# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

# FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Quarterly Period Ended March 31, 2025**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

| 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 Energy Way<br>Kennett Square, Pennsylvania 19348-2473<br>(833) 883-0162 | 23-3064219 |

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

| | | |
|---|---|---|
| Constellation Energy Corporation | Yes ☒ | No ☐ |
| Constellation Energy Generation, LLC | Yes ☒ | No ☐ |

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | | | |
|---|---|---|---|---|---|
| Constellation Energy Corporation | Large Accelerated Filer ☒ | Accelerated Filer ☐ | Non-accelerated Filer ☐ | Smaller Reporting Company ☐ | Emerging Growth Company ☐ |
| Constellation Energy Generation, LLC | Large Accelerated Filer ☐ | Accelerated Filer ☐ | Non-accelerated Filer ☒ | Smaller Reporting Company ☐ | Emerging Growth Company ☐ |

If an emerging growth company, indicate by check mark if the registrant has 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The number of shares outstanding of each registrant’s common stock as of April 30, 2025 was as follows:

| | |
|---|---|
| Constellation Energy Corporation Common Stock, without par value | 313,417,370 |
| Constellation Energy Generation, LLC | Not applicable |

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## GLOSSARY OF TERMS AND ABBREVIATIONS

**Constellation Energy Corporation and Related Entities**

| | |
|---|---|
| *CEG Parent* | Constellation Energy Corporation |
| *Constellation* | Constellation Energy Generation, LLC |
| *Registrants* | CEG Parent and Constellation, collectively |
| *Antelope Valley* | Antelope Valley Solar Ranch One |
| *Continental Wind* | Continental Wind LLC |
| *Crane* | Crane Clean Energy Center (formerly known as Three Mile Island Unit 1) |
| *CRP* | Constellation Renewables Partners, LLC |
| *NER* | NewEnergy Receivables LLC |
| *RPG* | Renewable Power Generation, LLC |
| *STP* | South Texas Project nuclear generating station |
| *West Medway II* | West Medway Generating Station II |

**Former Related Entities**

| | |
|---|---|
| *Exelon* | Exelon Corporation |
| *ComEd* | Commonwealth Edison Company |
| *PECO* | PECO Energy Company |
| *BGE* | Baltimore Gas and Electric Company |

## GLOSSARY OF TERMS AND ABBREVIATIONS

**Other Terms and Abbreviations**

| | |
|---|---|
| *AEP Texas* | American Electric Power Texas |
| *AESO* | Alberta Electric Systems Operator |
| *AOCI* | Accumulated Other Comprehensive Income (Loss) |
| *ARC* | Asset Retirement Cost |
| *ARO* | Asset Retirement Obligation |
| *ASR* | Accelerated Share Repurchase |
| *CAISO* | California ISO |
| *CenterPoint* | CenterPoint Energy Houston Electric, LLC |
| *Clean Air Act* | Clean Air Act of 1963, as amended |
| *CMC* | Carbon Mitigation Credit |
| *CODM* | Chief Operating Decision Maker |
| *DOE* | United States Department of Energy |
| *DOJ* | United States Department of Justice |
| *DPP* | Deferred Purchase Price |
| *EPA* | United States Environmental Protection Agency |
| *ERCOT* | Electric Reliability Council of Texas |
| *ERISA* | Employee Retirement Income Security Act of 1974, as amended |
| *ERP* | Enterprise Resource Planning |
| *Exchange Act* | Securities Exchange Act of 1934, as amended |
| *FERC* | Federal Energy Regulatory Commission |
| *Former PECO Units* | Limerick, Peach Bottom, and Salem nuclear generating units |
| *Former ComEd Units* | Braidwood, Byron, Dresden, LaSalle and Quad Cities nuclear generating units |
| *FRCC* | Florida Reliability Coordinating Council |
| *GAAP* | Generally Accepted Accounting Principles in the United States |
| *GDP* | Gross Domestic Product |
| *GHG* | Greenhouse Gas |
| *GW* | Gigawatt |
| *GWh* | Gigawatt hour |
| *ICE* | Intercontinental Exchange |
| *IPA* | Illinois Power Agency |
| *IRA* | Inflation Reduction Act of 2022 |
| *IRS* | Internal Revenue Service |
| *ISO* | Independent System Operator |
| *ISO-NE* | ISO New England Inc. |
| *ITC* | Investment Tax Credit |
| *MISO* | Midcontinent Independent System Operator, Inc. |
| *Moody's* | Moody’s Investors Service, Inc. |
| *MW* | Megawatt |
| *MWh* | Megawatt hour |
| *NAV* | Net Asset Value |
| *NASDAQ* | Nasdaq Stock Market, LLC |
| *NDT* | Nuclear Decommissioning Trust |
| *NERC* | North American Electric Reliability Corporation |
| *NGX* | Natural Gas Exchange, Inc. |

| | |
|---|---|
| *Non-Regulatory Agreement Units* | Nuclear generating units or portions thereof whose decommissioning-related activities are not subject to contractual elimination under regulatory accounting |
| *NPNS* | Normal Purchase Normal Sale scope exception |
| *NRC* | Nuclear Regulatory Commission |
| *NYISO* | New York ISO |
| *NYMEX* | New York Mercantile Exchange |
| *NYPSC* | New York Public Service Commission |
| *OCI* | Other Comprehensive Income |
| *OIESO* | Ontario Independent Electricity System Operator |
| *OPEB* | Other Postretirement Employee Benefits |
| *Pension Protection Act* | Pension Protection Act of 2006 |
| *PG&E* | Pacific Gas and Electric Company |
| *PJM* | PJM Interconnection, LLC |
| *PPA* | Power Purchase Agreement |
| *PP&E* | Property, Plant, and Equipment |
| *PSDAR* | Post-shutdown Decommissioning Activities Report |
| *PSEG* | Public Service Enterprise Group Incorporated |
| *PTC* | Production Tax Credit |
| *PUCT* | Public Utility Commission of Texas |
| *Regulatory Agreement Units* | Nuclear generating units or portions thereof whose decommissioning-related activities are subject to contractual elimination under regulatory accounting (includes the Former ComEd Units, the Former PECO Units and STP) |
| *RNF* | Operating Revenues Net of Purchased Power and Fuel Expense |
| *RTO* | Regional Transmission Organization |
| *S&P* | S&P Global Ratings, a Standard & Poor's Financial Services LLC business |
| *SEC* | United States Securities and Exchange Commission |
| *SERC* | SERC Reliability Corporation (formerly Southeast Electric Reliability Council) |
| *SNF* | Spent Nuclear Fuel |
| *SOFR* | Secured Overnight Financing Rate |
| *SPP* | Southwest Power Pool |
| *STPNOC* | STP Nuclear Operating Company |
| *TMA* | Tax Matters Agreement |
| *TWh* | Terawatt-hour |
| *U.S. Treasury* | U.S. Department of the Treasury |
| *VIE* | Variable Interest Entity |
| *WECC* | Western Electric Coordinating Council |
| *ZEC* | Zero Emission Credit |

## FILING FORMAT

This combined Form 10-Q is being filed separately by Constellation Energy Corporation and Constellation Energy Generation, LLC, (the Registrants). Information contained herein relating to any individual Registrant is filed by the Registrant on its own behalf. Neither Registrant makes any representation as to information relating to the other Registrant.

## CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

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. These forward-looking statements include, but are not limited to, statements regarding the proposed transaction between Constellation and Calpine Corporation, the expected closing of the proposed transaction and the timing thereof. This includes statements regarding the financing of the proposed transaction and the pro forma combined company and its operations, strategies and plans, enhancements to investment-grade credit profile, synergies, opportunities and anticipated future performance and capital structure, and expected accretion to earnings per share and free cash flow. Information adjusted for the proposed transaction should not be considered a forecast of future results.

Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks and uncertainties that could cause actual results to differ materially from those projected. The factors that could cause actual results to differ materially from the forward-looking statements made by us include those factors discussed herein, as well as the items discussed in (1) the Registrants' combined 2024 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 18 — Commitments and Contingencies; (2) this 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 13 — Commitments and Contingencies; and (3) other factors discussed in filings with the SEC by the Registrants.

Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this report. 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 report.

## AVAILABLE INFORMATION

The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information that we file electronically with the SEC. We file our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports with the SEC. In addition, as soon as reasonably practicable after such materials are furnished to the SEC, we make copies of these documents available to the public free of charge through our website at www.ConstellationEnergy.com. Information contained on our website shall not be deemed incorporated into, or to be a part of, this report.

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**Constellation Energy Corporation and Subsidiary Companies**
**Consolidated Statements of Operations and Comprehensive Income**
**(Unaudited)**

| | Three Months Ended March 31, | |
|---|---|---|
| (In millions, except per share data) | 2025 | 2024 |
| **Operating revenues** | $ 6,788 | $ 6,161 |
| **Operating expenses** | | |
| Purchased power and fuel | 4,384 | 3,417 |
| Operating and maintenance | 1,545 | 1,486 |
| Depreciation and amortization | 248 | 306 |
| Taxes other than income taxes | 160 | 139 |
| Total operating expenses | 6,337 | 5,348 |
| **Operating income (loss)** | 451 | 813 |
| **Other income and (deductions)** | | |
| Interest expense, net | (146) | (127) |
| Other, net | (154) | 362 |
| Total other income and (deductions) | (300) | 235 |
| **Income (loss) before income taxes** | 151 | 1,048 |
| **Income tax (benefit) expense** | 22 | 165 |
| **Net income (loss)** | 129 | 883 |
| **Net income (loss) attributable to noncontrolling interests** | 11 | — |
| **Net income (loss) attributable to common shareholders** | $ 118 | $ 883 |
| **Comprehensive income (loss), net of income taxes** | | |
| Net income (loss) | $ 129 | $ 883 |
| **Other comprehensive income (loss), net of income taxes** | | |
| Pension and non-pension postretirement benefit plans: | | |
| Prior service benefit reclassified to periodic benefit cost | — | (1) |
| Actuarial loss reclassified to periodic cost | 17 | 18 |
| Pension and non-pension postretirement benefit plan valuation adjustment | (34) | (3) |
| Unrealized gain (loss) on cash flow hedges | 2 | — |
| Unrealized gain (loss) on foreign currency translation | 8 | (3) |
| Other comprehensive income (loss), net of income taxes | (7) | 11 |
| **Comprehensive income (loss)** | 122 | 894 |
| **Comprehensive income (loss) attributable to noncontrolling interests** | 11 | — |
| **Comprehensive income (loss) attributable to common shareholders** | $ 111 | $ 894 |
| | | |
| **Average shares of common stock outstanding:** | | |
| Basic | 313 | 317 |
| Assumed exercise and/or distributions of stock-based awards | 1 | 1 |
| Diluted | 314 | 318 |
| | | |
| **Earnings per average common share** | | |
| Basic | $ 0.38 | $ 2.79 |
| Diluted | $ 0.38 | $ 2.78 |

See the Combined Notes to Consolidated Financial Statements

**Constellation Energy Corporation and Subsidiary Companies**
**Consolidated Statements of Cash Flows**
**(Unaudited)**

| (In millions) | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income (loss) | $ 129 | $ 883 |
| Adjustments to reconcile net income (loss) to net cash flows provided by (used in) operating activities | | |
| Depreciation, amortization, and accretion, including nuclear fuel and energy contract amortization | 640 | 694 |
| Deferred income taxes and amortization of ITCs | (98) | 9 |
| Net fair value changes related to derivatives | 356 | (186) |
| Net realized and unrealized (gains) losses on NDT funds | (44) | (192) |
| Net realized and unrealized (gains) losses on equity investments | 268 | (47) |
| Other non-cash operating activities | 47 | (41) |
| Changes in assets and liabilities: | | |
| Accounts receivable | (15) | 464 |
| Inventories | 98 | 114 |
| Accounts payable and accrued expenses | (290) | (382) |
| Option premiums received (paid), net | 26 | 74 |
| Collateral received (posted), net | (486) | 297 |
| Income taxes | 120 | 159 |
| Pension and non-pension postretirement benefit contributions | (174) | (177) |
| Other assets and liabilities | (470) | (2,392) |
| Net cash flows provided by (used in) operating activities | 107 | (723) |
| **Cash flows from investing activities** | | |
| Capital expenditures | (806) | (738) |
| Proceeds from NDT fund sales | 2,084 | 1,779 |
| Investment in NDT funds | (2,152) | (1,847) |
| Collection of DPP, net | — | 1,644 |
| Acquisitions of assets and businesses | (5) | (14) |
| Other investing activities | (7) | 6 |
| Net cash flows provided by (used in) investing activities | (886) | 830 |
| **Cash flows from financing activities** | | |
| Change in short-term borrowings | — | 165 |
| Proceeds from short-term borrowings with maturities greater than 90 days | — | 200 |
| Repayments of short-term borrowings with maturities greater than 90 days | — | (500) |
| Issuance of long-term debt | — | 900 |
| Retirement of long-term debt | (57) | (32) |
| Dividends paid on common stock | (122) | (112) |
| Repurchases of common stock | — | (499) |
| Other financing activities | (229) | (38) |
| Net cash flows provided by (used in) financing activities | (408) | 84 |
| **Increase (decrease) in cash, restricted cash, and cash equivalents** | (1,187) | 191 |
| **Cash, restricted cash, and cash equivalents at beginning of period** | 3,129 | 454 |
| **Cash, restricted cash, and cash equivalents at end of period** | $ 1,942 | $ 645 |
| | | |
| **Supplemental cash flow information** | | |
| Increase (decrease) in capital expenditures not paid | $ 10 | $ 110 |
| Increase (decrease) in DPP | — | 1,812 |

See the Combined Notes to Consolidated Financial Statements

**Constellation Energy Corporation and Subsidiary Companies**
**Consolidated Balance Sheets**
**(Unaudited)**

| (In millions) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 1,846 | $ 3,022 |
| Restricted cash and cash equivalents | 96 | 107 |
| Accounts receivable | | |
| Customer accounts receivable (net of allowance for credit losses of $194 and $190 as of March 31, 2025 and December 31, 2024, respectively) | 3,193 | 3,116 |
| Other accounts receivable (net of allowance for credit losses of $6 as of March 31, 2025 and December 31, 2024) | 444 | 602 |
| Mark-to-market derivative assets | 858 | 843 |
| Inventories, net | | |
| Natural gas, oil, and emission allowances | 148 | 243 |
| Materials and supplies | 1,354 | 1,357 |
| Renewable energy credits | 914 | 797 |
| Other | 778 | 689 |
| Total current assets | 9,631 | 10,776 |
| **Property, plant, and equipment (net of accumulated depreciation and amortization of $18,377 and $18,088 as of March 31, 2025 and December 31, 2024, respectively)** | 21,566 | 21,235 |
| **Deferred debits and other assets** | | |
| Nuclear decommissioning trust funds | 17,472 | 17,305 |
| Investments | 386 | 640 |
| Goodwill | 420 | 420 |
| Mark-to-market derivative assets | 485 | 372 |
| Other | 2,292 | 2,178 |
| Total deferred debits and other assets | 21,055 | 20,915 |
| **Total assets[(a)]** | $ 52,252 | $ 52,926 |

See the Combined Notes to Consolidated Financial Statements

**Constellation Energy Corporation and Subsidiary Companies**
**Consolidated Balance Sheets**
**(Unaudited)**

| (In millions) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **LIABILITIES AND EQUITY** | | |
| **Current liabilities** | | |
| Long-term debt due within one year | $ 1,037 | $ 1,028 |
| Accounts payable and accrued expenses | 3,614 | 3,943 |
| Mark-to-market derivative liabilities | 550 | 467 |
| Renewable energy credit obligation | 1,001 | 1,076 |
| Other | 343 | 332 |
| Total current liabilities | 6,545 | 6,846 |
| **Long-term debt** | 7,321 | 7,384 |
| **Deferred credits and other liabilities** | | |
| Deferred income taxes and unamortized ITCs | 3,226 | 3,331 |
| Asset retirement obligations | 12,524 | 12,449 |
| Pension and non-pension postretirement benefit obligations | 1,755 | 1,875 |
| Spent nuclear fuel obligation | 1,381 | 1,366 |
| Payables related to Regulatory Agreement Units | 4,593 | 4,518 |
| Mark-to-market derivative liabilities | 358 | 399 |
| Other | 1,215 | 1,219 |
| Total deferred credits and other liabilities | 25,052 | 25,157 |
| Total liabilities[a] | 38,918 | 39,387 |
| **Commitments and contingencies (Note 13)** | | |
| **Shareholders' equity** | | |
| Common stock (No par value, 1,000 shares authorized, 313 shares outstanding as of March 31, 2025 and December 31, 2024) | 11,203 | 11,402 |
| Retained earnings (deficit) | 4,062 | 4,066 |
| Accumulated other comprehensive income (loss), net | (2,309) | (2,302) |
| Total shareholders' equity | 12,956 | 13,166 |
| Noncontrolling interests | 378 | 373 |
| Total equity | 13,334 | 13,539 |
| **Total liabilities and shareholders' equity** | $ 52,252 | $ 52,926 |

(a) Our consolidated assets include $4,566 million and $4,318 million at March 31, 2025 and December 31, 2024, respectively, of certain VIEs that can only be used to settle the liabilities of the VIE. Our consolidated liabilities include $929 million and $968 million at March 31, 2025 and December 31, 2024, respectively, of certain VIEs for which the VIE creditors do not have recourse to us. See Note 15 — Variable Interest Entities for additional information.

