Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Exelon Corporation (Nasdaq: EXC) is a Fortune 250 company and is the nation's largest utility company by customer count, serving more than 10 million customers through six fully regulated transmission and distribution (T&D) utilities—Atlantic City Electric Company (ACE), Baltimore Gas and Electric Company (BGE), Commonwealth Edison Company (ComEd), Delmarva Power & Light Company (DPL), PECO Energy Company (PECO) and Potomac Electric Power Company (Pepco). In addition to the electric T&D services provided by all of our utilities, three of our utilities (PECO, BGE and DPL) also provide natural gas service. Since its separation from Constellation Energy on February 1, 2022, Exelon does not own any electric power generation resources.

Exelon is committed to reporting on our sustainability performance annually. Unless otherwise noted, this report presents information and data that reflect the post-separation footprint of the current day T&D utilities business of Exelon. On February 1, 2022, the power generation and competitive energy marketing business that had previously been part of Exelon became a separate publicly traded company (Constellation: ticker CEG). Information on Constellation is outside of the scope of this disclosure. Data in this disclosure focuses on the reporting period of January 1, 2022, through December 31, 2022. Exelon's 2021 disclosure similarly focused only on our current day T&D utilities business of Exelon, but prior to 2021 disclosures did include our former business structure; emissions and risk profiles differed significantly because of that, therefore trending year over year prior to 2021 is not possible through CDP. Exelon does provide 3 years of recast data for GHG emissions in its corporate sustainability report.

This disclosure contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks 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 include those factors discussed herein, as well as the items discussed in (1) the Registrants' 2022 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 18, Commitments and Contingencies; (2) the Registrants’ First Quarter 2023 Quarterly Report on Form 10-Q in (a) Part II, ITEM1A. 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 12, Commitments and Contingencies; 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, 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 report. The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For a discussion of information that is material to the Registrants, please see our filings with the SEC, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Equity share

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain

Transmission

Distribution

Other divisions

Gas storage, transmission and distribution

Smart grids / demand response

Battery storage
Micro grids

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	US30161N1019

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	The Exelon Board's Corporate Governance Committee oversees the company's strategy and performance for addressing sustainability and environmental issues, including climate change. Exelon maintains a Climate Change Policy that establishes our corporate position, and we have developed a Path to Clean program that outlines our GHG mitigation goals and how we will drive to achieve them. Our executive management team is supported by our corporate Sustainability Council, an advisory body to provide oversight of Exelon's integrated ESG program and ESG disclosures, including Exelon's climate change programs. Our Senior Vice

	President and Chief Strategy and Sustainability Officer is responsible for coordinating the Sustainability Council and overseeing the establishment and maintenance of our climate change efforts in coordination with our broader business strategy, reporting to the Board's Corporate Governance Committee at least annually on climate change related programs. We report progress on our GHG mitigation goal to executives quarterly and have added our annual GHG milestone target to our Path to Clean 2030 goal as a Key Performance Indicator tied to compensation. Our GHG inventory is third-party verified annually under ISO 14064, and the Path to Clean program and process is reviewed annually as part of our ISO 14001 certified Environmental Management System (EMS).

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Overseeing major capital expenditures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets	Our business faces a complex and accelerating mandate from customers and stakeholders to help lead the clean energy transformation. The Board of Directors oversee management's efforts to effectively confront climate change, implement rapidly changing technology, shape and align with energy policies and meet heightened expectations for economic and social equity. The Corporate Governance Committee of the Exelon Board of Directors is tasked with overseeing sustainability and climate change strategies and efforts to protect and improve the environment. In addition to regular engagement with management, the Committee reviews and provides input on an annual report from management on issues such as climate change scenario planning, our GHG emission reduction goals, strategies for a decarbonized economy, and investor interest in sustainability practices and reporting. While the Corporate Governance Committee has primary oversight, the interdisciplinary nature of these issues leads every standing committee of the Board to consider the Company's efforts in managing these topics. Because sustainability is a core part of our business strategy, environmental, climate-related, and other sustainability topics are inherently part of the full Board's discussions on many topics, including long-term planning,

