

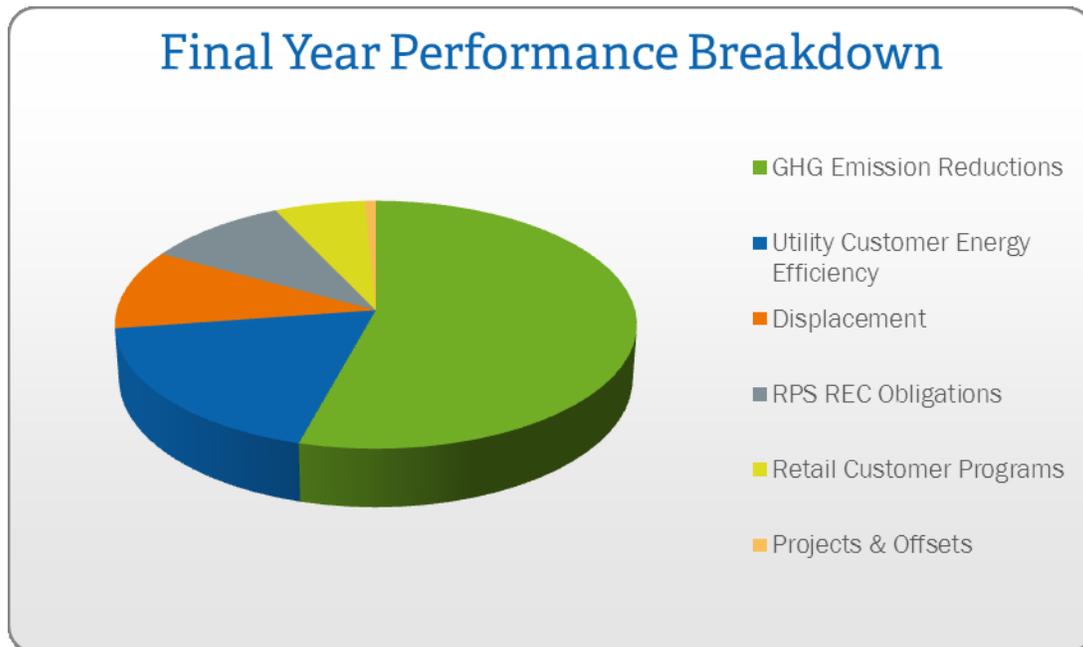
Exelon 2020

Exelon introduced *Exelon 2020* in 2008, with a goal of eliminating 15.7 million metric tons of GHG emissions annually by 2020, as measured from the company's emissions in 2001, its first full year of operation.

Following the March 2012 merger of Exelon and Constellation, the company updated its goal to reflect the combined carbon-abatement goals of the two companies before they merged.

To track our progress, Exelon measured impacts in three categories:

- Reducing or offsetting Exelon's carbon footprint through absolute reductions in our direct and indirect emissions, as well as project-based reductions including waste reduction and recycling.
- Helping our customers and the communities we serve reduce their greenhouse gas emissions through both mandated customer energy efficiency programs and RPS obligations at our utilities and through our retail offerings; and
- Offering more low-carbon electricity in the marketplace through uprates and efficiency improvements at our nuclear facilities



Due to the combined efforts of our business units, we surpassed our revised target through the abatement of more than 18 million metric tons of CO₂e in 2013. Contributions and accomplishments from each Exelon operating company include:

Activities by Operating Company

Metric Tons of CO₂e Abated



Fossil Division:

- Reduced direct GHG emissions from power generation by retiring older, inefficient fossil fuel plants, including:
 - Fuel oil units Mystic 4, 5, 6; Cromby 2; Delaware 7 and 8; New Boston 1 and 2; Mountain Creek 2 and 3; and Handley 1 and 2
 - Coal-fired units Cromby 1; and Eddystone 1 and 2
- Certified three LEED energy education visitor centers at generation stations in IL, PA and MD

9.4 million

Nuclear Division:

- Implemented 316 MW of nuclear up rates across our fleet, generating 2.5 million MWh of clean energy and avoiding 1.6 million metric tons CO₂e
- Reduced direct GHG emissions by more than 40,000 metric tons CO₂e across its generation fleet
- Reduced indirect emissions by establishing 'remote self-supply capabilities' to power operations with electricity from Exelon nuclear plants

1.8 million



- Removed 100 percent of first generation SF₆ breakers, implemented advanced leak detection and inventory programs to reduce GHG emissions associated with SF₆ by 66,000 metric tons CO₂e
- Cut internal building electricity use by 32 million kWh/year through aggressive building modernization efforts
- Implemented approximately 950,000 MWh of incremental customer energy-efficiency savings through the award-winning ComEd Smart Ideas program, resulting in a total of nearly 3 million MWh achieved in 2013
- Retired more than 2.3 million MWh solar and wind RECs for RPS obligations in 2013