See the Combined Notes to Consolidated Financial Statements

## Constellation Energy Corporation and Subsidiary Companies
## Consolidated Statements of Changes in Equity
## (Unaudited)

| | Three Months Ended March 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Shareholders' Equity | | | | | |
| **(In millions, shares in thousands)** | **Issued Shares** | **Common Stock** | **Retained Earnings (Deficit)** | **Accumulated Other Comprehensive Income (Loss), net** | **Noncontrolling Interests** | **Total Equity** |
| **Balance, December 31, 2024** | 312,838 | $ 11,402 | $ 4,066 | $ (2,302) | $ 373 | $ 13,539 |
| Net Income (loss) | — | — | 118 | — | 11 | 129 |
| Employee incentive plans | 547 | (49) | — | — | — | (49) |
| Changes in equity of noncontrolling interests | — | — | — | — | (6) | (6) |
| Common stock dividends ($0.3878/common share) | — | — | (122) | — | — | (122) |
| Capped call option contracts | — | (150) | — | — | — | (150) |
| Other comprehensive income (loss), net of income taxes | — | — | — | (7) | — | (7) |
| **Balance, March 31, 2025** | 313,385 | $ 11,203 | $ 4,062 | $ (2,309) | $ 378 | $ 13,334 |

| | Three Months Ended March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Shareholders' Equity | | | | | |
| **(In millions, shares in thousands)** | **Issued Shares** | **Common Stock** | **Retained Earnings (Deficit)** | **Accumulated Other Comprehensive Income (Loss), net** | **Noncontrolling Interests** | **Total Equity** |
| **Balance, December 31, 2023** | 317,472 | $ 12,355 | $ 761 | $ (2,191) | $ 361 | $ 11,286 |
| Net Income (loss) | — | — | 883 | — | — | 883 |
| Employee incentive plans | 661 | (4) | — | — | — | (4) |
| Common stock dividends ($0.3525/common share) | — | — | (112) | — | — | (112) |
| Common stock repurchased | (2,900) | (504) | — | — | — | (504) |
| Other comprehensive income (loss), net of income taxes | — | — | — | 11 | — | 11 |
| **Balance, March 31, 2024** | 315,233 | $ 11,847 | $ 1,532 | $ (2,180) | $ 361 | $ 11,560 |

See the Combined Notes to Consolidated Financial Statements

## Constellation Energy Generation, LLC and Subsidiary Companies
## Consolidated Statements of Operations and Comprehensive Income
## (Unaudited)

| (In millions) | Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| **Operating revenues** | $ 6,788 | $ 6,161 |
| **Operating expenses** | | |
| Purchased power and fuel | 4,384 | 3,417 |
| Operating and maintenance | 1,545 | 1,486 |
| Depreciation and amortization | 248 | 306 |
| Taxes other than income taxes | 160 | 139 |
| Total operating expenses | 6,337 | 5,348 |
| **Operating income (loss)** | 451 | 813 |
| **Other income and (deductions)** | | |
| Interest expense, net | (146) | (127) |
| Other, net | (154) | 362 |
| Total other income and (deductions) | (300) | 235 |
| **Income (loss) before income taxes** | 151 | 1,048 |
| **Income tax (benefit) expense** | 22 | 165 |
| **Net income (loss)** | 129 | 883 |
| **Net income (loss) attributable to noncontrolling interests** | 11 | — |
| **Net income (loss) attributable to membership interest** | $ 118 | $ 883 |
| **Comprehensive income (loss), net of income taxes** | | |
| Net income (loss) | $ 129 | $ 883 |
| **Other comprehensive income (loss), net of income taxes** | | |
| Pension and non-pension postretirement benefit plans: | | |
| Prior service benefit reclassified to periodic benefit cost | — | (1) |
| Actuarial loss reclassified to periodic cost | 17 | 18 |
| Pension and non-pension postretirement benefit plan valuation adjustment | (34) | (3) |
| Unrealized gain (loss) on cash flow hedges | 2 | — |
| Unrealized gain (loss) on foreign currency translation | 8 | (3) |
| Other comprehensive income (loss), net of income taxes | (7) | 11 |
| **Comprehensive income (loss)** | 122 | 894 |
| **Comprehensive income (loss) attributable to noncontrolling interests** | 11 | — |
| **Comprehensive income (loss) attributable to membership interest** | $ 111 | $ 894 |

See the Combined Notes to Consolidated Financial Statements

**Constellation Energy Generation, LLC and Subsidiary Companies**
**Consolidated Statements of Cash Flows**
**(Unaudited)**

| (In millions) | Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income (loss) | $ 129 | $ 883 |
| Adjustments to reconcile net income (loss) to net cash flows provided by (used in) operating activities | | |
| Depreciation, amortization, and accretion, including nuclear fuel and energy contract amortization | 640 | 694 |
| Deferred income taxes and amortization of ITCs | (98) | 9 |
| Net fair value changes related to derivatives | 356 | (186) |
| Net realized and unrealized (gains) losses on NDT funds | (44) | (192) |
| Net realized and unrealized (gains) losses on equity investments | 268 | (47) |
| Other non-cash operating activities | 24 | (62) |
| Changes in assets and liabilities: | | |
| Accounts receivable | (15) | 465 |
| Receivables from and payables to affiliates, net | (259) | (32) |
| Inventories | 98 | 114 |
| Accounts payable and accrued expenses | (301) | (380) |
| Option premiums received (paid), net | 26 | 74 |
| Collateral received (posted), net | (486) | 297 |
| Income taxes | 120 | 159 |
| Pension and non-pension postretirement benefit contributions | (174) | (177) |
| Other assets and liabilities | (257) | (2,378) |
| Net cash flows provided by (used in) operating activities | 27 | (759) |
| **Cash flows from investing activities** | | |
| Capital expenditures | (806) | (738) |
| Proceeds from NDT fund sales | 2,084 | 1,779 |
| Investment in NDT funds | (2,152) | (1,847) |
| Collection of DPP, net | — | 1,644 |
| Acquisitions of assets and businesses | (5) | (14) |
| Other investing activities | (7) | 6 |
| Net cash flows provided by (used in) investing activities | (886) | 830 |
| **Cash flows from financing activities** | | |
| Change in short-term borrowings | — | 165 |
| Proceeds from short-term borrowings with maturities greater than 90 days | — | 200 |
| Repayments of short-term borrowings with maturities greater than 90 days | — | (500) |
| Issuance of long-term debt | — | 900 |
| Retirement of long-term debt | (57) | (32) |
| Distributions to member | (272) | (610) |
| Other financing activities | (5) | (10) |
| Net cash flows provided by (used in) financing activities | (334) | 113 |
| **Increase (decrease) in cash, restricted cash, and cash equivalents** | (1,193) | 184 |
| **Cash, restricted cash, and cash equivalents at beginning of period** | 3,115 | 440 |
| **Cash, restricted cash, and cash equivalents at end of period** | $ 1,922 | $ 624 |
| | | |
| **Supplemental cash flow information** | | |
| Increase (decrease) in capital expenditures not paid | $ 10 | $ 110 |
| Increase (decrease) in DPP | — | 1,812 |

See the Combined Notes to Consolidated Financial Statements

**Constellation Energy Generation, LLC and Subsidiary Companies**
**Consolidated Balance Sheets**
**(Unaudited)**

| (In millions) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 1,836 | $ 3,018 |
| Restricted cash and cash equivalents | 86 | 97 |
| Accounts receivable | | |
| Customer accounts receivable (net of allowance for credit losses of $194 and $190 as of March 31, 2025 and December 31, 2024, respectively) | 3,193 | 3,116 |
| Other accounts receivable (net of allowance for credit losses of $6 as of March 31, 2025 and December 31, 2024) | 429 | 587 |
| Mark-to-market derivative assets | 858 | 843 |
| Inventories, net | | |
| Natural gas, oil, and emission allowances | 148 | 243 |
| Materials and supplies | 1,354 | 1,357 |
| Renewable energy credits | 914 | 797 |
| Other | 778 | 689 |
| Total current assets | 9,596 | 10,747 |
| **Property, plant, and equipment (net of accumulated depreciation and amortization of $18,377 and $18,088 as of March 31, 2025 and December 31, 2024, respectively)** | 21,566 | 21,235 |
| **Deferred debits and other assets** | | |
| Nuclear decommissioning trust funds | 17,472 | 17,305 |
| Investments | 386 | 640 |
| Goodwill | 420 | 420 |
| Mark-to-market derivative assets | 485 | 372 |
| Other | 2,288 | 2,174 |
| Total deferred debits and other assets | 21,051 | 20,911 |
| **Total assets**[a] | $ 52,213 | $ 52,893 |

See the Combined Notes to Consolidated Financial Statements

## Constellation Energy Generation, LLC and Subsidiary Companies
## Consolidated Balance Sheets
## (Unaudited)

| (In millions) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **LIABILITIES AND EQUITY** | | |
| **Current liabilities** | | |
| Long-term debt due within one year | $ 1,037 | $ 1,028 |
| Accounts payable and accrued expenses | 3,443 | 3,696 |
| Payables to affiliates | 90 | 349 |
| Mark-to-market derivative liabilities | 550 | 467 |
| Renewable energy credit obligation | 1,001 | 1,076 |
| Other | 340 | 328 |
| Total current liabilities | 6,461 | 6,944 |
| **Long-term debt** | 7,321 | 7,384 |
| **Deferred credits and other liabilities** | | |
| Deferred income taxes and unamortized ITCs | 3,226 | 3,331 |
| Asset retirement obligations | 12,524 | 12,449 |
| Pension and non-pension postretirement benefit obligations | 1,755 | 1,875 |
| Spent nuclear fuel obligation | 1,381 | 1,366 |
| Payables related to Regulatory Agreement Units | 4,593 | 4,518 |
| Mark-to-market derivative liabilities | 358 | 399 |
| Other | 1,167 | 1,044 |
| Total deferred credits and other liabilities | 25,004 | 24,982 |
| Total liabilities[a] | 38,786 | 39,310 |
| **Commitments and contingencies (Note 13)** | | |
| **Equity** | | |
| Member's equity | | |
| Membership interest | 10,388 | 10,538 |
| Undistributed earnings (deficit) | 4,970 | 4,974 |
| Accumulated other comprehensive income (loss), net | (2,309) | (2,302) |
| Total member's equity | 13,049 | 13,210 |
| Noncontrolling interests | 378 | 373 |
| Total equity | 13,427 | 13,583 |
| **Total liabilities and equity** | $ 52,213 | $ 52,893 |

(a) Our consolidated assets include $4,566 million and $4,318 million as of March 31, 2025 and December 31, 2024, respectively, of certain VIEs that can only be used to settle the liabilities of the VIE. Our consolidated liabilities include $929 million and $968 million as of March 31, 2025 and December 31, 2024, respectively, of certain VIEs for which the VIE creditors do not have recourse to us. See Note 15 — Variable Interest Entities for additional information.

See the Combined Notes to Consolidated Financial Statements

## Constellation Energy Generation, LLC and Subsidiary Companies
## Consolidated Statements of Changes in Equity
## (Unaudited)

| | Three Months Ended March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Member's Equity | | | | |
| (In millions) | Membership Interest | Undistributed Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss), net | Noncontrolling Interests | Total Equity |
| **Balance, December 31, 2024** | $ 10,538 | $ 4,974 | $ (2,302) | $ 373 | $ 13,583 |
| Net Income (loss) | — | 118 | — | 11 | 129 |
| Changes in equity of noncontrolling interests | — | — | — | (6) | (6) |
| Distributions to member | (150) | (122) | — | — | (272) |
| Other comprehensive income (loss), net of income taxes | — | — | (7) | — | (7) |
| **Balance, March 31, 2025** | $ 10,388 | $ 4,970 | $ (2,309) | $ 378 | $ 13,427 |

| | Three Months Ended March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Member's Equity | | | | |
| (In millions) | Membership Interest | Undistributed Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss), net | Noncontrolling Interests | Total Equity |
| **Balance, December 31, 2023** | $ 11,537 | $ 1,667 | $ (2,191) | $ 361 | $ 11,374 |
| Net Income (loss) | — | 883 | — | — | 883 |
| Distributions to member | (499) | (111) | — | — | (610) |
| Other comprehensive income (loss), net of income taxes | — | — | 11 | — | 11 |
| **Balance, March 31, 2024** | $ 11,038 | $ 2,439 | $ (2,180) | $ 361 | $ 11,658 |

See the Combined Notes to Consolidated Financial Statements

**Combined Notes to Consolidated Financial Statements**
**(Dollars in millions, unless otherwise noted)**

## 1. Basis of Presentation

### Description of Business

We are the nation's largest producer of carbon-free energy and a supplier of energy products and services. Our generating capacity includes primarily nuclear, wind, solar, natural gas and hydroelectric assets. Through our integrated business operations, we sell electricity, natural gas, and other energy-related products and sustainable solutions to various types of customers, including distribution utilities, municipalities, cooperatives, and commercial, industrial, public sector, and residential customers in markets across multiple geographic regions. We have five reportable segments: Mid-Atlantic, Midwest, New York, ERCOT and Other Power Regions.

### Basis of Presentation

The accompanying Consolidated Financial Statements as of March 31, 2025 and for the three months ended March 31, 2025 and 2024 are unaudited but, in our opinion, include all adjustments that are considered necessary for the fair presentation of the financial statements in accordance with GAAP. All adjustments are of a normal, recurring nature, unless otherwise disclosed. The Consolidated Financial Statements include the accounts of our subsidiaries and all intercompany transactions have been eliminated. Constellation's December 31, 2024 Consolidated Balance Sheet was derived from audited financial statements. The interim financial statements are to be read in conjunction with prior annual financial statements and notes. Financial results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the fiscal year ending December 31, 2025. These Combined Notes to Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the SEC for Quarterly Reports on Form 10-Q. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Amounts disclosed relate to CEG Parent and Constellation unless specifically noted as relating to CEG Parent only. Unless otherwise indicated or the context otherwise requires, references herein to the terms “we,” “us,” and “our” refer collectively to CEG Parent and Constellation.

### Summary of Significant Accounting Policies

See Note 1 — Basis of Presentation of our 2024 Form 10-K for additional information on significant accounting policies.

## 2. Mergers, Acquisitions, and Dispositions

### Proposed Acquisition of Calpine Corporation

On January 10, 2025, we entered an agreement and plan of merger (Merger Agreement) with Calpine Corporation (Calpine) under which we will acquire all the outstanding equity interests of Calpine in a cash and stock transaction. Calpine owns and operates a generation fleet of natural gas, geothermal, battery storage, and solar assets with over 27 GWs of generation capacity, in addition to a competitive retail electric supplier platform serving approximately 60 TWhs of load annually. The merger consideration at closing will consist of an aggregate of 50 million newly issued shares of our common stock, no par value, and $4.5 billion in cash. We will also assume approximately $12.7 billion of Calpine’s outstanding debt. We expect to fund the cash portion of the transaction through a combination of cash on hand and cash flow generated by Calpine in the period between signing and closing of the transaction (that will be assumed at closing). Per the terms of the Merger Agreement, consummation of the transaction is to occur by December 31, 2025 (which date may be automatically extended to June 1, 2026, as further provided in the Merger Agreement). See Note 2 — Mergers, Acquisitions, and Dispositions of our 2024 Form 10-K for additional information.

Through March 31, 2025, fees incurred as part of the acquisition were not material to the Consolidated Statements of Operations and Comprehensive Income.

**(Dollars in millions, unless otherwise noted)**

**Acquisition of Joint Ownership in South Texas Project**

In November 2023, we completed the acquisition of NRG South Texas LP (renamed and converted as Constellation South Texas, LLC), which owns a 44% undivided ownership interest in the jointly owned STP, a 2,645 MW, dual-unit nuclear plant located in Bay City, Texas. The consideration transferred was $1.66 billion. Other owners include City Public Service Board of San Antonio (CPS, 40%) and the City of Austin, Texas (Austin, 16%). See Note 2 — Mergers, Acquisitions, and Dispositions of our 2024 Form 10-K for additional information.

In May 2024, we executed a settlement agreement with all parties (CPS/City of San Antonio, Austin, and NRG Energy, Inc.), resolving all litigation involving our purchase of the ownership interest in STP. The terms of the settlement include us selling a 2% ownership interest in STP to CPS at the same price and terms that we paid NRG Energy, Inc. for our 44% interest, subject to regulatory approvals from the NRC and the Public Utility Commission of Texas. Pursuant to the settlement, CPS and Austin filed Notices of Dismissal with Prejudice with the Court, which ends the litigation, and likewise withdrew their pending objections to the sale with the NRC. As a result of the settlement, we have reflected assets and liabilities associated with a 2% undivided ownership interest in STP as held for sale. The held for sale amounts are included in the Other current assets and Other current liabilities balances in the Consolidated Balance Sheets as of March 31, 2025. Closing is expected to occur within the first half of 2025. Upon closing of the sale, we and CPS will each own a 42% interest in STP, and Austin's interest will remain at 16%. The terms of settlement are not expected to have a material impact on our consolidated financial statements.

**3. Revenue from Contracts with Customers**

We recognize revenue from contracts with customers to depict the transfer of goods or services to customers at an amount that we expect to be entitled to in exchange for those goods or services. Our primary sources of revenue include competitive sales of power, natural gas, and other energy-related products and sustainable solutions.

See Note 4 — Revenue from Contracts with Customers of our 2024 Form 10-K for additional information regarding the performance obligations, revenue recognition, and payment terms associated with these sources of revenue.

**Transaction Price Allocated to Remaining Performance Obligations**

The following table shows the amounts of future revenues expected to be recorded in each year for performance obligations that are unsatisfied or partially unsatisfied as of March 31, 2025. This disclosure only includes contracts for which the total consideration is fixed and determinable at contract inception. The average contract term varies by customer type and commodity but ranges from one month to several years. This disclosure excludes mark-to-market derivatives and certain power and gas sales contracts which contain variable volumes and/or variable pricing.

| | 2025 | 2026 | 2027 | 2028 | 2029 and thereafter | Total |
|---|---|---|---|---|---|---|
| Remaining performance obligations | $ 164 | $ 238 | $ 156 | $ 94 | $ 210 | $ 862 |

**Revenue Disaggregation**

We disaggregate the revenue recognized from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. See Note 4 — Segment Information for the presentation of revenue disaggregation.

### 4. Segment Information

Operating segments are determined based on information used by the CODM in deciding how to evaluate performance and allocate resources. We have five reportable segments consisting of the Mid-Atlantic, Midwest, New York, ERCOT, and all other power regions referred to collectively as “Other Power Regions.”

The basis for our reportable segments is the integrated management of our electricity business that is located in different geographic regions, and largely representative of the footprints of ISO/RTO and/or NERC regions, which utilize multiple supply sources to provide electricity through various distribution channels (wholesale and retail). Our hedging strategies and risk metrics are also aligned to these same geographic regions. Descriptions of each of our five reportable segments are as follows:

- **Mid-Atlantic** represents operations in the eastern half of PJM, which includes New Jersey, Maryland, Virginia, West Virginia, Delaware, the District of Columbia, and parts of Pennsylvania and North Carolina.
- **Midwest** represents operations in the western half of PJM and the United States footprint of MISO, excluding MISO’s Southern Region.
- **New York** represents operations within NYISO.
- **ERCOT** represents operations within Electric Reliability Council of Texas that covers a majority of the state of Texas.
- **Other Power Regions:**
  - **New England** represents operations within ISO-NE.
  - **South** represents operations in FRCC, MISO’s Southern Region, and the remaining portions of SERC not included within MISO or PJM.
  - **West** represents operations in WECC, which includes CAISO.
  - **Canada** represents operations across the entire country of Canada and includes AESO, OIESO, and the Canadian portion of MISO.

Constellation's CEO is considered the CODM and evaluates the performance of our electric business activities and allocates resources based on segment RNF, primarily through review of budget-to-actual variance analyses. RNF is Operating revenues net of Purchased power and fuel expenses. We believe this is a useful measurement of operational performance, although it is not a presentation defined under GAAP and may not be comparable to other companies’ presentations or deemed more useful than the GAAP information provided elsewhere in this report. In our evaluation of operating segments, we noted the CODM reviews a variety of performance and profitability measures at a consolidated level with a primary focus on RNF reporting at the regional level. Our operating revenues include all sales to third parties as well as government assistance. Purchased power and fuel expenses are considered the significant segment expense. Purchased power costs include all costs associated with the procurement and supply of electricity including capacity, energy, and ancillary services. Fuel expense includes the fuel costs for our owned generation and fuel costs associated with tolling agreements. The results of our other business activities are not regularly reviewed by the CODM and are therefore not classified as operating segments or included in the regional reportable segment amounts. These activities include wholesale and retail sales of natural gas, energy-related sales in the United Kingdom, as well as sales of other energy-related products and sustainable solutions that are not significant to our overall results of operations. Further, our unrealized mark-to-market gains and losses on economic hedging activities and our amortization of certain intangible assets and liabilities relating to commodity contracts recorded at fair value from mergers and acquisitions are also excluded from the regional reportable segment amounts. The CODM does not use a measure of total assets in making decisions regarding allocating resources to or assessing the performance of these reportable segments.

The following tables disaggregate the revenue recognized from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The disaggregation of revenues reflects our power sales by geographic region.

**Combined Notes to Consolidated Financial Statements**
**(Dollars in millions, unless otherwise noted)**



The following tables, which relate directly to our Consolidated Statements of Operations and Comprehensive Income, provide the reconciliation of operating revenues, purchased power and fuel expenses, and RNF for our reportable segments for the three months ended March 31, 2025 and 2024.

| | Three Months Ended March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Revenues from contracts with customers | Other revenues[(a)] | Total Operating revenues | Total Purchased power and fuel expenses | Total RNF |
| Mid-Atlantic | $ 1,606 | $ 59 | $ 1,665 | $ (856) | $ 809 |
| Midwest | 1,310 | 94 | 1,404 | (554) | 850 |
| New York | 675 | (113) | 562 | (161) | 401 |
| ERCOT | 301 | 97 | 398 | (184) | 214 |
| Other Power Regions | 1,377 | 179 | 1,556 | (1,362) | 194 |
| Total Reportable Segments | 5,269 | 316 | 5,585 | (3,117) | 2,468 |
| Other[(b)] | 837 | 366 | 1,203 | (1,267) | (64) |
| Total Consolidated Results | $ 6,106 | $ 682 | $ 6,788 | $ (4,384) | $ 2,404 |

| | Three Months Ended March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Revenues from contracts with customers | Other revenues[(a)] | Total Operating revenues | Total Purchased power and fuel expenses | Total RNF |
| Mid-Atlantic | $ 1,356 | $ (114) | $ 1,242 | $ (568) | $ 674 |
| Midwest | 1,000 | 94 | 1,094 | (391) | 703 |
| New York | 492 | 21 | 513 | (169) | 344 |
| ERCOT | 237 | 84 | 321 | (112) | 209 |
| Other Power Regions | 1,437 | 187 | 1,624 | (1,256) | 368 |
| Total Reportable Segments | 4,522 | 272 | 4,794 | (2,496) | 2,298 |
| Other[(b)] | 738 | 629 | 1,367 | (921) | 446 |
| Total Consolidated Results | $ 5,260 | $ 901 | $ 6,161 | $ (3,417) | $ 2,744 |

(a) Includes revenues from nuclear PTCs as well as derivatives and leases. Intersegment activity in all periods presented is not material.
(b) Represents revenue activities not allocated to a region. See text above for a description of included activities. Revenues from contracts with customers includes natural gas revenues of $711 million and $608 million and other revenues includes unrealized mark-to-market losses of $287 million and gains of $64 million, for the three months ended March 31, 2025 and 2024, respectively.

