



Investor Meeting

Washington, DC

November 15, 2010



Forward-Looking Statements



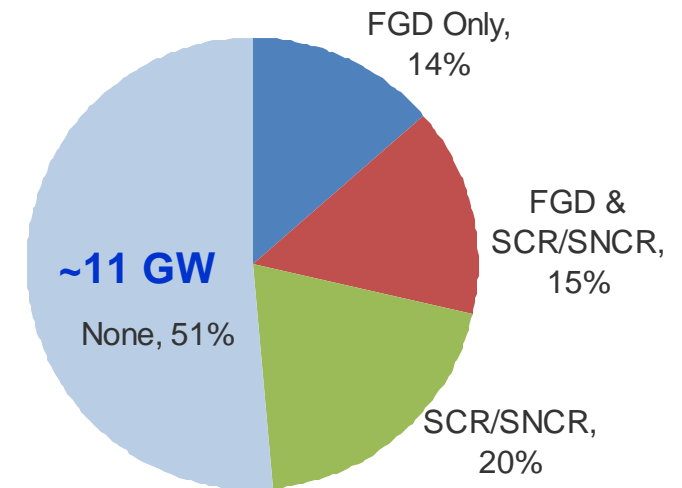
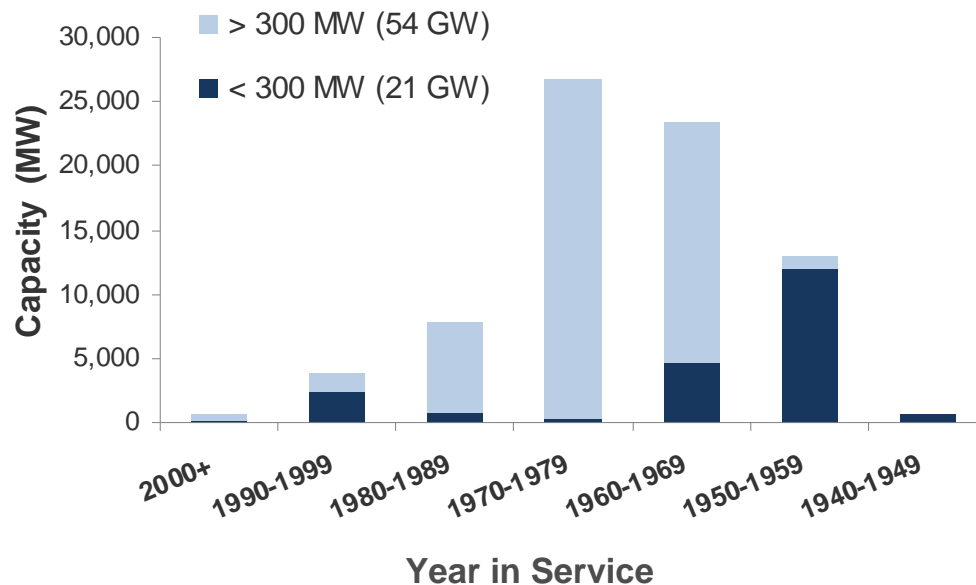
This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as those discussed in (1) Exelon's 2009 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 18; (2) Exelon's Third Quarter 2010 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors, (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 13 and (3) other factors discussed in filings with the Securities and Exchange Commission (SEC) by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC (Companies). Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. None of the Companies undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

Older, smaller coal units are likely to retire as EPA implementation dates approach



