



**SHAREHOLDER Q&A**  
**EXELON CORPORATION'S 2021 ANNUAL MEETING OF SHAREHOLDERS**

April 27, 2021

Shareholders were permitted to submit questions in writing prior to and during the 2021 annual meeting. In accordance with the Rules of Conduct for the meeting, all appropriate questions are presented unedited as submitted. Exelon expressly disclaims an obligation to update its responses below.

A recording of the 2021 Annual Meeting of Shareholders will be available for twelve months at the following link. On the virtual meeting page, enter your name and email address and click "Register and Join" to access the replay.

<https://events.q4inc.com/vsm/EXC/2021>

*Cautionary Statement Regarding Forward Looking Information:*

*This presentation contains certain written and oral forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties on our business, financial condition and results of operations, including, among other risks, those related to the timing, manner, tax-free nature and expected benefits associated with the potential separation of our competitive power generation and customer-facing energy business from our six regulated electric and gas utilities. Any such forward-looking statements involve risks, assumptions and uncertainties. Words such as "could," "may," "expects," "anticipates," "will," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "predicts," and variations on such words, and similar expressions that reflect our current views with respect to future events and operational, economic and financial performance, are intended to identify such forward-looking statements.*

*The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation, Exelon Generation Company, LLC, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC (PHI), Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company (Registrants) include those factors discussed herein, as well as the items discussed in (1) the Registrants' 2020 Annual Report on Form 10-K in (a) Part I, ITEM 1A. Risk Factors, (b) Part II, ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part II, ITEM 8. Financial Statements and Supplementary Data: Note 19, Commitments and Contingencies; (2) the Registrants' First Quarter 2021 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 14, Commitments and Contingencies; and (3) other factors discussed in filings with the SEC by the Registrants.*

*Investors are cautioned not to place undue reliance on these forward-looking statements, whether written or oral, 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.*

*A reconciliation of non-GAAP measures is available on the investor relations section of the website:*

<https://investors.exeloncorp.com/>

## SHAREHOLDER QUESTIONS

*In cases where we received multiple questions on the same topic, each question is listed but we've provided one combined response. All questions are presented exactly as received.*

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| <b>1. Why is the stock performance so terrible versus other utilities?</b>  |
| <b>2. Is your stock ever going to get back to where it was 2 years ago? I have already lost \$ 3,000.00. Are all the storms going to keep bring the price of the stock down?</b>  |
| <b>3. I have been watching and waiting on the stock performance to improve since 2008. All the while most of the other utility stocks growth stocks value stocks the whole stock market in general has recovered and then some! My question to you is what are we doing to recover and exceed company stock value how much longer must we wait for affirmative action on our pitiful stock performance?</b> |

The company is committed to the best interests of all of our stakeholders including shareholders and maximizing shareholder value, but there are inherent risks in investing in the stock market that Exelon cannot control.

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| <b>4. What are you doing that would cause a shareholder to raise the proposal in item 4 referencing international child labor?</b>   |
| <b>5. What are Exelon [sic] plans involving electric vehicles and charging stations with regard to child labor outside the United States. Why is there a shareholder proposal requesting a report on the impact?</b> |

Exelon has set an aggressive goal to electrify our fleet of vehicles – 30% by 2025 and 50% by 2030. Exelon is also working with public service commissions, public officials, communities, and coalitions to create programs that advance electric vehicles (EVs) and the development of EV charging stations in our service areas.

Cobalt is a mineral that is used to manufacture rechargeable batteries, which are used in a variety of devices such as mobile phones, tablets and laptop computers as well as electric vehicles. A significant percentage of cobalt mining is done in the Democratic Republic of Congo where various human rights violations, including child labor, have been noted.

Although Exelon is expanding the use of EVs in its fleets and is promoting the use of EVs to mitigate climate change, the issues associated with the sourcing of cobalt are far beyond the scope of control of Exelon's supply chain or business plans. The Company believes in the importance of ethical sourcing in its supply chain and is committed to responsible business practices.

The proposal was submitted by Steven Milloy, a lobbyist and advocate for coal and fossil fuels, who seems intent on frustrating the intentions of Exelon and other companies in taking action against climate change and pursuing business opportunities in clean energy.

**6. Why is executive management compensation not linked totally to return on a sliding scale running from 0% to 100% of goal?**

Our executives' incentives are closely aligned with those of our shareholders and pay is tightly linked with the performance of our company across a number of metrics that measure value creation. In both our Annual Incentive Program (AIP) and Long-Term Incentive Program (LTIP), the metrics we have selected tie to Exelon's value proposition and our business objectives:

- Adjusted operating earnings per share (EPS) in our AIP and utility net income in our LTIP support our goal to grow EPS 6-8% and rate base growth of 7.3% annually through 2023,
- Exelon funds from operations (FFO)/Debt supports our goal of utility growth, debt reduction and the dividend,
- Utility return on equity (ROE) promotes investment in utilities where we can earn an appropriate return,
- Maintaining operational metrics in our AIP promotes superior operational performance to support achievement of financial objectives, and
- Our relative total shareholder return (TSR) modifier supports our mission to create sustainable value for shareholders by executing business strategy. *(For more information, please refer to the Compensation Discussion and Analysis beginning on page 42 of Exelon's 2021 Proxy Statement.)*

While TSR is a key component of the overall compensation structure, TSR alone would not appropriately consider the overall Exelon value proposition.

