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BGE Multi-Year Customer Relief and Energy Infrastructure Investment Plan Will Assist with Pandemic Economic Recovery

- *Customer rates frozen at current levels through end of 2022 with deferral of any rate increase to 2023.*
- *Customer total bills decreasing in June 2020 due to dropping electricity supply costs.*
- *More than 300 energy infrastructure projects and BGE operations in central Maryland support \$15 billion in local economic impact and 26,000 jobs over the next three years.*
- *\$1.5 million contribution to Fuel Fund in 2020 to assist limited income customers with energy bills.*
- *\$1 million contribution in 2020 to business relief funds administered by counties in central Maryland and establishment of small business assistance grants in 2021.*
- *Extending suspension of service disconnections and late fees to July 1, 2020.*

BALTIMORE (May 15, 2020) – Today, BGE filed a multi-year customer relief and energy infrastructure investment plan with the Maryland Public Service Commission (PSC) designed to aid in the region's recovery from the pandemic and to continue improvements to the electric and natural gas systems serving 1.3 million electric customers and more than 680,000 natural gas customers in central Maryland. Covering the years 2021 through 2023, the plan details how BGE will invest \$5 billion in the electric grid and natural gas system. The Economic Alliance of Greater Baltimore calculates that these investments will have an economic impact of \$15 billion, supporting more than 26,000 jobs.

As part of the plan, BGE will freeze customers' base delivery rates at current levels for the next two years. Beginning June 1, 2020, electric supply costs are dropping 2.8 percent for BGE standard offer service customers due to a reduction in wholesale energy costs. This results from a continuing trend of significant wholesale electricity cost declines over the last decade. The multi-year plan structure enables BGE to spread costs of the investments across several years. To hold rates flat for the first two years of the plan as the region recovers, BGE is deferring rate adjustments and advancing to customers long-term tax benefits that are normally realized over several decades to offset rates by more than \$360 million. After the two-year delivery bill freeze, the company is requesting an 8.3 percent upward adjustment of rates in 2023 to reflect the investments being made over the three years. Even with the proposed, requested adjustment three years from now, the average residential customer's total BGE bill is projected to be 22 percent lower than it was in 2008 due to lower electric

supply costs and customers' use of less energy through more efficient appliances and energy-saving programs enabled by the smart grid. On average, BGE customers' total bills are among the lowest in the country as a percentage of median household income – and substantially lower than the U.S. average.

"We appreciate the challenges that our customers and our community are facing. This is an opportunity to help our customers and provide a lift to the Maryland economy when it is needed most," said Carim Khouzami, CEO of BGE. "Prior to the pandemic, we had been designing a forward-looking energy infrastructure investment plan as part of the state's multi-year plan pilot. In light of the economic challenges created by the pandemic, we have been able to structure the plan to provide both near-term relief for customers and longer-term stimulus for the Maryland economy. The energy infrastructure investments we make translate into service benefits for our customers and communities and steady employment and financial assurance for the more than 900 supplier companies who provide equipment and services to BGE. It is at times like this when the value of continued investments in the critical energy systems our customers depend on are most apparent, reliably powering homes, hospitals, first responders and other essential services when energy is most crucial."

Over the three-year plan, BGE will continue its contributions to Maryland nonprofits, including emergency response organizations, those providing pandemic relief, and community cultural organizations. These contributions are made using shareholder dollars and are not reflected in customer bills.

BGE also plans to expand the BGE Workforce Collaborative, an infrastructure academy the company has been piloting since 2019 that provides training and job placement services for local residents in energy and other skilled construction trades. Over the next three years, approximately 600 participants will be trained and assisted with job placement opportunities at companies that work with BGE on infrastructure projects. Currently, five major BGE contracting companies participate in the Workforce Collaborative and the program is being offered to additional companies seeking qualified job candidates. Last week, BGE and Exelon signed on as a partner in RetrainAmerica, a national exchange that will connect anyone – regardless of background, education or prior experience – with an opportunity to get retraining for jobs of the future.

BGE is making a \$1.5 million contribution using shareholder funds to the Fuel Fund of Maryland to assist limited income residential customers with their bills in 2020. This is in addition to the customer-funded \$2.6 million that is currently directed by BGE for customer assistance through the Fuel Fund. To provide customers with payment flexibility, BGE has extended its payment arrangement plans to allow customers to spread balance payments over 12 months or longer for qualifying customers. In March of this year, BGE suspended service terminations for nonpayment and waived late payment fees. The suspension of service terminations and waiving of new late payment fees are now being extended to July 1, 2020, for all residential customers and qualifying businesses. The company has also reconnected customers whose service had been terminated prior to the suspension period to enable more residents to more easily comply with Maryland's stay-at-home order while it was in effect.