	Reviewing and guiding the risk management process	financial risks, policy issues, and other transformational changes occurring in the energy industry.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Several members of our Board bring a thorough understanding of the transmissions and distribution system and drivers of system disruption, as well as experience in risk management and long-term planning through the insurance industry . The Exelon Board of Directors also has a program for providing continuing education for all directors. This education is provided during portions of board and committee meetings and focuses on emerging issues and topics relevant to issues before the directors (such as various implications of climate change). Education may take the form of presentations from senior leadership or other subject matter experts within the Company, presentations from external advisors, or “white papers” which are deep dives into timely subjects or topics. Continuing education also involves individual directors’ attendance at director education seminars and occasionally tours of Exelon’s facilities, both at Exelon’s expense. The Enterprise Risk Management organization within Exelon regularly evaluates the most significant risks of the business and emerging risks and discusses those risks with the Audit and Risk Committee of the Exelon Board of Directors, to include Business risks and capital allocation related to climate change. [Exelon 2023 Proxy Statement page 29]

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position

Providing climate-related employee incentives
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Our executive management team is supported by our corporate Sustainability Council, an advisory body to provide oversight of Exelon's integrated ESG program and ESG disclosures, including Exelon's climate change programs. Our Senior Vice President and Chief Strategy and Sustainability Officer is responsible for coordinating the Sustainability Council and overseeing the establishment and maintenance of our climate change efforts in coordination with our broader business strategy, reporting to the Board's Corporate Governance Committee at least annually on climate change related programs. We report progress on our GHG mitigation goal to executives, including the CEO, quarterly and have added our annual GHG milestone target to our Path to Clean 2030 goal as a Key Performance Indicator tied to compensation. Our GHG inventory is third-party verified annually under ISO 14064, and the Path to Clean program and process is reviewed annually as part of our ISO 14001 certified Environmental Management System (EMS).

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Effective in 2023, Exelon has established an enhanced Annual Incentive Plan (AIP) for executive compensation that adds a new Environmental, Social and Governance (ESG) modifier under which up to ±10 percent of the overall AIP payout for each named executive officer, and all employees, will be affected by environmental and social measures directly aligned to Exelon's progress on its Path to Clean and DEI goals. The Compensation Committee will conduct a holistic evaluation of Exelon's performance based on the quantitative achievement of the annual milestone target towards Exelon's Path to Clean 2030 goal to reduce total operations-driven GHG emissions by 50% from a 2015 baseline by 2030, as well as a quantitative DEI component. For more information on these new AIP metrics, as well as other updates to Exelon's executive compensation plans, please view Exelon's 2023 Proxy Statement.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Corporate executive team

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

In 2023, the Board Compensation Committee approved an enhanced Annual Incentive Plan (AIP) for executive compensation that adds a new Environmental, Social and Governance (ESG) modifier under which up to ±10 percent of the overall AIP payout for each named executive officer, and all employees, will be affected by environmental and social measures directly aligned to Exelon's progress on its Path to Clean and DEI goals. The Compensation Committee will conduct a holistic evaluation of Exelon's performance based on the quantitative achievement of the annual milestone target towards Exelon's Path to Clean 2030 goal to reduce total operations-driven GHG emissions by 50% from a 2015 baseline by 2030, as well as a quantitative DEI component. For more information on these new AIP metrics, as well as other updates to Exelon's executive compensation plans, please view Exelon's 2023 Proxy Statement.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive directly raises attention to the progress towards both our annual Path to Clean target (short-term) and the ongoing glideslope of our Path to Clean 2030 plan (long-term), which lays out those annual targets through the completion of the 2030 50% GHG emissions reduction goal.

Entitled to incentive

Business unit manager

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Exelon utilizes a corporate scorecard that includes a specific goal for managing GHG emissions. For 2022, each Operating Company (OpCo) renewed their commitment to our corporate GHG reduction goal to reduce emissions 50% by 2030 by establishing an annual milestone target for direct and indirect CO2e emissions from our operations-driven sources. These OpCo specific GHG targets were part of their OpCo level performance metrics. Performance towards these metrics is a consideration in manager personal performance evaluations which determines annual financial incentive payments . This is further enhanced by the new ESG modifier under which up to ±10 percent of the overall AIP payout will be affected by environmental and social measures directly aligned to Exelon's progress on its Path to Clean emissions reduction goal and DEI goals.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The KPI is actual emissions as compared to a pre-set annual milestone target that is established as our Path to Clean emissions reduction plan through 2030 and achieving our 50% reduction goal. Maintaining emissions beneath the established target would result in a positive financial incentive for the executive committee, as well as all employees, but also at the OpCo level would be considered in the Business Unit Managers regular performance evaluation as well. This incentive directly raises attention to the progress towards both our annual Path to Clean target (short-term) and the ongoing glideslope of our Path to Clean 2030 plan (long-term), which lays out those annual targets through the completion of the 2030 50% GHG emissions reduction goal.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