**7. What specific initiatives are being instituted to increase employment of employees with disabilities? The current 1.5% is very low and seems to denote a population we are not actively pursuing.**

Exelon is committed to outreach and recruitment of candidates with disabilities through our partnerships with Disability:IN and DirectEmployers (DE) Association. This summer, we began working with Disability:IN to tap into their talent pool and fill internship opportunities. We plan to leverage this relationship moving forward to source qualified candidates for roles in various departments. We post Exelon's job openings on disability sites listed in DE's job syndication alliances network. Exelon also maintains relationships with disability service offices at Tier 1 colleges and universities. We partner with these offices to attend career fairs, virtual student events, and generally, to make schools aware of the majors and backgrounds that Exelon is seeking at the intern and new graduate levels.

The 1.5 % you referenced represents the portion of our employee population who have self-identified as having a disability within their HR profile – this is what we are able to disclose through federal reporting. However, we know through our annual employee engagement survey that the actual percentage of employees with a disability in our workforce is closer to 3.2%. That survey, which anonymously asks the question, reveals that many of our employees aren't yet ready to formally disclose their disability.

Additionally, we know that 4.6% of Exelon's new hires self-identified as having a disability in 2020. As a company, we are making efforts to increase our self-identification rates and get closer to the Office of Federal Contract Compliance Programs' stated goal of 7% of our workforce being employees with disabilities. Internally, this entails a disability self-identification campaign dedicated to awareness around the benefits of disclosing a disability to Exelon. We continue to engage in open dialogue with employees through our ENABLED (disability-focused) employee resource group that highlights ways in which we can create the most inclusive workplace possible for people with disabilities. We also provide disability etiquette and awareness training for our recruiting staff in partnership with the National Organization on Disability.

**8. Why is there a double standard when it comes to disciplining management employees compared to bargaining unit employees. [sic] Bargaining unit employees are constantly under the microscope.**

While exempt and non-exempt employee status under the Fair Labor Standards Act or provisions of a collective bargaining agreement may have differing processes, both management employees and represented employees are held to the same job performance expectations and when any performance deficiencies emerge, both go through various processes designed to remediate any deficiencies.

**9. How does the compensation package of Exelon's CEO compare with other CEO'S of like size organizations?**

Our Compensation Committee retains the services of Meridian Compensation Partners, an independent compensation consultant, to provide counsel on executive and director compensation. Meridian provides us with information on market trends and each year they benchmark our compensation against our peers. The CEO's compensation is developed by analyzing peer group compensation and performance data. Compared to the peer group of 21 companies (listed on page 54 of the 2021 Proxy Statement), the compensation package for Exelon's CEO approximates the market median of our peer group.

**10. After the Texas event do you believe hedges are more risky than we realized. [sic]**

Exelon's long-standing ratable hedge program aims to hedge the expected energy output of our generating assets over a three-year period. Without hedges, our business would be exposed to volatile commodity price moves on a regular basis. Our hedge program has helped provide financial stability over many years and remains an approach that we believe strongly in. Unfortunately, the Texas event reminded us all that the combination of events that can occur under extreme operating and market stress can challenge even the most disciplined risk management strategies. We will continue to learn from and improve from this event but hedging of forward commodity risk is a key part of delivering reliable financial results from year to year.

**11. How is Constellation Energy working with the State of Texas regulatory agencies to improve the power situation in Texas?**

We are working with policymakers in Texas to identify and implement solutions to the reliability challenges facing the Texas market. Foundational to any reform is the establishment of a reliability standard to govern operation of the electric grid. Currently the system is designed to let the market answer that vital public policy question, without any guidance from the Legislature, and it is failing its citizens. Every other competitive market in the country first determines the minimum amount of resources needed to keep the lights on and then designs a competitive market to procure those resources. Exelon supports the Legislature clearly defining the minimum amount of reliability the electric grid should provide its citizens and then directing the Public Utility Commission of Texas to quickly design and implement market mechanisms to achieve that outcome. There are many different market solutions or combinations of solutions that could help Texas improve its reliability situation including but not limited to a seasonal or annual capacity market and changes to the current reserve pricing structure to enhance winter pricing and weatherization requirements.

<p><b>12. What are the benefits to shareholders to disaggregate the generation/retail business from the utilities?</b></p>
<p><b>13. Why does it no longer make sense to use cash flow from the generation business to invest in the utilities? I heard them note on the earnings call that RemainCo will issue about \$1 billion of new equity to support the utility growth. It seems this is counterintuitive to the strategy which we executed so successfully over the last few years. What is the magnitude of the dis-synergies? They mentioned on the earnings call we are doing things to mitigate these; what are they?</b></p>
<p><b>14. Exelon has announced separating its power generation and distribution businesses into two separate companies in Q1 2022. Management states that this provides, among other things "the largest carbon-free power producer paired with the leading customer-facing platform for clean, sustainable energy solutions". While this is all politically correct and no doubt will provide generous compensation to participating attorneys, management and certain stock holders it fails to address one issue. That issue is the total reliability of power, start to finish, to the customer. The recent debacle in Texas which essentially did the same thing over the last 20 or so years clearly demonstrated the problem. Without vertical integration of power supply and distribution reliability goes out the window. Why does Exelon wish to ruin a winning and reliable system which has been a stalwart of reliability for the last 100 or so years just to pacify passing and politically correct "clean" and so-called "sustainability" pipe deams? [sic]</b></p>
<p><b>15. It is unclear as to how a split of the Generation and Constellation business and the Utility businesses actually benefit the shareholders in the long term. Can you provide specific guidance as to how a split will lead to long term value accretion across both companies when in most other situations where this occurred the generation company ends up being bought out or going bankrupt.</b></p>
<p><b>16. what is the reason for separation of delivery and supply generation OF EXELON CORP</b></p>

The nature of our business and the landscape in which we operate have evolved in recent years, and we regularly evaluate whether our corporate structure best serves the interests of our communities, customers, employees, and investors. We believe that Exelon’s regulated utility business and its competitive power generation/customer-facing energy businesses are stronger and better positioned as separate businesses.

