

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

May 31, 2023

Date of Report (Date of earliest event reported)

| Commission File Number | Name of Registrant; State or Other Jurisdiction of Incorporation; Address of Principal Executive Offices; and Telephone Number                                    | IRS Employer Identification Number |
|------------------------|---|------------------------------------|
| 001-41137              | CONSTELLATION ENERGY CORPORATION<br>(a Pennsylvania corporation)<br>1310 Point Street<br>Baltimore, Maryland 21231-3380<br>(833) 883-0162                         | 87-1210716                         |
| 333-85496              | CONSTELLATION ENERGY GENERATION, LLC<br>(a Pennsylvania limited liability company)<br>200 Exelon Way<br>Kennett Square, Pennsylvania 19348-2473<br>(833) 883-0162 | 23-3064219                         |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| <b>CONSTELLATION ENERGY CORPORATION:</b> |                   |   |
| Common Stock, without par value          | CEG               | The Nasdaq Stock Market LLC               |

Indicate by check mark whether any of the registrants are emerging growth companies as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if any of the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Section 7 – Regulation FD**  
**Item 7.01. Regulation FD Disclosure**

The disclosure set forth in Item 8.01 below is incorporated by reference in this Item 7.01.

**Section 8 – Other Events**  
**Item 8.01. Other Events**

On May 31, 2023, Constellation Energy Corporation, through its wholly owned subsidiary Constellation Energy Generation, LLC (“Constellation”), entered into an Equity Purchase Agreement with Texas Genco GP, LLC and Texas Genco LP, LLC, subsidiaries of NRG Energy, Inc. (“NRG”), for the acquisition of NRG’s forty-four percent ownership interest in the South Texas Project Electric Generating Station, a 2,645-megawatt, dual-unit nuclear plant located 90 miles southwest of Houston, Texas. The purchase price of the transaction is \$1.75 billion, with an effective purchase price of \$1.4 billion net of the present value of tax benefits to Constellation. The transaction will be financed with a combination of cash and debt and we expect the deal to be completed by year end, following the receipt of certain regulatory approvals. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Constellation has scheduled a conference call for 9:00 AM ET on June 1, 2023, to discuss the transaction with NRG. To access the call by phone, please follow the registration link available on the Investor Relations page of Constellation’s website: <https://investors.constellationenergy.com>. The call will also be webcast and archived on the Investor Relations page of Constellation’s website. Media representatives are invited to participate on a listen-only basis. The materials being presented on the call are attached as Exhibit 99.2 and are being furnished to, but not filed with, the Securities and Exchange Commission.

**Section 9 – Financial Statements and Exhibits**  
**Item 9.01. Financial Statements and Exhibits**

(d) *Exhibits.*

| <u>Exhibit No.</u>   | <u>Description</u>  |
|----------------------|---|
| <a href="#">99.1</a> | <a href="#">Press release</a>   |
| <a href="#">99.2</a> | <a href="#">Investor presentation</a>   |
| 101                  | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document. |
| 104                  | The cover page from this Current Report on Form 8-K, formatted as Inline XBRL.                            |

\* \* \* \* \*

This combined Current Report on Form 8-K is being furnished separately by Constellation Energy Corporation and Constellation Energy Generation, LLC (collectively, the “Registrants”). Information contained herein relating to any individual Registrant has been furnished by such Registrant on its own behalf. Neither Registrant makes any representation as to information relating to the other Registrant.

This report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. Words such as “could,” “may,” “expects,” “anticipates,” “will,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “predicts,” and variations on such words, and similar expressions that reflect our current views with respect to future events and operational, economic, and financial performance, are intended to identify such forward-looking statements.

The factors that could cause actual results to differ materially from the forward-looking statements made by the Registrants include those factors discussed herein, as well as the items discussed in (1) the Registrants’ 2022 Annual Report on Form 10-K in (a) Part I, ITEM 1A. Risk Factors, (b) Part II, ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part II, ITEM 8. Financial Statements and Supplementary Data: Note 19, Commitments and Contingencies; (2) the Registrants’ First Quarter 2023 Quarterly Report on Form 10-Q in (a) Part II, ITEM 1A. Risk Factors, (b) Part I, ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part I, ITEM 1. Financial Statements: Note 12, Commitments and Contingencies; and (3) other factors discussed in filings with the SEC by the Registrants.