PJM Coal Capacity by Age 75 GW Total

Environmental Controls on PJM units < 300 MW ⁽¹⁾



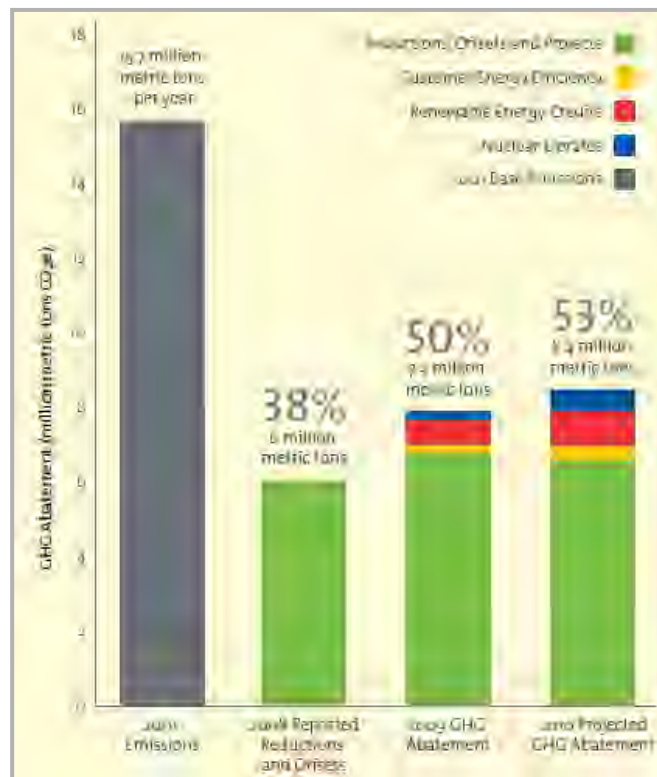
EPA regulations make retirement economically rational for approximately 11 GW of PJM coal plants, beginning the transition to clean energy

(1) Includes flue gas desulfurization (FGD), selective catalytic reduction (SCR), and selective noncatalytic reduction (SNCR); status will vary based on data source.

Sources: Energy Velocity, Exelon estimates

Recognition for Sustainability and Environmental Leadership

Exelon's 2020 Plan: a low carbon roadmap



CARBON DISCLOSURE PROJECT

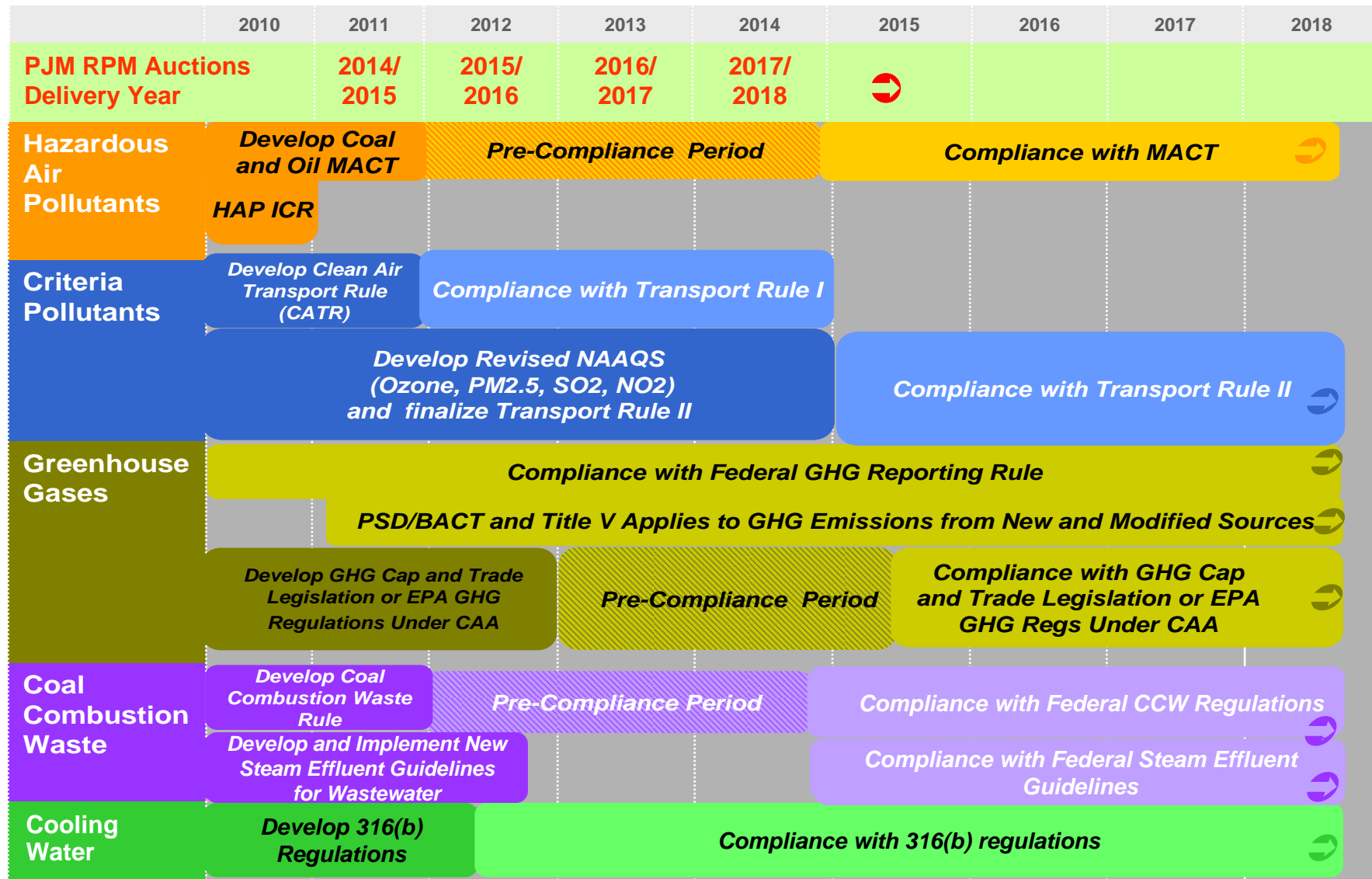
Named to the 2010 Carbon Disclosure Leadership Index