### 5. Government Assistance

Beginning in 2024, our nuclear units are eligible for a PTC extending through 2032. The nuclear PTC provides a transferable credit up to $15 per MWh (a base credit of $3 per MWh with a five times multiplier provided certain prevailing wage requirements are met) and is subject to phase-out when annual gross receipts are between $25.00 per MWh and $43.75 per MWh. We evaluated and expect to meet the annual prevailing wage requirements at all of our nuclear units and are eligible for the five times multiplier. Both the amount of the PTC and the gross receipts thresholds adjust for inflation annually through the duration of the program based on the GDP price deflator for the preceding calendar year. We expect the inflation factor for 2025 to be published in the second or third quarter of 2025. The benefits of the PTC may be realized through a credit against our federal income taxes or transferred via sale to an unrelated party.

For the three months ended March 31, 2025, we did not record a nuclear PTC benefit as the estimate of full year gross receipts exceeds the phase-out amount for annual gross receipts per MWh for all units. For the three months ended March 31, 2024, our Consolidated Statements of Operations and Comprehensive Income included a nuclear PTC benefit in Operating revenues of approximately $304 million. Our estimates require the exercise of judgment in determining the amount of nuclear PTC expected for each of our nuclear units. The nuclear PTC continues to be the subject of additional guidance, which may be issued from the U.S. Treasury and IRS sometime in 2025, and may materially impact the total amount of the benefits we receive.

(Dollars in millions, unless otherwise noted)

Nuclear PTCs are initially recorded within Other deferred debits and other assets within the Consolidated Balance Sheets and reclassified as a reduction to Accounts payable and accrued expenses when used to reduce our federal income tax payable, or an increase in Cash and cash equivalents or Other current assets when sold, depending on the specific payment terms of each contract.

Cash received in the first quarter of 2025 on sale agreements executed in 2024 was approximately $95 million. There were no agreements for sales of nuclear PTCs executed in the first quarter of 2025 or 2024. As of March 31, 2025, our Consolidated Balance Sheets reflect approximately $130 million of nuclear PTCs within Other deferred debits and other assets. As of December 31, 2024, our Consolidated Balance Sheets reflected $185 million of estimated nuclear PTCs within Other deferred debits and other assets, and $95 million within Other current assets. Additionally, as of March 31, 2025 and December 31, 2024, we recognized a reduction to Accounts payable and accrued expenses in our Consolidated Balance Sheets of $40 million and $150 million, respectively, for estimated nuclear PTCs that we have utilized as a credit against our current federal income taxes payable.

Many of the state-sponsored programs providing compensation for the emissions-free attributes of generation from certain of our nuclear units include contractual or other provisions that require us to refund that compensation up to the amount of the nuclear PTC received or pass through the entirety of the nuclear PTC received. As of March 31, 2025 and December 31, 2024, we have recognized approximately $1,030 million of estimated payables within Other deferred credits and other liabilities, Accounts payable and accrued expenses or as offsets to Customer accounts receivable in our Consolidated Balance Sheets associated with programs requiring refunds or pass through of the nuclear PTC. We recognized a benefit to net operating revenue of approximately $110 million and $69 million (pre-tax) for the three months ended March 31, 2025 and 2024, respectively, associated with these programs in our Consolidated Statements of Operations and Comprehensive Income. As with the actual amount of the nuclear PTC earned, which cannot be determined until after the end of the calendar year, any change resulting from additional guidance received may materially impact amounts due under state-sponsored programs.

## 6. Accounts Receivable

### Allowance for Credit Losses on Accounts Receivable

The following table presents the rollforward of allowance for credit losses on Customer accounts receivable. The activity and balances were not material for the three months ended March 31, 2024.

| | | |
|---|---|---|
| Balance as of December 31, 2024 | $ | 190 |
| Plus: Current period provision for expected credit losses | | 16 |
| Less: Write-offs, net of recoveries[(a)] | | 12 |
| Balance as of March 31, 2025 | $ | 194 |

(a) Recoveries were not material.

The Allowance for credit losses on Other accounts receivable was not material as of the balance sheet dates.

### Unbilled Customer Revenue

We recorded $1,057 million and $1,109 million of unbilled customer revenues in Customer accounts receivables, net in the Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024, respectively.

**(Dollars in millions, unless otherwise noted)**

### Sales of Customer Accounts Receivable

In 2020, NER, a bankruptcy remote, special purpose entity, which is wholly owned by us, entered into a revolving accounts receivable financing arrangement with a number of financial institutions and a commercial paper conduit (Purchasers) to sell certain customer accounts receivable (Facility). On December 31, 2024, we amended the Facility. We no longer sell receivables to the Purchasers and all outstanding receivables were assigned back to us. Under the Facility's prior terms, NER sold eligible short-term customer accounts receivable to the Purchasers in exchange for cash and subordinated interest. The transfers were reported as sales of receivables in the consolidated financial statements. The subordinated interest in collections upon the receivables sold to the Purchasers is referred to as the DPP. As a result of the receivables being assigned back to NER under the amended Facility, NER forgave any and all remaining DPP owed by the Purchasers. The reassignment of receivables resulted in the recognition of $1,529 million of Customer accounts receivable as of December 31, 2024. See Note 11 — Debt and Credit Agreements for terms of the amended Facility.

The following table presents our cash proceeds associated with the Facility prior to the amendment.

| | Three Months Ended March 31, 2024 |
|---|---|
| Proceeds from new transfers[a] | $ 1,116 |
| Cash collections received on DPP[b] | 1,794 |
| Cash collections reinvested in the Facility | $ 2,910 |

(a) Customer accounts receivable sold into the Facility was $2,927 million.
(b) Does not include the $150 million net cash payments to the Purchasers.

We previously recognized the cash proceeds received upon sale in Cash flows from operating activities within the Changes in Other assets and liabilities line in the Consolidated Statements of Cash Flows, which was ($1,812) million for the three months ended March 31, 2024. The collection and reinvestment of DPP was recognized in Cash flows from investing activities in the Collection of DPP, net line in the Consolidated Statements of Cash Flows, which was $1,644 million for the three months ended March 31, 2024.

See Note 15 — Variable Interest Entities for additional information on NER.

### Other Sales of Customer Accounts Receivables

We are required, under supplier tariffs, to sell customer receivables to certain utility companies at a nominal discount. The total gross receivables sold were $1,147 million and $158 million for the three months ended March 31, 2025 and 2024, respectively. Prior to the Facility amendment discussed in the preceding paragraphs, certain accounts receivable subject to these supplier tariffs were sold to the Purchasers under the Facility.

## 7. Nuclear Decommissioning

### Nuclear Decommissioning Asset Retirement Obligations

We have a legal obligation to decommission our nuclear power plants following the permanent cessation of operations. See Note 10 — Asset Retirement Obligations of our 2024 Form 10-K for additional information regarding AROs and the financial statement impact of changes in estimate.

The following table provides a rollforward of the nuclear decommissioning AROs reflected in the Consolidated Balance Sheets from December 31, 2024 to March 31, 2025:

| | |
|---|---|
| Balance as of December 31, 2024 | $ 12,186 |
| Accretion expense | 154 |
| Net decrease due to changes in, and timing of, estimated future cash flows | (76) |
| Costs incurred related to decommissioning plants | (4) |
| Balance as of March 31, 2025 | $ 12,260 |

(Dollars in millions, unless otherwise noted)

**NDT Funds**

We had NDT funds totaling $17,512 million and $17,321 million as of March 31, 2025 and December 31, 2024, respectively. The current portion of the NDT funds, which are included in Other current assets in our Consolidated Balance Sheets, were not material as of March 31, 2025 and December 31, 2024, respectively. See Note 16 — Supplemental Financial Information for additional information on activities of the NDT funds.

**Accounting Implications of the Regulatory Agreement Units**

See Note 1 — Basis of Presentation and Note 10 — Asset Retirement Obligations of our 2024 Form 10-K for additional information on the Regulatory Agreement Units.

The following table presents our noncurrent payables to ComEd, PECO, CenterPoint, and AEP Texas reflected as Payables related to Regulatory Agreement Units in the Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| ComEd | $ 3,798 | $ 3,780 |
| PECO | 312 | 247 |
| CenterPoint | 359 | 365 |
| AEP Texas | 124 | 126 |
| Payables related to Regulatory Agreement Units | $ 4,593 | $ 4,518 |

**NRC Minimum Funding Requirements**

NRC regulations require that licensees of nuclear generating facilities demonstrate reasonable assurance that funds will be available in specified minimum amounts for radiological decommissioning of the facility at the end of its life.

We filed our biennial decommissioning funding status report with the NRC in March 2025 for all units, including our shutdown units, except for STP units which were included in a separate report to the NRC submitted by STPNOC. The status reports demonstrated adequate decommissioning funding assurance based on trust fund values as of December 31, 2024 for all our units except for Peach Bottom Unit 1. Financial assurance for decommissioning Peach Bottom Unit 1 is provided by collections from PECO customers. See Note 10 — Asset Retirement Obligations of our 2024 Form 10-K for additional information.

(Dollars in millions, unless otherwise noted)

## 8. Income Taxes

### Rate Reconciliation

The effective income tax rate varies from the U.S. federal statutory rate principally due to the following:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| U.S. federal statutory income tax | 21.0 % | $ 32 | 21.0 % | $ 220 |
| (Decrease) increase due to: | | | | |
| State income taxes, net of federal income tax benefit[(a)] | (0.7) | (1) | (6.2) | (64) |
| Foreign Tax Effects | 0.7 | 1 | 0.1 | 1 |
| Tax Credits | | | | |
| PTC | (1.3) | (2) | (6.1) | (64) |
| Amortization of ITC, including deferred taxes on basis differences | (2.0) | (3) | (0.3) | (3) |
| Other | (2.0) | (3) | (0.6) | (6) |
| Nontaxable or Nondeductible Items | | | | |
| Share-based payment awards | (25.2) | (38) | (1.5) | (16) |
| Excess officers compensation | 4.6 | 7 | 0.4 | 4 |
| Other | 0.9 | 1 | — | — |
| Other Adjustments | | | | |
| Qualified NDT fund income and losses | 18.6 | 28 | 8.9 | 93 |
| Effective income tax | 14.6 % | $ 22 | 15.7 % | $ 165 |

(a) State taxes in California, Illinois, Maryland, Massachusetts, and New Jersey made up the majority (greater than 50%) of the tax effect in this category.

### Other Tax Matters

***Tax Matters Agreement***

In connection with the separation, we entered a TMA with Exelon. The TMA governs the respective rights, responsibilities, and obligations between us and Exelon after the separation with respect to tax liabilities and benefits, tax attributes, tax returns, tax contests and other tax sharing regarding U.S. federal, state, local and foreign income taxes, other tax matters and related tax returns.

***Responsibility and Indemnification for Taxes.*** As a former subsidiary of Exelon, we have joint and several liability with Exelon to the IRS and certain state jurisdictions relating to the taxable periods in which we were included in joint federal and state filings. However, the TMA specifies the portion of this tax liability for which we will bear contractual responsibility, and we and Exelon agreed to indemnify each other against any amounts for which such indemnified party is not responsible. Specifically, we will be liable for taxes due and payable in connection with tax returns that we are required to file. We will also be liable for our share of certain taxes required to be paid by Exelon with respect to taxable years or periods (or portions thereof) ending on or prior to the separation to the extent that we would have been responsible for such taxes under the Exelon tax sharing agreement then existing. As of March 31, 2025 and December 31, 2024, respectively, our Consolidated Balance Sheets reflect $41 million and $39 million in Other deferred credits and other liabilities, for tax liabilities where we maintain contractual responsibility to Exelon.

(Dollars in millions, unless otherwise noted)

***Tax Refunds and Attributes.*** The TMA provides for the allocation of certain pre-closing tax attributes between us and Exelon. Tax attributes will be allocated in accordance with the principles set forth in the existing Exelon tax sharing agreement, unless otherwise required by law. Under the TMA, we will be entitled to refunds for taxes for which we are responsible. In addition, it is expected that Exelon will have tax attributes that may be used to offset Exelon's future tax liabilities. A significant portion of such attributes were generated by our business. In February 2024, we executed an amendment to the TMA that modified the timing of Exelon's payment of amounts due to us. As of March 31, 2025 and December 31, 2024, respectively, we had $142 million and $138 million in Other accounts receivable and $197 million and $201 million in Other deferred debits and other assets for the reclassified tax attributes expected to be utilized by Exelon after separation in accordance with the terms of the TMA.

## 9. Retirement Benefits

### Components of Net Periodic Benefit (Credits) Costs

See Note 1 — Basis of Presentation of our 2024 Form 10-K for additional information on where we report the service cost and other non-service cost (credit) components for all plans.

The following tables present the components of our net periodic benefit (credit) cost, prior to capitalization and co-owner allocations, for the three months ended March 31, 2025 and 2024:

| | Pension Benefits | | OPEB | | Total Pension Benefits and OPEB | |
|---|---|---|---|---|---|---|
| | Three Months Ended March 31, | | Three Months Ended March 31, | | Three Months Ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **Components of net periodic benefit (credit) cost:** | | | | | | |
| Service cost | $ 21 | $ 22 | $ 4 | $ 4 | $ 25 | $ 26 |
| Non-service components of pension benefits & OPEB (credit) cost: | | | | | | |
| Interest cost | 102 | 95 | 19 | 18 | 121 | 113 |
| Expected return on assets | (122) | (124) | (8) | (11) | (130) | (135) |
| Amortization of: | | | | | | |
| Prior service (credit) cost | — | — | (2) | (2) | (2) | (2) |
| Actuarial (gain) loss | 26 | 25 | (2) | (2) | 24 | 23 |
| Settlement charges | — | 3 | — | — | — | 3 |
| Non-service components of pension benefits & OPEB (credit) cost | 6 | (1) | 7 | 3 | 13 | 2 |
| **Net periodic benefit (credit) cost[(a)]** | $ 27 | $ 21 | $ 11 | $ 7 | $ 38 | $ 28 |

(a) For the three months ended March 31, 2025 and 2024, the pension benefit and OPEB service costs reflected in the Consolidated Statements of Operations and Comprehensive Income were $23 million and $24 million, respectively, and the non-service components of pension benefits and OPEB costs were $12 million and $2 million, respectively.

## 10. Derivative Financial Instruments

We use derivative instruments to manage commodity price risk, interest rate risk, and foreign exchange risk related to ongoing business operations.

Authoritative guidance requires that derivative instruments be recognized as either assets or liabilities at fair value, with changes in fair value of the derivative recognized in earnings immediately. Other accounting treatments, including NPNS, are available through special election and designation, provided they meet specific, restrictive criteria both at the time of designation and on an ongoing basis. All derivative instruments, excluding NPNS, are recorded at fair value through earnings. For all NPNS derivative instruments, accounts receivable or accounts payable are recorded when derivatives settle, and revenue or expense is recognized in earnings as the underlying physical commodity is delivered.

Authoritative guidance about offsetting assets and liabilities requires the fair value of derivative instruments to be shown in the Combined Notes to Consolidated Financial Statements on a gross basis, even when the derivative instruments are subject to legally enforceable master netting agreements and qualify for net presentation in the Consolidated Balance Sheets. A master netting agreement is an agreement between two counterparties that may have derivative and non-derivative contracts with each other providing for the net settlement of all referenced contracts via one payment stream, which takes place as the contracts deliver, when collateral is requested or in the event of default. In the tables below, which present fair value balances, our energy-related economic hedges are shown gross. The impact of the netting of fair value balances with the same counterparty that are subject to legally enforceable master netting agreements, as well as netting of cash collateral, including margin on exchange positions, is aggregated in the collateral and netting columns.

Our use of cash collateral is generally unrestricted unless we were downgraded below investment grade. As our senior unsecured debt rating is currently rated at BBB+ and Baa1 by S&P and Moody's, respectively, it would take a three-notch downgrade by S&P or Moody's for our rating to go below investment grade.

**Commodity Price Risk**

We employ established policies and procedures to manage our risks associated with market fluctuations in commodity prices by entering into physical and financial derivative contracts, including swaps, futures, forwards, options, and short-term and long-term commitments to purchase and sell energy and energy-related products. We believe these instruments, which are either determined to be non-derivative or classified as economic hedges, mitigate exposure to fluctuations in commodity prices.

To the extent the amount of energy we produce or procure differs from the amount of energy we have contracted to sell, we are exposed to market fluctuations in the prices of electricity, natural gas, and other commodities. We use a variety of derivative and non-derivative instruments to manage the commodity price risk of our electric generation facilities, including power and gas sales, fuel and power purchases, natural gas transportation and pipeline capacity agreements, and other energy-related products marketed and purchased. To manage these risks, we may enter into fixed-price derivative or non-derivative contracts to hedge the variability in future cash flows from expected sales of power and gas and purchases of power and fuel. The objectives for executing such hedges include fixing the price for a portion of anticipated future electricity sales at a level that provides an acceptable return. We are also exposed to differences between the locational settlement prices of certain economic hedges and the hedged generating units. This price difference is actively managed through other instruments which include derivative congestion products, whose changes in fair value are recognized in earnings each period, and auction revenue rights, which are accounted for on an accrual basis.

In general, increases and decreases in forward market prices have a positive and negative impact, respectively, on owned and contracted generation positions that have not been hedged. Beginning in 2024, our existing nuclear fleet is eligible for the nuclear PTC provided by the IRA, an important tool in managing commodity price risk for each nuclear unit not already receiving state support. The nuclear PTC provides increasing levels of support as unit revenues decline below levels established in the IRA and is further adjusted for inflation after 2024 through the duration of the program based on the GDP price deflator for the preceding calendar year. See Note 5 — Government Assistance for additional information on the nuclear PTC.

In locations and periods where our load serving activities do not naturally offset existing generation portfolio risk, remaining commodity price exposure is managed through portfolio hedging activities. Portfolio hedging activities are generally concentrated in the prompt three years, when customer demand and market liquidity enable effective price risk mitigation. During this prompt three-year period, we seek to mitigate the price risk associated with our load serving contracts, non-nuclear generation, and any residual price risk for our nuclear generation that the nuclear PTC and state programs may not fully mitigate. We also enter transactions that further optimize the economic benefits of our overall portfolio.