The Board Compensation Committee recently approved an enhanced Annual Incentive Plan (AIP) that adds a new Environmental, Social and Governance (ESG) modifier under which up to ±10 percent of the overall AIP payout for all employees will be affected by environmental and social measures directly aligned to Exelon's progress on its Path to Clean GHG emissions reduction and DEI goals. This was published in our 2023 proxy statement. This incentive directly raises attention to the progress towards both our annual Path to Clean target (short-term) and the ongoing glideslope of our Path to Clean 2030 plan (long-term), which lays out those annual targets through the completion of the 2030 50% GHG emissions reduction goal.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive directly raises attention to the progress towards both our annual Path to Clean target (short-term) and the ongoing glideslope of our Path to Clean 2030 plan (long-term), which lays out those annual targets through the completion of the 2030 50% GHG emissions reduction goal.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	Short-term aligns with our immediate budget planning horizon.
Medium-term	2	6	Medium-term aligns with our longer-term financial business plans, which extend out five years.
Long-term	6	30	Long-term aligns with strategic planning process focused on overall corporate strategy, industry trends and broader outlook into the future beyond 5 years out.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Our definition of 'substantive financial impact' when identifying or assessing and disclosing climate-related risks is generally consistent with that used for other business risk in our regular SEC 10-K filing. These risks may be characterized in a different manner for the purposes of the CDP survey in an effort to respond to the survey's structure and specificity. For the purposes of our enterprise risk management (ERM) process, we view climate change as an external risk, and incorporate it into our risk valuation process as a potential stress multiplier to existing risks and opportunities already under consideration. For example, system disruption from a weather event is a longstanding risk that Exelon has integrated into its risk assessment process, and potential climate change projections for more frequent storms would be a multiplier for this risk category but not necessarily broken out as an incremental impact nor added separately. Similarly, disruption from new technology is another risk category that is already being captured in our ERM process that could also be increased by climate change-related actions, but not necessarily fully attributable to climate change. We also recognize that climate change may affect different parts of our business in different ways, and thus it is our approach to integrate climate change considerations into our regular business policies, processes, and procedures.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Exelon has a formal, well-established approach for Enterprise Risk Management (ERM). It uses a continuous, systematic and dynamic risk identification and assessment process that works by partnering with its major operating units in a hands-on, collaborative approach to managing risk.

IDENTIFICATION:

Risk monitoring covers all geographic areas where we operate and occurs continuously throughout the year. Structural independence from the businesses is established through a centralized ERM organization within Exelon. The ERM Director reports directly to Exelon's EVP, Compliance, Audit, and Risk, who reports to the CEO and the chair of the Exelon Board's Audit and Risk Committee. Risk issues are regularly reviewed with Executives as well as Exelon's Board of Directors. Operationally, ERM interacts regularly with the business. Each operating company has a Risk Management Committee tasked with identifying and evaluating the most significant risks of the business and the actions needed to manage and mitigate those risks.

In addition, Exelon has adopted a "Three Lines" operating model to delineate responsibilities across the enterprise: First Line: Functions that own and manage risk; Second Line: Functions that monitor internal and external compliance and risk (Compliance and Enterprise Risk Management); and Third Line: Functions that provide independent assurance (Internal Audit).

ERM also works with leadership to capture both near- and longer-term top enterprise risks. In addition, ERM has established an Emerging Risks Steering Committee, which includes cross functional leaders with a broad range of experience in the industry to aid in identifying near and