In making the decision to pursue a separation, the Board took into account the interests of all Exelon stakeholders, and we are confident that a separation will best serve our employees, customers, community partners and shareholders. Importantly, the separation will:

- Unlock strategic flexibility for each company to focus on its core business strategies to better meet evolving customer needs and stakeholder goals,
- Provide each business with the financial and strategic strength to drive long-term investment and operating excellence,
- Establish Exelon Utilities (RemainCo) as a fully regulated transmission and distribution utility well positioned to build a smarter, cleaner, more reliable and resilient energy grid, while managing costs, keeping rates affordable and continuing to foster economic opportunity and equity in the diverse communities it serves, and
- Launch Exelon Generation (SpinCo) as an independent competitive generation and customer-facing company with the agility to adapt to a rapidly changing energy landscape as the nation’s largest

advocate for and provider of clean energy and leading integrated platform for sustainable energy solutions.

While the structure of our businesses is changing, there will be no change to our commitment to safety, reliability, and the communities we serve.

Dis-synergies are expected to be offset at both RemainCo and SpinCo.

From a funding perspective, we expect to need \$1 billion through 2024 at RemainCo which will allow us to fund our growth in a balanced manner that will support a strong credit profile, while enabling our customers to benefit from needed system investments.

**17. Who is responsible for the bribery of the Illinois legislature alleged by the Justice Department? Was the Board aware of this bribery? Who has been held accountable for these actions and what actions have been taken as to those responsible?**

When we learned about the inappropriate conduct we acted swiftly to investigate. We concluded from the investigation that a small number of senior ComEd employees and outside contractors orchestrated the misconduct described in the Deferred Prosecution Agreement, and they no longer work for the company. Last fall the Justice Department brought criminal charges against three former ComEd officers and two former external political consultants for ComEd. A Special Committee of the Board of Directors has overseen Exelon's internal investigation and response to this matter.

**18. In regards to the CmnEd [sic] Deferred Prosecution Agreement, is Exelon seeking a clawback of bonus or stock grants from any officer, executive or employee of ConEd [sic] that was involved in the actions that give rise to the action by the Department of Justice?**

The Compensation Committee of the Exelon Board has retained its own external counsel to review its rights to recoup compensation paid to former ComEd employees. The Committee will evaluate this matter with the aid of its counsel to determine appropriate actions.

**19. Why do you have so many board members?**

The Corporate Governance Committee of the Board of Directors is responsible for oversight of the size of our Board. In evaluating the appropriate size of the Board, the Committee considers a number of factors including the skills and experience of each director. Additionally, as noted in our proxy statement, we had one retirement this year and several more coming up in the next few years. The Governance Committee closely considers the pacing of expanding the Board so that new members have sufficient overlap with longer-tenured directors to learn the business and understand the operations and culture of the Board. The Exelon Board currently has 12 members which is only slightly larger than the average board size for the S&P 500 which is 11 members.

**20. Will the company consider building the newer generation of smaller nuclear reactors like the advanced fission micro reactor, or the smaller megawatt reactors being built in China or Poland?**

As part of our advanced reactor strategy, we are working with many new reactor developers by providing operational input to their emerging designs. The size of most of these new designs qualifies them as either small modular reactors or microreactors. We expect that many of these new designs will be sold to entities who have no prior experience in owning and operating a nuclear plant, thus creating a business opportunity for Exelon to provide operational services support. Any decision for Exelon to build one of these new reactors will be based on compelling economics that benefit our shareholders and customers. Currently, the developers of the new reactors are working to reduce their overall capital and operating and maintenance costs to bolster the competitiveness of their design against other generation alternatives.

**21. The company has considerable legacy assets associated with past or present nuclear generation, how will the looming liability associated with decommissioning continue to be booked? And what is the anticipated time horizon to begin nuclear site cleanup and remediation in earnest? Thank you for your consideration in this matter.**

Generation has a legal obligation to decommission all of its nuclear power plants following the expiration of their operating licenses. Using standard accounting principles, Generation's recorded liability for this obligation is approximately \$12.0 billion as of March 31, 2021. To estimate its decommissioning obligation related to its nuclear generating stations for financial accounting and reporting purposes, Generation uses a probability weighted, discounted cash flow model which, on a unit-by-unit basis, considers multiple outcome scenarios that include significant estimates and assumptions, and are based on decommissioning cost studies, cost escalation rates, probabilistic cash flow models, and discount rates. Generation updates its asset retirement obligations annually unless circumstances warrant more frequent updates, based on its review of updated cost studies and its annual evaluation of cost escalation factors and probabilities assigned to various scenarios. Also, the nuclear decommissioning obligation is adjusted on a regular basis due to the passage of time.

The actual decommissioning approach selected once a nuclear facility is shutdown will be determined by Generation at the time of shutdown and may be influenced by multiple factors including the funding status of the nuclear decommissioning trust fund at the time of shutdown. Generation has the option to begin decommissioning activities shortly after the cessation of operation or to place and maintain the nuclear facility in such condition that the nuclear facility can be safely stored and subsequently decontaminated generally within 60 years after cessation of operations. Active decommissioning / dismantlement will take approximately 10 years to complete.

