



Constellation Energy

The way energy **works**.™

Customer Options In The Competitive Retail Market

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Springfield, Illinois**

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Agenda

- About Constellation and Constellation NewEnergy
- How the Illinois Power Agency Act changes the landscape
- What to look for in a supplier?
- Competition drives product innovation
- Types of electric product and service options
- Conclusion

Constellation Energy

- **Integrated energy merchant (NYSE:CEG)**
- **Fortune 500 company (No. 119)**
- **8,500 megawatts of generating capacity**
- **450 billion cubic feet of natural gas**
- **Revenues: \$19.3 billion (2006)**
- **Assets: \$21.8 billion (2006)**
- **Investment grade credit ratings: A-/Baa1/BB**
- **Industry recognition**



About Constellation NewEnergy

Wholly-owned subsidiary of Constellation Energy

Leading competitive electricity & natural gas supplier to commercial, industrial & institutional

Serves more than 14,000 customers including more than 2/3 of the Fortune 100

Supplies more than 17,000 megawatts of peak load and more than 450 bcf of natural gas

Active in:

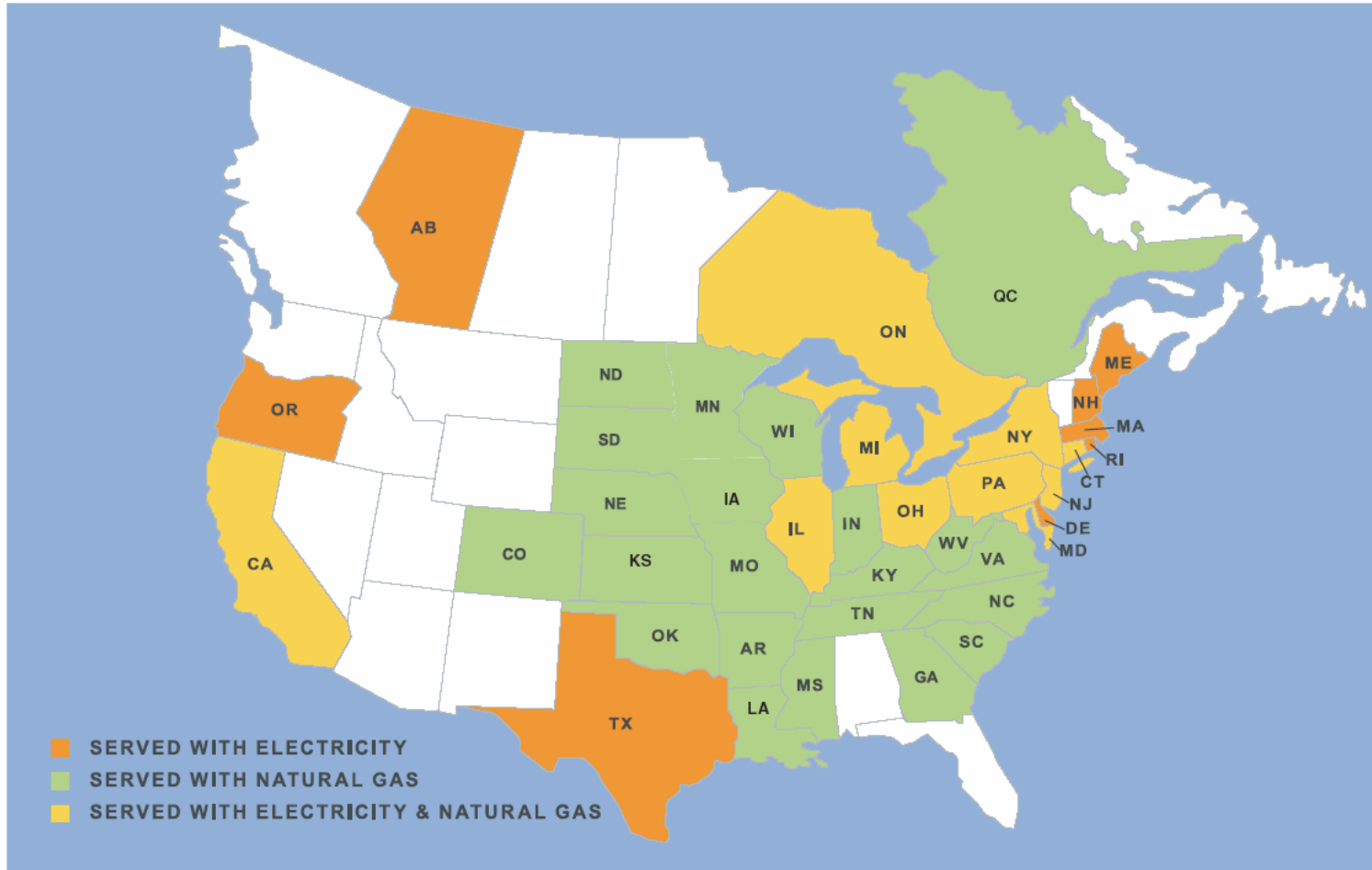
- Electric - 16 states, Washington D.C. and two provinces
- Gas – 28 states and two provinces