longer-term emerging risks for monitoring.
ASSESSMENT:
The ERM Policy and corresponding Corporate Risk Appetite Statement provide the framework and governance by which we address financial, strategic, operational and external risks that have been identified. These risks include elements that may be affected by climate change through elevation of infrastructure and physical risks, business model risks, or both.
Our definition of 'substantive financial impact' when identifying or assessing and disclosing climate-related risks is consistent with that used for other business risk in our regular SEC 10-K filing. For purposes of our ERM process, we consider climate change as an external risk with the potential to affect the already captured risk of disruption to our distribution systems. For example, system disruption from a weather event is a long-standing risk that Exelon has integrated into its risk assessment process, and potential climate change projections for more frequent storms would not necessarily be broken out as an incremental impact being added separately. Disruption from new technology is another risk category that can be viewed similarly. Exelon also leverages Key Risk Indicators (KRIs) across its enterprise risks to serve as early warning indicators of changes in risk exposure.
PROCESS FOR RESPONDING:
Mitigation/Transition: Potential climate change impacts to our business model as identified in our ERM process are included in our corporate strategic plan. Exelon's business strategy is informed by key trends in our industry which encompass decarbonization transition risks. Our strategic focus areas work to transform these potential business risks into opportunities, building on customer and community partnerships, innovation within the energy sector, and deploying low-carbon energy solutions to help meet customers' interest and need for clean energy products and services, including local renewable generation and electrification of transportation.
Physical Climate: Specific assessment of physical climate change risks, including the use of regional projections, are being evaluated at the site level and within our infrastructure planning processes. The identification of potential climate change risks is still primarily event driven, since longer-term climate projections carry a level of uncertainty that limits use in cost-benefit analyses. However, because all Exelon utilities share best practices, a disruptive event at one utility can drive performance improvement and proactive planning across all of Exelon utilities.
Exelon is also taking proactive efforts to explore the integration of future climate change projections through participation in industry-led efforts such as the Electric Power Resource Institute Climate READi program.
CASE STUDIES:
TRANSITION:
- Situation: Exelon recognizes the increased focus and ambition of our customers and communities to drive towards decarbonization, which would put new pressures on our systems to meet these clean energy ambitions. Building alignment on each jurisdictional preferred policy choices to address its approach to decarbonization, and ensuring appropriate rate recovery for the resulting costs, is an important challenge.
- Task: Exelon has researched and participated in a variety of stakeholder and industry studies around decarbonization, sought out stakeholder

input, and participated in community program development and goal setting in order to develop an informed position about how it can support its jurisdictions' transitions to a clean energy future.
- Action: Electrification and grid decarbonization are key levers for economy-wide emissions reductions. Exelon sees supporting this growth and evolution of electric distribution and expansion of zero-carbon generation at a local level as an important business opportunity.
- Result: Currently Exelon invested almost $7.2 billion across our regulated utilities in 2022 and plans to invest $31.3 billion from 2023 through 2026. This investment will result in added customer benefits and increased performance and reliability metrics would improve our ability to earn at or above our current rate of recovery.
PHYSICAL RISK:
- Situation: The Exelon utilities' assets could be impacted by more frequent and more extreme weather events. Severe weather or other natural disasters are destructive and result in increased O&M and capital costs for recovery.
- Task: Exelon reviews its year over year changes in storm related costs. As referenced in the Results of Operations in our 10-K (pg 72 to 92), based on the last 5 years, estimated financial implications of storm recovery costs could swing by up to $90 million per year for any of our 6 utilities. Not included in this estimate is the potential for increased costs associated with any related supply disruptions.
- Action: Exelon is investing in smart meter and smart grid initiatives to help speed storm recovery, as well as system upgrades and improved vegetation management to help improve system resiliency and is part of its 5 year plan to invest almost $31.3 billion from 2023 through 2026 in grid modernization and resilience.
-Result: Through implementation of proactive system hardening and resiliency efforts we can minimize the potential swing in storm recovery costs.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

Every three years or more

Time horizon(s) covered

Medium-term

Long-term

Description of process

Exelon has conducted, and continues to explore, climate change scenario modelling to help the enterprise better understand the implications of decarbonization on the energy economy, customers and the communities where we operate. Our scenarios have aligned with the IPCC 2˚C and 1.5˚C ambitions to explore the difference in the level of effort needed between an 80 percent reduction by 2050 and Net-Zero by 2050 targets. The scenarios also provide a sense of how different actions drive different societal costs as well as insights into when new technologies need to be commercially available. Thoughtfully designed scenarios can teach us a lot about how to prepare for climate change, drive towards lower cost, lower risk pathways and identify when shifting to a different pathway might be appropriate. For example, we participated in two decarbonization transition studies in 2022 exploring potential pathways and implications of broad state-level goals and actions associated with our service territories .

The BGE Integrated Decarbonization Study sought to expand upon recent Maryland statewide analyses, and to assess decarbonization options within BGE's service territory, focusing on impacts for BGE's customers. With the subsequent introduction and April 2022 passage of the Climate Solutions Now Act of 2022 (CSNA), this latest E3 analysis represents the first decarbonization study developed since CSNA's enactment, showing the value of coordinated electric and gas infrastructure planning in meeting Maryland's new goals of 60% reductions by 2031 and net zero GHG emissions by 2045.

The Illinois Decarbonization Study sought to build on the State of Illinois's decarbonization efforts led by its passing of the Climate and Equitable Jobs Act (CEJA), which sets the state's electric power sector on a path towards decarbonization. E3 worked with ComEd and a technical advisory committee (TAC) to develop three transition scenarios to highlight impacts of various approaches to decarbonize sectors of the economy that were not targeted under CEJA. The goals of this study were to 1) determine the impact that CEJA and the national Inflation Reduction Act (IRA) could potentially have on GHG emissions in Illinois and 2) identify what additional measures are needed to achieve net-zero .

