



**SHAREHOLDER Q&A**  
**EXELON CORPORATION'S 2023 ANNUAL MEETING OF SHAREHOLDERS**

April 25, 2023

Shareholders were permitted to submit questions in writing prior to and during the 2023 annual meeting. In accordance with the Rules of Conduct for the meeting, all appropriate questions are presented below as submitted exactly by shareholders and Exelon has not undertaken to edit or correct grammatical, typographical, or other errors. Exelon expressly disclaims an obligation to update its responses below.

A recording of the 2023 Annual Meeting of Shareholders will be available for twelve months at the following link: [www.virtualshareholdermeeting.com/EXC2023](http://www.virtualshareholdermeeting.com/EXC2023).

*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. 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," "should," 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, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC, 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' 2022 Annual Report on Form 10-K filed with the SEC on February 14, 2023 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; and (2) 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.

**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.*

- |  |
|--|
| <p><b>1. How are you taking advantage of the Federal legislation and support for clean energy passed in the last couple of years such as the Inflation Reduction Act and Infrastructure Investment and Jobs Act?</b></p> |
| <p><b>2. Will Exelon receive any funds through the Inflation Reduction Act or through the Infrastructure bill ?</b></p>  |

The Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) create tremendous opportunities to hasten the clean energy transition. The customers and jurisdictions Exelon serves are among the most forward-leaning in driving the clean energy transition and addressing climate change impacts, and these bills create further incentive for them to pursue those goals aggressively. The IIJA provides us a chance to partner with our jurisdictions to pursue funding opportunities, advancing the needed investments more rapidly while reducing the potential impact on customer bills. For instance, the EPA Clean School Bus program sets aside \$5B over 5 years, and school districts within Exelon’s territories were awarded over \$40M under the 2022 program, providing an opportunity to procure about 115 buses and increasing the need for our infrastructure. Beyond EVs, Exelon will also primarily focus on direct involvement in opportunities related to power grid reliability and resilience and cybersecurity.

As it pertains to the IRA, the tax credits created by the IRA will drive faster uptake of clean energy by others. Supporting increased customer interest in energy efficiency, electric transportation, and solar energy will require our utilities to expand and modernize our infrastructure and invest in our telecom and IT systems to integrate and optimize these resources.

Lastly, there’s considerable attention paid to hydrogen in both laws, but particularly the IRA, which offers opportunities for continued and future value for our gas distribution systems and increased use of the grid to support hydrogen production. Exelon is participating in 3 different hub efforts, and all three have been encouraged to move to the next stages by the DOE.

**3. What are you doing to manage energy affordability?**

Energy affordability is a critical consideration as we evaluate the pace of investment needed to keep pace with new technology, jurisdictional goals, and the reliability and resilience needs of a grid that is increasingly relied upon but also under increased threat from severe weather and physical and cyber-attacks. First, I should note that we’re starting in a good place. Our average electric bills remain below the national average with rates in our cities that are 23% below those of the largest U.S. cities and gas bills among the lowest in the states we operate. And then, while there is no silver bullet to keeping bill increases down, we attack it on as many fronts as possible. On the supply side, our jurisdictions allow us to lock in some of our forward supply, protecting customers from some of the volatility in the shorter-term markets, especially since prices have recently come down. The presence of the energy capacity market in PJM has also been helpful. Lastly, the carbon mitigation credits have also been a help for ComEd customers, expected to generate savings over the 5-year term of approximately \$3.5 billion as of recent forwards.

Then, we focus on our own cost to operate. Coming out of the separation, we had to focus on ensuring customers were not affected by the impact of splitting our shared services. With much of that work behind us and having achieved that, we can now focus on further evaluating how best to serve our customers in the most efficient way possible. Whether it is leveraging innovative technologies – like smart meters that reduce truck rolls and bring other operational savings – revisiting our approach to managing our supply chain, or optimizing our shared services, we’ll continue to explore ways to improve our cost structure to meet our goal of keeping costs at or below the historical levels of inflation. Last, we focus on what we can do to help our customers save. Our award-winning energy efficiency programs saved customers almost 25 million MWh in 2022.

**4. Is Exelon looking at M&A or other strategic transactions?**

**5. Does the company have the opportunity to make any large or small acquisitions in 2023 ?**

M&A is not our priority. We offer plenty of opportunity from an organic growth perspective; that is our focus. We have an ambitious investment program laid out -- \$31B of capital over the next 4 years -- needed to meet customer expectations around transitioning to a cleaner grid while maintaining reliability and affordability. To put that in perspective, that \$31B of capital grows our rate base by over \$18B, which is close to the size of our largest operating company, ComEd, and we're doing that at book value. We're doing that with less than \$0.5B of equity, and without all of the work and costs -- regulatory approvals and integration -- that go into buying another utility.