Investors are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Current Report on Form 8-K. Neither Registrant undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Current Report on Form 8-K.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### CONSTELLATION ENERGY CORPORATION

/s/ Daniel L. Eggers

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Daniel L. Eggers  
Executive Vice President and Chief Financial Officer  
Constellation Energy Corporation

### CONSTELLATION ENERGY GENERATION, LLC

/s/ Daniel L. Eggers

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Daniel L. Eggers  
Executive Vice President and Chief Financial Officer  
Constellation Energy Generation, LLC

June 1, 2023

## EXHIBIT INDEX

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**Contact:** Paul Adams  
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paul.adams@constellation.com

**FOR IMMEDIATE RELEASE**

## **CONSTELLATION TO ACQUIRE OWNERSHIP STAKE IN TEXAS NUCLEAR PLANT FROM NRG ENERGY**

*Company will purchase 44% share of South Texas Project Electric Generating Station, expanding nation's largest carbon-free nuclear fleet*

**BALTIMORE (June 1, 2023)** — Constellation, operator of the nation's largest fleet of reliable, carbon-free nuclear plants, announced today it is acquiring NRG Energy Inc.'s 44 percent ownership stake in the South Texas Project Electric Generating Station, a 2,645-megawatt, dual-unit nuclear plant located about 90 miles southwest of Houston. The transaction is valued at \$1.75 billion, with an effective purchase price of \$1.4 billion after taking into consideration the present value of tax benefits to Constellation. The transaction will be financed with a combination of cash and debt.

"The South Texas Project is an exceptionally well-maintained plant and its ability to produce resilient, carbon-free energy 24/7 makes it among the most valuable power sources in the world," said Joe Dominguez, president and CEO of Constellation. "With the potential to run for at least 46 more years with the right policy support, we look forward to working with the South Texas Project's other owners to continue bringing clean, reliable electricity to this growing region for decades to come."

After the transaction, Constellation will be one of three owners with oversight of the South Texas Project Nuclear Operating Company (STPNOC), which will continue to operate the plant. The purchase is subject to approval by the Nuclear Regulatory Commission and Department of Justice. We expect the deal to be completed by year end.

One of the newest and largest nuclear plants in the U.S., the South Texas Project has an exceptional track record for safety and reliability, generating enough carbon-free power for two million average homes.

Constellation is an industry leader in operating nuclear plants safely, efficiently and reliably, with a fleetwide capacity factor of more than 94 percent over the past decade, or about 4 percent higher than the industry average. The company has ownership interests in 13 generating stations with 23 nuclear units capable of producing approximately 21,000 megawatts of electricity, enough clean energy to power approximately 15 million homes.

Constellation already has a strong and growing presence in Texas as an employer, taxpayer and significant provider of electricity and other services to the region. The company owns and operates 3,520 megawatts of natural gas-fired generation at its Colorado Bend II, Wolf Hollow II and Handley generating stations in Texas, in addition to 169 megawatts of wind energy at the Whitetail and Sendero wind projects. Constellation also is a supplier in Texas' competitive retail energy market, supplying electricity, natural gas, energy efficiency and other services to approximately 200,000 residential and commercial customers statewide.

The company and its more than 550 Texas employees donated \$460,000 to nonprofit organizations across the state in 2022 and contributed 4,800 volunteer hours. Constellation also paid \$33.6 million in state and local taxes in Texas last year.

BofA Securities is serving as the exclusive financial advisor to Constellation and Sidley Austin LLP is the lead transaction counsel to the company.

