

# **Exelon Corporation (EXC)**

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# Cautionary Statements Regarding Forward-Looking Information

This presentation contains certain 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 the forward-looking statements made by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company and Exelon Generation Company, LLC (Registrants) include those factors discussed herein, as well as the items discussed in (1) Exelon's 2013 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 22; (2) Exelon's Second Quarter 2014 Quarterly Report on Form 10-Q (to be filed on July 31, 2014) 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 17; 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 presentation. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

# Exelon Overview

## Exelon Generation

### Power Generation



- One of the largest merchant fleets in the nation (~35 GW of capacity)
- One of the largest and best managed nuclear fleets in the world (~19 GW)
- Significant gas generation capacity (~10 GW)
- Renewable portfolio (~1.5 GW), mostly contracted

### Constellation



- Leading competitive energy provider in the U.S.
- Customer-facing business, with ~1.1 M competitive customers and large wholesale business
- Top-notch portfolio and risk management capabilities
- Extensive suite of products including Load Response, RECs, Distributed Solar

## Exelon Utilities

### ComEd, PECO & BGE



- One of the largest electric and gas distribution companies in the nation (~7.8 M customers)
- Diversified across three utility jurisdictions – Illinois, Maryland and Pennsylvania
- Significant investments in Smart Grid technologies
- Transmission infrastructure improvement at utilities

## Competitive Business

## Regulated Business

EXC is one of the largest competitive integrated energy companies in the U.S.

# Exelon – Poised for Growth

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- **Unparalleled upside** to a power market recovery with a **competitive dividend**
- A **clean and reliable generation** profile combined with a premiere marketing platform to optimize our fleet
- **Rate base growth**, both through investment in our current utilities, as well as the pending acquisition of Pepco Holdings
- **Healthy balance sheet** with the proven ability to raise and deploy capital when opportunities arise

EXC is well positioned to add shareholder value as we drive operational performance, deploy capital, and advocate for improved market design

# Exelon Generation

## Market design proposals recognizing the value of clean, reliable, base load generation

- ✓ **Clean**
  - 111(d)
  - IL House Resolution 1146
- ✓ **Reliable**
  - PJM Capacity Market Design
    - Capacity Performance Product
    - Role of Demand Response
  - IL House Resolution 1146

## Growing the business in adjacent markets

- ✓ **Natural Gas Marketing** – ETC ProLiance & Integrys Acquisitions
- ✓ **Distributed Generation** – Bloom Energy Partnership
- ✓ **LNG** – Annova Acquisition

## Maintaining a healthy balance sheet

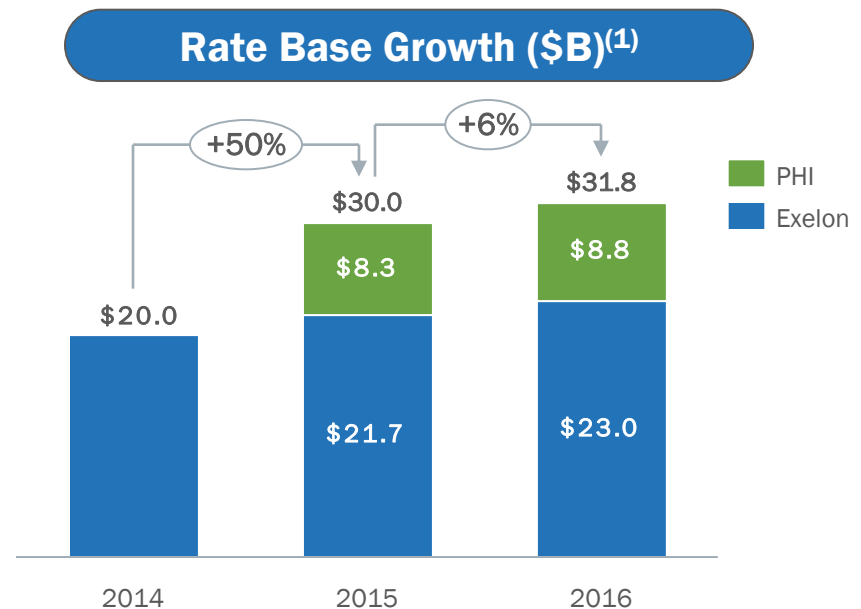
- ✓ Investment grade credit ratings
- ✓ Robust liquidity profile