Earned \$8 billion in revenues from combined electric & gas businesses (2006)

94% customer satisfaction rating



The Leading Supplier Throughout North America



New IPA Act Restructures Illinois Electric Market

- No ComEd or Ameren Fixed-price supply option for many commercial, industrial, and governmental customers as of May 2008
- Additional Competitive Declaration for ComEd customers in the 100kW – 400kW customer class
- Recognition by the General Assembly that competitive retail electric suppliers better able to meet the needs of electric supply customers
- New Procurement mechanisms to take effect in June 2008 – May 2009
- New Illinois Procurement Agency to be responsible for procurement beginning in June 2009 – 1st Plan - August 2008

What Do I Look For In A Supplier ?

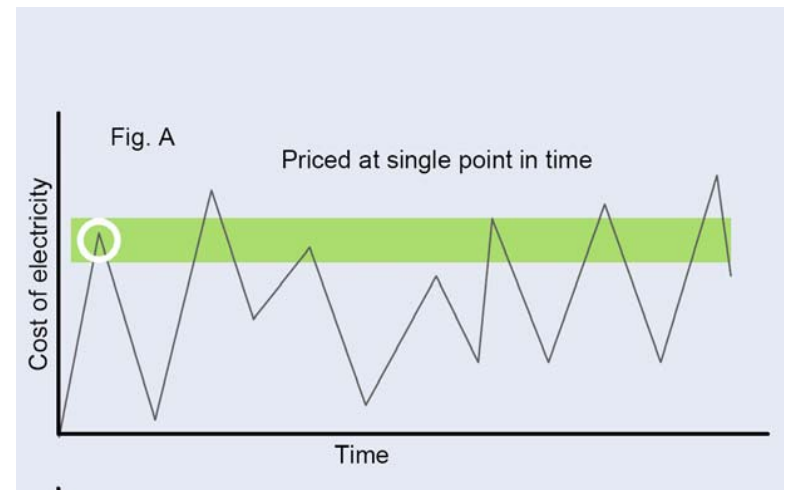
There are now over 20 certified alternative retail electric suppliers in Illinois – Key Considerations:

- Financial stability
- Creditworthiness
- Energy expertise
- Regulatory advocacy
- Value added services
- Operational infrastructure
- Commitment to the Illinois and North America markets