**Combined Notes to Consolidated Financial Statements**
**(Dollars in millions, unless otherwise noted)**



The following tables provide a summary of the commodity derivative fair value balances recorded as of March 31, 2025 and December 31, 2024:

| March 31, 2025 | Economic Hedges | Collateral[(a)] | Netting[(a)] | Total |
|---|---|---|---|---|
| Mark-to-market derivative assets (current) | $ 7,994 | $ 317 | $ (7,460) | $ 851 |
| Mark-to-market derivative assets (noncurrent) | 4,736 | 187 | (4,438) | 485 |
| Total mark-to-market derivative assets | 12,730 | 504 | (11,898) | 1,336 |
| Mark-to-market derivative liabilities (current) | (8,338) | 334 | 7,460 | (544) |
| Mark-to-market derivative liabilities (noncurrent) | (5,020) | 225 | 4,438 | (357) |
| Total mark-to-market derivative liabilities | (13,358) | 559 | 11,898 | (901) |
| Total mark-to-market derivative net assets (liabilities) | $ (628) | $ 1,063 | $ — | $ 435 |
| **December 31, 2024** | | | | |
| Mark-to-market derivative assets (current) | $ 5,518 | $ 152 | $ (4,860) | $ 810 |
| Mark-to-market derivative assets (noncurrent) | 3,672 | 120 | (3,421) | 371 |
| Total mark-to-market derivative assets | 9,190 | 272 | (8,281) | 1,181 |
| Mark-to-market derivative liabilities (current) | (5,498) | 173 | 4,860 | (465) |
| Mark-to-market derivative liabilities (noncurrent) | (3,961) | 141 | 3,421 | (399) |
| Total mark-to-market derivative liabilities | (9,459) | 314 | 8,281 | (864) |
| Total mark-to-market derivative net assets (liabilities) | $ (269) | $ 586 | $ — | $ 317 |

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(a) We net all available amounts allowed in our Consolidated Balance Sheets in accordance with authoritative guidance for derivatives. These amounts include unrealized derivative transactions with the same counterparty under legally enforceable master netting agreements and cash collateral.

***Economic Hedges (Commodity Price Risk)***

For the three months ended March 31, 2025 and 2024, we recognized the following net pre-tax commodity mark-to-market gains (losses), which are also included in the Net fair value changes related to derivatives line in the Consolidated Statements of Cash Flows.

| | Three Months Ended March 31, | |
|---|---|---|
| Income Statement Location | 2025 | 2024 |
| Operating revenues | $ (287) | $ 63 |
| Purchased power and fuel | (37) | 125 |
| Total | $ (324) | $ 188 |

**Interest Rate and Foreign Exchange Risk**

We utilize interest rate swaps to manage our interest rate exposure and foreign currency derivatives to manage foreign exchange rate exposure associated with international commodity purchases in currencies other than U.S. dollars, both of which are treated as economic hedges. The notional amounts were $712 million and $592 million as of March 31, 2025 and December 31, 2024, respectively.

The mark-to-market derivative assets and liabilities as of March 31, 2025 and December 31, 2024 and the mark-to-market gains and losses associated with management of interest rate and foreign currency risk for the three months ended March 31, 2025 and 2024 were not material. The mark-to-market gains and losses associated with management of interest rate and foreign currency exchange rate risk are also included in the Net fair value changes related to derivatives line in the Consolidated Statements of Cash Flows.

**(Dollars in millions, unless otherwise noted)**

## Credit Risk

We would be exposed to credit-related losses in the event of non-performance by counterparties on executed derivative instruments. The credit exposure of derivative contracts, before collateral, is represented by the fair value of contracts as of the reporting date.

For commodity derivatives, we enter into enabling agreements that allow for payment netting with our counterparties, which reduces our exposure to counterparty risk by providing for the offset of amounts payable to the counterparty against amounts receivable from the counterparty. Typically, each enabling agreement is for a specific commodity and, with respect to each individual counterparty, netting is limited to transactions involving that specific commodity product, except where master netting agreements exist with a counterparty that allows for cross product netting. In addition to payment netting language in the enabling agreement, our credit department establishes credit limits, margining thresholds and collateral requirements for each counterparty, which are defined in the derivative contracts. Counterparty credit limits are based on an internal credit review process that considers a variety of factors, including the results of a scoring model, leverage, liquidity, profitability, credit ratings by credit rating agencies, and other risk management criteria. To the extent that a counterparty's margining thresholds are exceeded, the counterparty is required to post collateral with us, as specified in each enabling agreement. Our credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

The following tables provide information on the credit exposure for all derivative instruments, NPNS and payables and receivables, net of collateral and instruments that are subject to master netting agreements, as of March 31, 2025. The tables further delineate that exposure by credit rating of the counterparties and provide guidance on the concentration of credit risk to individual counterparties. The amounts in the tables below exclude credit risk exposure from individual retail counterparties and exposure through RTOs, ISOs, as well as NYMEX, ICE, NASDAQ, NGX, and Nodal commodity exchanges.

| Rating as of March 31, 2025 | Total Exposure Before Credit Collateral | Credit Collateral[(a)] | Net Exposure[(b)] |
|---|---|---|---|
| Investment grade | $ 854 | $ 42 | $ 812 |
| Non-investment grade | 15 | 3 | 12 |
| No external ratings | | | |
| Internally rated — investment grade | 149 | — | 149 |
| Internally rated — non-investment grade | 164 | 49 | 115 |
| Total | $ 1,182 | $ 94 | $ 1,088 |

(a) As of March 31, 2025, credit collateral held from counterparties where we had credit exposure included $26 million of cash and $68 million of letters of credit.
(b) As of March 31, 2025, there are no counterparties with greater than 10% of net exposure in any category.

| Net Credit Exposure by Type of Counterparty | As of March 31, 2025 |
|---|---|
| Investor-owned utilities, marketers, power producers | $ 901 |
| Energy cooperatives and municipalities | 73 |
| Financial Institutions | 62 |
| Other | 52 |
| Total | $ 1,088 |

(Dollars in millions, unless otherwise noted)

### *Credit-Risk-Related Contingent Features*

As part of the normal course of business, we routinely enter into physically and financially settled contracts for the purchase and sale of capacity, electricity, fuels, emissions allowances, and other energy-related products. Certain of our derivative instruments contain provisions that require us to post collateral. We also enter into commodity transactions on exchanges where the exchanges act as the counterparty to each trade. Transactions on the exchanges must adhere to comprehensive collateral and margining requirements. This collateral may be posted in the form of cash or credit support with thresholds contingent upon our credit ratings from S&P and Moody's. The collateral and credit support requirements vary by contract and by counterparty. These credit-risk-related contingent features stipulate that if we were to be downgraded or lose our investment grade credit ratings (based on our senior unsecured debt rating), we would be required to provide additional collateral. This incremental collateral requirement allows for the offsetting of derivative instruments that are assets with the same counterparty, where the contractual right of offset exists under applicable master netting agreements. In the absence of expressly agreed-to provisions that specify the collateral that must be provided, collateral requested will be a function of the facts and circumstances of the situation at the time of the demand. In such cases, we believe an amount of several months of future payments (e.g., capacity payments) rather than a calculation of fair value is a reasonable estimate for the contingent collateral obligation, which has been factored into the disclosure below.

The aggregate fair value of all derivative instruments with credit-risk-related contingent features in a liability position that are not fully collateralized (excluding transactions on the exchanges that are fully collateralized) is detailed in the table below:

| Credit-Risk-Related Contingent Features | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Gross fair value of derivative contracts containing this feature | $ (1,517) | $ (1,346) |
| Offsetting fair value of contracts under master netting arrangements | 715 | 602 |
| Net fair value of derivative contracts containing this feature | $ (802) | $ (744) |

As of March 31, 2025 and December 31, 2024, we posted or held the following amounts of cash collateral and letters of credit on derivative contracts with external counterparties, after giving consideration to offsetting derivative and non-derivative positions under master netting agreements.

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash collateral posted[(a)] | $ 1,121 | $ 635 |
| Letters of credit posted[(a)] | 769 | 890 |
| Cash collateral held[(a)] | 58 | 49 |
| Letters of credit held[(a)] | 120 | 91 |
| Additional collateral required in the event of a credit downgrade below investment grade (at BB+/Ba1)[(b)(c)(d)] | 2,254 | 1,949 |

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(a) The cash collateral and letters of credit amounts are inclusive of NPNS contracts.
(b) Certain of our contracts contain provisions that allow a counterparty to request additional collateral when there has been a subjective determination that our credit quality has deteriorated, generally termed “adequate assurance”. Due to the subjective nature of these provisions, we estimate the amount of collateral that we may ultimately be required to post in relation to the maximum exposure with the counterparty.
(c) The downgrade collateral is inclusive of all contracts in a liability position regardless of accounting treatment and excludes any contracts with individual retail counterparties.
(d) A loss of investment grade credit rating would require a three-notch downgrade from their current levels of BBB+ and Baa1 at S&P and Moody's, respectively.

We routinely enter into supply forward contracts with certain utilities with one-sided collateral postings only from us. If market prices fall below the benchmark price levels in these contracts, the utilities are not required to post collateral. However, when market prices rise above the benchmark price levels, we are required to post collateral once certain unsecured credit limits are exceeded.

## 11. Debt and Credit Agreements

### Short-Term Borrowings

We meet our short-term liquidity requirements primarily through the issuance of commercial paper. We may use our credit facility for general corporate purposes, including meeting short-term funding requirements and the issuance of letters of credit.

#### *Credit Agreements*

In June 2024, we amended our existing $3.5 billion revolving credit facility (RCF), to increase the available aggregate commitment to $4.5 billion and extend the maturity date from January 2027 to June 2029. The RCF may be drawn down in the form of loans and/or to support commercial paper and letters of credit issuances.

The RCF fixed facility fee rate is 0.175% and borrowings under the RCF bear interest at a rate based upon either the Daily Simple SOFR rate or a Term SOFR rate, plus an adder based upon our credit ratings. The adders for the Daily Simple SOFR-based borrowings and Term SOFR borrowings are 7.5 basis points and 107.5 basis points, respectively. The letters of credit bear interest at a rate of 1.075%.

If we were to lose our investment grade credit rating, the maximum adders for Daily Simple SOFR rate borrowings and Term SOFR rate borrowings would be 100 basis points and 200 basis points, respectively. The credit agreements also require us to pay facility fees based upon the aggregate commitments. The fees vary depending upon our credit rating.

#### *Accounts Receivable Facility*

In December 2024, we amended the Facility to provide NER access to revolving loans from a number of financial institutions (Lenders) secured by certain customer accounts receivable. As part of the amendment, the maximum funding limit of the Facility was increased from $1.1 billion to $1.5 billion and the maturity date was extended to December 2027. Under previous terms of the Facility, certain customer accounts receivable were sold to the Purchasers. Immediately following the amendment, all receivables previously sold were assigned back to us and receivables will no longer be sold to the Purchasers under the amendment. Subsequent to the amendment, draws and repayments related to the Facility will be reflected as Proceeds from short-term borrowings and Repayments of short-term borrowings, respectively, in the Consolidated Statements of Cash Flows. Draws on the facility bear interest at a commercial paper rate or a Daily One Month Term SOFR or Term SOFR rate, plus an adder of 0.10% per annum. Interest is payable monthly. There were no draws on the Facility as of March 31, 2025.

The amended Facility requires the balance of eligible receivables to be maintained at or above the balance of cash proceeds received from the Lenders. To the extent the eligible receivables decrease below such balance, we are required to repay cash to the Lenders. When eligible receivables exceed cash proceeds, we have the ability to increase the cash proceeds received up to the maximum funding limit.

(Dollars in millions, unless otherwise noted)

As of March 31, 2025 and December 31, 2024, we had the following aggregate bank commitments, credit facility borrowings and available capacity under our respective credit facilities:

| Facility Type | Aggregate Bank Commitment | Facility Draws | Outstanding Letters of Credit | Outstanding Commercial Paper[(a)] | Total Available Capacity |
|---|---|---|---|---|---|
| **March 31, 2025** | | | | | |
| Revolving Credit Facility | $ 4,500 | $ — | $ 50 | $ — | $ 4,450 |
| Bilaterals[(b)] | 2,350 | — | 1,117 | — | 1,233 |
| Accounts Receivable Facility | 1,500 | — | — | — | 1,500 |
| Liquidity Facility | 971 | — | 900 | — | 35 [(c)] |
| Project Finance | 137 | — | 118 | — | 19 |
| Total | $ 9,458 | $ — | $ 2,185 | $ — | $ 7,237 |
| **December 31, 2024** | | | | | |
| Revolving Credit Facility | $ 4,500 | $ — | $ 51 | $ — | $ 4,449 |
| Bilaterals | 1,850 | — | 1,095 | — | 755 |
| Accounts Receivable Facility | 1,500 | — | — | — | 1,500 |
| Liquidity Facility | 971 | — | 907 | — | 21 [(c)] |
| Project Finance | 137 | — | 120 | — | 17 |
| Total | $ 8,958 | $ — | $ 2,173 | $ — | $ 6,742 |

(a) Our commercial paper program is supported by the revolving credit agreement. In order to maintain our commercial paper program in the amounts indicated above, we must have a credit facility in place, at least equal to the amount of our commercial paper program. As of March 31, 2025 and December 31, 2024, the maximum program size of our commercial paper program was $4.5 billion. We do not issue commercial paper in an aggregate amount exceeding the then available capacity under our credit facility. There were no commercial paper borrowings outstanding as of March 31, 2025 and December 31, 2024.
(b) In January 2025, we initiated a new bilateral credit agreement for $200 million, with no maturity date. In March 2025, a bilateral credit agreement initiated in March 2023 was extended for an additional two years to March 2027. In March 2025, we initiated a new bilateral credit agreement for $300 million, scheduled to mature March 2026.
(c) The maximum amount of the bank commitment is not to exceed $971 million. The aggregate available capacity of the facility is subject to market fluctuations based on the value of U.S. Treasury Securities which determines the amount of collateral held in the trust. We may post additional collateral to borrow up to the maximum bank commitment. As of March 31, 2025 and December 31, 2024, without posting additional collateral, the actual availability of facility, prior to outstanding letters of credit was $935 million and $928 million, respectively.

## Long-Term Debt

### *Debt Issuances and Redemptions*

During the three months ended March 31, 2025, the following long-term debt was issued (redeemed):

| Type | Interest Rate | Maturity | Amount |
|---|---|---|---|
| Tax Exempt Pollution Control Revenue Bonds | 4.45 % | March 2025 | $ (23) |
| Continental Wind Nonrecourse Debt | 6.00 % | February 2033 | (18) |
| West Medway II Nonrecourse Debt | 1-month SOFR + 3.225% | March 2026 | (8) |
| Antelope Valley DOE Nonrecourse Debt | 2.29% - 3.56% | January 2037 | (6) |
| RPG Nonrecourse Debt | 4.11 % | March 2035 | (2) |
| **Total long-term debt issued (redeemed)** | | | $ (57) |

## Debt Covenants

As of March 31, 2025, we are in compliance with all debt covenants.

**(Dollars in millions, unless otherwise noted)**

## 12. Fair Value of Financial Assets and Liabilities

We measure and classify fair value measurements in accordance with the hierarchy as defined by GAAP. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to liquidate as of the reporting date.
- Level 2 — inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 — unobservable inputs, such as internally developed pricing models or third-party valuations for the asset or liability due to little or no market activity for the asset or liability.

### Fair Value of Financial Liabilities Recorded at Amortized Cost

The following table presents the carrying amounts and fair values of our long-term debt and SNF obligation as of March 31, 2025 and December 31, 2024. We have no financial liabilities classified as Level 1. The carrying amounts of the short-term liabilities as presented in the Consolidated Balance Sheets are representative of their fair value (Level 2) because of the short-term nature of these instruments.

| | March 31, 2025 | | | | December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying Amount | Fair Value | | | Carrying Amount | Fair Value | | |
| | | Level 2 | Level 3 | Total | | Level 2 | Level 3 | Total |
| Long-Term Debt, including amounts due within one year | $ 8,358 | $ 7,781 | $ 700 | $ 8,481 | $ 8,412 | $ 7,805 | $ 716 | $ 8,521 |
| SNF Obligation | 1,381 | 1,284 | — | 1,284 | 1,366 | 1,278 | — | 1,278 |

### *Valuation Techniques Used to Determine Fair Value and Net Asset Value*

Our valuation techniques used to measure the fair value and net asset value of the assets and liabilities are in accordance with the policies discussed in Note 17 — Fair Value of Financial Assets and Liabilities of our 2024 Form 10-K.

(Dollars in millions, unless otherwise noted)

***Recurring Fair Value Measurements***

The following table present assets and liabilities measured and recorded at fair value in the Consolidated Balance Sheets on a recurring basis and their level within the fair value hierarchy as of March 31, 2025 and December 31, 2024:

| | March 31, 2025 | | | | December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Assets** | | | | | | | | |
| Cash equivalents[(a)] | $ 28 | $ — | $ — | $ 28 | $ 120 | $ — | $ — | $ 120 |
| NDT fund investments | | | | | | | | |
| Cash equivalents[(b)] | 227 | 168 | — | 395 | 187 | 163 | — | 350 |
| Equities | 5,351 | 1,652 | 1 | 7,004 | 5,230 | 1,897 | — | 7,127 |
| Fixed income | 2,111 | 1,514 | 373 | 3,998 | 2,089 | 1,462 | 368 | 3,919 |
| Private credit | — | — | 128 | 128 | — | — | 134 | 134 |
| Assets measured at NAV | — | — | — | 5,987 | — | — | — | 5,791 |
| NDT fund investments subtotal[(c)] | 7,689 | 3,334 | 502 | 17,512 | 7,506 | 3,522 | 502 | 17,321 |
| Rabbi trust investments | 58 | 40 | 1 | 99 | 58 | 41 | 1 | 100 |
| Investments in equities | 98 | — | — | 98 | 389 | — | — | 389 |
| Mark-to-market derivative assets | | | | | | | | |
| Economic hedges | 1,986 | 7,493 | 3,259 | 12,738 | 1,278 | 5,306 | 2,641 | 9,225 |
| Effect of netting and allocation of collateral | (1,634) | (7,011) | (2,750) | (11,395) | (1,097) | (4,790) | (2,123) | (8,010) |
| Mark-to-market derivative assets subtotal | 352 | 482 | 509 | 1,343 | 181 | 516 | 518 | 1,215 |
| **Total assets measured at fair value** | 8,225 | 3,856 | 1,012 | 19,080 | 8,254 | 4,079 | 1,021 | 19,145 |
| **Liabilities** | | | | | | | | |
| Mark-to-market derivative liabilities | | | | | | | | |
| Economic hedges | (1,947) | (7,939) | (3,480) | (13,366) | (1,222) | (5,462) | (2,778) | (9,462) |
| Effect of netting and allocation of collateral | 1,875 | 7,630 | 2,953 | 12,458 | 1,180 | 5,157 | 2,259 | 8,596 |
| Mark-to-market derivative liabilities subtotal | (72) | (309) | (527) | (908) | (42) | (305) | (519) | (866) |
| Deferred compensation obligation | — | (89) | — | (89) | — | (93) | — | (93) |
| **Total liabilities measured at fair value** | (72) | (398) | (527) | (997) | (42) | (398) | (519) | (959) |
| **Total net assets** | $ 8,153 | $ 3,458 | $ 485 | $ 18,083 | $ 8,212 | $ 3,681 | $ 502 | $ 18,186 |

(a) CEG Parent has $38 million and $130 million of Level 1 cash equivalents as of March 31, 2025 and December 31, 2024, respectively. We exclude cash of $1,817 million and $2,924 million, and restricted cash of $77 million and $71 million as of March 31, 2025 and December 31, 2024, respectively. CEG Parent has excluded an additional $10 million and $4 million of cash as of March 31, 2025 and December 31, 2024, respectively.
(b) Includes net liabilities of $162 million and $148 million as of March 31, 2025 and December 31, 2024, respectively, which consist of receivables related to pending securities sales, interest and dividend receivables, repurchase agreement obligations, and payables related to pending securities purchases. The repurchase agreements are generally short-term in nature with durations generally of 30 days or less.
(c) Includes total NDT derivative assets and liabilities that are not material, which have notional amounts of $1,254 million and $1,119 million as of March 31, 2025 and December 31, 2024, respectively. The notional principal amounts provide one measure of the transaction volume outstanding as of the periods ended and do not represent the amount of our exposure to credit or market loss.

As of March 31, 2025, our NDTs have outstanding commitments to invest in private credit, private equity, and real assets of $474 million, $286 million, and $621 million, respectively. These commitments will be funded by our existing NDT funds.

**(Dollars in millions, unless otherwise noted)**

***Equity Security Investments without Readily Determinable Fair Values.*** We hold investments without readily determinable fair values with carrying amounts of $186 million and $150 million as of March 31, 2025 and December 31, 2024, respectively. Changes in fair value, cumulative adjustments, and impairments were not material for the three months ended March 31, 2025 and the year ended December 31, 2024.