**22. What is the Board doing to promote breeder reactor use by Exelon in order to produce pollution free electricity and reuse reactor fuel?**

Our immediate focus is to keep the nuclear plants in our fleet running as they are the country's largest source of carbon-free electricity. We are working with many of the developers of the advanced reactors to inform their respective designs by providing operational insights. Any decision for Exelon to expand its fleet will be based on compelling economics that benefit our shareholders and customers. With respect to the reuse of reactor fuel, Exelon's nuclear plants, like all nuclear plants in the U.S. have a contract with the U.S. Department of Energy that obligates them to remove the nuclear fuel from our sites. Although technically feasible, any reuse or reprocessing of used fuel would require a significant change in federal policy.

<b>23. Given the carbon neutrality of nuclear power and the significant experience Exelon has in nuclear power generation, can and would the company do more to educate the public about nuclear power?</b>
<b>24. What is the company doing to make its nuclear assets competitive with renewable energy sources, which are rapidly becoming cheaper to deploy?</b>
<b>25. Has the electric market improved for the profitability of nuclear generation?</b>
<b>26. Exelon [<i>sic</i>] has more nuclear power plants than any other electric utility. Despite high utilization and demands from government for power that is not produced by burning carbon fuels, nukes have had a poor return on investment, and Exelon is closing nuclear plants. What, in your view, could make nuclear power economically attractive again?</b>
<b>27. Are Exelon's [<i>sic</i>] nuclear plants available for use into the foreseeable future? In an energy insecure world, this would be prudent use of an existing resource that does not adverse [<i>sic</i>] affect climate change.</b>
<b>28. I believe Exelon has positioned itself well in the nuclear side of electrical power generation. Thinking ahead to the future as the nation focuses on renewable energy how does management feel about the role nuclear power will play as a source of base power? And what is the company doing to promote the use of nuclear power and, maybe more importantly, how is the company positioned to utilize next generation reactors?</b>
<b>29. What are you doing to influence politicians and voters about the advantages of nuclear power?</b>

The U.S. energy sector is experiencing unprecedented changes that we believe will increase the demand for reliable, clean power generation and benefit our nuclear fleet. Nuclear power is the largest source of zero emissions electricity in the United States, accounting for roughly half of the zero-carbon power produced in 2020. However, an increasing number of the country’s nuclear power plants, including those owned by Exelon, have faced financial challenges in recent years as revenues from the wholesale power markets have declined. Because they are allowed to pollute for free, fossil fuel power plants appear cheaper in these power markets, driving nuclear plants to close prematurely.

Exelon is a strident supporter of power market reforms that would appropriately value the emissions and resilience attributes of our nuclear fleet. We advocate at the federal and state level for carbon pricing mechanisms that force polluting generators to pay for their pollution and for clean energy programs that compensate nuclear power for its ability to produce electricity without harmful emissions. We also educate policymakers and other stakeholders about the environmental and health impacts of premature nuclear retirements as the electric grid backfills the lost energy with output from fossil fuel generators.

In response, Illinois, New Jersey, and New York have taken action to compensate certain of our nuclear units for their emissions and resilience attributes, and Illinois is considering expanding its policies to prevent more nuclear plants in the state from prematurely retiring. At the federal level, we are supporting the adoption of nuclear-inclusive policies such as a clean energy standard and production tax credits that would level the playing field between all types of emissions-free technologies. We also are encouraging federal officials that regulate the wholesale power market to correct the flaws allowing polluting generators to appear less expensive than emissions-free technologies.



**30. Why would you applaud this: Exelon Applauds Biden Administration Executive Orders on Climate Change and Rejoining Paris Climate Agreement? Executive orders are made by the head of the executive branch without any legislative or judicial backup or approval. It is the closest you can get to dictatorship in a democratic form of government. Biden is abusing this tool with the extremely high number of executive orders issued. Please do not support this dangerous precedence being set.**

Exelon has a long history of supporting Presidential actions that align with our mission of providing reliable, clean, affordable, and innovative energy products. As of April 20, 2021, President Biden has issued 40 Executive orders. By contrast, President Trump issued 220 Executive orders during his term, including 55 during his first year in office.

**31. Exelon already has some renewable energy assets in it's [sic] portfolio. With the Biden administration push to further "harness" renewables from wind and solar, how will Exelon take advantage of this opportunity? Tesla is offering solar hook ups on individual homes (although it is not inexpensive initially). Can Exelon offer small wind turbines to customers?**

**32. What is management doing to diversify the company into renewable energy production, such as: solar, wind, and other new technologies?**

**33. There is an increasing trend toward renewables. Can management respond to this trend and comment on Exelon's strategic plans and their execution over the next five [sic] years?**

**34. With the continued growth and manufacturing trends for electric vehicles, what plans does Exelon have for developing non fossil fueled power plants?**

Exelon has the cleanest generation fleet in the country – producing 12% of the clean energy in the U.S. We do not have any plans to further diversify into the renewable business at this time and in this market. Exelon is making utility investments which will help prepare the grid for the integration of renewables and the electrification of the transportation sector, enabling the transition to a clean economy. These investments will continue at RemainCo post-separation. After separation, our top priority is to achieve and maintain a strong investment grade rating at SpinCo. To this end, all available cash flow would be used to deleverage and support the balance sheet to comfortably maintain our target credit metrics. For any excess cash flow beyond our stable metrics, we will either return to shareholders or reinvest in the business, but only after credit goals and criteria have been met. To the extent growth is pursued, SpinCo will focus on opportunities to optimize and match solutions (supply and other products and services) to customers. Growth decisions will consider strategic alignment, portfolio implications, payback period, and financial metrics.