Competition drives product innovation

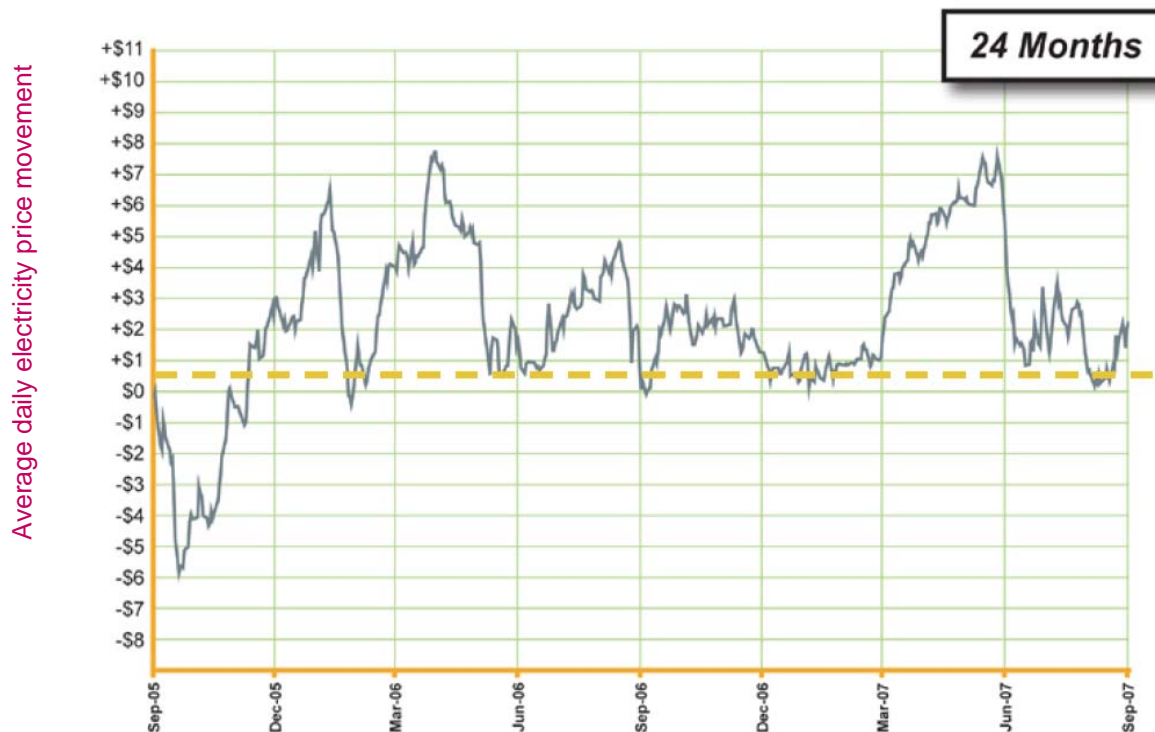
Many options available to meet customer's needs, resources, budget requirements and level of involvement:

- Long term vs. short term budget stability
- Energy management resources
- Risk / Reward comfort level
- Budget planning cycles
- Sustainability initiatives
- Market involvement
- Price hedging strategy