***Reconciliation of Level 3 Assets and Liabilities***

The following tables present the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis during the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, 2025 | | | |
|---|---|---|---|---|
| | NDT Fund Investments | Mark-to-Market Derivatives | Rabbi Trust Investments | Total |
| Balance as of January 1, 2025 | $ 502 | $ (1) | $ 1 | $ 502 |
| Total realized / unrealized gains (losses) | | | | |
| Included in net income (loss) | 1 | (131) [(a)] | — | (130) |
| Change in collateral | — | 67 | — | 67 |
| Purchases, sales, issuances and settlements | | | | |
| Purchases | — | 15 | — | 15 |
| Sales | — | (3) | — | (3) |
| Settlements | (2) | — | — | (2) |
| Transfers into Level 3 | 1 | (1) [(b)] | — | — |
| Transfers out of Level 3 | — | 36 [(b)] | — | 36 |
| Balance as of March 31, 2025 | $ 502 | $ (18) | $ 1 | $ 485 |
| The amount of total gains (losses) included in income attributed to the change in unrealized gains (losses) related to assets and liabilities as of March 31, 2025 | $ 1 | $ (96) | $ — | $ (95) |

| | Three Months Ended March 31, 2024 | | | |
|---|---|---|---|---|
| | NDT Fund Investments | Mark-to-Market Derivatives | Rabbi Trust Investments | Total |
| Balance as of January 1, 2024 | $ 429 | $ 869 | $ 1 | $ 1,299 |
| Total realized / unrealized gains (losses) | | | | |
| Included in net income (loss) | — | (306) [(a)] | — | (306) |
| Included in Payable related to Regulatory Agreement Units | 3 | — | — | 3 |
| Change in collateral | — | 33 | — | 33 |
| Purchases, sales, issuances and settlements | | | | |
| Purchases | 33 | 4 | — | 37 |
| Sales | — | (44) | — | (44) |
| Settlements | (5) | (2) | — | (7) |
| Transfers into Level 3 | — | 9 [(b)] | — | 9 |
| Transfers out of Level 3 | — | (45) [(b)] | — | (45) |
| Balance as of March 31, 2024 | $ 460 | $ 518 | $ 1 | $ 979 |
| The amount of total gains (losses) included in income attributed to the change in unrealized gains (losses) related to assets and liabilities as of March 31, 2024 | $ — | $ 29 | $ — | $ 29 |

(a) Includes a reduction of ($35) million and ($337) million for realized gains due to the settlement of derivative contracts for the three months ended March 31, 2025 and 2024, respectively.
(b) Transfers into and out of Level 3 generally occur when the contract tenor becomes less and more observable, respectively, primarily due to changes in market liquidity or assumptions for certain commodity contracts.

**(Dollars in millions, unless otherwise noted)**

The following table presents the income statement classification of the total realized and unrealized gains (losses) included in income for Level 3 assets and liabilities measured at fair value on a recurring basis during the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | Operating Revenues | | Purchased Power and Fuel | | Other, net | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Total gains (losses) included in net income | $ 38 | $ (172) | $ (169) | $ (136) | $ 1 | $ — |
| Total unrealized gains (losses) | (8) | 148 | (88) | (119) | 1 | — |

***Mark-to-Market Derivatives***

The following table presents the significant inputs to the forward curve used to value these positions:

| Type of trade | Fair Value as of March 31, 2025 | Fair Value as of December 31, 2024 | Valuation Technique | Unobservable Input | 2025 Range & Arithmetic Average | | 2024 Range & Arithmetic Average | |
|---|---|---|---|---|---|---|---|---|
| Mark-to-market derivatives— Economic hedges[(a)(b)] | $ (221) | $ (137) | Discounted Cash Flow | Forward power price | $2.37 - $174 | $54 | $2.57 - $140 | $49 |
| | | | | Forward gas price | $(0.14) - $14 | $4.09 | $2.09 - $15 | $3.68 |
| | | | Option Model | Volatility percentage | 17% - 91% | 54% | 23% - 141% | 57% |

(a) The valuation techniques, unobservable inputs, ranges, and arithmetic averages are the same for the asset and liability positions.
(b) The fair values do not include cash collateral posted (received) on Level 3 positions of $203 million and $136 million as of March 31, 2025 and December 31, 2024, respectively.

The inputs listed above, which are as of the balance sheet date, would have a direct impact on the fair values of the above instruments if they were adjusted. The significant unobservable inputs used in the fair value measurement of our commodity derivatives are forward commodity prices and for options is price volatility. Increases (decreases) in the forward commodity price in isolation would result in significantly higher (lower) fair values for long positions (contracts that give us the obligation or option to purchase a commodity), with offsetting impacts to short positions (contracts that give us the obligation or right to sell a commodity). Increases (decreases) in volatility would increase (decrease) the value for the holder of the option (writer of the option). Generally, a change in the estimate of forward commodity prices is unrelated to a change in the estimate of volatility of prices. An increase to the heat rate would increase the fair value accordingly. Generally, interrelationships exist between market prices of natural gas and power. As such, an increase in natural gas pricing would potentially have a similar impact on forward power markets.

**(Dollars in millions, unless otherwise noted)**

## 13. Commitments and Contingencies

### Commitments

***Commercial Commitments.*** Commercial commitments as of March 31, 2025, representing commitments potentially triggered by future events, were as follows:

| | Expiration within | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 and beyond | Total |
| Letters of credit | $ 1,510 | $ 554 | $ 2 | $ 118 | $ — | $ 1 | $ 2,185 |
| Surety bonds[a] | 482 | 156 | — | 214 | — | — | 852 |
| Total commercial commitments | $ 1,992 | $ 710 | $ 2 | $ 332 | $ — | $ 1 | $ 3,037 |

(a) Surety bonds — Guarantees issued related to contract and commercial agreements, excluding bid bonds.

### Environmental Remediation Matters

***General.*** Our operations have in the past, and may in the future, require substantial expenditures to comply with environmental laws. Additionally, under Federal and state environmental laws, we are generally liable for the costs of remediating environmental contamination of property now or formerly owned by us and of property contaminated by hazardous substances generated by us. We own or lease several real estate parcels, including parcels on which our operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, we are currently involved in proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future. Unless otherwise disclosed, we cannot reasonably estimate whether we will incur significant liabilities for additional investigation and remediation costs at these or additional sites identified by us, environmental agencies, or others. Additional costs could have a material, unfavorable impact on our consolidated financial statements.

As of March 31, 2025 and December 31, 2024, we had accrued undiscounted amounts for environmental liabilities of $10 million and $60 million, respectively, in Accounts payable and accrued expenses and $168 million and $169 million, respectively, in Other deferred credits and other liabilities in the Consolidated Balance Sheets. See Note 18 — Commitments and Contingencies of our 2024 Form 10-K for additional information on environmental remediation matters. As of March 31, 2025, and through the date of filing, there have been no material changes in amounts recognized for-the matters discussed in our 2024 Form 10-K.

### Litigation

***General.*** We are involved in various litigation matters that are being defended and handled in the ordinary course of business. The assessment of whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. We maintain accruals for such losses that are probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of reasonably possible loss, particularly where (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

See Note 18 — Commitments and Contingencies of our 2024 Form 10-K for additional information on litigation matters. As of March 31, 2025, and through the date of filing, there have been no significant developments to the matters discussed in our 2024 Form 10-K.

***Asbestos Personal Injury Claims.*** We maintain a reserve for claims associated with asbestos-related personal injury actions at certain facilities that are currently owned by us or were previously owned by ComEd, PECO, or BGE. The estimated liabilities are recorded on an undiscounted basis and exclude the estimated legal costs associated with handling these matters, which could be material.

At March 31, 2025 and December 31, 2024, respectively, we recorded estimated liabilities of approximately $126 million and $125 million for asbestos-related bodily injury claims. These amounts are primarily included in Other deferred credits and other liabilities in the Consolidated Balance Sheets. Current amounts included in Accounts payable and accrued expenses are not material in either of the periods presented. As of March 31, 2025, approximately $17 million related to 208 open claims presented to us, while the remaining $109 million is for estimated future asbestos-related bodily injury claims anticipated to arise through 2055, based on actuarial assumptions and analyses, which are updated on an annual basis. On a quarterly basis, we monitor actual experience against the number of forecasted claims to be received and expected claim payments and evaluate whether adjustments to the estimated liabilities are necessary.

## 14. Shareholders' Equity

### Share Repurchase Program (CEG Parent)

Since 2023, our Board of Directors authorized the repurchase of up to $3 billion of the Company's outstanding common stock. As of March 31, 2025, there was approximately $841 million of remaining authority to repurchase shares of the Company's outstanding common stock, which reflects the impact of the purchases of capped call options. No other repurchase plans or programs have been authorized. See Note 19 — Shareholders' Equity of our 2024 Form 10-K for additional information on our share repurchase program.

During the three months ended March 31, 2025, no share repurchases occurred. During the three months ended March 31, 2024, we repurchased from the open market 1.2 million shares of our common stock for a total cost, inclusive of taxes and transaction costs, of $150 million.

During the first quarter of 2024, we entered into an ASR agreement with a financial institution to initiate share repurchases of our common stock. Under the ASR agreement, we paid a specified amount to the financial institution and received an initial delivery of shares of common stock, which resulted in an immediate reduction in the number of our shares outstanding. Based on the terms of the ASR agreement below, we received an initial share delivery based on 80% of the ASR agreement's cost. Upon settlement of the ASR agreement, the financial institution delivers additional incremental shares. The total number of shares ultimately delivered, and therefore the average price paid per share, is determined at the end of the applicable purchase period of the ASR agreement based on the average of the daily-volume weighted average share price, less a discount.

The following table summarizes the activity of our ASR agreement for the three months ended March 31, 2024:

**(in millions, except average price paid per share)**

| ASR Agreement Initiation | Total Cost | Initial Shares Received | ASR Agreement Settlement | Additional Shares Received | Total Number of Shares Purchased | Average Price Paid per Share |
|---|---|---|---|---|---|---|
| March 2024 | $ 354 | 1.7 | May 2024 | 0.2 | 1.9 | $ 182.65 |

***Capped Call Options.*** In February 2025, we entered into two structured share repurchase agreements. Under these agreements, we were required to make up-front cash payments totaling $150 million in exchange for the right to receive a predetermined amount of shares of our common stock or cash at expiration, depending upon the closing price of our common stock on the respective settlement dates. The agreements expire in May 2025 and August 2025. If either option is exercised, we would receive shares which would reduce the number of our total shares outstanding. If the options are not exercised, we will receive our initial up-front cash payment plus a nominal cash premium at the expiration of the agreements. The cash received will restore the remaining authority available for repurchases. Any prepayments or cash payments at settlement are recorded in Common Stock on our Consolidated Balance Sheet and as a financing activity within our Consolidated Statement of Cash Flows.

(Dollars in millions, unless otherwise noted)

**Changes in Accumulated Other Comprehensive Loss (All Registrants)**

The following tables present changes in AOCI, net of tax, by component:

| Three Months Ended March 31, 2025 | Gains (losses) on Cash Flow Hedges | Pension and OPEB Items[(a)] | Foreign Currency Items | Total |
|---|---|---|---|---|
| Beginning balance | $ (6) | $ (2,262) | $ (34) | $ (2,302) |
| OCI before reclassifications | — | (34) | 8 | (26) |
| Amounts reclassified from AOCI | 2 | 17 | — | 19 |
| Net current-period OCI | 2 | (17) | 8 | (7) |
| Ending balance | $ (4) | $ (2,279) | $ (26) | $ (2,309) |
| **Three Months Ended March 31, 2024** | | | | |
| Beginning balance | $ (10) | $ (2,157) | $ (24) | $ (2,191) |
| OCI before reclassifications | — | (3) | (3) | (6) |
| Amounts reclassified from AOCI | — | 17 | — | 17 |
| Net current-period OCI | — | 14 | (3) | 11 |
| Ending balance | $ (10) | $ (2,143) | $ (27) | $ (2,180) |

(a) AOCI amounts are included in the computation of net periodic pension and OPEB cost. See Note 9 — Retirement Benefits for additional information. See our Consolidated Statements of Operations and Comprehensive Income for individual components of AOCI.

The following table presents income tax (expense) benefit allocated to each component of our other comprehensive income (loss):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Pension and OPEB plans: | | |
| Actuarial loss reclassified to periodic benefit cost | $ (6) | $ (6) |
| Pension and OPEB plans valuation adjustment | 12 | 2 |

**15. Variable Interest Entities**

At March 31, 2025 and December 31, 2024, we consolidated several VIEs or VIE groups for which we are the primary beneficiary (see Consolidated VIEs below) and had significant interests in several other VIEs for which we do not have the power to direct the entities' activities and, accordingly, we were not the primary beneficiary (see Unconsolidated VIEs below). Consolidated and unconsolidated VIEs are aggregated to the extent that the entities have similar risk profiles.

**(Dollars in millions, unless otherwise noted)**

### Consolidated VIEs

The table below shows the carrying amounts and classification of the consolidated VIEs' assets and liabilities included in the consolidated financial statements as of March 31, 2025 and December 31, 2024. The assets, except as noted in the footnotes to the table below, can only be used to settle obligations of the VIEs. The liabilities, except as noted in the footnotes to the table below, are such that creditors, or beneficiaries, do not have recourse to our general credit.

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash and cash equivalents | $ 79 | $ 59 |
| Restricted cash and cash equivalents | 31 | 50 |
| Accounts receivable | | |
| Customer accounts receivable, net | 2,404 | 2,134 |
| Other accounts receivable, net | 9 | 12 |
| Inventories, net | | |
| Materials and supplies | 13 | 13 |
| Other current assets | 35 | 38 |
| Total current assets | 2,571 | 2,306 |
| Property, plant, and equipment, net | 2,007 | 2,025 |
| Other noncurrent assets | 137 | 142 |
| Total noncurrent assets | 2,144 | 2,167 |
| Total assets[(a)] | $ 4,715 | $ 4,473 |
| | | |
| Long-term debt due within one year | $ 64 | $ 64 |
| Accounts payable and accrued expenses | 37 | 54 |
| Other current liabilities | 1 | — |
| Total current liabilities | 102 | 118 |
| Long-term debt | 616 | 642 |
| Asset retirement obligations | 209 | 206 |
| Other noncurrent liabilities | 2 | 2 |
| Total noncurrent liabilities | 827 | 850 |
| Total liabilities | $ 929 | $ 968 |

(a) Our balances include unrestricted assets for current unamortized energy contract assets of $20 million and $22 million, disclosed within other current assets in the table above and noncurrent unamortized energy contract assets of $129 million and $133 million, disclosed within other noncurrent assets in the table above as of March 31, 2025 and December 31, 2024, respectively.

**(Dollars in millions, unless otherwise noted)**

As of March 31, 2025 and December 31, 2024, our consolidated VIEs included the following:

| Consolidated VIE or VIE groups: | Reason entity is a VIE: | Reason we are the primary beneficiary: |
|---|---|---|
| CRP - A collection of wind and solar project entities. We have a 51% equity ownership in CRP. See additional discussion below. | Similar structure to a limited partnership and the limited partners do not have kick-out rights with respect to the general partner. | We conduct the operational activities. |
| Bluestem Wind Energy Holdings, LLC - A Tax Equity structure which is consolidated by CRP. | Similar structure to a limited partnership and the limited partners do not have kick-out rights with respect to the general partner. | We conduct the operational activities. |
| Antelope Valley - A solar generating facility, which is 100% owned by us. Antelope Valley sells all of its output to PG&E through a PPA. | The PPA contract absorbs variability through a performance guarantee. | We conduct all activities. |
| NER - A bankruptcy remote, special purpose entity which is 100% owned by us, which purchases certain of our customer accounts receivable arising from the sale of retail electricity and gas.<br><br>NER's assets will be available first and foremost to satisfy the claims of the creditors of NER. Refer to Note 6 — Accounts Receivable for additional information on the sale of receivables. | Equity capitalization is insufficient to support its operations. | We conduct all activities. |

**Unconsolidated VIEs**

Our variable interests in unconsolidated VIEs generally include equity investments and energy purchase and sale contracts. For the equity investments, the carrying amount of the investments is reflected in the Consolidated Balance Sheets in Investments. For the energy purchase and sale contracts (commercial agreements), the carrying amount of assets and liabilities in the Consolidated Balance Sheets that relate to our involvement with the VIEs are predominantly related to working capital accounts and generally represent the amounts owed by, or owed to, us for the deliveries associated with the current billing cycles under the commercial agreements.

As of March 31, 2025 and December 31, 2024, we had significant unconsolidated variable interests in several VIEs for which we were not the primary beneficiary. These interests include certain equity method investments and certain commercial agreements.

The following table presents summary information about our significant unconsolidated VIE entities:

| | March 31, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Commercial Agreement VIEs | Equity Investment VIEs | Total | Commercial Agreement VIEs | Equity Investment VIEs | Total |
| Total assets[(a)] | $ 626 | $ — | $ 626 | $ 617 | $ — | $ 617 |
| Total liabilities[(a)] | 56 | — | 56 | 42 | — | 42 |
| Other ownership interests in VIE[(a)] | 570 | — | 570 | 575 | — | 575 |

(a) These items represent amounts on the unconsolidated VIE balance sheets, not in the Consolidated Balance Sheets. These items are included to provide information regarding the relative size of the unconsolidated VIEs. We do not have any exposure to loss as we do not have a carrying amount in the equity investment VIEs as of March 31, 2025 and December 31, 2024.

**(Dollars in millions, unless otherwise noted)**

As of March 31, 2025 and December 31, 2024 the unconsolidated VIEs consist of:

| Unconsolidated VIE groups: | Reason entity is a VIE: | Reason we are not the primary beneficiary: |
|---|---|---|
| Energy Purchase and Sale agreements - We have several energy purchase and sale agreements with generating facilities. | PPA contracts that absorb variability through fixed pricing. | We do not conduct the operational activities. |

## 16. Supplemental Financial Information

### Supplemental Statement of Operations and Comprehensive Income Information

The following tables provide additional information about items recorded in the Consolidated Statements of Operations and Comprehensive Income.

| | Operating revenues | |
|---|---|---|
| | Three Months Ended March 31, | |
| | 2025 | 2024 |
| Variable lease income | $ 52 | $ 52 |

| | Taxes other than income taxes | |
|---|---|---|
| | Three Months Ended March 31, | |
| | 2025 | 2024 |
| Gross receipts[a] | $ 38 | $ 33 |
| Property | 72 | 66 |
| Payroll | 44 | 38 |
| Other | 6 | 2 |
| Total taxes other than income taxes | $ 160 | $ 139 |

(a) Represent gross receipts taxes related to our retail operations. The offsetting collection of gross receipts taxes from customers is recorded in Operating revenues in the Consolidated Statements of Operations and Comprehensive Income.

| | Other, net | |
|---|---|---|
| | Three Months Ended March 31, | |
| | 2025 | 2024 |
| Decommissioning-related activities: | | |
| Net realized income on NDT funds[a] | | |
| Regulatory Agreement Units | $ 243 | $ 166 |
| Non-Regulatory Agreement Units | 94 | 83 |
| Net unrealized gains (losses) on NDT funds | | |
| Regulatory Agreement Units | (117) | 225 |
| Non-Regulatory Agreement Units | (23) | 134 |
| Regulatory offset to NDT fund-related activities[b] | (103) | (312) |
| Total Decommissioning-related activities | 94 | 296 |
| Net realized and unrealized gains (losses) from equity investments[c] | (268) | 47 |
| Other | 20 | 19 |
| Total Other, net | $ (154) | $ 362 |

(a) Realized income includes interest, dividends and realized gains and losses on sales of NDT fund investments.
(b) Includes the elimination of decommissioning-related activities and the elimination of income taxes related to all NDT fund activity for the Regulatory Agreement Units.
(c) Includes unrealized gains (losses) resulting from an equity investment in a publicly traded company. We record the fair value of this investment in Investments on the Consolidated Balance Sheets based on quoted market price of the stock.