Included in the Dow Jones Sustainability North America Index for the fifth consecutive year

Exelon continues to be recognized for our 2020 plan to reduce, offset, or displace our company's 2001 carbon footprint by the year 2020

EPA Regulations – Market Implications Leading up to 2012 Compliance



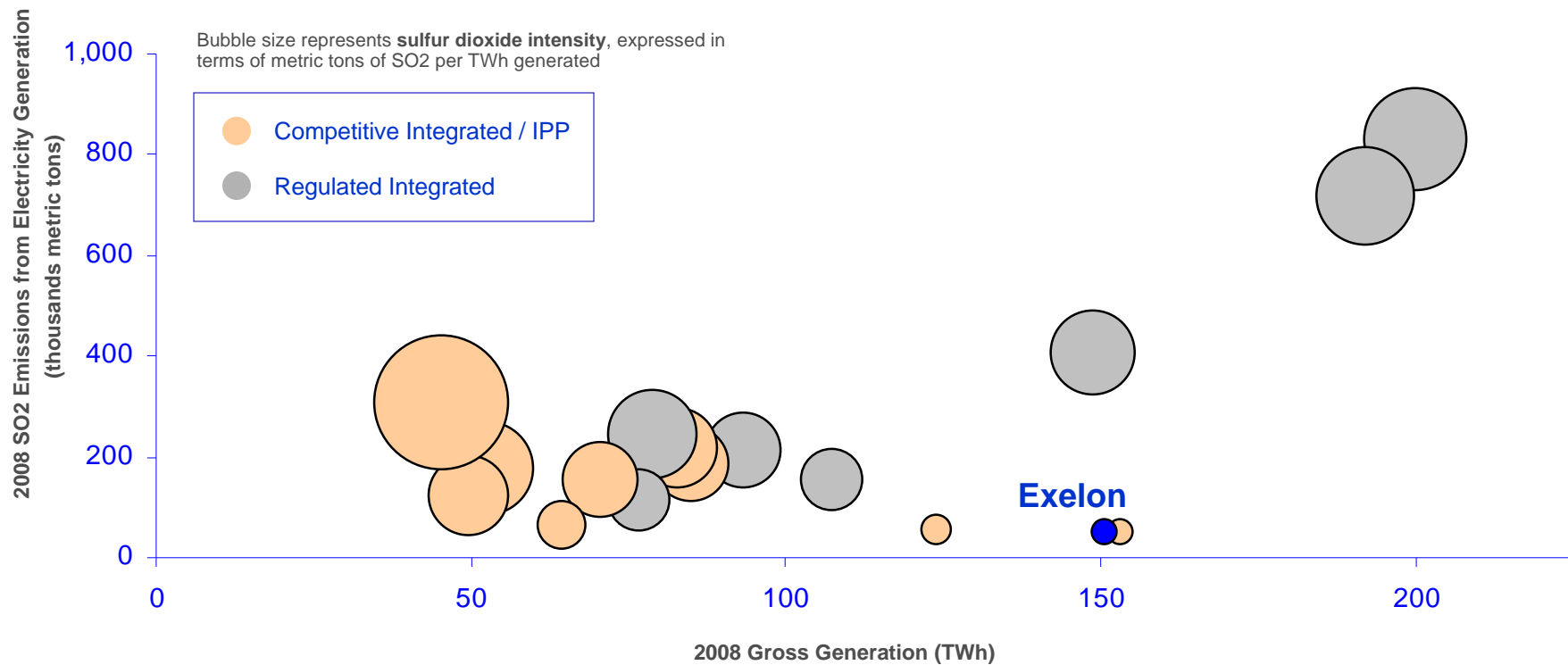
Notes: RPM auctions take place annually in May.

