



AN EXELON COMPANY

Baltimore Gas and Electric Company (BGE) appreciates the opportunity to provide comments to the Legislative Investigations Committee on the company’s continued commitment to invest in Baltimore City’s conduit system. BGE’s written and verbal commentary are centered on the details of the amended conduit agreement with Baltimore City and the benefits that will accrue to the city, its residents, and our customers.

Increased Investment and Lower Bill Impact

The 2023 amendment to the conduit agreement between BGE and Baltimore City increases the company’s investment in the conduit by \$26.5 million over four years – from \$112 million to \$138.5 million – while lessening customer bill impacts by over \$50 million. If BGE does not invest the agreed amount, the company must pay the difference to the city in a lumpsum.

Retained City Ownership and Control

Under the 2023 amendment to the conduit agreement, Baltimore City retains full ownership, control, and management of the conduit system. During and after the term of the agreement, the city continues to determine which entities may install facilities in the conduit and at what rates, and the city can continue to make its own infrastructure investments in the conduit system. The city retains full permitting authority over the conduit system.

BGE is required to coordinate capital improvements with the city during monthly meetings. BGE’s investments are not counted towards the required spend until the company’s work is accepted by the city.

Supporting Diverse Suppliers

BGE is committed to supporting diversity-certified suppliers. Beginning in 2009, BGE voluntarily committed to the Maryland Public Service Commission (PSC) to award 25 percent of company spending to diverse suppliers, and the company consistently meets or exceeds the 25 percent goal.

BGE reports on its spending with diverse suppliers annually. In 2021, the company reported purchasing \$500 million in goods and services from diverse vendors, representing 44 percent of the company’s total purchases. BGE will put conduit work out to bid and would expect all vendors with relevant experience constructing and repairing the city’s conduit system to be competitive candidates for contract awards.

Unaltered Provisions of Previous Agreements Remain in Force

For decades, Baltimore City and BGE have operated under relevant conduit agreements. Because the 2023 agreement is an amendment to a previous conduit agreement, any provisions of previous agreements that are not modified by the 2023 agreement remain in force.

Previous agreements continue to govern operational issues related to facility relocation and notice protocols for the conduits’ many tenants.

Baltimore City Conduit Agreement		
At a Glance		
	2016 Agreement	2023 Agreement
City Ownership of Conduit System	✓	✓
City Control of Conduit System	✓	✓
City/BGE Monthly Meetings	✓	✓
City Opportunity to Make Additional Investments	✓	✓
Conduit Investments (Over Four-Year Agreement)	\$112M	\$138.5M

BGE Diverse Spend Exceeded \$500M, Representing 44% of Company Purchases

*2021 Data

2023 Conduit Agreement Reduced Rate Filing Request by \$50M



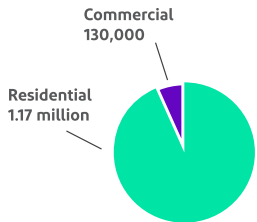
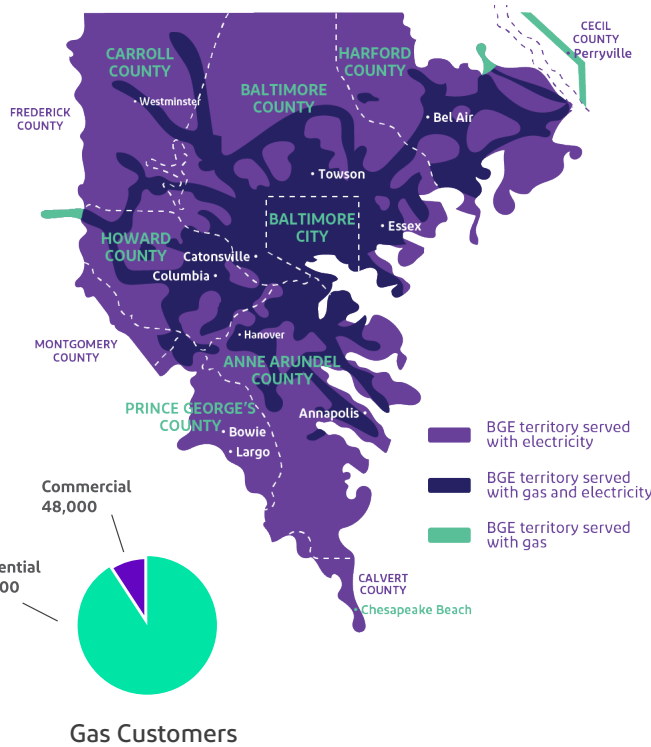
WHO WE ARE

We're the largest electric and natural gas company in Maryland.

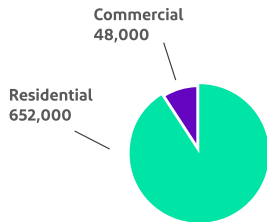
1.3 million
electric customers

700,000
natural gas customers

3,200
employees



Electric Customers



Gas Customers

AWARDS AND HONORS

We're proud to be recognized for our contributions to our community and industry.