**6. How are you thinking about your gas distribution infrastructure in light of some of the pushback gas has received?**

Proposed natural gas hook-up bans are grounded in a sense of urgency in taking climate action, and we share that goal, as epitomized by our own Path to Clean goal. Exelon is pursuing a portfolio approach to decarbonization because no single technology or strategy will achieve net zero, and different regions may need to approach it differently. We know natural gas has an emissions impact, so we are advancing a lower carbon future for our gas networks and our entire business.

Our infrastructure modernization and pipeline replacement programs are the foundation by reducing methane leaks today and over the long term. Addressing supplier and customer emissions is critical. Building electrification is an important component of any pathway to reduce emissions. Lastly, energy efficiency, innovative operations, clean fuels, and capture technologies can play a role as well.

Diversifying the approach to decarbonization with a mix of tools such as electrification, electrification with gas back-up, and clean fuels can help lower overall costs for customers, reduce technology risk through overreliance on a single technology, and supports energy system reliability. We see value in such an integrated energy system approach, which still relies heavily on building electrification.

A recent study by E3 of the BGE territory shows overall energy system savings through pathways that integrate electrification and gas system solutions, avoiding \$12-\$14B of cost, or a reduction of more than 25%, from those that rely more exclusively on electrification or renewable gases. In a Limited Gas approach, 90% of customers would go electric, peak demand would go from 7 GW to 17 GW (143% increase), and significant investments to support (e.g. 100 new substations, 150 upgraded substations, and several thousand new feeders -- that would be about 1 new/upgraded substation per month which can range in cost from tens of millions to hundreds of millions and is about equal to the number of substations we currently have; we have approximately 1,500 feeders). In the integrated approach, peak demand would go from 7 GW to 12 GW (71% increase).

**7. Please explain the emphasis in the proxy materials on Diversity?**

**8. Does EXELON subscribe to woke policies such as DEI and ESG?**

**9. What is management doing to resist the diversity, equity and inclusion (DEI) movement?**

**10. Why do you make such a big deal of the demographics of the director nominees?**

**11. How can the company increase DEI in this industry ?**

Diversity, equity, and inclusion at Exelon strengthens our ability to achieve our vision by:

- Attracting, retaining, and advancing employees who will best serve and represent our customers, partners, and communities,

- Providing a workplace that ensures we respect one another and that each of us has the opportunity to grow and contribute at our greatest potential, and
- Ensuring we're benefiting from a complete set of experiences and perspectives to maximize our opportunities to be successful

At Exelon, our commitments to supporting our employees, investing in our communities, and proactively addressing climate change, are all driven by our mission, our business strategy, and our values. These imperatives are not a short-term response to a recent "grade" or "campaign" — these imperatives are who we are as a company and what we do every day, underpinned by the goal of maximizing shareholder value.

Long before ESG and DEI became common topics on investor calls, the values underpinning them—such as operating safely, stewarding our shared resources, supporting our employees, and investing in our communities—have been central to Exelon's business and success.

**12. What % of power generated by EXELON from wind farms and solar panels?**

Exelon does not own any power generation – as noted in my earlier remarks, we are solely an energy delivery company and therefore are at the center of the ongoing energy transformation. Where Exelon can make an impact is in facilitating the delivery of wind and solar energy in response to increased customer interest. This will require our utilities to expand and modernize our infrastructure. We are working to support and integrate these kind of clean energy solutions by enabling those interconnections as well as supporting programs to make access more accessible and affordable to benefit all customers and the grid.

**13. Which Director is responsible for cybersecurity and does he/she report directly to the CEO ?**

The full board oversees cybersecurity and receives updates from Exelon's Senior Vice President and Chief Security Officer (CSO) who attends each of the Board's regularly scheduled meetings and provides updates on emerging issues and trends and addresses any concerns with the Board's full participation.

**14. With the electrification of the auto industry, how does the company plan on capitalizing on this future growth industry ?**

The regulatory framework for electric vehicle (EV) infrastructure is different in each of our jurisdictions. As noted in my earlier remarks, we are investing in the grid to help each of our jurisdictions meet their goals and by investing in EV infrastructure, we are a catalyst in making progress toward those goals. In some of our jurisdictions, the utilities are allowed to own the charging stations and others they are not, but all of our utilities are responsible for building out that infrastructure. And that is our commitment, we will not be the cause of delay for any of our jurisdictions achieving their EV goals.