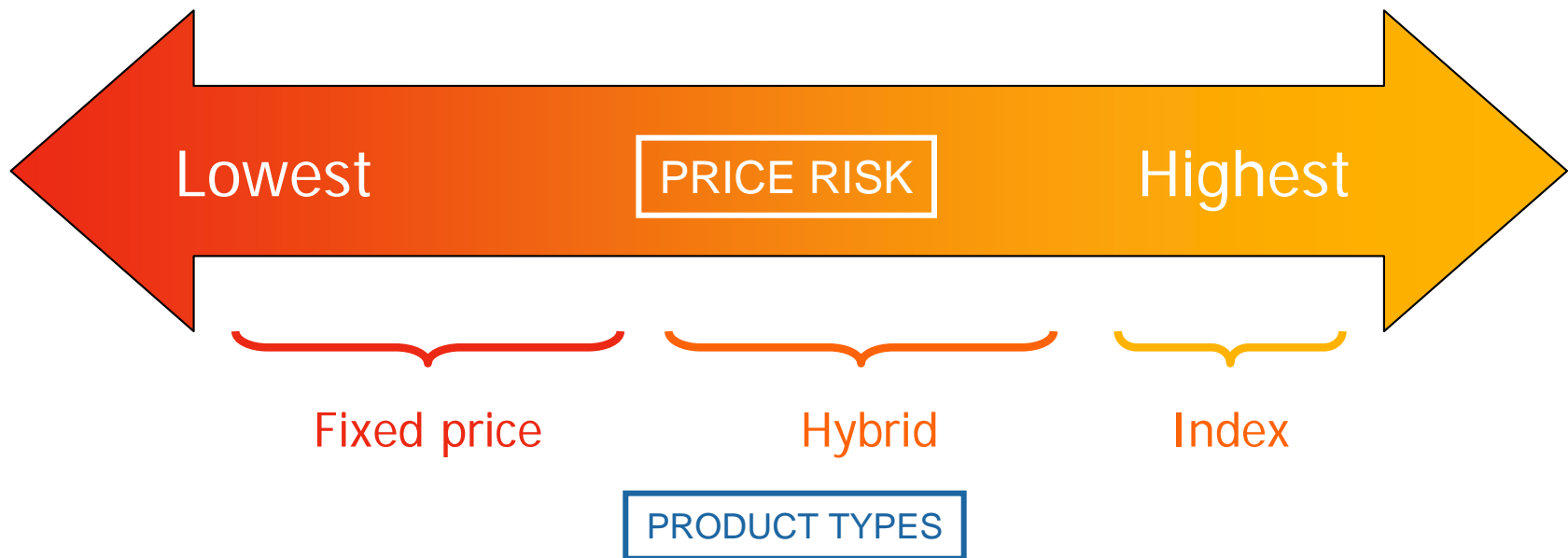
Competition drives product innovation

Electricity prices are volatile. Competition promotes product innovation for energy solutions that offer budget and rate stability or optimum savings potential