# # #

## About Constellation

Headquartered in Baltimore, Constellation Energy Corporation (Nasdaq: CEG) is the nation's largest producer of clean, carbon-free energy and a leading supplier of energy products and services to businesses, homes, community aggregations and public sector customers across the continental United States, including three fourths of Fortune 100 companies. With annual output that is nearly 90% carbon-free, our hydro, wind and solar facilities paired with the nation's largest nuclear fleet have the generating capacity to power the equivalent of 15 million homes, providing about 10% of the nation's clean energy. We are further accelerating the nation's transition to a carbon-free future by helping our customers reach their sustainability goals, setting our own ambitious goal of achieving 100% carbon-free generation by 2040, and by investing in promising emerging technologies to eliminate carbon emissions across all sectors of the economy. Follow Constellation on LinkedIn and Twitter.



# Constellation Business Update

June 1, 2023

# Cautionary Statements Regarding Forward-Looking Information

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Investors are cautioned not to place undue reliance on these forward-looking statements, whether written or oral, which apply only as of the date of this presentation. Neither Registrant undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

## **Non-GAAP Financial Measures**

The Registrants report their financial results in accordance with accounting principles generally accepted in the United States (GAAP). Constellation supplements the reporting of financial information determined in accordance with GAAP with certain non-GAAP financial measures, including:

- **Adjusted EBITDA** represents earnings before interest, income taxes, depreciation and amortization, and excludes certain costs, expenses, gains and losses and other specified items, including mark-to-market adjustments from economic hedging activities and fair value adjustments related to gas imbalances and equity investments, decommissioning related activity, asset impairments, certain amounts associated with plant retirements and divestitures, pension and other post-employment benefits (OPEB) non-service credits, separation related costs and other items as set forth in the Appendix. Includes nuclear fuel amortization expense.
- **Free cash flows before growth (FCFbg)** is adjusted cash flows from operations less capital expenditures under GAAP for maintenance and nuclear fuel, non-recurring capital expenditures related to separation and Enterprise Resource Program (ERP) system implementation, changes in collateral, net merger and acquisitions, and equity investments and other items as set forth in the Appendix

Due to the forward-looking nature of some forecasted non-GAAP measures, information to reconcile the forecasted adjusted (non-GAAP) measures to the most directly comparable GAAP measure may not be available, as management is unable to project all of these items for future periods

This information is intended to enhance an investor’s overall understanding of period over period financial results and provide an indication of Constellation’s baseline operating performance by excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods.

These non-GAAP financial measures are not a presentation defined under GAAP and may not be comparable to other companies’ presentations of similarly titled financial measures. Constellation has provided these non-GAAP financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These non-GAAP measures should not be deemed more useful than, a substitute for, or an alternative to the most comparable GAAP measures provided in the materials presented.

Non-GAAP financial measures are identified by the phrase “non-GAAP” or an asterisk (\*). Reconciliations of these non-GAAP measures to the most comparable GAAP measures are provided in the appendices and attachments to this presentation.



# Constellation Acquiring 44% Stake in South Texas Project (STP) from NRG



**Large, young,  
dual unit site**



**Strong  
operations and  
well-maintained**



**Potential to  
extend license to  
80 years**

**Total Plant Capacity <sup>(1)</sup>**  
2,645 MW

**CEG Ownership Share**  
~1,164 MW

## Co-Owners of STP

*STPNOC <sup>(2)</sup> will continue to operate*

|               |     |
|---------------|-----|
| Constellation | 44% |
| CPS Energy    | 40% |
| Austin Energy | 16% |

## Site Details

- Bay City, Texas
- Remaining operating life of ~46 years <sup>(3)</sup>
- Nuclear fuel secured through 2028
- Well-funded decommissioning trust fund
- Pressurized water reactor (PWR)
- 18-month refueling cycle