**35. How is Exelon promoting industry development of electric vehicles that will be affordable for the average American? Will Exelon be a major player" in development and installation of charging stations? Finally will Exelon actively and purposefully support President Biden's "American Jobs Plan" (AJP) to develop "green energy" initiatives such as solar energy and wind turbine-generated electricity?"**

**36. What plans does Exelon have in place to deal with the increased infrastructure needs as the government pushes the increased use of electric vehicles and what would be the cost to the company and electric consumers? This would include the need for increased generation as well as upgrades to transmission and distribution systems.**

**37. Is the company going to be ready for the expanding need for electricity in the near future with electric cars coming in 2025?**

**38. What is Exelon doing/planning to meet the huge demand for electricity to power the coming nationwide network of car charging stations?**

At Exelon Utilities, we provide clean energy solutions and technologies to combat climate change, reduce local air pollution, and power a healthy, sustainable, equitable future. With investment in our networks, we're enabling a cleaner, and more resilient, distributed, customized, and affordable energy system. These are not just electrical and digital, but economic and social as well. We see our strategy as a vital element in helping the places we serve become more vibrant. That's why advancing clean, electric transportation and charging options drive us.

Cleaner vehicles on the road help the cities and states in which we operate meet their environmental goals, reduce their carbon footprint, bring cleaner air to communities, and create economic opportunity through job creation and reduced energy costs. We are working to streamline the interconnection process and promoting fleet electrification (e.g., delivery trucks, school busses, transit systems). We're in the process of developing customer facing tools to inform the total cost of ownership of vehicle electrification. Exelon's utilities are leading by example in setting aggressive goals to electrify our own fleet of vehicles – 30% by 2025 and 50% by 2030, potentially avoiding more than 65,000 metric tons of greenhouse gas emissions cumulatively. That's the equivalent to the carbon removed by one million trees planted and grown for 10 years.

We strongly believe utilities should play a critical role in the deployment of electric vehicle charging infrastructure. This includes both the installation of publicly available charging stations, whether through utility ownership and operation or rebates and incentives to customers purchasing this equipment, and investment on our system to support this infrastructure. Exelon Utilities currently have EV-related programs approved or pending in MD, DC, NJ, DE and PA. Under these programs, Exelon Utilities can spend approximately \$70M in support of the development of over 7,000 charging ports in public spaces, businesses, and homes across our territories. Our EV programs are designed to reduce commonly cited barriers to adoption, including range anxiety, total cost of ownership and education and awareness. Further, our programs are being designed in a manner where the benefits of EVs are maximized to both EV and non-EV drivers and the impacts of the incremental load on the system are minimized.

We are working to alleviate barriers to customer adoption and to harness the opportunity that electrification creates to operate the grid more affordably and reliably for our customers. Each of our utilities are working with public service commissions, public officials, communities, and coalitions to create programs that advance electric vehicles and vehicle charging in our service areas. The Department of Energy forecasts that plug-in battery and hybrid vehicles will make up 4% of light duty vehicles on the road by 2030. Currently there is sufficient excess generating capacity available to meet near-term increases in load related to electric vehicle charging. We are also looking to minimize the investment required through non-wires alternatives, demand response and incentivizing customer usage to minimize the peak load usage. As electrification efforts grow, the cost of maintaining the grid will be spread across a larger kwh base, benefitting all of our customers, especially those at low and moderate income levels.

**39. What changes in generation source have you anticipated over the next 10 years and factored into long range plans? Example would retirement of nuclear generation be replaced by natural gas or renewable generation?**

Generation recognized the importance of moving towards a low carbon future in the early 2000's and strategically set a course to transform our resource mix and focus on supporting a path to decarbonization. Today, we have the lowest carbon intensity, compared to the other largest producers and produce the largest share of zero emissions electricity in the U.S. We are committed to continuing to lead the transition to a decarbonized future through our actions to operate existing low carbon assets efficiently and reliably; through strategic investments in emerging technologies that will support the growing need for clean electricity and removing carbon emissions from the economy; and we are continuing to advocate at federal and state levels for sound climate policy that recognizes the adverse economic impacts of carbon emissions.

