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# Constellation makes equity investment in Md. retail solar company

By [Abby Gruen](#)

Astrum Solar secured an equity investment from a major U.S. power player, the company [said](#) June 27, when it announced that [Constellation Energy Group Inc.](#) had become a minority investor. The regional solar finance and installation firm, based in Annapolis Junction, Md., operates in 10 states and has a partnership with Constellation subsidiary BGE Home.

The deal is one of several recent investments Constellation has made as it aggressively expands its retail residential footprint throughout the U.S. Deal terms were not made public.

"We recently purchased two retail residential companies that sell power and gas to residential customers. This is a large new investment opportunity for us," said Constellation Senior Vice President of Corporate Strategy Andrew Good. "We view this equity investment and our partnership with Astrum Solar as very complementary to that."

Constellation recently announced that it is [acquiring](#) natural gas and electricity marketer [MxEnergy Holdings Inc.](#), which has more than 500,000 retail customers in the U.S. and Canada. Constellation also agreed to acquire [StarTex Power](#), a retail electric [provider](#) with approximately 170,000 customers in the Texas market.

Astrum is the first residential renewables company in which Baltimore-based Constellation has invested.

"We think renewables has a tremendous amount of opportunity," Good said. "Our customers certainly seem very conscious of their environmental footprint, and they have a desire to look for solutions that allow them to reduce it, and rooftop solar is a great answer."

Constellation, which has 95 MW of commercial and industrial solar built or on the drawing board, recently expanded into residential solar through its BGE Home subsidiary in partnership with Astrum.

"We have lots of customers that we are selling power and gas to in addition to the BGE Home customers, who we are selling home services to, like HVAC and such. With all of those, we are at almost 1 million retail customers. We think those customers want additional solutions. They want solar, they want energy efficiency, they want demand response, they want power, they want gas," Good said.

Joining forces with another Maryland-based company was appealing to Constellation, which is seeking to merge with [Exelon Corp.](#), a transaction that would [require](#) Maryland Public Service Commission approval.

"We certainly thought that [being based in Maryland] was a plus to the transaction," Good said. "We were not explicitly saying we had to go out and buy somebody. We have a group within our corporate strategy group that was looking at the marketplace. What they were looking at was innovation. ... We came across Astrum Solar, and given that we already had a relationship via BGE Home, we evaluated the opportunity, and the fact that they were a Maryland company certainly was a plus."

Residential solar companies have historically raised investment [funds](#) from outside banks and corporations to finance portfolios of solar installations. The Constellation investment is different.

"This is an investment in a company, as opposed to a project portfolio, where you have an expected set of returns," said Shayle Kann, managing director at GTM Research in Boston. "In this case, it is more akin to venture capital than anything else."

Astrum sells, designs, installs and finances residential solar installations and provides a market for solar renewable energy credits, or SRECs.

"The [solar renewable energy credit] piece of things might be particularly interesting," Kann said. "Constellation has a bunch of solar projects, and you can add in this SREC aggregation platform that Astrum is using and they can buy and sell even more SRECs and use this residential channel to do more in SREC markets."