This year, BGE will also be providing \$1 million in funding to county-administered business pandemic relief funds in central Maryland to assist small businesses that have been challenged by the economic hardships of the COVID-19 response. In addition, beginning in 2021, BGE will establish a small business relief grant program for businesses with less than 25 employees to receive grants up to \$20,000 each to help cover operating expenses. BGE is also evaluating ways to expand its Smart Energy for Economic Development (SEED) program that provides discounts to qualifying commercial customers who expand hiring.

All charitable contributions by BGE shareholders are in addition to the more than \$1 million already provided in March and April of this year by BGE, Constellation and Exelon to benefit relief organizations including United Way of Central Maryland, Baltimore Community Foundation and the Maryland Food Bank. BGE plans to continue its commitment to remain a top corporate funder of area nonprofits.

As BGE makes investments in the energy systems serving customers, the company will remain focused on working with local and diverse businesses. Last year, BGE spent \$440 million with Maryland businesses, of which \$217 million was with diverse businesses in the state. This continues a trend of BGE annually increasing work with local and diverse suppliers and complements workforce development initiatives to expand local training and hiring programs.

BGE's energy infrastructure investment plan includes more than 300 projects and maintenance programs for the period 2021-2023. Examples include:

- **Enhancing energy infrastructure** supporting the growth of important economic development sites, such as the continued grid enhancements to the Tradepoint Atlantic Redevelopment site.
- **Installing smart automation equipment** to more quickly identify and circumvent damage to the electric grid and reduce the frequency and duration of power outages.
- **Replacing outmoded technologies**, such as limited capacity 4kV electric systems, to improve reliability, enable greater adoption of solar energy and electric vehicle charging and to increase capacity in areas where redevelopment adds additional customer demand.
- **Preparing the grid for extreme weather** with continued tree trimming and vegetation management to ensure power line clearance and improve reliability during extreme weather events.
- **Replacing outmoded natural gas pipeline** segments using modern technologies and installing over-pressurization protection equipment to improve safety and reliability.

Customers are benefitting from infrastructure investments by BGE over the past decade. Power outages have declined by more than 38 percent and when customers do experience a service interruption, their power is restored nearly 40 percent faster today. Hundreds of miles of natural gas pipes are being replaced at an accelerated pace, which results in a safer, more efficient gas system that will reduce annual greenhouse gas emissions in central Maryland. Gas pipeline upgrades completed during the plan years alone will reduce carbon emissions over their lifetime by nearly 1.1

million metric tons—the equivalent to taking 247,000 gasoline-powered cars off Maryland roads for one year.

BGE's plan is being filed under the PSC's multi-year plan pilot announced in February 2020. The company began designing a multi-year plan prior to the onset of the pandemic, and then worked within the multi-year framework to provide rate relief to customers in 2021-2022 while still enabling significant ongoing investment that delivers real economic value to central Maryland. Utility multi-year plans provide the PSC with planned utility investments in advance for review and approval. The multi-year plan model is used in a number of states nationwide and is a new format for Maryland where regulators previously allowed utilities to seek recovery of investments only after those investments were made. The forward-looking multi-year plan structure is particularly valuable at this time because it provides certainty about rates and economic stimulus that gives customers and local communities the ability understand future utility costs as recovery plans are made.

The multi-year plan review process is a public process led by the PSC, an independent state commission, that ensures transparency, public input and fair rates for all customers. A decision on the current proposed plan is expected from the PSC in December 2020.

More information on BGE's multi-year plan is available at bge.com.

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BGE, founded in 1816 as the nation's first gas utility and headquartered in Baltimore, is Maryland's largest natural gas and electric utility. The company's approximately 3,200 employees are committed to safe and reliable energy delivery to more than 1.3 million electric customers and more than 680,000 natural gas customers in central Maryland. In the J.D. Power 2017, 2018, and 2019 Electric Utility Business Customer Satisfaction StudiesSM BGE was ranked Highest in Customer Satisfaction with Business Electric Service in the East among Large Utilities. In the J.D. Power 2018 and 2019 Gas Utility Business Customer Satisfaction StudiesSM BGE was ranked Highest in Customer Satisfaction with Business Natural Gas Service among utilities in the East Region. BGE is a subsidiary of Exelon Corporation (Nasdaq: EXC), the nation's leading competitive energy provider. Connect with BGE on Facebook, Twitter, Instagram, and YouTube, and engage with the latest BGE stories on bgenow.com.

Baltimore Gas and Electric Company (or "BGE") received the highest score in the East Region of the 2019 Gas Utility Business Customer Satisfaction Study and the East Large Segment of the 2019 Electric Utility Business Customer Satisfaction Study of gas and electric utility customer satisfaction among business customers. Visit jdpower.com/awards.