3.8 million



- Implemented advanced leak detection, inventory management programs and improved maintenance procedures to reduce SF₆ emissions
- Removed all but 72 first generation SF₆ breakers
- Improved natural gas distribution system through pipe upgrades which reduced GHG emissions
- Purchased RECs to offset building energy use
- Cut internal building electricity use by nearly 9 million kWh/year through pursuit of LEED certifications at 10 buildings
- Introduced seven new customer energy-efficiency programs in 2013
- Implemented an additional 342,000 MWh in savings from customer energy-efficiency programs in 2013 through the award-winning PECO Smart Ideas program for a total of more than 1.5 million MWh saved as of December 2013
- Retired more than 438,000 MWh of solar and wind RECs for RPS obligations in 2013

1.2 million



- Implemented leading-edge customer energy efficiency and demand response to retail, business and public sector customers
- Implemented numerous distributed solar systems for customers
- Sold 2.4 million voluntary RECs

1.1 million



An Exelon Company

- New to the program in 2012
- Removed all but six first generation SF₆ breakers
- Improved natural gas distribution system through pipe upgrades which reduced GHG emissions
- Saved an additional 450,000 MWh from customer energy-efficiency programs through the award-winning BGE Smart Energy Savers Program® for a total of nearly 1.8 million MWh in savings as of December 2013
- Retired more than 21,600 MWh of solar and wind RECs for RPS obligations in 2013

0.7 million



Exelon Business Services:

- Consolidated corporate offices in Chicago to eliminate one building
- Achieved LEED-CI for Chase Tower Corporate headquarters
- Retired 44,000 verified carbon credits to offset business travel emissions in 2013

0.1 million

Total GHG Abatement

18.1 million

Exelon ensures accurate tracking and verification of its annual GHG emissions by conforming to The Climate Registry and the World Resources Institute's GHG Protocol, as well as ISO 14064 standards. Exelon 2020 elements beyond its primary GHG inventory were also third-party verified in its achievement year by Stantec Consulting Ltd.

Exelon 2020 Accounting Protocol

Exelon 2020 Greenhouse Gas Abatement Goal

The greenhouse gas (GHG) abatement goal for *Exelon 2020* is an annual emissions goal that relates to the combined impact of emissions reductions from our internal operations compared to our inventory baseline as well as emissions abatement associated with our customer programs and emissions displaced/avoided as a result of increased low-carbon generation from our existing nuclear facilities. *Exelon 2020* represents Exelon's overall CO₂-equivalent emissions abatement across our value chain, aggregating our own Scope 1 and 2 reductions, with reductions in our Scope 3 emissions that were directly tied to the products and services we provide. Performance for the 2013 has been third party verified in accordance with the initially designed program parameters and established accounting principles to ensure achievement of the goal during this reporting period.

From its establishment in 2007 through 2012, the *Exelon 2020* goal was 15.7 million metric tons of CO₂ equivalent emissions. For 2013 and going forward, the goal has been updated to 17.5 million metric tons of CO₂ equivalent emissions. The update of the goal occurred to incorporate two prior GHG commitments made by Constellation Energy prior to the merger. These prior Constellation Energy commitments include the goal to enable customers to avoid 7 million short tons CO₂, on a cumulative basis between 2010 and 2015 (equated to 1,027,059 metric tons annual GHG emissions), and a secondary goal to reduce pounds GHG/MWh generated 5 percent by 2015 (equated to 814,261 metric tons annual GHG emissions – 2010 emissions at original intensity less 2010 emissions at target intensity).

Direct and Indirect Emission Reductions

Reductions in GHG emissions from our operations are relative to the baseline year that the business or asset was acquired by Exelon. For legacy Exelon sites, this is our 2001 base-year emissions; while starting in 2013, for sites acquired during the Constellation Energy merger, their baseline year will be 2012. Our GHG inventory and baseline emissions are prepared and third-party verified in conformance with The Climate Registry General Reporting Protocol, which allows for the use of EPA Mandatory Reporting Rule (40 CFR Part 98) requirements where applicable, and is based on the World Resource Institute GHG Protocol. Emissions include stationary and mobile combustion of fossil fuels, fugitive emissions of GHGs (e.g., methane, SF₆, CO₂ and hydro fluorocarbons) and indirect emissions associated with the purchase of electricity from external sources.

All years of the inventory have been third party verified except 2009. Accounting for reductions is performed in accordance with The Climate Registry General Reporting Protocol guidance as it relates to baseline management. A catalogue of changes and updates has been maintained for each baseline reflecting known emission changes that may be a result of improved or corrected data or emission factor refinements, the total of which has not been significant enough to trigger a baseline adjustment. Exelon is maintaining separate baselines for newly acquired sites due to the difficulty of attaining comparable and verifiable data for all sources back to 2001 and in order to focus on the current and future impacts made by Exelon.

Beginning with 2013, total reductions were the aggregation of change that occurred for each of the baseline years. While the EPA issued updates to the Part 98 Mandatory GHG reporting rule to move emissions reporting to the global warming potentials (GWP) from the IPCC Fifth Assessment report, the Exelon 2020 program accounting was closed out using the AR2 GWPs for conversion to carbon dioxide equivalent to stay consistent

with the initial program accounting in our 2001 baselines. Exelon plans to move to the AR5 GWPs to align with regulatory reporting in 2014.