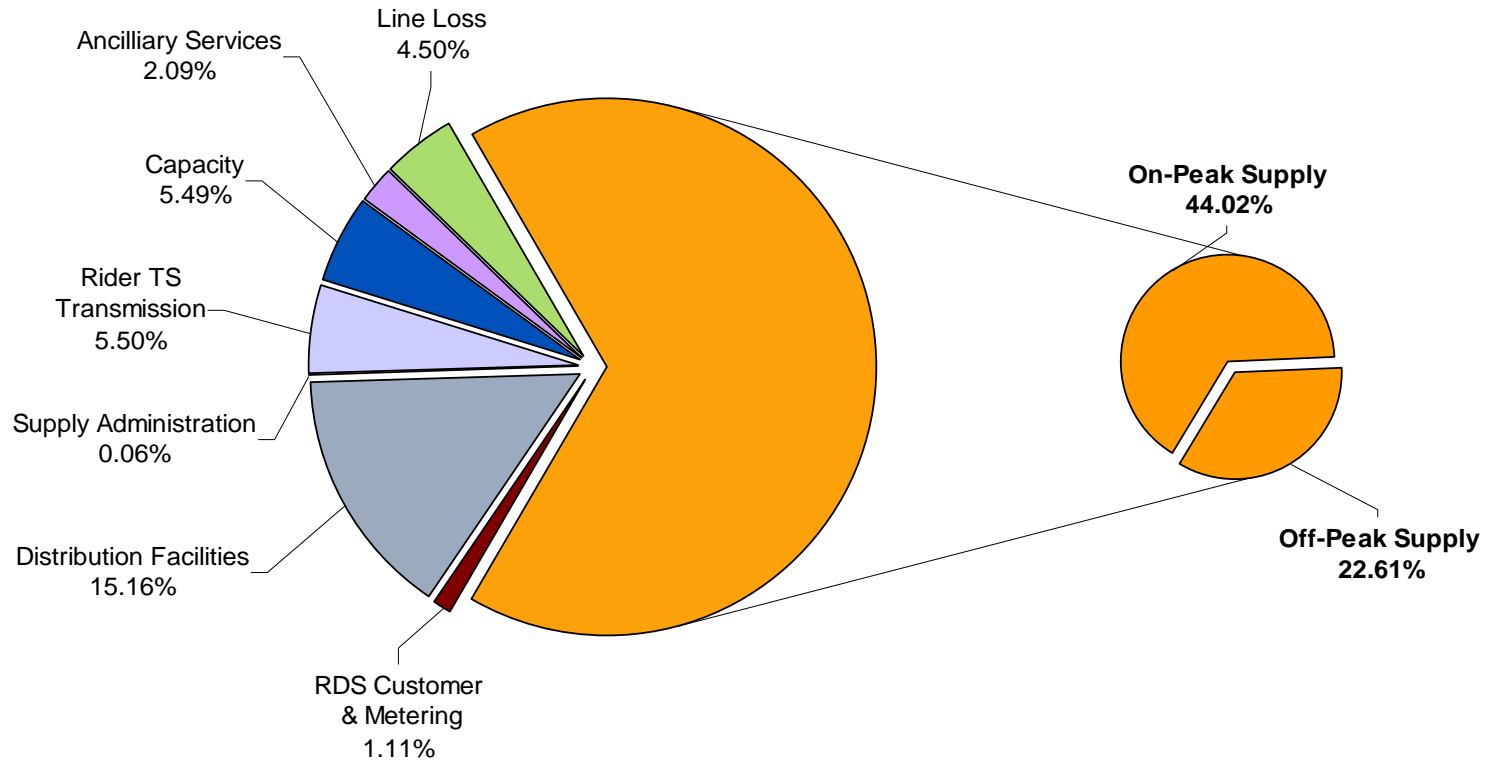
Price/Risk Continuum

Products are available to meet the business goals and risk appetite for all consumers



Electric Bill Components

From Energy to Distribution, products are available that can lock the costs of some or all components of your bill



Fixed Price Solutions

- Lock in a fixed price for an extended period of time for budget certainty
- For businesses wanting to avoid market volatility
- Predict future expenditures
- Avoid budgeting surprises



Customized Solutions

- For businesses that are willing to accept some market volatility
- Customized product combines the optimal blend of price certainty & cost savings



Open Market Supply Solutions

- For businesses that prefer to buy at market-based rates
- Lock-in a fixed price when a specified target is met



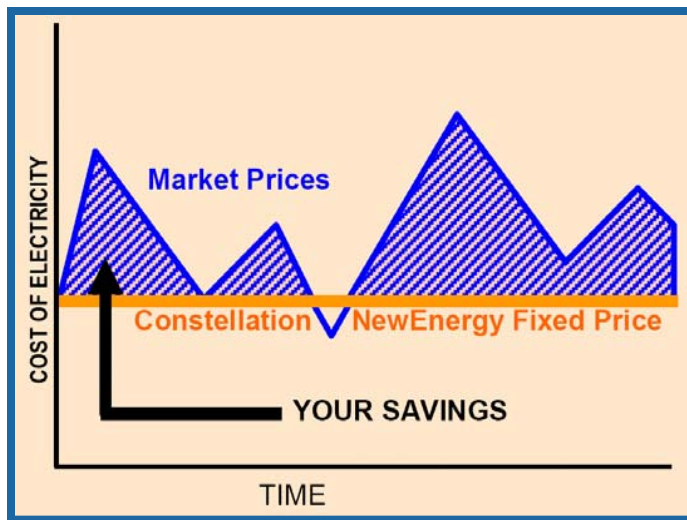
Renewable Solutions

- For businesses that prefer to select renewable energy resources
- Support the building of new renewable power plants
- Option for businesses to have a positive impact on the environment