For definition of the EPA regulations referred to on this slide, please see the EPA's Terms of Environment (<http://www.epa.gov/OCEPAterms/>).

Clean, Efficient Fleet Well Positioned for Environmental Regulations



SO₂ Emissions of Largest U.S. Electricity Generators



Using SO₂ emissions as a proxy for hazardous air pollutants, Exelon well positioned for Hazardous Air Pollutant ruling in 2011

Why EPA Regulations Will Not Be Delayed



Opposing Argument	Reality	Supporting Facts
➤ Courts will suspend the rules or the President will intervene	➤ Federal court would have to determine that the rules are inconsistent with applicable law, which is unlikely to occur because the amended rules are aligned with the court's expectations	➤ Up to 1 year extension by EPA only if necessary for installation of controls ➤ President has only used exemption two times in history (only for national security interests)
➤ Costs are prohibitive for industry and consumer	➤ Proven technologies are commercially available and have already been installed demonstrating that the costs can be managed ➤ Total savings to consumer, including healthcare impacts	➤ Well over half of existing units have already installed pollution controls ➤ EPA estimates in 2014 that the proposed Transport Rule will have annual net benefits (in 2006\$) of \$120-290 billion using a 3% discount rate
➤ Timeline is too tight for compliance	➤ Recent industry trends suggest that it is reasonable to install this quantity of scrubbers according to the proposed timeframe.	➤ EPA's modeling indicates that only 14 GW of additional capacity would need to be retrofitted with flue gas desulfurization (FGD) for Phase 2 of the Transport rule (2014) ➤ Industry has already demonstrated ability to schedule and sequence outages to comply
➤ Retirements will cause reliability issues on the grid	➤ Electric system reliability will not be compromised if the industry and its regulators manage the transition	➤ Each NERC region has excess capacity, totaling over 100 GW nationwide ➤ Between 2001-2003, industry built over 160 GW of new generation – four times what is projected will retire over next 5 years

Opposition will have a voice, but the framework and timetable have been set

Providing Relief in Extreme Cases: Statutory and Regulatory Safeguards



Agency	Source of Authority	Supporting Language
EPA	Section 112(i)(3)(B) of the Clean Air Act	The Administrator (or a State with a program approved under subchapter V of this chapter) may issue a permit that grants an extension permitting an existing source up to 1 additional year to comply with standards under subsection (d) of this section if such additional period is necessary for the installation of controls.
U.S. President	Section 112(i)(4) of the Clean Air Act	The President may exempt any stationary source from compliance with any standard or limitation under this section for a period of not more than 2 years if the President determines that the technology to implement such standard is not available and that it is in the national security interests of the United States to do so. An exemption under this paragraph may be extended for 1 or more additional periods, each period not to exceed 2 years. The President shall report to Congress with respect to each exemption (or extension thereof) made under this paragraph.
U.S. Department of Energy	Section 202(c) of the Federal Power Act	Override CAA-derived control requirements in limited emergency circumstances.