Value chain stage(s) covered

Direct operations

Risk management process

A specific climate-related risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term

Description of process

Maintaining energy system reliability is of paramount importance to Exelon, and weather-related risk is always a key focus area for the company. We have many processes and programs in place to help prepare for the types of events that we have historically experienced (such as Disaster Preparedness and Awareness programs and Exelon Utilities Storm Response procedures). Each utility is investing in its systems to install new and advanced equipment and technology designed to support higher levels of reliability and resilience, making our systems more weather-resistant and less vulnerable to the effects of extreme weather events that are expected to increase in the face of climate change. This includes inspecting and replacing poles and trimming vegetation and trees, as well as testing and drills to keep storm response skills sharp and ensure crews are ready to respond to emergencies. In addition, each Exelon utility can call on resources from its sister utilities to restore power more quickly after major storms.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Exelon continues to work at multiple levels of government and in all our jurisdictions to advocate for policies that advance a decarbonized, resilient, and equitable energy future. We support a comprehensive, meaningful national climate program as the best pathway to effectively address economy-wide GHG emissions. The 2022 passage of the IRA was an important step forward addressing climate change, with the potential to drive faster and more accessible deployment of clean energy

		technologies. The IRA offers a diverse portfolio of tax credits and incentives to support the growth of renewable generation and the adoption of innovative decarbonization technology. This includes lower-carbon fuels such as hydrogen and renewable natural gas to further the transition away from fossil fuels as well as enabling infrastructure such as storage and charging equipment. At the national level, the Biden Administration's aggressive climate goals and implementation of the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) will help transform the U.S. economy in driving decarbonization, expanding access to clean and affordable energy and modernizing energy infrastructure while creating new opportunities for underserved and under-resourced communities. At the state level, the jurisdictions in which we operate continue to advance policies and programs to reduce GHG emissions, increase efficiency and electrification and build resilience. Several of Exelon's jurisdictions have already passed ambitious climate legislation, including Maryland's Climate Solutions Now Act, New Jersey's Energy Master Plan, Illinois' Climate and Equitable Jobs Act and the District of Columbia's Clean Energy DC Omnibus Amendment Act, that push to cut emissions, increase clean energy generation and achieve net-zero targets. We are engaged in several ongoing state, regional and federal regulatory efforts related to transmission planning. These proceedings affect modernization and expansion of our transmission infrastructure to integrate offshore wind and other new renewable generation and to prepare for changing demand patterns. We are actively engaging at the Federal Regulatory Energy Commission (FERC) in response to an array of rulemaking dockets centered around transmission planning, cost allocation and generator interconnection reforms.
Emerging regulation	Relevant, always included	Exelon supports GHG emission reduction policies to combat climate change. Exelon's utilities each buy or deliver electricity based on the generation resources that are available on the PJM electric grid and in line with our state or jurisdictional targets and goals. Exelon continues to work at multiple levels of government and in all our jurisdictions to advocate for policies that advance a decarbonized, resilient and equitable energy future. We support a comprehensive, meaningful national climate program as the best pathway to effectively address economy-wide GHG emissions. The 2022 passage of the IRA was an important step forward addressing climate change, with the potential to drive faster and more accessible deployment of clean energy technologies. The IRA offers a diverse portfolio of tax credits and incentives to support the growth of renewable generation and the adoption of innovative decarbonization technology. This includes lower-carbon fuels such as hydrogen and renewable natural gas to further the transition away from fossil fuels as well as enabling infrastructure such as storage and charging equipment. At the national level, the Biden Administration's aggressive climate goals and implementation of the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) will help transform the U.S. economy in driving decarbonization, expanding access to clean and affordable energy and modernizing energy infrastructure while creating