- + 2022 ENERGY STAR® Partner of the Year Sustained Excellence Award. BGE has won this award 12 years in a row.
- + 2022 Mayor's Business Recognition Award for our partnership and collaboration with our local Historically Black Colleges and Universities (HBCUs).
- + 2022 Escalant's Most Trusted Brands & Easiest to Do Business with Utilities.
- + 2022 Technology Transfer Awards from Electric Power Research Institute (EPRI).
- + Recognized for our energy assistance programs alongside our sister Exelon utilities as finalists for a 2022 Edison Award.

INFRASTRUCTURE INVESTMENTS

BGE's 2021-2023 energy infrastructure investment plan includes more than 300 projects and maintenance programs that are improving the electric and natural gas systems serving our customers. This work includes enhancing energy infrastructure, installing smart automation equipment, replacing outmoded technologies, preparing the grid for extreme weather, replacing outmoded natural gas pipeline segments, and more.

Looking Ahead

The total economic and fiscal impacts of BGE's planned investments from 2024-2026 are estimated to support 72,077 jobs and generate more than \$8.1 billion in labor income, more than \$35.7 billion in economic output, and more than \$1.7 billion in state tax revenue.



ENERGY MANAGEMENT

- + Our award-winning suite of energy efficiency programs helps customers save energy and money.
- + Performing 400,000 home energy audits and check-ups has positively impacted our customers. Not only have they resulted in the purchase/distribution of 46.7 million+ discounted energy efficient bulbs, our customers have saved \$1.1 billion+ through bill credits and rebates.
- + Over the past decade our customers have saved 6.1 million+ megawatt hours of electricity. This is equivalent to CO2 emissions from 848,000+ homes' electricity usage for one year, or 2.4 million+ tons of coal burned, or 490 million+ gallons of gasoline consumed.

ENERGY FOR ALL

- + **Over 45,000 customers** are currently receiving energy assistance grants from the federal Low Income Home Energy Assistance Program (LIHEAP) and the Maryland Electric Universal Service Program.
- + **Our customers were granted nearly \$90 million** in state assistance grants in 2022 (through November).
- + **8,400+ customers have been helped** through our partnership with the Fuel Fund of Maryland, obtaining nearly \$1.3 million in customer-funded matching credits.



INNOVATION & TECHNOLOGY

- + **Smart grid and meter technology:** Providing the foundation for new energy efficiency solutions, enhanced service reliability and customized energy options for our customers.
- + **Innovative access to information:** Receive information anytime, anywhere about outages, energy usage, billing, payment services and more.

PATH TO CLEAN

We're building on our commitment to protect and preserve the environment and combat climate change by playing a leading role in Maryland's transition to a clean energy future.

- + As part of our Path to Clean goal, BGE has committed to electrifying our fleet and cutting our own operational greenhouse gas emissions in support of Exelon's goal to reduce its operations-driven emissions 50% by 2030 and achieve net-zero operations by 2050.
- + We have a wide variety of initiatives underway to reduce our emissions. These efforts include electrifying our vehicle fleet, focusing on energy efficiency, seeking clean electricity for our buildings and operations, and modernizing our natural gas and electric infrastructure to minimize emissions and enhance safety and reliability.
- + BGE is implementing programs to dramatically reduce our own carbon footprint, while also investing in our infrastructure to make clean energy solutions more accessible, affordable, and equitable for our customers.
- + In addition to these core emission reduction goals, we're making significant investments to modernize our energy infrastructure to make it more resilient in the face of intensifying weather patterns, innovating to develop more efficient ways to manage and modernize the grid by investing in research initiatives, advocating for energy efficiency, solar, and transportation electrification policies that advance clean and affordable energy access for all, and partnering with customers and communities to help them meet their climate goals.
- + Environmental stewardship and vegetation management are important elements of our Path to Clean journey. We are committed to promoting open space, tree planting, and improving the urban and rural tree canopy across our service territory.



GIVING BACK

- + **We have committed nearly \$18 million** to local non-profit organizations and workforce development efforts.
- + **25,000+ volunteer service hours** logged by employees in support of community initiatives in over 300 local non-profit organizations.
- + **170 non-profit boards** served by BGE employees.
- + Our employees pledged **over \$1 million** to causes they care about.
- + **Provided 111 students in Maryland with college scholarships** in STEM fields, including scholarships to 49 students per academic year to our area HBCUs since 2021.
- + **Workforce Collaborative graduates:** More than 160 participants have graduated from the BGE Workforce Collaborative program since 2019 with 80% receiving jobs earning on average \$37K annually.

DEI INITIATIVES

- + We're ensuring our supplier diversity grows along with our business. In 2021 our supplier diversity spending was \$500 million, which is **44%** of the goods and services we purchased.
- + One of the leading local partners to launch BLocal, an initiative to improve Baltimore City's economic prospects through focused spending and hiring practices.
- + **80%** of charitable giving supports diverse initiatives.
- + **44%** of our employees are women and/or people of color.
- + **78%** of our executive leadership team are women and/or people of color.
- + Our Smart Energy Workforce Development program helps students and community members earn jobs in the energy industry. We accomplish this by helping local members of our community develop the necessary skills so they can pursue lifelong careers.