Extensions for plants to comply will be on a plant-by-plant basis, for a limited time period, and only if specific “tests” are met

EPA Clean Air Standards Will Not Threaten Electric System Reliability



- M.J. Bradley and Analysis Group report ⁽¹⁾ in August 2010 concluded industry is well-positioned to respond to proposed standards
 - System has >100 GW of excess capacity
 - Regulators have tools to address localized reliability concerns, including appropriate price signals from capacity markets
 - Industry has proven track record of adding generation capacity and transmission solutions
- New clean air standards will help modernize US power generation infrastructure
 - Proven technologies for controls are commercially available: >50% of coal units have installed controls demonstrating that compliance costs can be managed
 - Pollution-intensive plant retirements will create room for cleaner, more efficient generation

Proactive steps by EPA, the industry and other agencies will allow orderly plant retirements without impacting system reliability

(1) M.J. Bradley & Associates, LLC and Analysis Group. 2010. *Ensuring a Clean, Modern Electric Generating Fleet while Maintaining Electric System Reliability*. Full study available at www.mjbradley.com/documents/MJBAandAnalysisGroupReliabilityReportAugust2010.pdf.

Retiring Cromby Station and Eddystone Units 1&2



- Agreed to delay deactivation of two units to maintain reliability ⁽¹⁾, provided receipt of required environmental permits and adequate cost-based compensation
 - Maintained scheduled retirement date of 5/31/11 for Cromby 1 and Eddystone 1
 - Revised retirement dates for Cromby 2 to 12/31/11 and Eddystone 2 to 6/01/12
- RMR filed with FERC in 2Q10
 - Establishes terms and conditions under which Cromby 2 and Eddystone 2 will operate during RMR period
 - Allows Exelon to recover costs of operating and maintaining units under Cost of Service Recovery Rate
 - Estimated at \$2.6 million per RMR-month for Cromby Unit 2 and \$8.8 million per RMR-month for Eddystone Unit 2, plus recovery of project investment
 - In September 2010, FERC issued order accepting RMR filing, but set matter for hearing to review additional information to justify Cost of Service mentioned above
 - Currently in settlement discussions with interveners; targeting final approval by 4Q10
- RMR Unit Operating Limitations
 - Dispatched and operated solely for reliability purposes
 - Unable to bid into PJM RPM capacity auctions

Exelon's experience with Cromby Station & Eddystone units 1 and 2 is an example of how to work with stakeholders to reliably retire uneconomic coal

(1) See PJM's website (<http://www.pjm.com/planning/generation-retirements/gr-study-results.aspx>) for additional details regarding PJM's Deactivation Study and Exelon's response.
Note: RMR = reliability must-run agreement

Exelon's Exposure to EPA Regulations



EPA Regulation	Units Affected	Exelon Investment Needed ⁽¹⁾	Industry Impact ⁽²⁾
Hazardous Air Pollutants	Keystone & Conemaugh ⁽³⁾ Oil-Fired Units >25 MW: ~935 MW	Included in CATR costs Impact to be determined	Significant, primarily fossil fuel-fired generation
Criteria Pollutants / CATR	Keystone & Conemaugh ⁽³⁾ Fossil-fuel fired units >25 MW: ~4,000 MW ⁽⁴⁾	~\$100 million None anticipated	Compliance costs of up to \$2.8 billion / year
GHG Tailoring Rule	None ⁽⁵⁾	None	Significant, primarily fossil fuel-fired generation
Coal combustion waste	Keystone & Conemaugh ⁽³⁾	Subtitle C: < \$100 million ⁽⁶⁾ Subtitle D: no impact	Compliance costs up to \$20 billion
316(b) or Cooling Water	Facilities without closed-cycle recirculating systems (e.g. cooling towers) <u>POWER</u> : Schuylkill, Eddystone 3 & 4, Fairless Hills, Mountain Creek, Handley <u>NUCLEAR</u> : Clinton, Dresden, Quad Cities, Oyster Creek, Peach Bottom, Salem	Impact to be determined once rule is promulgated; Cost to retrofit Oyster Creek and Salem estimated at \$700-800 million and \$500 million, respectively ⁽³⁾	Significant, impacts all fuel types including large base load and intermediate units

(1) These rules are in the proposed or pre-proposed stage and estimates are based on published cost studies used as inputs to IPM modeling.

