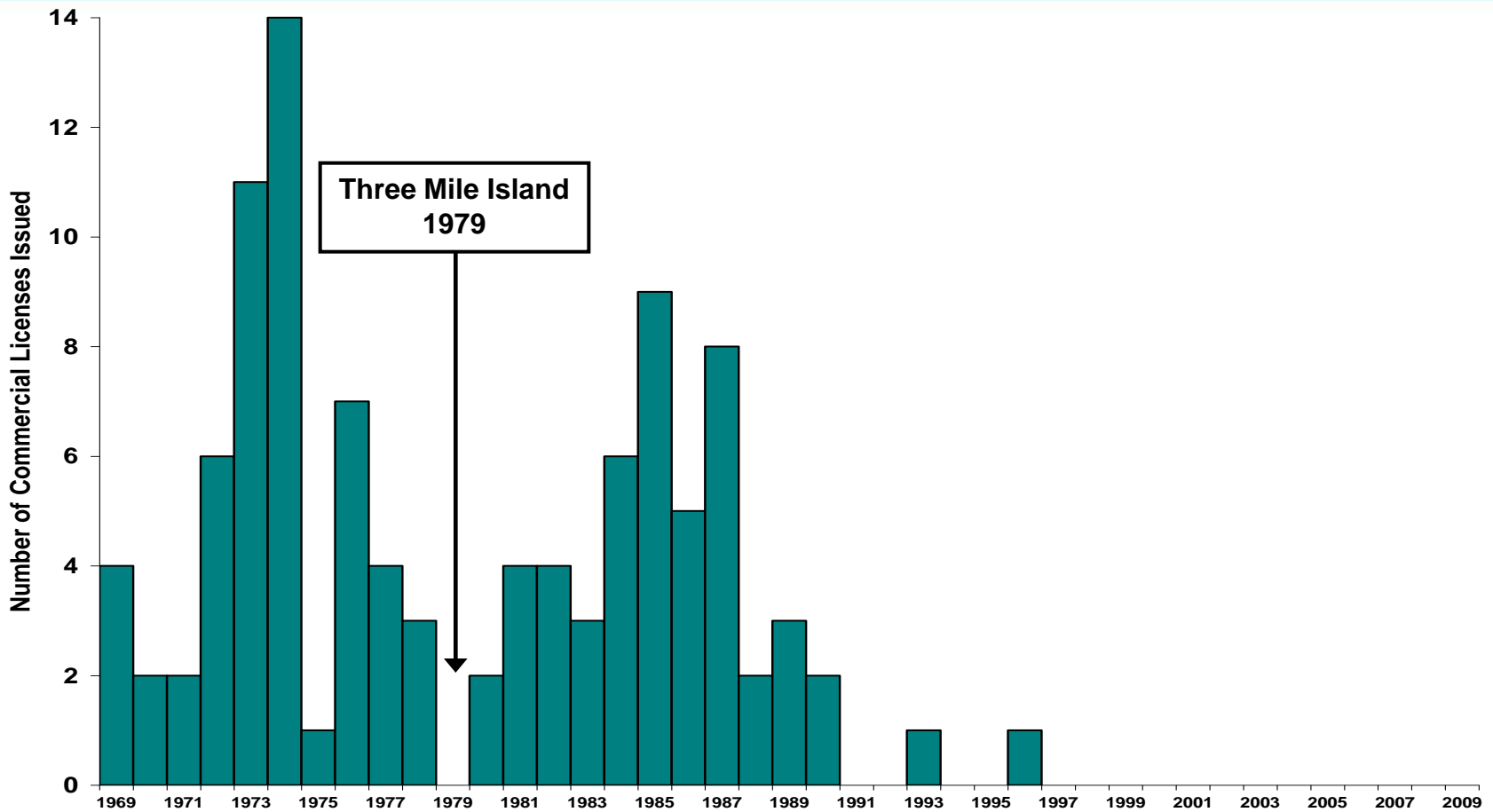


In order to meet G-8 leader goal of cutting global CO<sub>2</sub> emissions<sup>(1)</sup> 50% by 2050, projected annual emissions must be cut by 40 gigatons

<sup>1</sup> Includes fossil and other industrial CO<sub>2</sub>.

Source: Climate Change Science Program. 2007. *Scenarios of Greenhouse Gas Emissions and Atmospheric Concentrations* (Estimates based on MINICAM model results and other data).

