



News Release

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Constellation Energy Announces Agreement to Sell 550-Megawatt Gas Plant in West Texas

BALTIMORE, Dec. 30, 2010 - Constellation Energy (NYSE: CEG) today announced it has signed an agreement to sell the 550-megawatt Quail Run natural gas plant in west Texas to High Plains Diversified Energy Corporation (HPDEC) for \$185.3 million. The agreement is contingent upon HPDEC obtaining financing through the sale of municipal bonds.

Constellation Energy acquired Quail Run, located near Odessa, Texas, in May 2010 as part of a two-plant agreement, which included the 550-megawatt Colorado Bend natural gas plant near Wharton, Texas, in ERCOT's (Electricity Reliability Council of Texas) Houston zone. HPDEC is a municipal utility formed by the West Texas Municipal Power Agency. HPDEC has as its development partner Republic Power Partners.

“Quail Run is a modern, efficient, well-managed asset; however, its location in ERCOT's west zone is far from our retail and wholesale customers and growth opportunities,” said Kathleen W. Hyle, senior vice president, Constellation Energy, and chief operating officer, Constellation Energy Resources. “The strategic value in this transaction is that it presents the potential to redeploy capital to be used for the acquisition of generation closer to our major customer centers in ERCOT and competitive markets nationwide.”

Under terms of the definitive sales agreement, HPDEC will pursue financing to complete the transaction through the issuance of municipal bonds. Should HPDEC successfully secure financing, the sale would also be subject to standard terms and closing conditions.

About Constellation Energy

Constellation Energy (www.constellation.com) is a leading supplier of energy products and services to wholesale and retail electric and natural gas customers. It owns a diversified fleet of generating units located in the United States and Canada, totaling approximately 9,000 megawatts of generating capacity, and is among the leading advocates for new nuclear development in the United States. The company delivers electricity and natural gas through the Baltimore Gas and Electric Company (BGE), its regulated utility in Central Maryland. A FORTUNE 500 company headquartered in Baltimore, Constellation Energy had revenues of \$15.6 billion in 2009.