(2) EPA's estimated costs, where applicable.

(3) Investment needed shown is Exelon's share of the cost. Exelon owns 21% share in Keystone and Conemaugh and 42.59% share in Salem. Keystone & Conemaugh units all have scrubbers and Keystone units have SCRs. Oyster Creek and Salem investment estimates based on 2006 studies.

(4) Exelon's existing coal-fired units will be retired before this rule will take effect.

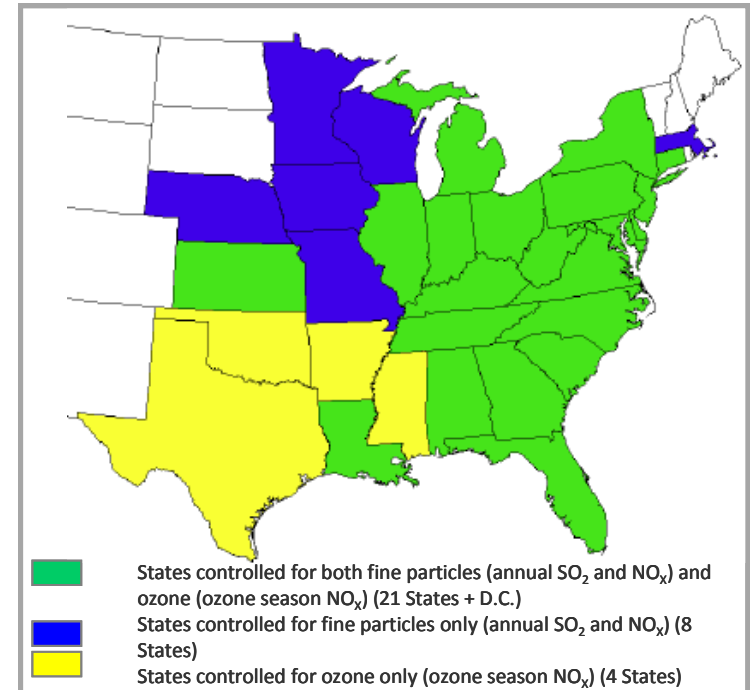
(5) This rule applies only to new sources or major modifications of existing sources.

(6) Excludes Eddystone 1 and 2 and Cromby, which are scheduled to retire in 2011 and 2012.

Clean Air Transport Rule



- EPA proposed the Transport Rule on July 6, 2010 to replace CAIR (Clean Air Interstate Rule)
 - Exelon filed comments in support of Transport Rule on October 1
 - Final rule expected from EPA by June 2011
- Would require 31 states and the District of Columbia to significantly improve air quality by reducing power plant emissions that contribute to ozone and fine particle pollution in other states
 - Requires significant reductions in sulfur dioxide (SO₂) and nitrogen oxide (NO_x)
- EPA estimates annual compliance cost at \$2.8 billion, but would yield healthcare savings of \$120 - \$290 billion in 2014
- EPA has proposed three implementation alternatives for public comment, but its preference is the "State Budgets/Limited Trading" option that establishes state-specific emission budgets and allows for intrastate and limited interstate trading



Source: EPA

Compliance set to begin on January 1, 2012

Exelon's View on FERC NOPR



- **On June 17, 2010, FERC issued a Notice of Proposed Rulemaking (NOPR) on Transmission Planning and Cost Allocation. NOPR proposals include:**
 - Modify planning processes for public policy mandates, such as renewable energy standards (RES)
 - Increase intra- and inter-regional planning coordination
 - Eliminate existing preferences in FERC tariffs for incumbent transmission facility developers to build needed transmission
 - Embrace broad application of “beneficiary pays” standard for cost allocation

- **Exelon generally supports the NOPR and proposes the following:**
 - Mandate stronger inter-regional planning requirements, such as PJM coordination with MISO to accommodate new transmission
 - Maintain the right of first refusal by incumbent transmission owners for local reliability projects
 - Require planning for enforceable state public policy mandates, as well as EPA rules that affect capacity requirements
 - Allocate costs to loads that benefit

Exelon continues to advocate for fair and appropriate planning rules for new transmission to address state and federal policy