		new opportunities for underserved and under-resourced communities. At the state level, the jurisdictions in which we operate continue to advance policies and programs to reduce GHG emissions, increase efficiency and electrification and build resilience. Several of Exelon's jurisdictions have recently passed ambitious climate legislation, including Maryland's Climate Solutions Now Act, New Jersey's Energy Master Plan, Illinois' Climate and Equitable Jobs Act and the District of Columbia's Clean Energy DC Omnibus Amendment Act, that push to cut emissions, increase clean energy generation and achieve net-zero targets. We expect to continue to see a convergence of energy and climate policy in the years to come and stay actively engaged in the development of these policies to manage associated business risks. The mechanisms used to drive decarbonization of the electric grid will determine both how successful the effort is and at what cost.
Technology	Relevant, always included	Advancements in power generation technology, including commercial and residential solar generation installations and commercial micro turbine installations, are improving the cost-effectiveness of customer self-supply of electricity. Improvements in energy storage technology, including batteries and fuel cells, could also better position customers to meet their around-the-clock electricity requirements. Improvements in energy efficiency of lighting, appliances, equipment and building materials will also affect energy consumption by customers. Changes in power generation, storage, and use technologies could have significant effects on customer behaviors and their energy consumption. These developments could affect levels of customer-owned generation, customer expectations, and current business models and make portions of the Utility Registrants' transmission and/or distribution facilities uneconomic prior to the end of their useful lives. Increasing pressure from both the private and public sectors to take actions to mitigate climate change could also push the speed and nature of this transition. However, there are risks associated with proper integration of these new technologies and the long-term operational effectiveness in relation to the larger grid system. Corporate Strategy uses a Business and Technology Signals process, to identify trends that could impact our business and industry—positively or negatively. Once a high priority topic has been identified and researched, key findings are shared with stakeholders across Exelon in various formats, including Enterprise Risk Management. Cross-enterprise teams collaborate with industry associations, national labs, top universities and emerging business leaders with subject matter expertise to further evaluate emerging technologies and trends to build business cases on how best to leverage them for the benefit of our customers, communities and business. Current examples include the Smart Charge Management pilot focused on identifying managed charging techniques that can reduce the impact of EV charging on T&D systems, lessen Exelon customers' required capital investments and proactively address cybersecurity risks; and our engagement in multiple other initiatives related to hydrogen production and the development of advanced pipeline coatings to facilitate hydrogen delivery in legacy pipelines.

Legal	Relevant, always included	The Securities and Exchange Commission's (SEC's) 2022 Proposal "The Enhancement and Standardization of Climate-Related Disclosures for Investors" (Proposal) has brought a new level of attention to climate change disclosure. This includes details around the level of transparency on climate programs and goals, as well as when, how and to what extent information should be provided.
Market	Relevant, always included	In general, existing electricity markets focus on lowest commodity cost and do not assign higher value to clean energy. In addition to clean energy, our customers demand an affordable and resilient power system that provides electricity under a wide range of weather and load scenarios, which could be impacted by climate-related changes. Wholesale energy markets need to evolve to properly value reliable, clean and affordable energy. Wholesale competitive power markets, as currently designed, also do not adequately consider generating resources' ability to withstand fuel supply disruptions, whether from extreme winter weather or physical supply infrastructure risk. All of these issues relate to the cost of electricity which we pass on to our customers, and therefore our involvement in market evolution is critical to maintaining cost effective electricity . Exelon also engages with its federal regulator, the Federal Energy Regulatory Commission (FERC), on issues pertaining to electric transmission and wholesale electricity markets. This engagement focuses on efficient and fair cost recovery for transmission assets, as well as supporting rules that facilitate effective planning and market signals to ensure cost effective and reliable service during the energy transition.
Reputation	Relevant, always included	Exelon's reputation is in part defined by its leadership on the issue of climate change action and the transition to a clean energy future. Exelon has a history of strong performance in this area and is continuing to support that through our current Path to Clean Strategy, which is a commitment to reduce our Scope 1 and 2 operations-driven GHG emissions by 50 percent by 2030 and to achieve Net-Zero operations-driven GHG emissions by 2050, while simultaneously helping our customers and communities in achieving their clean energy goals. For example, while we work to reduce our own emissions, Exelon is also working to support customers' efforts to reduce energy usage through our EE programs and to connect customer distributed energy to our distribution system. We also work with communities to support public policy outcomes that promote the transition to cleaner energy . In establishing our operations-driven goal, we focused on areas where we have the ability to directly control GHG emissions in our operations, through evolved work practices, building and fleet vehicle investments and deployment of new and expected future technologies. We currently exclude Scope 2 emissions associated with T&D system line losses, because system uses and losses are a function of how much load we are delivering for customers and the grid emissions rate of the electricity supply, neither of which we can directly take action to reduce. Because they are customer-driven, they are instead managed similarly to Scope 3 emissions associated with customer electric use through our customer programs and regulatory advocacy for grid decarbonization . Ensuring