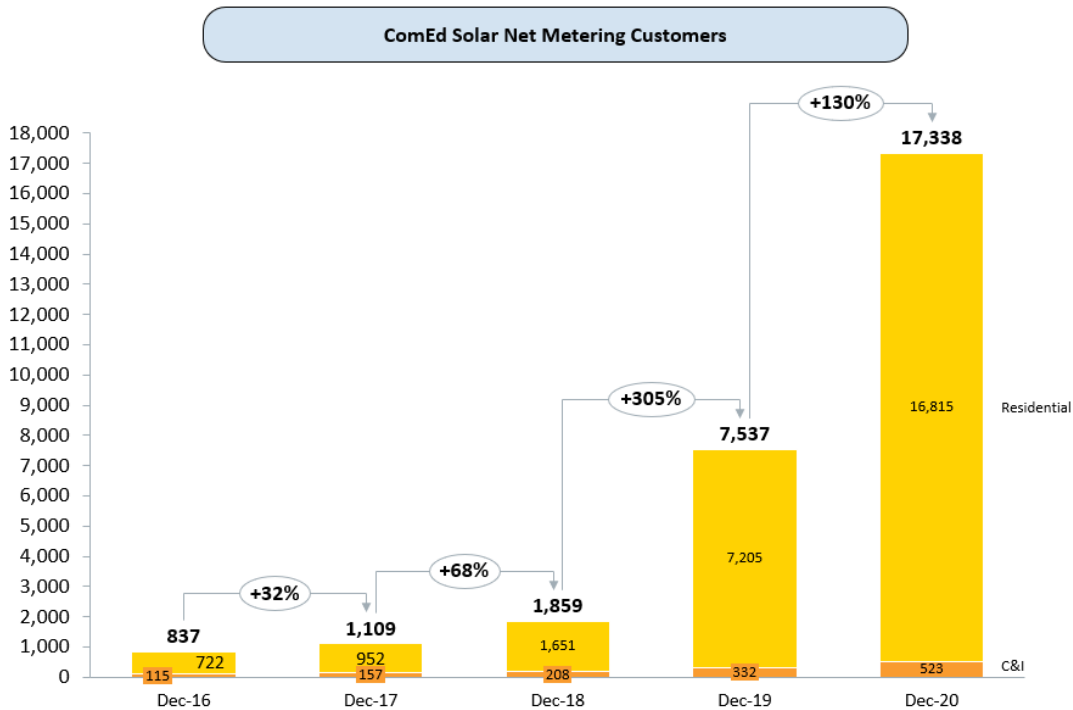
The long-term plan for our nuclear fleet is to continue to run these facilities until the end of their license life as long as they are economic and markets and policymakers recognize the value of baseload clean power needed to support a decarbonized future. We will continue to meet customers' demands for clean power through our existing nuclear fleet, contracted or owned renewable resources, energy storage, and clean fuels in a way that returns value to our customers and shareholders. Natural gas will need to be part of the transition to a fully decarbonized grid and Constellation will support opportunities to bridge to a clean future in a way that supports clean communities for customers and financial value for shareholders.

**40. Does the Independent Auditor- Internal Audit have any connection to or culpability in the USAO's investigation into Exelon's and ComEd's lobbying activities? If not, has there been any consideration for including the conduct described in the Deferred Prosecution Agreement into the scope of Internal Audit?**

There have been no allegations of wrongdoing by Exelon's independent auditor or by employees of Exelon's internal audit function relating to the investigation into ComEd's political activities in Illinois. Outside counsel, under the supervision of a special committee of Exelon's Board of Directors, investigated the matters described in the DPA. It is a best practice to have investigations of that nature conducted by outside counsel rather than an internal audit function. Exelon's internal audit function is involved in the assessment of compliance with the requirements of the DPA.

**41. ComEd customers installing solar are surprised by the size of their bills. Is current billing structure encouraging solar use? If not, is Exelon promoting change to billing structures in their service areas that promoted the growth of solar?**

Current structures in Illinois support solar adoption and have resulted in a solar boom in recent years. Much of that progress can be attributed to the bold policy set by the General Assembly to provide incentives for solar along with ComEd’s efforts to educate customers about its benefits. Before the passage of FEJA, ComEd had less than 1,000 solar net metering customers, today we have over 20,000 (see figure below).



Residential customers are currently compensated for excess solar energy they send to the grid at what’s called the full retail price, meaning they receive compensation for both energy supply and delivery. Commercial and Industrial customers who do not receive the full retail price for net metering take advantage of ComEd’s \$250 per kW Distributed Generation Rebate. The solar customer’s cumulative savings depend in large part on whether they purchase the system outright or lease it long term, and their agreement with their solar developer.

ComEd continues to work with customers to improve their experience and provide solar education so they can make the decision that is right for them. This includes an online solar toolkit to assist customers with understanding the benefits of solar and their options. Customers can use our solar calculator to learn about their individual costs and the incentives available to them. ComEd sends educational materials to customers throughout their application process and for their first year as a solar customer.

Through marketing and customer education efforts ComEd has communicated to solar customers that they can reduce or even completely offset their energy-related charges on their bills through net metering credits and that they will remain responsible for paying for energy they consume from the grid and other fixed charges.

**42. What is the extent of our Company's investment in Politics? Are our contributions- if any, "visible?"**

Exelon and its subsidiaries make political contributions to candidates, political parties, and political action committees in furtherance of public policies that are based on sound science and support the company's goals of maintaining affordable, reliable, and clean energy for our customers and communities. Consistent with our commitment to ethical business conduct, political spending reflects Exelon's interests and is not based on the personal interests of any of our individual officers, directors, or employees. Furthermore, no contributions are given in anticipation of, in recognition of, or in return for, any official act. Exelon posts biannual reports of all corporate political contributions. These reports can be accessed here:

<https://www.exeloncorp.com/leadership-and-governance/governance-overview>

Additionally, Exelon and its subsidiaries have several bipartisan PACs that are funded solely through voluntary employee contributions. These PACs offer eligible employees a direct means to voluntarily participate in shaping public policy and expressing views on issues related to our business. Additional information is available on the website of the Federal Election Commission at [www.fec.gov](http://www.fec.gov) or state board of election websites.

**43. Why does PECO not maintain their meters better to improve income and drive customer satisfaction. It was found that a mistake in billing caused billing errors of over 20 million. What can be done to fix these issues from mismanagement of the metering systems?**

PECO is committed to providing customers with exceptional service. We are also committed to advanced digital technologies such as smart meters that enable us to serve our electric and natural gas customers effectively and accurately while maximizing safety for our field crews. We have robust processes in place to ensure our smart meter technology provides accurate data and functions correctly, which includes data analytics, random audits, and meter testing. In instances when we have identified meter issues or discrepancies in the data, we have taken appropriate corrective actions and made the necessary customer and regulatory notifications. One of our key accuracy checks is our Meter Services organization. We are proud of the work they do every day to ensure proper management of our meter systems.