**Combined Notes to Consolidated Financial Statements**
**(Dollars in millions, unless otherwise noted)**



### Supplemental Cash Flow Information

The following tables provide additional information about items recorded within our Consolidated Statements of Cash Flows.

| | Depreciation, amortization, and accretion | |
|---|---|---|
| | Three Months Ended March 31, | |
| | 2025 | 2024 |
| PP&E[(a)] | $ 243 | $ 300 |
| Amortization of intangible assets, net[(a)] | 5 | 6 |
| Amortization of energy contract assets and liabilities[(b)] | 2 | 5 |
| Nuclear fuel[(c)] | 232 | 216 |
| ARO accretion[(d)] | 158 | 167 |
| Total depreciation, amortization, and accretion | $ 640 | $ 694 |

(a) Included in Depreciation and amortization expense in the Consolidated Statements of Operations and Comprehensive Income.
(b) Included in Operating revenues or Purchased power and fuel expense in the Consolidated Statements of Operations and Comprehensive Income.
(c) Included in Purchased power and fuel expense in the Consolidated Statements of Operations and Comprehensive Income.
(d) Included in Operating and maintenance expense in the Consolidated Statements of Operations and Comprehensive Income.

| | Other non-cash operating activities | | | |
|---|---|---|---|---|
| | CEG Parent | | Constellation | |
| | Three Months Ended March 31, | | Three Months Ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| Other decommissioning-related activity[(a)] | $ (74) | $ (161) | $ (74) | $ (161) |
| Energy-related options[(b)] | (10) | 27 | (10) | 27 |
| Pension and non-pension postretirement benefit costs | 38 | 28 | 38 | 28 |
| Other[(c)] | 93 | 65 | 70 | 44 |
| Total other non-cash operating activities | $ 47 | $ (41) | $ 24 | $ (62) |

(a) Includes the elimination of decommissioning-related activities for the Regulatory Agreement Units, including the elimination of operating revenues, ARO accretion, ARC amortization, investment income, and income taxes related to all NDT fund activity for these units.
(b) Includes option premiums reclassified to realized at the settlement of the underlying contracts and recorded to results of operations.
(c) Includes items that are not individually material.

**(Dollars in millions, unless otherwise noted)**

The following table provides a reconciliation of cash, restricted cash, and cash equivalents reported within our Consolidated Balance Sheets that sum to the total of the same amounts in the Consolidated Statements of Cash Flows.

| **March 31, 2025** | **CEG Parent** | **Constellation** |
|---|---|---|
| Cash and cash equivalents | $ 1,846 | $ 1,836 |
| Restricted cash and cash equivalents | 96 | 86 |
| Total cash, restricted cash, and cash equivalents | $ 1,942 | $ 1,922 |
| **December 31, 2024** | | |
| Cash and cash equivalents | $ 3,022 | $ 3,018 |
| Restricted cash and cash equivalents | 107 | 97 |
| Total cash, restricted cash, and cash equivalents | $ 3,129 | $ 3,115 |
| **March 31, 2024** | | |
| Cash and cash equivalents | $ 562 | $ 557 |
| Restricted cash and cash equivalents | 83 | 67 |
| Total cash, restricted cash, and cash equivalents | $ 645 | $ 624 |

For additional information on restricted cash, see Note 1 — Basis of Presentation of our 2024 Form 10-K.

**Supplemental Balance Sheet Information**

The following table provides additional information about material items recorded in the Consolidated Balance Sheets.

| | **Accounts payable and accrued expenses** | |
|---|---|---|
| **March 31, 2025** | **CEG Parent** | **Constellation** |
| Accounts payable | $ 2,498 | $ 2,466 |
| Compensation-related accruals[(a)] | 404 | 273 |
| Taxes accrued | 287 | 278 |
| **December 31, 2024** | | |
| Accounts payable | $ 2,369 | $ 2,348 |
| Compensation-related accruals[(a)] | 907 | 689 |
| Taxes accrued | 232 | 223 |

(a) Primarily includes accrued payroll, bonuses and other incentives, vacation, and benefits.

**Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

(Dollars in millions except per share data, unless otherwise noted)

## Executive Overview

We are the nation's largest producer of carbon-free energy and a supplier of energy products and services. Our generating capacity includes primarily nuclear, wind, solar, natural gas and hydroelectric assets. Through our integrated business operations, we sell electricity, natural gas, and other energy-related products and sustainable solutions to various types of customers, including distribution utilities, municipalities, cooperatives, and commercial, industrial, public sector, and residential customers in markets across multiple geographic regions. We have five reportable segments: Mid-Atlantic, Midwest, New York, ERCOT and Other Power Regions.

## Significant Transactions and Developments

### Proposed Acquisition of Calpine Corporation

On January 10, 2025, we entered an agreement and plan of merger (Merger Agreement) with Calpine Corporation (Calpine) under which we will acquire all the outstanding equity interests of Calpine in a cash and stock transaction. Calpine owns and operates a generation fleet of natural gas, geothermal, battery storage, and solar assets with over 27 GWs of generation capacity, in addition to a competitive retail electric supplier platform with 60 TWhs of load annually.

This acquisition is complementary to, and aligns strategically with, our existing business operations and provides both increased scale and meaningful market diversification. We will couple the largest producer of clean, carbon-free energy with the reliable, dispatchable natural gas assets of Calpine, and also create the nation’s leading competitive retail electric supplier, providing increased scale, diversification and complementary capabilities that will enable us to meet growing demand with a broader array of energy and sustainability products. The addition of Calpine will strengthen our essential role in providing clean, reliable, and affordable energy as the nation seeks to transition to a more sustainable future, and will better position us to pursue investments in new and existing technologies to meet growing demand.

Completion of the transaction is conditioned upon review of the transaction by the DOJ, and approval by the FERC, NYPSC, and PUCT, in addition to other regulatory bodies, and is also subject to other customary closing conditions. See Note 2 — Mergers, Acquisitions, and Dispositions of the Combined Notes to Consolidated Financial Statements for additional information.

## Other Key Business Drivers

### Tariffs

The energy sector has been impacted by recent changes in U.S. and foreign trade policies, particularly the introduction and adjustment of tariffs by the U.S. on the import of various energy-related products and materials. Importantly, oil, natural gas, and uranium (including enriched uranium) are currently excluded from most of the recent tariff changes. The imposition of tariffs on imported goods, including electric transformers and other equipment used for power generation, may lead to increased costs for acquiring essential components to maintain, uprate, and operate our generating facilities. We are committed to navigating the current environment through prudent cost management, utilization of supplier relationships, and potential supply alternatives as mitigants for potential price increases. The long-term impact of tariffs on the energy sector remains uncertain and we cannot predict or estimate the impact on future consolidated financial statements.

### Russia and Ukraine Conflict

We are closely monitoring developments of the ongoing Russia and Ukraine conflict, including United States, United Kingdom, European Union, and Canadian sanctions, and legislation that may impact exports and imports of Russian nuclear fuel supply and enrichment activities, as well as the potential for Russia to limit fuel deliveries. The U.S. “Prohibiting Russian Uranium Imports Act” became effective in August 2024, banning the import of low-enriched uranium into the U.S. that is produced in Russia or by Russian entities, absent a waiver from the DOE.

Under a corollary bill, the Department of Energy has begun the process of distributing billions of dollars to support expansion of the domestic nuclear fuel cycle within the United States to improve carbon-free energy security. In November 2024, the Russian government issued a decree imposing temporary restrictions on the export of enriched uranium from Russia to the U.S. but allowing for a special Russian export license to be issued for individual shipments. Our nuclear fuel is obtained predominantly through long-term uranium supply and service contracts. We work with a diverse set of domestic and international suppliers years in advance to procure our nuclear fuel to support our refueling needs and mitigate the risk of exposure to Russian nuclear fuel supply. Recognizing the potential for the continuing conflict to impact our longer-term security and cost of supply, we have entered into contracts to increase the size of our nuclear fuel inventory. Our fuel procurement activities comply with all U.S. and international trade laws and we continue to take advantage of all available avenues to maintain continuity in our nuclear fuel supply, including working with the U.S. Government and our diverse set of suppliers to secure the nuclear fuel needed to continue to operate our nuclear fleet long-term.

### Environmental Regulation

***Regulation of GHGs from Power Plants under the Clean Air Act.*** In April 2024, EPA issued a final rule that regulates greenhouse gases from existing coal, new natural gas-fired power plants, and existing oil/gas steam generators under Clean Air Act section 111. The applicable standards are subcategorized by retirement date for existing coal and capacity factor for existing gas. In October 2024, the U.S. Supreme Court rejected a request to temporarily block implementation of EPA's GHG standards. In March 2025, EPA announced that it is reconsidering the rule. The D.C. Circuit granted EPA's motion to hold the litigation in abeyance.

***Good Neighbor Rule.*** In June 2023, EPA published a final rule called “Federal 'Good Neighbor Plan' for the 2015 Ozone National Ambient Air Quality Standards” also known as the "Transport Rule". The rule, among other things, establishes nitrogen oxides emissions budgets requiring fossil fuel-fired power plants in 23 states to participate in an allowance-based ozone season trading program beginning in 2023. In February 2023, EPA disapproved state implementation plans submitted by 21 states for failure to address their obligations under the "good neighbor" provisions of the Clean Air Act. However, several Regional Courts of Appeals issued orders staying, pending judicial review, EPA's disapproval of several state plans (including Texas). In June 2024, the Supreme Court stayed EPA's rule for the duration of the litigation. In November 2024, EPA issued an administrative stay of the rule. The rule is currently under review on the merits before the D.C. Circuit, but EPA has announced its intent to approve state plans that would replace the Good Neighbor Plan.

## Critical Accounting Policies and Estimates

Management makes a number of significant estimates, assumptions, and judgments in the preparation of our financial statements. At March 31, 2025, our critical accounting policies and estimates had not changed significantly from December 31, 2024. See ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Critical Accounting Policies and Estimates of our 2024 Form 10-K for further information.

## Financial Results of Operations

***GAAP Results of Operations.*** The following table sets forth our consolidated GAAP Net Income (Loss) Attributable to Common Shareholders for the three months ended March 31, 2025 compared to the same period in 2024. For additional information regarding the financial results for the three months ended March 31, 2025 and 2024, see the discussions of Results of Operations below.

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2025 | 2024 | $ Change |
| GAAP Net Income (Loss) Attributable to Common Shareholders | $ 118 | $ 883 | $ (765) |

***Adjusted (non-GAAP) Operating Earnings.*** We utilize Adjusted (non-GAAP) Operating Earnings (and/or its per share equivalent) in our internal analysis, and in communications with investors and analysts, as a consistent measure for comparing our financial performance and discussing the factors and trends affecting our business. The presentation of Adjusted (non-GAAP) Operating Earnings is intended to complement and should not be considered an alternative to, nor more useful than, the presentation of GAAP Net Income.

The table below provides a reconciliation of GAAP Net Income to Adjusted (non-GAAP) Operating Earnings. Adjusted (non-GAAP) Operating Earnings is not a standardized financial measure and may not be comparable to other companies' presentations of similarly titled measures.

Unless otherwise noted, the income tax impact of each reconciling adjustment between GAAP Net Income (Loss) Attributable to Common Shareholders and Adjusted (non-GAAP) Operating Earnings is based on the marginal statutory federal and state income tax rates, taking into account whether the income or expense item is taxable or deductible, respectively, in whole or in part. For all adjustments except the NDT fund investment returns, which are included in decommissioning-related activities, the marginal statutory income tax rate was 25.5% and 25.1% for the three months ended March 31, 2025 and 2024, respectively. Under IRS regulations, NDT fund investment returns are taxed at different rates for investments if they are in qualified or non-qualified funds. The effective tax rates for the unrealized and realized gains and losses related to NDT funds were 55.3% and 54.8% for the three months ended March 31, 2025 and 2024, respectively. The following table provides a reconciliation between GAAP Net Income (Loss) Attributable to Common Shareholders and Adjusted (non-GAAP) Operating Earnings for the three months ended March 31, 2025 compared to the same period in 2024.

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| (In millions, except per share data) | | Earnings Per Share[(a)] | | Earnings Per Share[(a)] |
| **GAAP Net Income (Loss) Attributable to Common Shareholders** | $ 118 | $ 0.38 | $ 883 | $ 2.78 |
| Unrealized (Gain) Loss on Fair Value Adjustments (net of taxes of $169 and $57, respectively)[(b)] | 505 | 1.61 | (170) | (0.53) |
| Plant Retirements and Divestitures (net of taxes of $4 and $4, respectively) | 11 | 0.03 | 12 | 0.04 |
| Decommissioning-Related Activities (net of taxes of $31 and $139, respectively)[(c)] | 19 | 0.06 | (67) | (0.21) |
| Pension & OPEB Non-Service (Credits) Costs (net of taxes of $3 and $1, respectively) | 9 | 0.03 | 2 | 0.01 |
| Separation Costs (net of taxes of $— and $2, respectively) | — | — | 5 | 0.02 |
| ERP System Implementation Costs (net of taxes of $— and $1, respectively) | — | — | 4 | 0.01 |
| Acquisition-Related Costs (net of taxes of $4 and $—, respectively)[(d)] | 13 | 0.04 | — | — |
| Income Tax-Related Adjustments[(e)] | — | — | (88) | (0.28) |
| Noncontrolling Interests[(f)] | (2) | (0.01) | (2) | (0.01) |
| **Adjusted (non-GAAP) Operating Earnings** | $ 673 | $ 2.14 | $ 579 | $ 1.82 |

(a) Amounts may not sum due to rounding. Earnings per share amount is based on average diluted common shares outstanding of 314 million and 318 million for the three months ended March 31, 2025 and 2024, respectively.
(b) Includes mark-to-market on economic hedges, interest rate swaps, and fair value adjustments related to gas imbalances and equity investments.
(c) Reflects all gains and losses associated with NDTs, ARO accretion, ARC depreciation, ARO remeasurement, and impacts of contractual offset for Regulatory Agreement Units.
(d) In 2025, reflects acquisition-related costs associated with the proposed Calpine merger.
(e) In 2024, primarily reflects the adjustment to deferred income taxes due to changes in forecasted apportionment.
(f) Represents elimination of the noncontrolling interest portion of certain adjustments included above.

## Results of Operations

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2025 | 2024 | $ Change |
| **Operating revenues** | $ 6,788 | $ 6,161 | $ 627 |
| **Operating expenses** | | | |
| Purchased power and fuel | 4,384 | 3,417 | 967 |
| Operating and maintenance | 1,545 | 1,486 | 59 |
| Depreciation and amortization | 248 | 306 | (58) |
| Taxes other than income taxes | 160 | 139 | 21 |
| Total operating expenses | 6,337 | 5,348 | 989 |
| **Operating income (loss)** | 451 | 813 | (362) |
| **Other income and (deductions)** | | | |
| Interest expense, net | (146) | (127) | (19) |
| Other, net | (154) | 362 | (516) |
| Total other income and (deductions) | (300) | 235 | (535) |
| **Income (loss) before income taxes** | 151 | 1,048 | (897) |
| **Income tax (benefit) expense** | 22 | 165 | (143) |
| **Net income (loss)** | 129 | 883 | (754) |
| **Net income (loss) attributable to noncontrolling interests** | 11 | — | 11 |
| **Net income (loss) attributable to common shareholders** | $ 118 | $ 883 | $ (765) |

***Three Months Ended March 31, 2025 Compared to Three Months Ended March 31, 2024.*** The variance in Net income (loss) attributable to common shareholders was unfavorable by ($765) million primarily due to:

- Unfavorable net unrealized losses on economic hedges;
- Higher net unrealized losses on equity investments;
- Unfavorable net realized and unrealized NDT fund investment activity; and
- Absence of nuclear PTC revenues in the current year. See Note 5 — Government Assistance of the Combined Notes to Consolidated Financial Statements for additional information

The unfavorable items were partially offset by:

- Favorable market and portfolio conditions, primarily driven by higher realized margins on load contracts, generation-to-load optimization, and higher load volumes; and
- Favorable net ZEC revenues.

***Operating revenues.*** Our five reportable segments are Mid-Atlantic, Midwest, New York, ERCOT, and Other Power Regions. See Note 4 — Segment Information of the Combined Notes to Consolidated Financial Statements for additional information on these reportable segments.

Wholesale and retail sales of natural gas, as well as sales of other energy-related products and sustainable solutions and other miscellaneous business activities that are not significant to overall results of operations are reported under Other and not allocated to a region.

For the three months ended March 31, 2025 compared to 2024, Operating revenues were as follows:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Change[a] |
| Mid-Atlantic | $ 1,665 | $ 1,242 | $ 423 | 34.1 % |
| Midwest | 1,404 | 1,094 | 310 | 28.3 % |
| New York | 562 | 513 | 49 | 9.6 % |
| ERCOT | 398 | 321 | 77 | 24.0 % |
| Other Power Regions | 1,556 | 1,624 | (68) | (4.2)% |
| Total reportable segment electric revenues | 5,585 | 4,794 | 791 | 16.5 % |
| Other | 1,490 | 1,303 | 187 | 14.4 % |
| Mark-to-market gains (losses) | (287) | 64 | (351) | |
| Total Operating revenues | $ 6,788 | $ 6,161 | $ 627 | 10.2 % |

(a) % Change in mark-to-market is not a meaningful measure.

***Sales and Supply Sources.*** Our sales and supply sources by region are summarized below:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| (GWhs) | 2025 | 2024 | Change | % Change |
| **Nuclear Generation[a]** | | | | |
| Mid-Atlantic | 13,177 | 13,190 | (13) | (0.1)% |
| Midwest | 23,596 | 23,920 | (324) | (1.4)% |
| New York | 6,280 | 6,079 | 201 | 3.3 % |
| ERCOT | 2,529 | 2,202 | 327 | 14.9 % |
| **Total Nuclear Generation** | 45,582 | 45,391 | 191 | 0.4 % |
| **Natural Gas, Oil, and Renewables** | | | | |
| Mid-Atlantic | 632 | 868 | (236) | (27.2)% |
| Midwest | 385 | 339 | 46 | 13.6 % |
| ERCOT | 3,084 | 3,516 | (432) | (12.3)% |
| Other Power Regions | 1,804 | 3,551 | (1,747) | (49.2)% |
| **Total Natural Gas, Oil, and Renewables** | 5,905 | 8,274 | (2,369) | (28.6)% |
| **Purchased Power** | | | | |
| Mid-Atlantic | 4,794 | 3,370 | 1,424 | 42.3 % |
| Midwest | 488 | 308 | 180 | 58.4 % |
| ERCOT | 659 | 665 | (6) | (0.9)% |
| Other Power Regions | 10,994 | 10,399 | 595 | 5.7 % |
| **Total Purchased Power** | 16,935 | 14,742 | 2,193 | 14.9 % |
| **Total Supply/Sales by Region** | | | | |
| Mid-Atlantic | 18,603 | 17,428 | 1,175 | 6.7 % |
| Midwest | 24,469 | 24,567 | (98) | (0.4)% |
| New York | 6,280 | 6,079 | 201 | 3.3 % |
| ERCOT | 6,272 | 6,383 | (111) | (1.7)% |
| Other Power Regions | 12,798 | 13,950 | (1,152) | (8.3)% |
| **Total Supply/Sales by Region** | 68,422 | 68,407 | 15 | — % |

(a) Includes the proportionate share of output where we have an undivided ownership interest in jointly-owned generating plants.