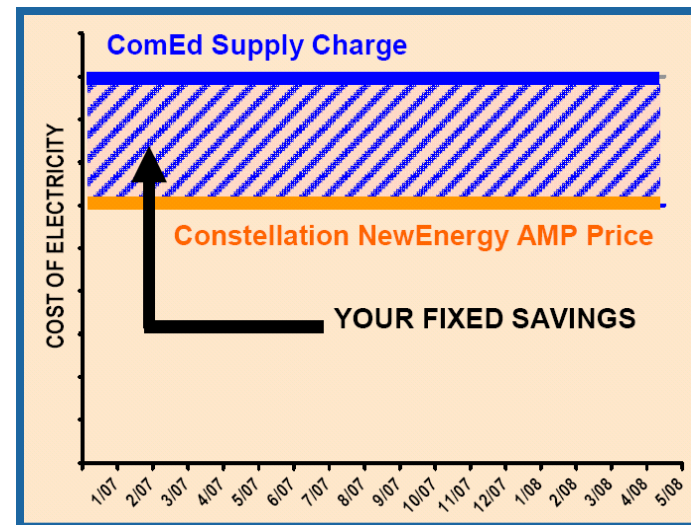


How They Work: Fixed Price Solutions

Lock in your rate for some or all bill components for energy budget stability



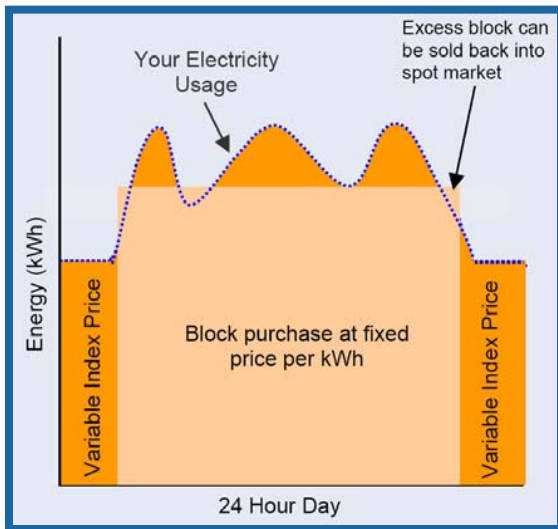
rate locked in



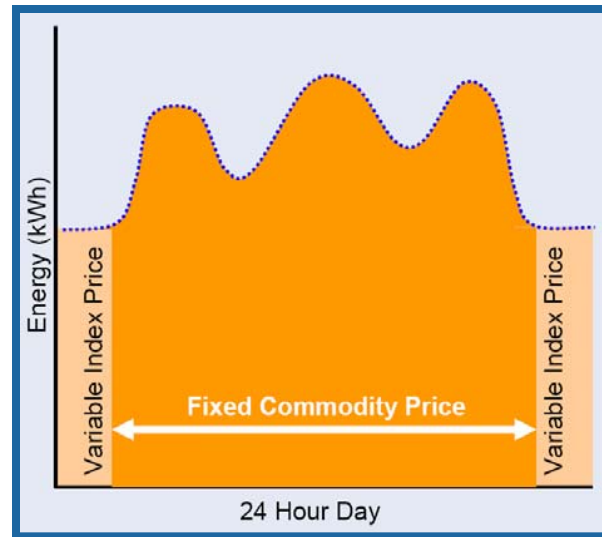
savings locked in

How they work: Customized Solutions

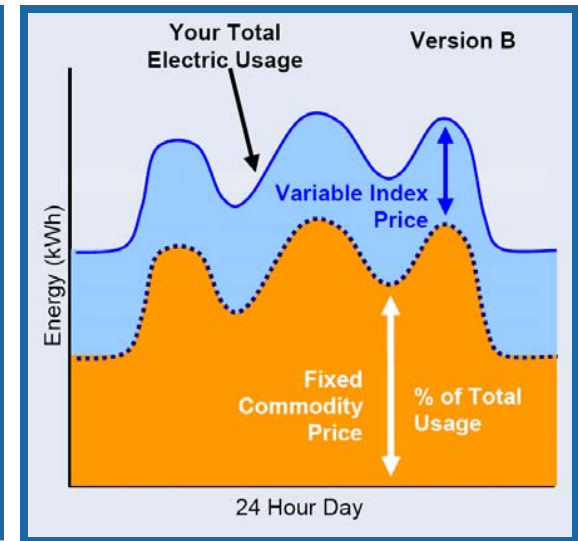
Design an energy solution based on your energy usage and profile



