



CALVERT COUNTY DEPARTMENT OF ECONOMIC DEVELOPMENT

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Media Statement

FOR IMMEDIATE RELEASE

Date: January 15, 2008
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Calvert County, Maryland Approves Payment in Lieu of Tax Agreement (PILOT) for Units 1&2 at Calvert Cliffs Nuclear Power Plant

PRINCE FREDERICK, Md. – January 15, 2008 – The Calvert County, Maryland Board of County Commissioners today approved a payment in lieu of tax Agreement (PILOT) for Units 1&2 at Calvert Cliffs Nuclear Power Plant. The PILOT, although finalized today, goes into effect July 1, 2008.

Section 7-514(c) of the Maryland Tax – Property Article, as enacted into law on November 19, 2007 by House Bill 1 (HB1) authorizes a Maryland county to enter into a PILOT with the owner of a facility for the generation of electricity. HB1 further provides authority for the owner to pay the county a specified dollar amount each tax year in lieu of the real and personal property tax payment; all or a specified part of the real and personal property at the facility is exempt from county property tax for the term specified in the PILOT.

In 1999, Maryland de-regulated the electric generation utility industry and, as a result, Calvert County saw a net decrease in taxes from Calvert Cliffs in the amount of approximately \$8M. To offset the loss, the Maryland General Assembly provided a \$6.1M deregulation grant to Calvert County. During the fall 2007 Special Session of the Maryland General Assembly removed the grant funding.

The PILOT is a direct result of HB1, ensures replenishment of the \$6.1M deregulation grant for Calvert County and also ensures stability and tax assurance for both the County and Constellation Energy by removing the unknowns of future tax law. In FY08, Constellation Energy remained the single largest taxpayer at \$17.3M.

For information about Calvert County, Maryland or the Department of Economic Development, call 410.535.4583 or 800.331.9771, e-mail info@ecalvert.com or visit our Web site at www.ecalvert.com. For information about Calvert Cliffs Nuclear Power Plant, visit www.constellation.com.

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