***Nuclear Fleet Capacity Factor.*** The following table presents nuclear fleet operating data for our plants that reflects our ownership percentage for stations operated by us and excludes Salem and STP, which are operated by PSEG and STPNOC, respectively. The nuclear fleet capacity factor presented in the table is defined as the ratio of the actual output of a unit (or combination of units) over a period of time to its output if the unit had operated at net monthly mean capacity for that time period. We consider capacity factor to be a useful measure to analyze the nuclear fleet performance between periods. We have included the analysis below as a complement to the financial information provided in accordance with GAAP. However, these measures are not a presentation defined under GAAP and may not be comparable to other companies' presentations or be more useful than the GAAP information provided elsewhere in this report.

| | Three Months Ended March 31, | |
|---|---|---|
| | **2025** | **2024** |
| Nuclear fleet capacity factor | 94.1 % | 93.3 % |
| Refueling outage days | 88 | 78 |
| Non-refueling outage days | — | 10 |

***Electricity Prices.*** As a producer and supplier of electricity, the price of electricity has a significant impact on our operating revenues and purchased power cost. We report the sale and purchase of electricity in the spot market on a net hourly basis in either Operating revenues or Purchased power and fuel expense within each region, depending on our net hourly position. The price of electricity is impacted by several variables, including but not limited to, the price of fuels, generation resources in the region, weather, ongoing competition, emerging technologies, as well as macroeconomic and regulatory factors. The following table presents an average day-ahead around-the-clock reference price ($/MWh) for the periods presented for each of our major regions and does not necessarily reflect prices we ultimately realized.

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| **Location (Region)** | **2025** | **2024** | **$ Change** | **% Change** |
| PJM West (Mid-Atlantic) | $ 53.69 | $ 34.25 | $ 19.44 | 56.8 % |
| ComEd (Midwest) | 35.31 | 26.07 | 9.24 | 35.4 % |
| Central (New York) | 75.31 | 34.88 | 40.43 | 115.9 % |
| North (ERCOT) | 31.39 | 25.72 | 5.67 | 22.0 % |
| Southeast Massachusetts (Other)[(a)] | 104.75 | 44.18 | 60.57 | 137.1 % |

(a) Reflects New England, which comprises the majority of the activity in the Other region.

***Capacity Prices.*** We participate in capacity auctions in each of our major regions, except ERCOT which does not have a capacity market. We also incur capacity costs associated with load served, which are factored into customer sales prices. Capacity prices have a material impact on our operating revenues and purchased power and fuel expense. We report capacity on a net monthly basis within each region in either Operating revenues or Purchased power and fuel expense, depending on our net monthly position. The following table presents the average capacity prices ($/MW Day) for each of our major regions. Prices reflect the weighted average prices for the various auction periods within the three months ended March 31, 2025 and 2024.

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| **Location (Region)** | **2025** | **2024** | **$ Change** | **% Change** |
| Eastern Mid-Atlantic Area Council (Mid-Atlantic) | $ 53.60 | $ 49.49 | $ 4.11 | 8.3 % |
| ComEd (Midwest) | 28.92 | 34.13 | (5.21) | (15.3)% |
| Rest of State (New York) | 86.33 | 106.52 | (20.19) | (19.0)% |
| Southeast New England (Other) | 949.57 | 66.67 | 882.90 | 1,324.3 % |

***ZEC Prices.*** We are compensated through state programs for the carbon-free attributes of our nuclear generation. The following table includes the average ZEC reference prices ($/MWh) for each of our major regions in which state programs have been enacted. Gross prices reflect the weighted average price for the various delivery periods within the three months ended March 31, 2025 and 2024 and may not necessarily reflect prices we ultimately realize as a result of interaction with the nuclear PTC discussed below.

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| **State (Region)**[(a)] | **2025** | **2024** | **$ Change** | **% Change** |
| New Jersey (Mid-Atlantic)[(b)] | $ 10.00 | $ 9.95 | $ 0.05 | 0.5 % |
| Illinois (Midwest) | 9.38 | 0.30 | 9.08 | 3,026.7 % |
| New York (New York) | 18.27 | 18.27 | — | — % |

(a) See ITEM 1. BUSINESS, Environmental Matters of our 2024 Form 10-K for additional information on the plants receiving payments through state programs.
(b) The ZEC price is expected to be approximately $10.00/MWh for each delivery period and is subject to an annual update once full year generation is known. Following the latest annual update in August 2024, the ZEC price for the delivery period beginning June 2023 through May 2024 was calculated to be $9.95.

***Illinois CMC Price.*** The price received (paid) for each CMC is determined by the IPA monthly by subtracting energy and capacity index prices from the bid price, which resulted in $32.50 per MWh for the period June 2023 through May 2024, and $33.43 per MWh for the period June 2024 through May 2025. If the monthly CMC price per MWh calculation results in a net positive value, ComEd will multiply that value by the delivered quantity and pay the total to us. If the CMC price per MWh calculation results in a net negative value, we will multiply this value by the delivered quantity and pay the net value to ComEd. The average CMC prices per MWh were ($2.04) and $7.55 for the three months ended March 31, 2025 and 2024, respectively. The average CMC prices may not necessarily reflect prices we ultimately realize as a result of interaction with the nuclear PTC discussed below.

***Nuclear PTC.*** Beginning in 2024, our existing nuclear units are eligible for a PTC extending through 2032. The nuclear PTC provides a transferable credit up to $15 per MWh (a base credit of $3 per MWh with a five times multiplier provided certain prevailing wage requirements are met) and is subject to phase-out when annual gross receipts are between $25.00 per MWh and $43.75 per MWh. We evaluated and expect to meet the annual prevailing wage requirements at all our nuclear units and are eligible for the five times multiplier. Both the amount of the PTC and the gross receipts thresholds adjust for inflation annually through the duration of the program based on the GDP price deflator for the preceding calendar year. We expect the inflation factor for 2025 to be published in the second or third quarter of 2025. The benefits of the PTC may be realized through a credit against our federal income taxes or transferred via sale to an unrelated party.

Many of the state-sponsored programs (e.g., ZECs and CMCs) providing compensation for the emissions-free attributes of generation from certain of our nuclear units include contractual or other provisions that require us to refund that compensation up to the amount of the nuclear PTC received or pass through the entirety of the nuclear PTC received. See Note 5 — Government Assistance of the Combined Notes to Consolidated Financial Statements for additional information on the nuclear PTC.

For the three months ended March 31, 2025, we did not record a nuclear PTC benefit as the estimate of full year gross receipts exceeds the phase-out amount for annual gross receipts per MWh for all units. The following table summarizes the impacts to Operating revenues related to the benefits of nuclear PTC and state-sponsored programs subject to refund or pass through as described above for the three months ended March 31, 2025 compared to 2024:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | **2025** | **2024** | **$ Change** | **% Change** |
| Nuclear PTC revenue[(a)] | $ — | $ 304 | $ (304) | (100.0)% |
| State-sponsored programs net revenue[(b)] | 110 | 69 | 41 | 59.4 % |

(a) Our estimate required the exercise of judgment in determining the amount of nuclear PTC expected for each of our nuclear units. Refer to Note 5 — Government Assistance of the Combined Notes to Consolidated Financial Statements for additional information.
(b) Includes only state-sponsored programs that have contractual or other provisions that require us to refund that compensation up to the amount of the nuclear PTC received or pass through the entirety of the nuclear PTC received.

For the three months ended March 31, 2025 compared to 2024, changes in **Operating revenues** by region were approximately as follows:

| | Three Months Ended March 31 | | |
|---|---|---|---|
| | $ Change | % Change[(a)] | Description |
| Mid-Atlantic | $ 423 | 34.1 % | • favorable settled economic hedges of $260 due to settled prices relative to hedged prices<br>• favorable retail load revenue of $155 primarily due to higher contracted energy prices and load volumes<br>• favorable wholesale load revenue of $90 primarily due to higher contracted energy prices and load volumes; partially offset by<br>• absence of nuclear PTC revenue of ($85) in the current year |
| Midwest | 310 | 28.3 % | • favorable net generation and wholesale load revenue of $215 primarily due to higher load volumes and contracted energy prices<br>• favorable settled economic hedges of $200 due to settled prices relative to hedged prices<br>• favorable retail load revenue of $50 primarily due to higher contracted energy prices and load volumes; partially offset by<br>• absence of nuclear PTC revenue of ($200) in the current year |
| New York | 49 | 9.6 % | • favorable wholesale load revenue of $75 primarily due to higher contracted energy prices<br>• favorable retail load revenue of $75 primarily due to higher contracted energy prices; partially offset by<br>• unfavorable settled economic hedges of ($105) due to settled prices relative to hedged prices |
| ERCOT | 77 | 24.0 % | • no individually significant drivers |
| Other Power Regions | (68) | (4.2)% | • unfavorable net wholesale load revenue of ($110) primarily due to lower contracted energy prices and load volumes |
| Other | 187 | 14.4 % | • favorable gas revenue, inclusive of settled economic hedges, of $140 primarily due to higher gas prices<br>• favorable revenues in the United Kingdom, inclusive of settled economic hedges, of $60 primarily due to higher energy prices |
| Mark-to-market[(b)] | (351) | | • losses on economic hedging activities of ($287) in 2025 compared to gains of $64 in 2024 |
| Total | $ 627 | 10.2 % | |

(a) % Change in mark-to-market is not a meaningful measure.
(b) See Note 10 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for additional information on mark-to-market gains and losses.

***Purchased power and fuel.*** See Operating revenues above for discussion of our reportable segments and hedging strategies and for supplemental statistical data, including sales and supply sources by region, nuclear fleet capacity factor, capacity prices, and electricity prices.

Wholesale and retail natural gas activity, as well as other miscellaneous business activities that are not significant to overall results of operations are reported under Other and are not allocated to a region.

For the three months ended March 31, 2025 compared to 2024, Purchased power and fuel expense were as follows:

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 | $ Change | % Change[(a)] |
|---|---|---|---|---|
| Mid-Atlantic | $ 856 | $ 568 | $ 288 | 50.7 % |
| Midwest | 554 | 391 | 163 | 41.7 % |
| New York | 161 | 169 | (8) | (4.7)% |
| ERCOT | 184 | 112 | 72 | 64.3 % |
| Other Power Regions | 1,362 | 1,256 | 106 | 8.4 % |
| Total electric purchased power and fuel | 3,117 | 2,496 | 621 | 24.9 % |
| Other | 1,233 | 1,045 | 188 | 18.0 % |
| Mark-to-market losses (gains) | 34 | (124) | 158 | |
| Total Purchased power and fuel | $ 4,384 | $ 3,417 | $ 967 | 28.3 % |

__________
(a) % Change in mark-to-market is not a meaningful measure.

For the three months ended March 31, 2025 compared to 2024, changes in **Purchased power and fuel** expense by region were approximately as follows:

| | Three Months Ended March 31 $ Change | Three Months Ended March 31 % Change[(a)] | Description |
|---|---|---|---|
| Mid-Atlantic | $ 288 | 50.7 % | • unfavorable cost of ($250) associated with purchased power to supply load relative to generation volumes primarily due to higher energy prices and increased load served |
| Midwest | 163 | 41.7 % | • unfavorable cost of ($155) associated with purchased power to supply load relative to generation volumes primarily driven by higher net transmission costs |
| New York | (8) | (4.7)% | • no individually significant drivers |
| ERCOT | 72 | 64.3 % | • unfavorable cost of ($50) associated with purchased power to supply load relative to generation volumes primarily due to higher energy prices |
| Other Power Regions | 106 | 8.4 % | • unfavorable purchased power and fuel of ($620) primarily due to lower generation volumes driven by the retirement of Mystic Units 8 and 9 and higher energy prices; partially offset by<br>• favorable settlement of economic hedges of $555 due to settled prices relative to hedged prices |
| Other | 188 | 18.0 % | • unfavorable net gas purchases, inclusive of settled economic hedges, of ($90) primarily due to higher gas prices<br>• unfavorable purchases in the United Kingdom, inclusive of settled economic hedges, of ($60) primarily due to higher energy prices |
| Mark-to-market[(b)] | 158 | | • losses on economic hedging activities of ($34) in 2025 compared to gains of $124 in 2024 |
| Total | $ 967 | 28.3 % | |

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(a) % Change in mark-to-market is not a meaningful measure.
(b) See Note 10 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for additional information on mark-to-market gains and losses.

***Other, net*** was unfavorable for the three months ended March 31, 2025 compared to the same period in 2024, due to activity described in the table below:

| | Income (Deductions) | |
|---|---|---|
| | Three Months Ended March 31, | |
| | 2025 | 2024 |
| Decommissioning-related activities[(a)] | $ 94 | $ 296 |
| Net realized and unrealized gains (losses) from equity investments[(b)] | (268) | 47 |
| Other | 20 | 19 |
| **Other, net** | $ (154) | $ 362 |

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(a) Includes net realized and net unrealized gains (losses) on NDT fund investments, the elimination of decommissioning-related activities, and the elimination of income taxes related to all NDT fund activity for the Regulatory Agreement Units. See Note 7 — Nuclear Decommissioning and Note 16 — Supplemental Financial Information of the Combined Notes to Consolidated Financial Statements for additional information.
(b) Includes unrealized gains (losses) resulting from an equity investment in a publicly traded company. We record the fair value of this investment in Investments on the Consolidated Balance Sheets based on quoted market price of the stock.

***Effective income tax rates*** were 14.6% and 15.7% for the three months ended March 31, 2025 and 2024, respectively. The change in effective tax rate for the three months ended March 31, 2025 and 2024 is not material. See Note 8 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information.

## Liquidity and Capital Resources

All results included throughout the liquidity and capital resources section are presented on a GAAP basis.

Our operating and capital expenditures requirements are provided by internally generated cash flows from operations as well as funds from external sources in the capital markets and through bank borrowings. Our business is capital intensive and requires considerable capital resources. We annually evaluate our financing plan and credit line sizing, focusing on maintaining our investment grade ratings while meeting our cash needs to fund capital requirements, including construction expenditures, retire debt, pay dividends, fund pension and OPEB obligations, and invest in new and existing ventures, such as our acquisition of Calpine. A broad spectrum of financing alternatives beyond the core financing options can be used to meet our needs and fund growth, including monetizing assets in the portfolio via project financing, asset sales, and the use of other financing structures (e.g., joint ventures, minority partners, etc.). Our access to external financing on reasonable terms depends on our credit ratings and current overall capital market business conditions. If these conditions deteriorate to the extent that we no longer have access to the capital markets at reasonable terms, we have access to credit facilities with aggregate bank commitments of $9.5 billion. We utilize our credit facilities to support our commercial paper programs, provide for other short-term borrowings and to issue letters of credit. See the “Credit Matters and Cash Requirements” section below for additional information. We expect cash flows to be sufficient to meet operating expenses, financing costs, and capital expenditure requirements. See Note 11 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information.

## Cash Flow Activities

The following table summarizes our cash flow activities for the three months ended March 31, 2025 and 2024, respectively:

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 | $ Change |
|---|---|---|---|
| Cash, restricted cash, and cash equivalents at beginning of period | $ 3,129 | $ 454 | $ 2,675 |
| Net cash provided by (used in): | | | |
| Operating activities | 107 | (723) | 830 |
| Investing activities | (886) | 830 | (1,716) |
| Financing activities | (408) | 84 | (492) |
| Net increase (decrease) in cash, restricted cash, and cash equivalents | (1,187) | 191 | (1,378) |
| Cash, restricted cash, and cash equivalents at end of period | $ 1,942 | $ 645 | $ 1,297 |

***Net Cash Provided By (Used In) Operating Activities***

Cash provided by operating activities was $107 million for the three months ended March 31, 2025, compared to cash used in operating activities of ($723) million for the three months ended March 31, 2024. Changes in our cash flows from operations were generally consistent with changes in results of operations, as adjusted by changes in working capital in the normal course of business. In December 2024, we amended our Accounts Receivable Facility whereby we now retain the rights to our receivables and any changes in our receivable balance flow through operating activities. This increase in cash flows from operating activities was partially offset by cash outflows associated with an increase in collateral postings. See Note 6 — Accounts Receivable and Note 10 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for additional information.

***Net Cash Provided By (Used In) Investing Activities***

Cash used in investing activities was ($886) million for the three months ended March 31, 2025, compared to cash provided by investing activities of $830 million for the three months ended March 31, 2024. The change was primarily due to an amendment of our Accounts Receivable Facility. Prior to the amendment, the collection and reinvestment of proceeds associated with the sale of receivables were treated as cash flows from investing activities in the Consolidated Statements of Cash Flows. As a result of the amendment, cash collections of accounts receivable are now treated as Cash flows from operating activities in the Consolidated Statement of Cash Flows. See Note 6 — Accounts Receivable of the Combined Notes to Consolidated Financial Statements for additional information.

***Net Cash Provided By (Used In) Financing Activities***

Cash used in financing activities was ($408) million for the three months ended March 31, 2025, compared to cash provided by financing activities of $84 million for the three months ended March 31, 2024. The change primarily relates to long-term debt and changes in short-term borrowings. Debt issuances and redemptions or repayments vary each year. The remaining change relates to repurchases of common stock during the three months ended March 31, 2024 which was partially offset by the purchases of capped call options during the three months ended March 31, 2025. See Note 11 — Debt and Credit Agreements and Note 14 — Shareholders' Equity of the Combined Notes to Consolidated Financial Statements for additional information.

Quarterly dividends declared by our Board of Directors during the three months ended March 31, 2025 and for the second quarter of 2025 were as follows:

| Period | Declaration Date | Shareholder of Record Date | Dividend Payable Date | Cash per Share |
|---|---|---|---|---|
| First Quarter of 2025 | February 18, 2025 | March 7, 2025 | March 18, 2025 | $ 0.3878 |
| Second Quarter of 2025 | April 29, 2025 | May 16, 2025 | June 6, 2025 | $ 0.3878 |

## Credit Matters and Cash Requirements

We fund liquidity needs for capital expenditures, working capital, energy hedging and other financial commitments through cash flows from operations, public debt offerings, commercial paper markets and large, diversified credit facilities. As of March 31, 2025, we have access to facilities with aggregate bank commitments of $9.5 billion. We had access to the commercial paper markets and had availability under our revolving credit facilities during the first quarter of 2025 to fund our short-term liquidity needs, when necessary. We routinely review the sufficiency of our liquidity position, including appropriate sizing of credit facility commitments, by performing various stress test scenarios, such as commodity price movements, increases in margin-related transactions, changes in hedging levels, and the impacts of hypothetical credit downgrades. We closely monitor events in the financial markets and the financial institutions associated with the credit facilities, including monitoring credit ratings and outlooks, credit default swap levels, capital raising, and merger activity. See PART I, ITEM 1A. RISK FACTORS of our 2024 Form 10-K for additional information regarding the effects of uncertainty in the capital and credit markets.

We believe our cash flow from operating activities, access to credit markets and our credit facilities provide sufficient liquidity to support the estimated future cash requirements discussed below, including the cash consideration necessary to close on our proposed acquisition of Calpine. See Note 2 — Mergers, Acquisitions, and Dispositions of the Combined Notes to Consolidated Financial Statements for additional information.

***Security Ratings***

Our access to the capital markets, including the commercial paper market, and our financing costs in those markets, may depend on our securities ratings. A loss of investment grade credit rating would have required a three-notch downgrade by S&P or Moody's from their current levels as of March 31, 2025 of BBB+ and Baa1, to BB+ and Ba1 or below, respectively. As of March 31, 2025, we had $7.2 billion of available capacity under our credit facilities and $1.8 billion of cash on hand. In the event of a credit downgrade below investment grade and a resulting requirement to provide incremental collateral exceeding available capacity under our credit facilities and cash on hand, we would be required to access additional liquidity through the capital markets. Our borrowings are not subject to default or prepayment as a result of a downgrade of our securities, although such a downgrade could increase fees and interest charges under our credit agreements. Our credit ratings were affirmed following the announcement of our proposed acquisition of Calpine.

If we had lost our investment grade credit ratings as of March 31, 2025, we would have been required to provide incremental collateral estimated to be approximately $2.3 billion to meet collateral obligations for derivatives, non-derivatives, NPNS, and applicable payables and receivables, net of the contractual right of offset under master netting agreements.

See Note 10 — Derivative Financial Instruments and Note 11 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information.