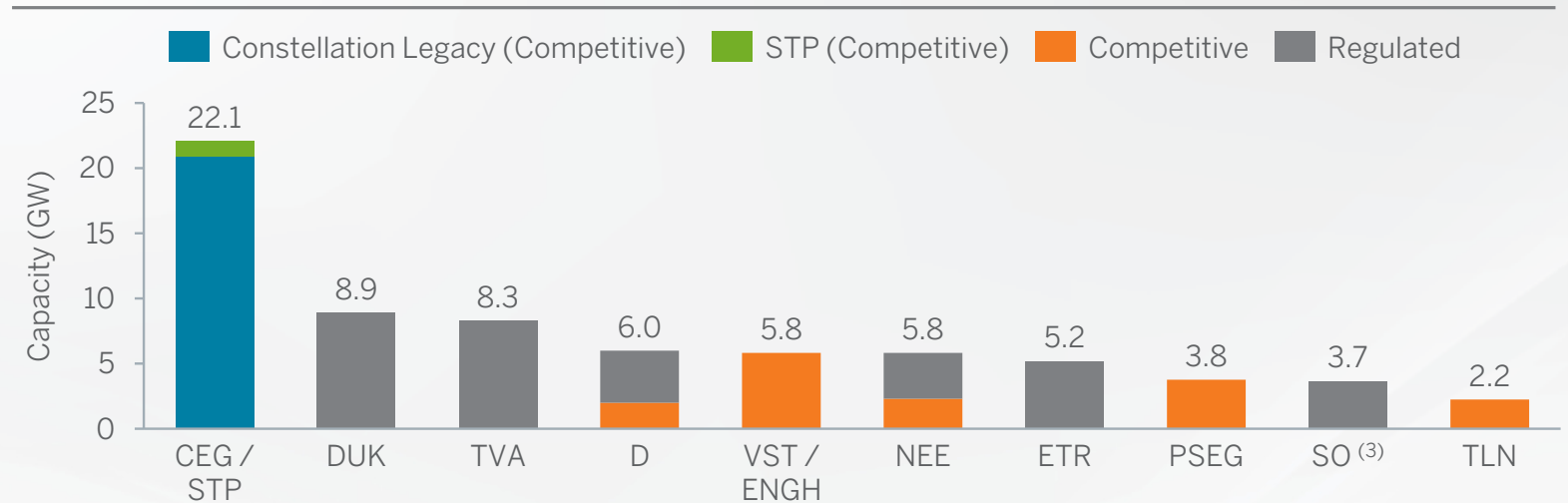


(1) Net annual mean capacity  
 (2) STP Nuclear Operating Company  
 (3) Assumes subsequent license renewal to 80 years

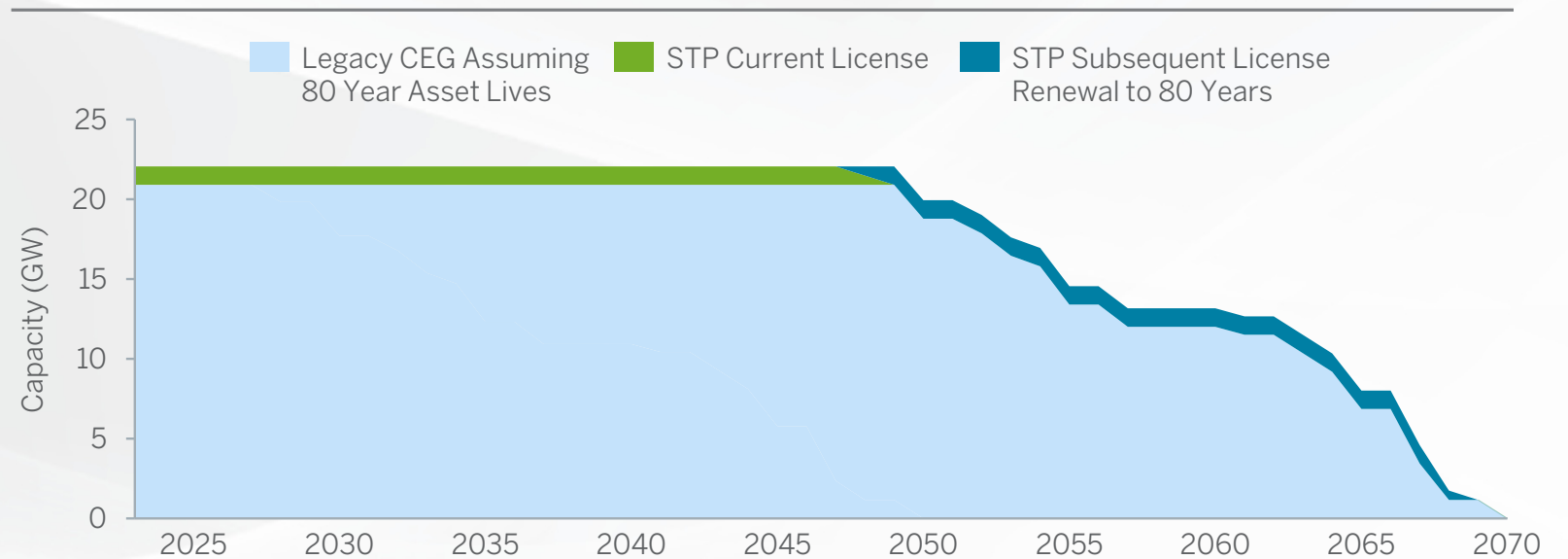
# STP is a Strategic Fit into Constellation's Current Fleet