		our stakeholders understand the nuances of how our business model affects the GHG categories which we have to report as compared to our utility peers with different business model structures can be challenging, which is why we include additional educational materials and examples in the appendix of our corporate sustainability report (pages 151 to 154) to help broaden understanding of these accounting methodology issues.
Acute physical	Relevant, always included	Acute physical risks are event-driven, and include extreme weather events, such as cyclones, hurricanes, or floods. Exelon's operating companies each have and will continue to face acute physical risks associated with the extreme events typical to their geographic location as well as projected increases in their severity and frequency over time . For our east coast utilities, these acute physical risks include severe thunderstorms, tropical storms, and hurricanes, but in recent years have also included Derecho windstorms and tornados. For our Mid-West utility, acute physical risks include severe thunderstorms, tornados, and ice storms. All areas have begun to note more intense rainfall as well, which has caused inland flooding along streams and over roadways . Because of our focus on reliability, this risk is always relevant to Exelon, and many processes and programs are in place to help prepare for such events . All Exelon assets undergo seasonal readiness efforts to ensure that they are ready for the weather projections of the summer and winter months, and each utility is investing in its systems to install advanced equipment and reinforce the local electric system, making it more weather resistant and less vulnerable to storm damage . This includes inspecting and replacing poles and trimming vegetation and trees, as well as testing and drills to keep storm response skills sharp and ensure crews are ready to respond to severe storms or emergencies , if needed. All of the Exelon operating companies are active participants in mutual assistance within the industry. Mutual assistance provides our storm response resources to other utilities when they need help, and it enables us to acquire additional resources when needed . For storm events that are forecast relatively accurately in advance of impact (such as hurricanes or some winter storms, for instance), Exelon may acquire extra resources or "pre-staging" crews in advance. For storms with little to no warning (summer thunderstorms and derechos, for example), resources are acquired as quickly as possible after impact and are sought from as close-by as possible, to minimize mobilization times. Exelon is also considering projections for potential changes to physical risk challenges associated with climate change and working to integrate these into our already robust planning and recovery progresses.
Chronic physical	Relevant, sometimes included	Chronic physical risks are longer-term shifts in climate patterns, such as sustained higher temperatures, changes to typical precipitation patterns and sea level rise, which may cause chronic issues for the communities in our service territories. Based on a review of the United States Fourth National Climate Assessment, all off our operations are projected to experience varying degrees of heat increases over the coming years, with a combined heat and humidity increases in the Mid-Atlantic and Mid-West where our service territories reside. Our Mid-Atlantic coastal utilities face issues associated with

		potential sea level rise in some of the areas that they serve. In the Mid-West, both periods of drought (which challenge certain of our communities), as well as periods of excess rainfall with the potential to flood distribution system assets are shown as potential climate changes. While the extent of these threats is continuing to unfold, these potential risks are something that Exelon is beginning to consider within its infrastructure planning work. Examples of how climate change considerations are incorporated into this process include revision of current engineering and constructions standards and the revamp of the overall material condition assessment process within our utilities, with the intent to review all 13 major asset classes by 2026. Through this effort we are reviewing standards associated with our most critical asset classes to identify climate critical components and thresholds that will help inform our infrastructure planning over the long-term to better capture climate change risks. Exelon is an active participant in the Electric Power Research Institute (EPRI) strategic initiative called Climate Resilience and Adaptation Initiative, or Climate READi, to continue building electric industry standardization around climate resilience. This initiative aims to develop a framework to identify optimal resilience and adaptation investments in the power system in the context of climate and extreme weather risk. Through Climate READi, Exelon is supporting industry-led efforts to convene global thought leaders and researchers to develop a comprehensive, integrated approach to managing physical climate risk. The two-year program is divided into three focus areas: Physical Climate Data and Guidance; Energy System and Asset Vulnerability Assessment; and Resilience/Adaptation Planning and Prioritization.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Other, please specify

Decreased revenue due to inability to recover costs

Through our current business model as a regulated utility, our primary revenues are based on our ability to recover system investment costs through the rate making process with approval from the Public Utility Commission. As decarbonization efforts will require expansion and enhancement of existing distribution systems; inability to receive approval for needed investments could prevent or slow these needed system improvements.

Company-specific description

Climate Change risks include changes to the energy systems due to new technologies, changing customer expectations and/or voluntary GHG goals, as well as local, state, or federal regulatory requirements intended to reduce GHG emissions. Exelon also periodically performs analyses of potential energy system transition pathways to reduce economy-wide GHG emissions to mitigate climate change. To the extent additional GHG reduction legislation and/or regulation becomes effective at the Federal and/or state levels, Exelon could incur costs to further limit the GHG emissions from their operations or otherwise comply with applicable requirements. In addition, changes to the climate may impact levels and patterns of demand for energy and related services, which could affect Exelon's operations. Over time, Exelon's utilities are making additional investments to adapt to changes in operational requirements to manage demand changes and customer expectations caused by climate change.