Offsets

Exelon procures and retires Green-e certified Renewable Energy Credits (RECs) as part of the electricity supply for certain facilities, including some that have been LEED certified. These offsets have been identified in our annual GHG disclosure and the emissions equivalent is accounted for as part of our *Exelon 2020* performance. Exelon also retired 44,000 Climate Reserve Tonnes (CRTs) to offset our carbon footprint associated with our business travel which have also been captured in the *Exelon 2020* accounting. The factors (pounds/MWh) used for estimating the avoided fossil generation GHG emissions associated with RECs for 2012 are based on the eGRID2012 Year 2009 GHG Annual Output Emission Rates: 1,528.76 pounds CO_{2e} per MWh in Illinois and 952.63 pounds CO_{2e} per MWh in Pennsylvania and include an adjustment to exclude emissions associated with Exelon Generation in each grid region.

Project-Based Reductions

Reductions related to changes in operations that are considered Scope 3 and outside of Exelon's Climate Registry conformant GHG inventory for direct and indirect emissions. These include material recycling and sequestration projects, and are included as project-based reductions in *Exelon 2020* performance. Including these activities in our *Exelon 2020* performance enables us to account for their real contributions to global GHG emission reductions and promote the value of engaging in these activities. The EPA Waste Reduction Model methodology was used as the basis for estimating our commercial facility material recycling and investment recovery activities. A methodology for waste oil recycling was developed with our oil recycling vendor, which recycles this material for reuse, thereby avoiding the incremental emissions associated with producing virgin product for our use. Our GHG reduction estimates for oil recycling and reuse are based on 23 pounds CO_{2e} per gallon for transformer oil. All elements of these project based reductions were included in the third party verification covering the achievement of the program in 2013.

Customer Abatement

Through the ComEd and PECO Smart IdeasSM programs, Exelon is helping its customers reduce their electricity use through energy efficiency measures, in conformance with Illinois and Pennsylvania state-mandated requirements. Exelon also is procuring and retiring RECs for retail customer supply, in compliance with state-mandated renewable supply requirements. The customer energy efficiency estimates for GHG abatement are based on the megawatt hours reported to the Illinois Commerce Commission by ComEd and to the Pennsylvania Public Utility Commission by PECO. The factors (pounds/MWh) used for estimating the avoided fossil generation GHG emissions for both energy efficiency and REC purchases are based on eGRID 2012 factors as adjusted to exclude Exelon Generation Scope 1 emissions on the grid to avoid any potential for double-counting of Exelon fossil plant emission reductions and customer energy efficiency abatement. The methodology for this customer abatement accounting was detailed and documented to the Voluntary Carbon Standard (VCS) 2007.1 (version November 18, 2008) and VCS Project Description Template (version November 19, 2007) by a third party consultant early on during the program. Starting in 2013, BGE also

contributed customer abatement performance from their Energy Smart Savers program in conformance with Maryland state-mandated requirements in alignment with the established protocol methodology. Constellations retail energy efficiency and green products sales which are wholly market driven were also incorporated starting in 2013.

Because Constellation does not provide these programs under a regulatory structure, the accounting previously designed by Constellation in coordination with their related GHG commitment was carried forward. Customer energy efficiency performance was based on 1.354 Kwh of reduction per revenue dollar; distributed solar performance is based on actual solar generation captured from distributed solar systems using e-GRID factors associated with the region of generation; voluntary REC sales are based on actual annual sales volumes for Wind RECs; and demand response performance is based on actual demand response events assuming 75% use curtailment with the balance being backfilled by diesel emergency generation. All elements of these project based reductions were included in the third party verification covering the achievement of the program in 2013.

GHG Displacement from Low-Carbon Generation

Through the addition of new low-carbon generating capacity from uprates at existing nuclear plants, Exelon is able to displace marginal, more carbon-intensive fossil generation, thereby reducing the GHG emissions from generation in its operating regions. PJM Interconnection develops marginal CO₂ emissions factors each year, based on actual marginal operating plant emissions. Utilizing the average marginal emissions rates for on-peak and off-peak periods during the applicable year, the displaced CO₂ emissions are estimated for the generation produced from Exelon's equity share of the nuclear capacity uprates. To avoid any potential for double-counting Exelon fossil plant emission reductions and nuclear displacement, the potential interaction between increased nuclear generation in the vicinity of Exelon fossil generation, which could result in reduced fossil plant capacity factors, was addressed by discounting the estimated displacement by 2 percent (the percent impact of new Exelon nuclear capacity on Exelon PJM fossil plant emissions). The methodology for this nuclear displacement accounting was detailed and documented to the Voluntary Carbon Standard (VCS) 2007.1 (version November 18, 2008) and VCS Project Description Template (version November 19, 2007) by a third party consultant early on during the program. Displacement associated with nuclear uprates was included in the third party verification covering the achievement of the program in 2013.

For questions about the program

If you have any questions about Exelon 2020, please contact responsibility@exeloncorp.com.