

Introduction to Constellation NewEnergy, Inc.

Constellation NewEnergy, Inc. is a full-service energy company that provides comprehensive and innovative solutions to meet the energy needs of governmental, large commercial, institutional, and industrial customers.

We have implemented over 4,000 energy conservation projects in the past 25 years, and financed over \$1 billion in projects. Constellation has a long history of working with federal agencies to complete many successful major projects using multiple technologies and proven project development and management processes.

- Energy Conservation Projects Constellation is a pioneer in the ESCO industry having implemented thousands of energy conservation projects for federal, institutional and commercial customers, involving all types of energy saving technologies from simple lighting to complex industrial processes.
- **Renewable Energy Projects** we are a national leader in building, owning and operating renewable energy systems with a large portfolio of biomass, solar, geothermal, wind and hydro-electric projects in operation since the 1980s.

Constellation's core business is assisting customers to manage energy-related issues that reduce energy consumption and cost, while improving reliability. We are accredited by the National Association of Energy Service Companies (NAESCO) as an "Energy Services Provider" and hold a number of IDIQ contracts with DOE, GSA and DOD and various state governments.

We are a vital part of an integrated energy company that has been in business for 190 years, has 10,000 employees, owns and operates 8,700 MW of power generation across the country, and is a national leader in electric and gas sales in the wholesale and retail markets.

Constellation's ESPC Approach

Serving federal customers has always been a mainstay of our ESCO business. For the past ten years, we have implemented Federal ESPC projects under four of the original DOE Super ESPC contracts: the Midwest Regional contract, the Mid-Atlantic Regional contract, the Biomass and Alternative Methane Fuels (BAMF) contract, and the Geothermal Heat Pump (GHP) contract. Today, we work under and with all types of contracts including GSA, DOD, Utility Energy Service Contracts, ESPCs and Power Purchase Agreements. In 2008, we were awarded a new ESPC IDIQ contract from DOE as well as an ESPC IDIQ contract from the Army Corps of Engineers.

In contrast to most ESCOs, Constellation can leverage the extensive resources and technical capabilities of Constellation Energy Group to provide comprehensive service offerings on ESPC projects. These value added services often include:

- Energy Risk Management Constellation is a national provider of electrical and natural gas in the wholesale and retail markets which allows Constellation to offer a full energy solution that manages our customer energy fluctuations and hedges exposure to market volatility;
- **REC Sales** Constellation is a market-maker in buying and selling Renewable Energy Credits. Constellation was a recent recipient of the DOE Green Power Leadership Award for innovation in providing our customers with renewable energy; and

• **Demand Response** – Constellation has a national sustainability offering that federal customers can utilize, including payments derived from Independent System Operators (ISOs) for peak shaving and load shifting.

Constellation's ESPC Experience

Following are three examples of energy projects in federal facilities that have increased energy efficiency, reliability, cost effectiveness and savings:

Fort Detrick – Maryland

- Multi-year relationship identifying and implementing energy-efficiency projects
- Total contract value of \$38 million more than \$4.8 million in savings to date
- 14 projects completed over 10 years including the most recent installation of 2 new satellite steam plants and associated distribution improvements

SSA Chicago – Illinois

- \$2 million capital investment with a 10 year ESPC contract term
- Continuous building retro-commissioning services being provided for the life of the contract
- Energy conservation measures implemented include; solar thermal water heat system, chilled water improvements, EMS and high efficiency lighting and controls
- Estimated savings of 4.6 million kWh of electricity annually and guaranteed savings of \$295,000 per year

Carlisle Barracks – Pennsylvania

- \$9.7 million capital investment with more than \$900,000 in actual first year savings
- Installation of geothermal heat pumps with a cooling capacity of 1,050 tons
- Other improvements include HVAC and UMCS upgrades, boiler & Chiller replacements, chilled water, steam and condensate improvement and lighting upgrades
- 17 year contract term

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