# Exelon Utilities

- Investing heavily in critical infrastructure at ComEd, PECO, and BG&E
- **\$15 billion of investment** from 2014-2018 to upgrade aging infrastructure, improve reliability and invest in new technologies **to achieve rate base growth of 5-7%** annually
- Maintain first quartile operating performance and achieve highest standards of safety, organizational effectiveness, operational excellence
- Proactive regulatory engagement to achieve a fair rate of return, reflective of the operational excellence at the utilities

## Pepco Holdings provides the opportunity for sustained EPS growth through investment in Pepco, Delmarva, and ACE

- Strategic acquisition creating the leading Mid-Atlantic utility, serving nearly 10 million customers
- An incremental \$8.3B in regulated rate base
- Earnings accretive in first full year following close
- Transaction close planned for Q2 or Q3 of 2015

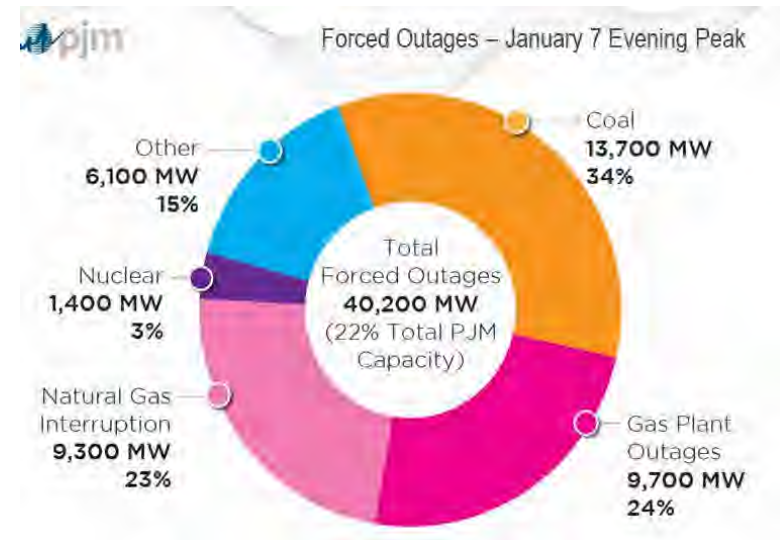


(1) Reflects YE rate base

# PJM – A Focus on Reliability

## Capacity Upside

- The cold winter in 2014 has put PJM's focus squarely on achieving reliability even in extreme conditions
- Nuclear generation performed well during the polar vortex highlighting the importance of nuclear to maintain reliability
- Nuclear generation is well positioned to take advantage of proposed market design



## Power Price Upside

- Higher prices as 14GW retire by mid-2015
- An aggressive retirement schedule resulting in power price volatility

Operating Data Performance Key Metrics	Total Count	Units Online	% Units Online	Total GAP MW	Total Output	% MW Output
<b>RTO Units</b>	134	58	43.30%	14,036	7,273	51.80%

# Exelon is positioned for a strong future

## Core Strength

## Implications and Actions

### Strong integrated business model

With Pepco Holdings acquisition, we will have an even stronger regulated base of earnings that provides dividend support and potential increase in the future

### Power Market Upside

Our clean, world class, merchant nuclear fleet has unparalleled upside to the current power market recovery

### Balance sheet flexibility

We maintain flexibility in our balance-sheet to allow for incremental regulated and merchant investments

### Asset Optimization and Rationalization

We continue to review our asset portfolio and make decisions to optimize the value of each one of them

### Public policy Advocacy

Advocate for policies that strengthen competitive markets, limit subsidies and enhance the value of clean generation

Diversification in assets, regions, businesses and keeping abreast of emerging technologies and macro trends in our industry is central to our long term strategy