***Pension and Other Postretirement Benefits***

We consider various factors when making qualified pension funding decisions, including actuarially-determined minimum contribution requirements under ERISA, contributions required to avoid benefit restrictions and at-risk status as defined by the Pension Protection Act, and management of the pension obligation. The Pension Protection Act requires the attainment of certain funding levels to avoid benefit restrictions (such as an inability to pay lump sums or to accrue benefits prospectively) and at-risk status (which triggers higher minimum contribution requirements and participant notification). The contributions below reflect a funding strategy to make annual contributions to offset the growth of the liability. Based on this funding strategy and current market conditions, which are both subject to change, our annual qualified pension contribution was made in February 2025 for $161 million. Unlike the qualified pension plans, our non-qualified plans are not subject to statutory minimum contribution requirements.

OPEB plans are also not subject to statutory minimum contribution requirements, though we have funded a portion of our plans. Annually, we evaluate whether additional funding for those plans is needed. For our funded OPEB plans, we consider several factors in determining the level of our contributions, including liabilities management and levels of benefit claims paid. The estimated benefit payments to the non-qualified pension plans in 2025 are approximately $19 million and the planned contributions to the OPEB plans, including estimated benefit payments to unfunded plans, are $22 million. Expected contributions in 2025 or future years could be affected by adjustments in our pension and OPEB funding strategy, market conditions, or pension regulation changes. Refer to ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Liquidity and Capital Resources of our 2024 Form 10-K for additional information on pension and other postretirement benefits.

***Cash Requirements for Other Financial Commitments***

Refer to ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Liquidity and Capital Resources of our 2024 Form 10-K for additional information on our cash requirements for financial commitments.

***Customer Accounts Receivable Financing***

We have an accounts receivable financing facility with a number of financial institutions which provides us access to revolving loans secured by certain receivables. See Note 11 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information.

***Project Financing***

Project financing is based upon a nonrecourse financial structure, in which project debt is paid back from the cash generated by a specific asset or portfolio of assets. Borrowings under these agreements are secured by the assets and equity of each respective project. Lenders do not have recourse against us in the event of a default. If a project financing entity does not maintain compliance with its specific debt covenants, there could be a requirement to accelerate repayment of the associated debt or other project-related borrowings earlier than the stated maturity dates. In these instances, if such repayment were not satisfied, or restructured, the lenders or security holders would generally have rights to foreclose against the project-specific assets and related collateral. The potential requirement to repay the debt or other borrowings earlier than otherwise anticipated could lead to impairments due to a higher likelihood of disposing of the respective project-specific assets significantly before the end of their useful lives. See Note 16 — Debt and Credit Agreements of our 2024 Form 10-K for additional information on project finance credit facilities and nonrecourse debt.

***Credit Facilities***

We meet our short-term liquidity requirements primarily through the issuance of commercial paper. We may use our credit facilities for general corporate purposes, including meeting short-term funding requirements and the issuance of letters of credit. See Note 11 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on our credit facilities.

### NRC Minimum Funding Requirements

NRC regulations require that licensees of nuclear generating facilities demonstrate reasonable assurance that sufficient funds will be available in certain minimum amounts for radiological decommissioning of the facility. These NRC minimum funding levels are typically based upon the assumption that decommissioning activities will commence after the end of the current licensed life of each unit. If a unit fails the NRC minimum funding test, then the plant’s owners or parent companies would be required to take steps, such as providing financial guarantees through surety bonds, letters of credit, or parent company guarantees or making additional cash contributions to the NDT fund to ensure sufficient funds are available. See Note 7 — Nuclear Decommissioning of the Combined Notes to Consolidated Financial Statements for additional information regarding the latest funding status report filed with the NRC.

As of March 31, 2025, the Crane NDT is fully funded under the SAFSTOR scenario that was the planned decommissioning option, as described in the Crane PSDAR filed with the NRC in April 2019. We will continue to file Crane's decommissioning funding status with the NRC annually until restart, at which point we will file decommissioning funding status reports in accordance with applicable NRC requirements. Additionally, as of March 31, 2025, we have adequate NDT funds for the remaining radiological decommissioning costs at Zion Station related to the Independent Spent Fuel Storage Installation. Decommissioning costs other than radiological may require funding from us. See Liquidity and Capital Resources — NRC Minimum Funding Requirements of our 2024 Form 10-K for information regarding the risk of additional financial assurance for shutdown units.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

(Dollars in millions, unless otherwise noted)

We are exposed to market risks associated with adverse changes in commodity prices, counterparty credit, interest rates, and equity prices. We manage these risks through risk management policies and objectives for risk assessment, control and valuation, counterparty credit approval, and the monitoring and reporting of risk exposures. We report risk management issues to the Executive Committee and the Audit and Risk Committee of the Board of Directors. The following discussion serves as an update to ITEM 7A — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK of our 2024 Annual Report on Form 10-K incorporated herein by reference.

### Commodity Price Risk

Commodity price risk is associated with price movements resulting from changes in supply and demand, fuel costs, market liquidity, weather conditions, governmental, regulatory and environmental policies, and other factors. To the extent the total amount of energy we produce or procure differs from the amount of energy we have contracted to sell, we are exposed to market fluctuations in commodity prices. We seek to mitigate our commodity price risk through the sale and purchase of electricity, natural gas and oil, and other commodities.

Electricity available from our owned or contracted generation supply in excess of our obligations to customers is sold into the wholesale markets. To reduce commodity price risk caused by market fluctuations, we enter into non-derivative contracts as well as derivative contracts, including swaps, futures, forwards, and options, with approved counterparties to hedge anticipated exposures in locations and periods where our load serving activities do not naturally offset existing generation portfolio risk. Portfolio hedging activities are generally concentrated in the prompt three years, when customer demand and market liquidity enable effective price risk mitigation. We expect the settlement of the majority of our economic hedges will occur during 2025 through 2027. We also enter transactions that further optimize the economic benefits of our overall portfolio.

In general, increases and decreases in forward market prices have a positive and negative impact, respectively, on owned and contracted generation positions that have not been hedged. Beginning in 2024, our existing nuclear fleet is eligible for the nuclear PTC provided by the IRA, an important tool in managing commodity price risk for each nuclear unit not already receiving state support. The nuclear PTC provides increasing levels of support as unit revenues decline below levels established in the IRA and is further adjusted for inflation after 2024 through the duration of the program based on the GDP price deflator for the preceding calendar year. See Note 5 — Government Assistance of the Combined Notes to Consolidated Financial Statements for additional information on the nuclear PTC.

The forecasted market price risk exposure is the risk of a change in the value of unhedged positions. The forecasted market price risk exposure for our entire economic hedge portfolio associated with a $5/MWh reduction in the annual average around-the-clock energy price based on March 31, 2025 market conditions and hedged position results in an impact to earnings that is not material for 2025 and 2026, respectively, largely due to the nuclear PTC. See Note 10 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for additional information.

***Fuel Procurement***

We procure natural gas through long-term and short-term contracts, and spot-market purchases. Nuclear fuel is obtained predominantly through long-term contracts for uranium concentrates, conversion services, enrichment services, (or a combination thereof) and fabrication services, including contracts sourced from Russia. The supply markets for uranium concentrates and certain nuclear fuel services are subject to price fluctuations and availability restrictions. Supply market conditions may make our procurement contracts subject to credit risk related to the potential non-performance of counterparties to deliver the contracted commodity or service at the contracted prices. We engage a diverse set of suppliers to secure the nuclear fuel needed to continue to operate our nuclear fleet long-term. Approximately 35% of our uranium concentrate requirements for the remainder of 2025 through 2030 are supplied by three suppliers. To-date, we have not experienced any counterparty credit risk associated with these suppliers stemming from the Russia and Ukraine conflict. In the event of non-performance by these or other suppliers, we believe that replacement uranium concentrate can be obtained, although at prices that may be unfavorable when compared to the prices under the current supply agreements. Geopolitical developments, including the Russia and Ukraine conflict and United States, United Kingdom, European Union, and Canadian sanctions against Russia, have the potential to impact delivery from multiple suppliers in the international uranium processing industry. Non-performance by these counterparties could have a material adverse impact on our consolidated financial statements. See ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Other Key Business Drivers for more information on the Russia and Ukraine conflict.

***Trading and Non-Trading Marketing Activities***

The following table provides detail on changes in our commodity mark-to-market net assets (liabilities) balance sheet position from December 31, 2024 to March 31, 2025. This table incorporates the mark-to-market activities that are immediately recorded in earnings. This table excludes all NPNS contracts. See Note 10 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for additional information on the balance sheet classification of the mark-to-market commodity contract net assets (liabilities) recorded as of March 31, 2025 and December 31, 2024.

| | | |
|---|---|---|
| Balance as of December 31, 2024[(a)] | $ | 317 |
| Total change in fair value of contracts recorded in results of operations | | (101) |
| Reclassification to realized at settlement of contracts recorded in results of operations | | (223) |
| Changes in allocated collateral | | 477 |
| Net option premium paid (received) | | (26) |
| Option premium amortization | | 10 |
| Upfront payments and amortizations[(b)] | | (19) |
| Balance as of March 31, 2025[(a)] | $ | 435 |

(a) Amounts are shown net of collateral paid to and received from counterparties.
(b) Includes derivative contracts acquired or sold through upfront payments or receipts of cash, excluding option premiums, and the associated amortizations.

***Fair Values***

The following table presents maturity and source of fair value for mark-to-market commodity contract net assets (liabilities). See Note 12 — Fair Value of Financial Assets and Liabilities of the Combined Notes to Consolidated Financial Statements for additional information regarding fair value measurements and the fair value hierarchy.

| | Maturities Within | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 and Beyond | Total Fair Value |
| **Normal Operations, Commodity derivative contracts[(a)(b)]:** | | | | | | | |
| Actively quoted prices (Level 1) | $ 205 | $ 69 | $ 29 | $ (15) | $ (8) | $ — | $ 280 |
| Prices provided by external sources (Level 2) | 72 | 3 | 94 | (1) | 5 | — | 173 |
| Prices based on model or other valuation methods (Level 3) | 74 | (59) | (90) | 8 | (10) | 59 | (18) |
| Total | $ 351 | $ 13 | $ 33 | $ (8) | $ (13) | $ 59 | $ 435 |

(a) Represents mark-to-market gains and losses on commodity derivative contracts that are recorded in the results of operations.
(b) Amounts are shown net of collateral paid to and received from counterparties (and offset against mark-to-market assets and liabilities) of $1,063 million at March 31, 2025.

## Credit Risk

We would be exposed to credit-related losses in the event of non-performance by counterparties that execute derivative instruments. The credit exposure of derivative contracts, before collateral, is represented by the fair value of contracts at the reporting date. See Note 10 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for a detailed discussion of credit risk.

***Credit-Risk-Related Contingent Features***

As part of the normal course of business, we routinely enter into physically or financially settled contracts for the purchase and sale of capacity, electricity, fuels, emissions allowances, and other energy-related products. In accordance with the contracts and applicable law, if we are downgraded by a credit rating agency, especially if such downgrade is to a level below investment grade, it is possible that a counterparty would attempt to rely on such a downgrade as a basis for making a demand for adequate assurance of future performance. Depending on our net position with a counterparty, the demand could be for the posting of collateral. In the absence of expressly agreed-to provisions that specify the collateral that must be provided, collateral requested will be a function of the facts and circumstances of the situation at the time of the demand. See Note 10 — Derivative Financial Instruments and Note 13 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements for additional information regarding the letters of credit supporting the cash collateral.

We sell output through bilateral contracts. The bilateral contracts are subject to credit risk, which relates to the ability of counterparties to meet their contractual payment obligations. Any failure to collect these payments from counterparties could have a material impact on our consolidated financial statements. As market prices rise above or fall below contracted price levels, we are required to post collateral with purchasers; as market prices fall below contracted price levels, counterparties are required to post collateral with us. To post collateral, we depend on access to bank credit facilities, which serve as liquidity sources to fund collateral requirements. See ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, Liquidity and Capital Resources — Credit Matters and Cash Requirements — Credit Facilities for additional information.

***RTOs and ISOs***

We participate in all of the established wholesale energy markets that are administered by PJM, ISO-NE, NYISO, CAISO, MISO, SPP, AESO, and ERCOT. ERCOT is not subject to regulation by FERC but performs a similar function in Texas to that performed by RTOs and ISOs in markets regulated by FERC. In these areas, power and related products are traded through bilateral agreements between buyers and sellers and in the energy markets that are administered by the RTOs or ISOs, as applicable. In areas where there is no RTO or ISO to administer energy markets, electricity and related products are purchased and sold solely through bilateral agreements. For activities administered by an RTO or ISO, the RTO or ISO maintains financial assurance policies that are established and enforced by those administrators. The credit policies of the RTOs and ISOs may, under certain circumstances, require that losses arising from the default of one member be shared by the remaining participants. Non-performance or non-payment by a major member of an RTO or ISO could result in a material adverse impact on our consolidated financial statements.

***Exchange Traded Transactions***

We enter into commodity transactions on NYMEX, ICE, NASDAQ, NGX, and the Nodal exchange (each an Exchange and, collectively, Exchanges). The Exchange clearinghouses act as the counterparty to each trade. Transactions on the Exchanges must adhere to comprehensive collateral and margining requirements. As a result, transactions on Exchanges are significantly collateralized and have limited counterparty credit risk.

## Interest Rate and Foreign Exchange Risk

We use a combination of fixed-rate and variable-rate debt to manage interest rate exposure. We may also utilize interest rate swaps to manage our interest rate exposure. A hypothetical 50 basis points increase in the interest rates associated with unhedged variable-rate debt (excluding Commercial Paper) and fixed-to-floating swaps would not have resulted in a material decrease in our earnings for the three months ended March 31, 2025. To manage foreign exchange rate exposure associated with international energy purchases in currencies other than U.S. dollars, we utilize foreign currency derivatives, which are typically designated as economic hedges. See Note 10 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for additional information.

## Equity Price Risk

We maintain trust funds, as required by the NRC, to fund the costs of decommissioning our nuclear plants. Our NDT funds are reflected at fair value in the Consolidated Balance Sheets. The mix of securities in the trust funds is designed to provide returns to be used to fund decommissioning and to compensate us for inflationary increases in decommissioning costs; however, the equity securities in the trust funds are exposed to price fluctuations in equity markets, and the value of fixed-rate, fixed-income securities are exposed to changes in interest rates. We actively monitor the investment performance of the trust funds and periodically review asset allocations in accordance with our NDT fund investment policy.

A hypothetical 25 basis points increase in interest rates and 10% decrease in equity prices would have resulted in a $948 million reduction in the fair value of our NDT trust assets as of March 31, 2025. This calculation holds all other variables constant and assumes only the discussed changes in interest rates and equity prices. See Note 7 — Nuclear Decommissioning of the Combined Notes to Consolidated Financial Statements and Liquidity and Capital Resources section of ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS for additional information.

Our employee benefit plan trusts also hold investments in equity and debt securities. See ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Critical Accounting Policies and Estimates of our 2024 Form 10-K for further information.

**ITEM 4. CONTROLS AND PROCEDURES**

## Disclosure Controls and Procedures

During the first quarter of 2025, our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures related to the recording, processing, summarizing, and reporting of information in periodic reports that we file or submit with the SEC. These disclosure controls and procedures have been designed to ensure that (a) information relating to our consolidated subsidiaries, is accumulated and made known to our management, including our principal executive officer and principal financial officer, by other employees as appropriate to allow timely decisions regarding required disclosure, and (b) this information is recorded, processed, summarized, and reported, as applicable, within the time periods specified in the SEC's rules and forms. Due to the inherent limitations of control systems, not all misstatements may be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls could be circumvented by the individual acts of some persons or by collusion of two or more people.

As of March 31, 2025, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to accomplish their objectives.

## Changes in Internal Control Over Financial Reporting

We continually strive to improve our disclosure controls and procedures to enhance the quality of our financial reporting and to maintain dynamic systems that change as conditions warrant. There have been no changes in internal control over financial reporting that occurred during the first quarter of 2025 that have materially affected, or are reasonably likely to materially affect, any of our internal control over financial reporting.

## PART II. OTHER INFORMATION

(Dollars in millions except per share data, unless otherwise noted)

### ITEM 1. LEGAL PROCEEDINGS

We are parties to various lawsuits and regulatory proceedings in the ordinary course of business. For information regarding material lawsuits and proceedings, see Note 13 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements in PART I, ITEM 1. FINANCIAL STATEMENTS of this report. Such descriptions are incorporated herein by these references.

### ITEM 1A. RISK FACTORS

At March 31, 2025, our risk factors were consistent with the risk factors described in our 2024 Form 10-K in ITEM 1A. RISK FACTORS.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

### Issuer Purchases of Equity Securities (CEG Parent)

Since 2023, our Board of Directors authorized the repurchase of up to $3 billion of the Company's outstanding common stock. No other repurchase plans or programs have been authorized. In February 2025, we entered into structured repurchase agreements whereby we purchased capped call options to reduce the total cost of our ongoing share repurchase program, all of which were outstanding as of March 31, 2025. See Note 14 — Shareholders' Equity of the Combined Notes to Consolidated Financial Statements for additional information regarding our share repurchase program.

There were no share repurchases under the program during the three months ended March 31, 2025.

### ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

### ITEM 5. OTHER INFORMATION

### Rule 10b5-1 Trading Plans

During the three months ended March 31, 2025, none of our directors or executive officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408 under Regulation S-K of the Exchange Act).

## ITEM 6. EXHIBITS

Certain of the following exhibits are incorporated herein by reference under Rule 12b-32 of the Exchange Act.

| Exhibit No. | Description |
|---|---|
| 2.1 | Agreement and Plan of Merger, dated as of January 10, 2025, by and among Calpine Corporation, CPN CS Holdco Corp., CPN CKS Corp., Constellation Energy Corporation, Cascade Transco Inc., Cascade Transco – 1, LLC and Volt Energy Holdings GP, LLC, solely in its capacity as the representative of the stockholders of Calpine Corporation (File No. 001-41137, Form 8-K dated January 13, 2025, Exhibit 2.1) |
| 10.1* | Constellation Energy Corporation Non-Employee Director Deferred Stock Unit Plan |
| 10.2* | Form of Restricted Stock Unit Award Agreement under the Constellation Energy Corporation Non-Employee Director Deferred Stock Unit Plan |

Certifications Pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act as to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 filed by the following officers for the following registrants:

| Exhibit No. | Description |
|---|---|
| 31.1 | Filed by Joseph Dominguez for Constellation Energy Corporation |
| 31.2 | Filed by Daniel L. Eggers for Constellation Energy Corporation |
| 31.3 | Filed by Joseph Dominguez for Constellation Energy Generation, LLC |
| 31.4 | Filed by Daniel L. Eggers for Constellation Energy Generation, LLC |

Certifications Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code as to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 filed by the following officers for the following registrants:

| Exhibit No. | Description |
|---|---|
| 32.1 | Filed by Joseph Dominguez for Constellation Energy Corporation |
| 32.2 | Filed by Daniel L. Eggers for Constellation Energy Corporation |
| 32.3 | Filed by Joseph Dominguez for Constellation Energy Generation, LLC |
| 32.4 | Filed by Daniel L. Eggers for Constellation Energy Generation, LLC |
| 101.INS | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

___________
* Filed herewith.

## SIGNATURES

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

**CONSTELLATION ENERGY CORPORATION**

| | |
|---|---|
| /s/ JOSEPH DOMINGUEZ | /s/ DANIEL L. EGGERS |
| Joseph Dominguez<br>President and Chief Executive Officer<br>(Principal Executive Officer) | Daniel L. Eggers<br>Executive Vice President and Chief Financial Officer<br>(Principal Financial Officer) |
| /s/ MATTHEW N. BAUER | |
| Matthew N. Bauer<br>Senior Vice President and Controller<br>(Principal Accounting Officer) | |

May 6, 2025

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

**CONSTELLATION ENERGY GENERATION, LLC**

| /s/ JOSEPH DOMINGUEZ | /s/ DANIEL L. EGGERS |
|---|---|
| Joseph Dominguez | Daniel L. Eggers |
| President and Chief Executive Officer<br>(Principal Executive Officer) | Executive Vice President and Chief Financial Officer<br>(Principal Financial Officer) |

| /s/ MATTHEW N. BAUER |
|---|
| Matthew N. Bauer |
| Senior Vice President and Controller<br>(Principal Accounting Officer) |

May 6, 2025