**44. What does the company plan to do to promote easy voting access and against the racially discriminatory voting laws/Bill's being pursued by local state Republican politicians?**

We agree that the strength of our democracy depends upon easy, fair and equal access to voting, and we know that we are strongest when all Americans' voices are heard. As a fundamental principle, Exelon strongly opposes any discriminatory legislation or measures that restrict or prevent any eligible voter from having an opportunity to cast a ballot.

**45. Of the various methods of power generation used by Exelon in its widespread facilities, what is the percentage breakout for nuclear, natural gas, renewables like wind & solar, and finally coal. How many coal facilities are still in use?**

Exelon has no coal facilities. As of December 31, 2020, the generation from our owned generation resources can be broken down as follows:

- 18,880 MW – Nuclear (60%)
- 9,340 MW - Fossil-based (primarily natural gas and oil) (30%),
- 3,051 MW - Other renewables including wind, hydroelectric, solar and biomass generation (10%)

**46. Can Management prepare a report annually concerning [sic] divesting nuclear assets as a way to enhance shareholder value?**

The Company announced on February 24, 2021 that it is planning to separate Exelon’s regulated utility business and its competitive power generation/customer-facing energy businesses into two publicly traded companies.

**47. I live in Chicago. There are very few Charging stations in Black neighborhoods- 60617, 60619, 60620, 60628, 60649. Will you please commit to putting charging stations in these communities? I have noticed that some charging stations are located in parking garages, but these communities often have open parking lots rather than garages. Please commit to adding this infrastructure**

ComEd is committed to ensuring that the benefits of clean transportation are enjoyed equitably by all of our customers. We recognize that access to the benefits of vehicle electrification is not equitable, and this is a problem we want to help address. The same communities that have less access to EVs and vehicle charging infrastructure are also those that are harmed the most by air pollution caused by vehicles that run on fossil fuels. While ComEd doesn’t install charging stations or determine their siting, we are working with stakeholders to ensure that as the transition to electric buses, trucks and cars goes forward in Chicago and across northern Illinois, barriers are removed and the right incentives are in place to ensure that communities that are disproportionately impacted by air pollution are prioritized and can share in the benefits.

**48. Was regulation or deregulation more profitable for the company [?]**

In the late 1990s and early 2000s, policymakers in each of our jurisdictions undertook various initiatives to restructure the electric industry that resulted in the competitive markets for electricity supply which exist today. Exelon Corporation was formed during this period and, through subsequent mergers, became the largest utility in the U.S. by customers served, the largest competitive generator of clean electricity in the U.S., and the largest competitive retail electric supplier in the U.S. The deregulated structure of the electric industry, particularly in the PJM region, has been a key enabler of this growth, which likely would not have been possible under a system of traditional regulation. Industry restructuring also has enabled significant value for consumers, including retail choice, coordinated regional transmission planning, and coordinated generation dispatch and resource planning.

**49. It looks as if there is only one person of color on your board who has only served for a year. Do you have any Asian Americans on your board and if not, why not? What are your plans to increase diversity on your board?**

Beginning in 2020, we surveyed our directors for more detailed information about their self-identified race or ethnicity. As disclosed in our 2021 Proxy Statement, Exelon's Board includes 3 members (25% of the Board) who identify as ethnically or racially diverse. While none of our current directors identify as Asian, diversity is a critical consideration when evaluating Board composition, Director qualifications, and potential Director nominees.

**50. Mr. Chairman, the Carpenter Union pension funds have a collective ownership position of 1,441,200 shares of the Company's common stock. As long-term investors, we would again like to express our support for the Company's commitment to its full range of important stakeholders and our appreciation for the positive working relationships with the working men and women that build and maintain the Company's facilities. With a major restructuring plan approved, could you or the Chair of the Compensation Committee discuss any considerations as to whether there will be fundamental changes to the executive compensation plan for Exelon Utilities to drive the long-term strategic business plan developed for the new company. Thank you.**

As when the company was joined with Constellation, Exelon Utilities will continue to benchmark the executive compensation plan to an appropriate peer group and ensure that the metrics and targets align with the strategy communicated to our shareholders.

**51. Mr. Chairman, the topic of stakeholder capitalism, as an alternative to shareholder capitalism, has received considerable attention recently. As long-term pension fund investors, the Carpenter Funds appreciate the sentiments embodied in the stakeholder capitalism perspective, but feel that execution could be complicated. Could you discuss the Board's perspective on the concept of stakeholder capitalism, and what principles the Board would use to balance the interests of varied stakeholders as it develops and implements the Company's long-term business strategy? Thank you Mr. Chairman**

We agree with the idea that corporations have an obligation to serve the interests of all their stakeholders, including customers, shareholders, employees, and the communities in which we operate. We believe these interests are not mutually exclusive and, in fact, are mutually reinforcing.

**52. My name is Jerry Bowyer, the Chief Economist of Vident Financial, a modest sized institutional money manager. We are concerned about the politicization of corporations which get pulled into divisive political debates. E.g. the Equality Act, legislation which sides with 1 partt [sic] and interests against another. Especially concerning is that it explicitly denies citizens the right to appeal using the religious freedom restoration act. Why not stay focused on business, on generating electric power for all of us instead of playing with political power for half of us?**

The Equality Act aligns with our company's belief that people of every race, gender, religion, sexual orientation and identity should not face discrimination and should be treated with fairness, respect and dignity. That's how we run our business; not just because it is the right thing to do, but because it is the economically smart thing to do. A credible body of research and our own company's experience shows that diversity of thought, experience and background creates stronger teams and better business outcomes. We think the same holds true for the customers and communities we serve, which include some of the most culturally and economically vibrant urban areas of the country.