block energy purchase

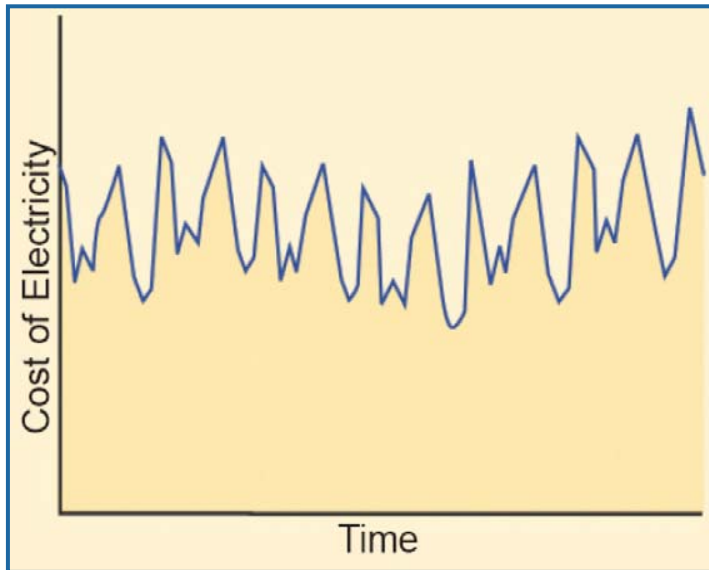


fixed price/index combination

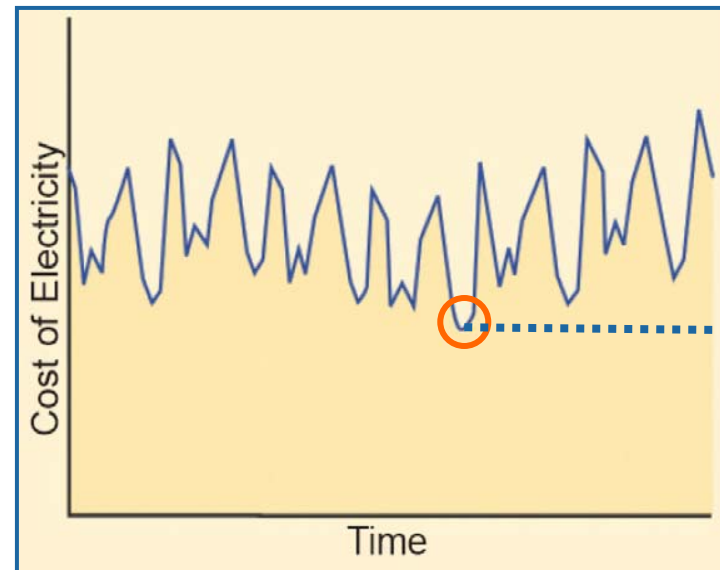


How they work: Index Solutions

Companies with energy management capabilities can take advantage of market movements