# The U.S. Did It Before and Can Do It Again



**Navy Use of Nuclear Energy Has Continued Over This Entire Period**

Note: No licenses were issued after 1996

Source: U.S. Nuclear Regulatory Commission

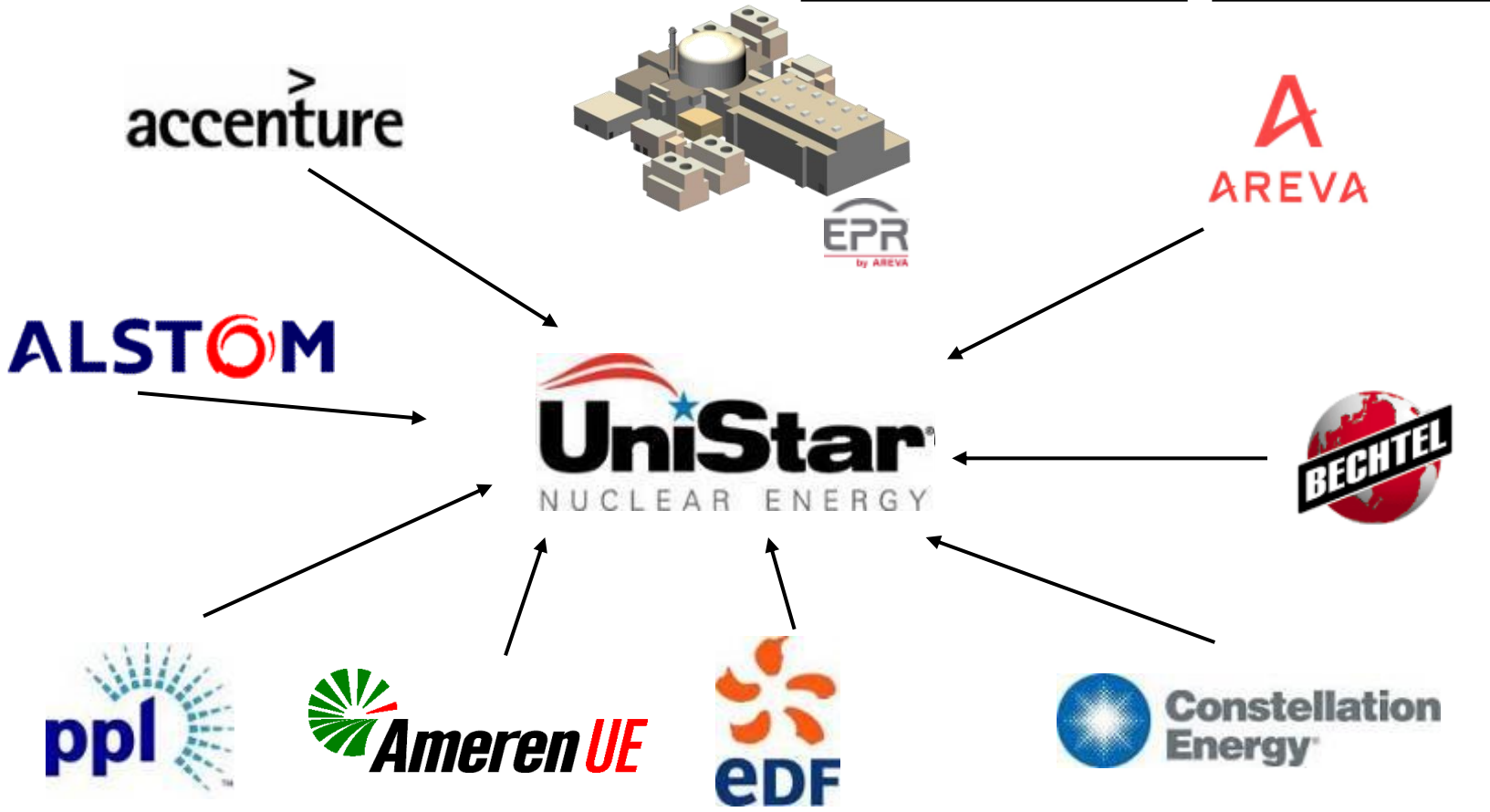
# Constellation Is Well Positioned

Risk Managed Approach

Teaming

Standardization

Increased Certainty



Bell Bend 1  
U.S. EPR

Callaway 2  
U.S. EPR

Flamanville 3  
EPR

Nine Mile 3  
U.S. EPR

Calvert Cliffs 3  
U.S. EPR

# Don't Take My Word For It

“We must harness the power of nuclear energy on behalf of our efforts to combat climate change and to advance opportunity for all people.”

- **President Barack Obama, April 5, 2009**

“[N]uclear power will be part of our energy...going forward because it is carbon free and because it is baseload....[N]uclear power is 70% of our carbon free electricity generation – that cannot be denied.”

- **Dr. Steven Chu, U.S. Secretary of Energy, January 8, 2009**

“A more diverse mix of voices are taking a positive second look at nuclear energy - environmentalists, scientists, the media, prominent Republicans and Democrats and progressive think tanks. They are all coming to a similar conclusion: If we are to meet the growing electricity needs in this country and also address global climate change, nuclear energy has a crucial role to play.”

- **Dr. Patrick Moore, Co-founder of Greenpeace, September 2007**

“It is a moral imperative given what massive new burning of coal will do to the planet [to] develop better and cleaner technology, including safer and cleaner nuclear, which is what is ... planned and talked about in terms of the third reactor [at Calvert Cliffs, Maryland] .”

- **Governor Martin O'Malley (D-MD), May 2, 2008**

“There's no question that nuclear is going to be part of the solution...”

- **Senator Barbara Boxer (D-CA), Chair, U.S. Senate Environment and Public Works Committee, June 11, 2008**

# Analyses Point to a Major Increase in Nuclear

## Electric Power Research Institute

45 new nuclear facilities needed by 2030 to meet a more cost-effective full portfolio approach to reducing CO<sub>2</sub> emissions by 41% from 2005 levels.

• *Prism/MERGE Analyses: 2009 Update*

## U.S. Energy Information Administration

Almost 70 new nuclear facilities needed by 2030--providing 96 gigawatts of electricity--to meet legislative goals under a basic technology scenario.

• *“Energy Market and Economic Impacts of H.R. 2454, the American Clean Energy and Security Act of 2009,” August 2009*

## U.S. Environmental Protection Agency

180 new nuclear facilities needed by 2050—representing a 150% percent increase—to meet legislative goals under a core policy scenario.

• *“EPA Analysis of the American Clean Energy and Security Act of 2009 (H.R. 2454),” June 2009*

## National Academy of Sciences

Five to nine new nuclear facilities by 2020, three to five per year from 2020 to 2035, and five to 10 per year between 2035 and 2050.

• *“America's Energy Future: Technology and Transformation,” 2009*

Question is no longer whether, but how fast & how cost-effective



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