**53. Shareholder resolution 4 appears to be a cynical attempt to pit human rights and sustainability against one another. In fact, it is well documented that climate change and environmental damage are enormous risks to human rights and community development and human rights. Unfortunately, by calling for a rate increase to fund grid updates, PECO seems to be similarly cynically pitting environmental and economic justice against one another. With that in mind, and given Exelon's opposition to this resolution, what are some actions that Exelon and its subsidiaries will do that will promote both positive environmental justice and community development? (For example, investing heavily in green jobs in underserved communities.)**

Exelon and its family of companies, including PECO, are committed to promoting environmental justice and community development as the country transitions towards a clean energy future. In fact, the recent filing by PECO is specifically designed to address these issues directly. PECO will invest more than \$3 billion between 2019 and 2022 in electric distribution infrastructure to make the local energy grid stronger and more resilient, enhancing service and delivering safe, reliable, and clean energy for customers. This proactive work is critical to reducing the impact of extreme weather on infrastructure and ensuring enhanced service for our customers. The request includes financial assistance to residential customers in need and a grant program providing relief to small business located in low-income communities that demonstrate financial need.

Exelon and its operating companies also provide extensive workforce development opportunities, STEM education programs and clean energy projects in disadvantaged communities to help ensure the benefits of a clean energy future are shared equitably.



**54. Exelon has called upon Biden to drastically cut greenhouse gas emissions by 2030. What kinds of investments would Exelon be comfortable with its utilities making, specifically around energy procurement, rooftop solar, or job training, that will enable their respective regions to move toward this goal?**

We're actively engaged in all of these right now. We're analyzing our distribution system and its reliability and capacity to enable further distributed generation. We have significant job training programs underway. All our utilities are focused on continued engagement on energy efficiency and that's an investment we can and will make to support that goal.

**55. What will you do to ensure that the positive impacts of an upgraded grid, particularly in terms of capacity for solar, most directly benefit lower income ratepayers?**

We've been engaged and have had success with our regulators on this issue. Community solar policy initiatives were engaged in Illinois that would continue to ensure that it is a focus of ours. Underserved communities are not getting their share of distributed generation at a fair price as was projected in earlier plans and legislation. We're fighting for that and will continue to do so.

**56. Over the past year, cities large and small in your service areas have faced unprecedented struggles with unemployment and disinvestment. Exelon's utilities are continuing to collect late fees and resuming shut-offs while leaving customers with insurmountable debts. Do you feel comfortable with the current amount of customers in your service areas who are choosing between feeding their families and powering their homes? Assuming you do not, what will you do to address the root causes of the challenges your customers are facing?**

We are concerned about this issue. We have worked with regulators and are working with customers on programs that are available to help them during this difficult period including relief on bills and payment plans. We understand that the unemployed and underserved communities are suffering and the regulation and legislation that we've been sponsoring and working on with our stakeholders is designed to support that with the goal of trying not to put further stress on those that are under a great deal of distress right now.

**57. What do you see as the major roadblocks for spinning off Exelon Generation?**

Regulatory approval is the major hurdle. We've positioned the businesses, the management teams and the balance sheets to be able to facilitate that but we have to go through and ensure we appropriately and constructively engage with our regulators, as well as other stakeholders.

**58. What will be the other major regulatory challenges for Exelon over the next year?**

We currently have several on-going rate cases -

- ComEd filed its 2021 Distribution, Transmission and Distributed Generation Rebate Annual Formula Rate Updates on April 16. The Energy Efficiency annual formula rate update will be filed by June 1. ComEd expects regulatory decisions in these rate cases by the end of 2021.
- PECO filed a gas distribution rate case on September 30, 2020 and expects to receive a Pennsylvania Public Utility Commission (PaPUC) order in June 2021. PECO filed an electric distribution rate case on March 30, 2021 and expects to receive a PaPUC order in December 2021.
- PHI:
  - Delmarva Delaware filed an electric base rate case on March 6, 2020 and an order is expected in Q3 2021.
  - Pepco DC filed its first Multi-Year Plan on May 30, 2019 and an order is expected in Q2 2021.
  - Pepco MD filed its first Multi-Year Plan on October 26, 2020 and an order is expected in Q2 2021.
  - ACE filed a traditional base rate case on December 9, 2020.

Additionally, as part of the separation process, Federal Energy Regulatory Commission, New York Public Service Commission, and Nuclear Regulatory Commission approvals are all required for the transaction. All filings were made on February 25, 2021 and are in progress.

**59. In the long run, a transition to renewable energy could save money for customers and utilities alike. Why is PECO pushing for a 9.65% rate hike this year, at the end of a pandemic, instead of financing those upgrades itself? Given the economic challenges facing the Philadelphia region, can you confidently argue that PECO's 9.65% rate hike will not have an overall negative impact on the region's economy, and on your shareholders from the region?**

**60. In light of today's remarks on cost reductions and ending the year within the pre-pandemic forecasted range of earnings, it seems like Exelon has not taken a hit at all. Why should PECO customers have the burden of an extra 9.65% to their bill next year?**

PECO believes customers will benefit from the proposed improvements in electric distribution infrastructure, which will make the local energy grid stronger and more resilient, enhance service and help the company deliver safe, reliable, and clean energy for customers. In addition to supporting significant investment in the electric grid and the advancement of clean energy technologies, the filing proposes customer relief offerings for eligible residential and small business customers. The average PECO residential electric customer's total bill is currently at about the same level that it was 30 years ago in 1990.