pay hourly index prices

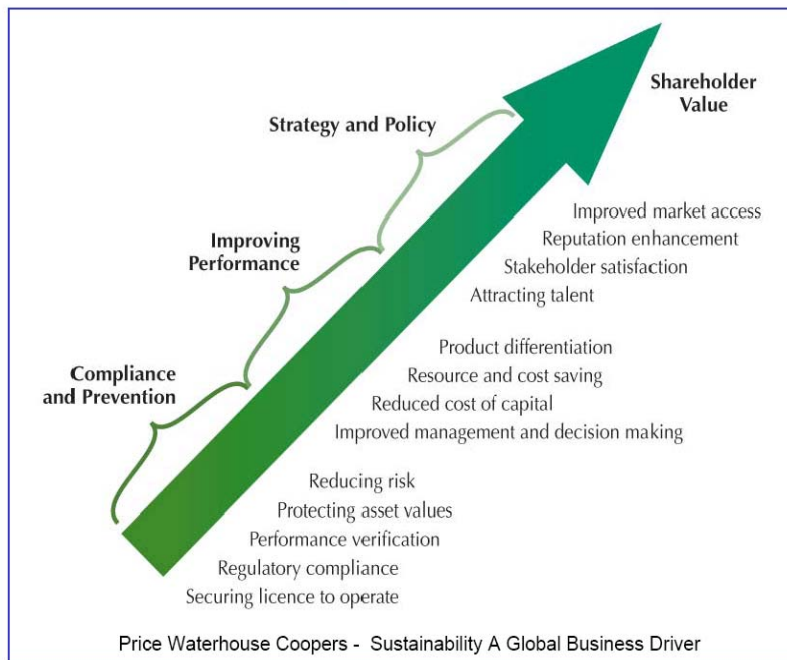


lock in rate at low point

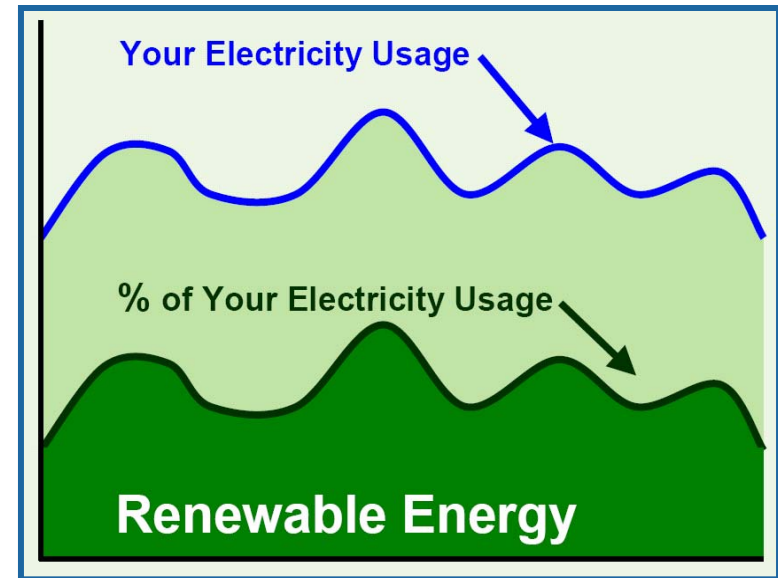
How they work: Green Solutions

Competitive suppliers offer many green solutions to meet environmental and corporate sustainability initiatives

Sustainability Business Drivers



Wind, Solar, Hydro, Bio-Mass, Geo-Thermal, Wave & Tidal



Renewable Energy Credits can be purchased as a block or % of your energy usage

Billing and Services Available

Invoicing/Billing Advances

- **Single-Bill Option:** A handful of suppliers offer the convenience of receiving a single bill from your retail electric supplier for their charges as well as the ComEd or Ameren distribution charges
- Email notification of invoice posting
- Direct debit payment options

Data and Information

- Web-based access to monthly usage information
- Consulting services
- Regulatory updates

Conclusion

- Competition is here to stay in Illinois
- Competition is fierce among well-established players as well as newer entrants
- Expect additional market entry
- Electric prices will remain volatile for the foreseeable future
- Do your homework before selecting:
 - a supplier; and
 - the type of products and services
- Retail Electric Suppliers have numerous products and services that are designed to meet the needs of all types of consumers

Contact Information

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