- ✓ STP increases our clean energy output by **~9.5 TWh**, one step closer to our 100% clean generation climate goal by 2040
- ✓ Strong historical capacity factor average of **93%-94%** <sup>(1)</sup>
- ✓ Like our fleet, STP performs at world-class levels
- ✓ Texas load growing **~2% annually**
- ✓ Economic protection provided by federal nuclear production tax credit (PTC)

## Top 10 U.S. Nuclear Owners (GW) <sup>(2)</sup>



## Constellation Nuclear Asset Lives <sup>(2)</sup>



(1) Reflects 3-year rolling average  
 (2) Reflects 2022 data per Nuclear Regulatory Commission ([NRC Datasets | NRC.gov](https://www.nrc.gov)) at proportionate ownership share  
 (3) Excludes Vogtle 3, which is not in commercial operation

# Attractive Transaction Economics

## Key Financial Details

**~\$1.4B**

Effective Purchase Price <sup>(1)</sup>

**~\$190M**

Average Adj. EBITDA\* Uplift Per Year <sup>(2,3)</sup>

**~60%–70%**

FCF Conversion <sup>(3)</sup>

## Transaction Financing (\$M) <sup>(4)</sup>

|  |                |
|--|----------------|
| Purchase Price                                 | \$1,750        |
| Present Value of Tax Benefits <sup>(1)</sup>   | (\$325)        |
| <b>Effective Purchase Price <sup>(1)</sup></b> | <b>\$1,425</b> |

### Permanent Financing

|   |         |
|---|---------|
| Incremental Debt Issuance                             | \$500   |
| Existing Cash Available for Allocation <sup>(5)</sup> | \$1,250 |



## Approvals and Timing

**Targeting Q4 2023 close**

### Required approvals:

- Nuclear Regulatory Commission (NRC)
- Hart-Scott-Rodino (HSR)

(1) Reflects consideration of the present value of tax benefits associated with the transaction due to accelerated depreciation from the tax basis step-up

