

BGE's Environmental Management System (EMS) and ISO 14001 Certification Project

- Baltimore Gas & Electric Company (BGE) is headquartered in Baltimore, Maryland and is the largest electric and gas utility in the state
- BGE is a wholly-owned subsidiary of Constellation Energy, a Fortune 500 company also headquartered in Baltimore
- BGE serves 640,000 gas and 1.2 millions electric customers in 10 Maryland counties and the City of Baltimore.
- BGE has maintained a company-wide environmental management system for several years and is presently moving forward with a project to obtain company-wide ISO 14001 EMS certification by 2012

BGE Environmental Policy

Baltimore Gas & Electric Company (BGE) embraces its responsibility to properly care for the environment, and believes that environmental compliance and stewardship are essential to the success of our business. As a member of the Constellation Energy family, we are committed to the core value of community and environmental responsibility. We are committed to making pollution prevention, environmental protection, and resource conservation important considerations in locating, designing, operating, and maintaining our facilities. We are committed to achieving continuous improvement in our environmental management system (EMS) and overall environmental performance.

Implementation

We are committed to:

Compliance	Conducting our business in compliance with applicable environmental laws and regulations, and maintaining related environmental standards, procedures, and training to meet or exceed legal requirements.
Environmental Management	Maintaining an environmental management system (EMS) in accordance with the International Standards Organization ISO 14001 standard for environmental management systems.
Performance Verification	Verifying implementation of this environmental policy, regulatory compliance, and EMS conformance through independent audits and internal assessments.
Energy Conservation	Promoting energy efficiency and identifying innovative ways to reduce company and customer impacts on the environment through energy conservation.
Pollution Prevention	Minimizing the production of waste and maximizing recycling.
Communications	Communicating with and responding to our stakeholders to meet expectations regarding environmental aspects of our business.

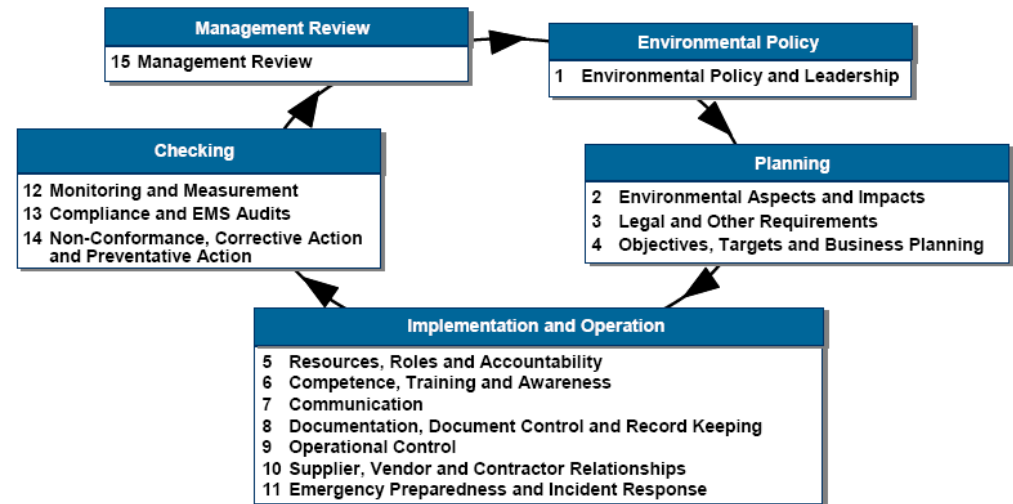


Kenneth W. DeFontes, Jr.
President & CEO, BGE



What is an EMS and ISO 14001?

- An environmental management system (EMS) is established to understand and manage environmental compliance requirements and reduce environmental impacts
- An effective EMS facilitates an ongoing process of “plan, do, check, and review” for continuous improvement
- ISO 14001 is a standard maintained by the International Organization for Standardization (ISO) that outlines specific requirements for an environmental management system – including, EMS internal audits, surveillance audits, and re-certification every three years
- Constellation Energy (CE) has established an Environmental Policy Standard that defines the required elements of an EMS to be established by all CE business units (including BGE)
 - The CE Environmental Policy Standard has 15 elements with 57 specific requirements and exceeds ISO 14001 requirements in certain areas



BGE ISO 14001 EMS Certification Project

- ISO 14001 Certification Strategy/Model
 - Pursue one comprehensive certification of BGE vs. by facility
 - Allows one set of environmental aspects under one EMS
 - Maintain one certification and expand registration scope to other lines of business
 - Pursue one registration with certification scope to phase in four lines of business: Gas Distribution, Electric Transmission & Distribution, Fleet Operations, Shared Services
 - Prepare leadership and employees for auditor interviews
 - Certify Gas Distribution business in fall/winter 2010/11 due to BGE's natural gas history, other gas certifications, links to large projects (Smart Grid)
- Registrar Selection
 - Proven experience with pipes & wires utility certification
 - Synergies with affiliates

