



An Exelon Company



MULTI-YEAR CUSTOMER RELIEF AND ENERGY INFRASTRUCTURE INVESTMENT PLAN

Toward a stronger and cleaner energy future.

Why a multi-year plan?

Implementing an innovative ratemaking process is essential for advancing technology innovation, promoting sustainability, improving reliability and safety, and modernizing the grid to meet the growing demands of our customers and Maryland's energy future. This forward-looking plan provides greater transparency in how BGE will invest in its systems and greater predictability of costs for its customers.

Benefits of BGE's multi-year plan.

BGE plans to spend \$5 billion from 2021 through 2023 through the multi-year plan to improve reliability, enhance the customer experience, and modernize the company's electric and gas infrastructure. Importantly, this multi-year plan specifically seeks to assist with Maryland's recovery from the COVID-19 pandemic by injecting \$15 billion into the local economy with infrastructure investments that support more than 26,000 jobs. As part of the plan, BGE will freeze customers' base delivery rates at current levels through 2022. In addition, electric supply costs are dropping 2.8 percent for BGE standard offer service customers due to a reduction in electric supply costs beginning June 1, 2020.

As BGE makes investments in the energy systems serving customers, the company is also 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. This continues a trend of annually increasing work with local and diverse suppliers and complements workforce development initiatives to expand local training and hiring programs.

IN 2020

\$1.5 million

IN CONTRIBUTIONS TO FUEL FUND TO ASSIST LIMITED INCOME CUSTOMERS

BGE also plans to expand the BGE Workforce Collaborative, an academy 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.

BGE is also making a \$1.5 million contribution 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.

\$440 million

SPENT WITH MARYLAND BUSINESSES

OF WHICH

\$217 million

WAS WITH DIVERSE BUSINESSES

This year, BGE will provide \$1 million in funding to county-administered 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 provide grants up to \$20,000 each to help businesses with less than 25 employees cover operating expenses.

These contributions are made using shareholder dollars and are not reflected in customer bills.

What does BGE's multi-year plan 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 increased 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.

How will BGE's multi-year plan impact customer bills?

- › BGE has proposed a freeze of base delivery rates at current levels for all customers through 2022.
- › After the two-year freeze, BGE is requesting an 8.3 percent upward adjustment of rates in 2023 to reflect the investments being made over the three years.

Delivering today and investing for the future.

In 2019, BGE's customers experienced the second lowest rate of average number of interruptions in company history. BGE also restored power at the second fastest rate ever when customers did experience an outage.

Since 2009, power outages have declined by more than 38 percent. When customers do experience a service interruption, their power is restored nearly 40 percent faster today. This was the result of implementing innovative technologies that can improve system reliability such as using drones to enable more efficient equipment inspections, installing specialized equipment that can automatically restore service or isolate damage, and providing storm restoration staff with mobile apps that help them identify and get to jobs faster.

Customers are receiving record service and those on BGE's standard offer service are paying an average bill that is lower than in 2008 and will continue to do so even with the proposed, requested adjustment in 2023.

Modern Electric and Gas Infrastructure:

- › Delivers reliable and safe energy.
- › Maintains affordability and increases safety for all customers.
- › Reduces CO2 emissions.
- › Provides a critical foundation for central Maryland's growth and competitiveness.