(2) Does not reflect purchase accounting treatment of nuclear fuel amortization

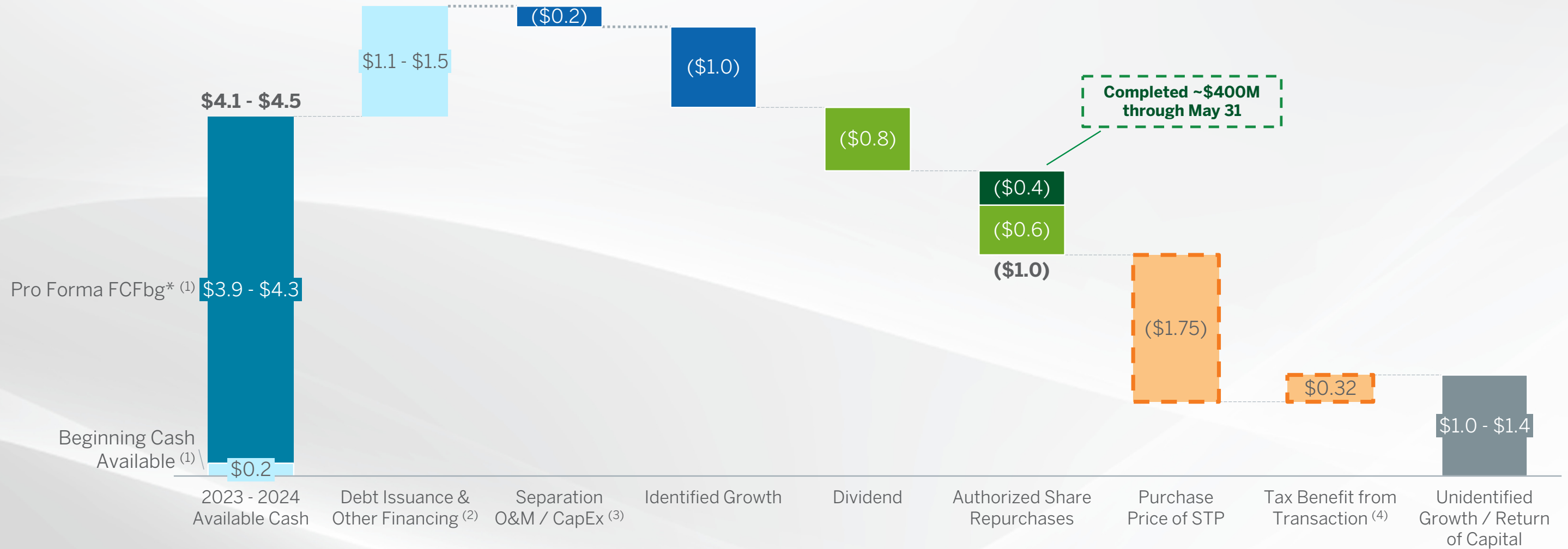
(3) Based on 2024-2026 average to reflect run-rate economics; does not include the present value of tax benefits associated with the transaction due to accelerated depreciation from the tax basis step-up

(4) Amounts rounded to the \$25 million

(5) Utilization of unidentified growth / return of capital from Q4 earnings disclosure. Existing cash available for allocation includes previously planned debt issuances.

# Approximately \$1.2 Billion of Capital Still to be Allocated in 2023-2024

(\$B)



(1) Pro Forma FCFbg represents FCFbg as of December 31, 2022, adjusted for cash from STP  
 (2) Beginning Cash Available reflects excess cash balance above minimum targets as of December 31, 2022  
 (3) Debt Issuance & Other Financing includes collateral activity, and contributions from and distributions to JV partners  
 (4) Separation O&M / CapEx includes costs and investments related to separation and multi-year implementation of Enterprise Resource Program (ERP) system  
 (5) Reflects consideration of the present value of tax benefits associated with the transaction due to accelerated depreciation from the tax basis step-up

# Constellation's Value Proposition

## Enduring Businesses Ready to Meet the Climate Crisis

- World-Class nuclear operator and largest generator of 24/7 carbon-free firm electricity with ability to extend asset lives
- Largest provider of energy and solutions to commercial and industrial customers
- Strong advocate for, and ideally situated to benefit from, energy policies that drive the transition to carbon-free energy

## Delivering Value for Our Shareholders

- Strong free cash flows, optimized through industry-leading operations, support of carbon-free energy and focus on costs
- Disciplined capital allocation strategy supports strong investment grade balance sheet, growth investment consistent with corporate strategy, and return of capital to owners

## Premier ESG Company

- ~90% carbon-free energy growing to 100% carbon-free by 2040
- Committed to advancing diversity, equity and inclusion in our workplace and communities
- Maintaining the highest standards of corporate governance