Exelon's utilities file base rate cases with their regulatory commissions seeking increases or decreases to their electric transmission and distribution, and gas distribution rates to recover their costs and earn a fair return on their investments. The outcomes of these regulatory proceedings impact the Exelon's current and future financial statements. Each of Exelon's utilities are required to engage in regulatory approval proceedings as a part of the process of establishing the terms and rates for its respective services. These proceedings typically involve multiple

parties, including governmental bodies and officials, consumer advocacy groups, and various consumers of energy, who have differing concerns; many of these parties have the objective of limiting rate increases or reducing rates. The potential duration of such proceedings creates a risk that rates ultimately approved by the applicable regulatory body may not be sufficient for a utility to recover its costs by the time the rates become effective. Established rates are also subject to subsequent prudency reviews by state regulators, whereby various portions of rates could be adjusted, subject to refund or disallowed, including recovery mechanisms for costs associated with the procurement of electricity or gas, smart grid infrastructure, system expansion, hardening or enhancements and energy efficiency and demand response programs - all of which are needed to support decarbonization efforts.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

As an energy delivery company, Exelon can play a key role in lowering GHG emissions across much of the economy in its service territories. In connecting end users of energy to electric and gas supply, Exelon can leverage its assets and customer interface to encourage efficient use of

lower emitting resources as they become available. Electrification, where feasible for transportation, buildings, and industry coupled with simultaneous decarbonization of electric generation, can be a key lever for emissions reductions. To support this transition, Exelon is advocating for public policy supportive of vehicle electrification, investing in enabling infrastructure and technology, and supporting customer education and adoption. In addition, the Utility Registrants have a goal to electrify 30% of their own vehicle fleet by 2025, increasing to 50% by 2030. Clean fuels and other emerging technologies can also support the transition, lessen the strain on electric system expansion, and support energy system resiliency. Exelon, and its registrants PECO, BGE, and DPL that own gas distribution assets, are also continuing to explore these other decarbonization opportunities, supporting pilots of emerging energy technologies and clean fuels to support both operational and customer-driven emissions reductions. The energy transition may present challenges for the Utility Registrants and their service territories. Exelon believes its market and business model could be significantly affected by the transition of the energy system, such as through an increased electric load and decreased demand for natural gas, potentially accompanied by changes in technology, customer expectations, and/or regulatory structures.

This risk associated with regulatory recovery is identified in our 10-K financial disclosure, at page 27, with further detail of the associated climate change risk on pages 13, 14 and 29.-. Exelon does not quantify risk by the specific categories and grid investment is complex and arises from other factors include safety and reliability. However, in order to provide current scope and scale of this risk which may be further impacted by climate change, we are referencing the outcomes of completed distribution base rate case proceedings in 2022 as reported in our 10-K disclosure at page 45 and 46, which identifies the difference between rate filing requests and what was approved. This ranged from $0 to $114 million per utility, totaling $371 million combined.

Cost of response to risk

Description of response and explanation of cost calculation

Exelon’s utilities are regulated by state level public utility commissions that evaluate our investments through rate case proceedings to determine the just and prudent nature of those costs and the rates our customers pay for electric and natural gas consumption. We have worked in recent years with our public service commissions to develop cost recovery mechanisms that are beneficial both to our customers and to our utilities. These mechanisms reduce administrative costs caused by the frequent filing of traditional rate cases, provide increased rate and cost recovery predictability and offer an opportunity to proactively agree upon future investment strategies with our public service commissions. In addition, approximately 73 percent of Exelon’s electric and gas distribution revenues are decoupled from the volume of energy we deliver, which can shift as a result of changing weather and customer usage patterns. This allows our utilities to focus on making the investments

required to support the energy system of the future including measures, such as EE, that reduce sales volume. Exelon also engages with its federal regulator, the Federal Energy Regulatory Commission (FERC), on efficient and fair cost recovery for transmission assets, as well as supporting rules that facilitate effective planning and market signals to ensure cost effective and reliable service during the energy transition. At the state level, our six utilities operate in jurisdictions with leading policies to accelerate the deployment of clean energy technologies and combat climate change. Many of our jurisdictions have adopted strong, forward-leaning goals and policies related to decarbonization, advancing renewables and clean energy, transportation electrification, deploying DER and EE. They also each provide opportunities for Exelon's utilities to make investments and recover costs through various forms of alternative ratemaking, including the use of multi-year plans and capital trackers.

For example, Pepco and BGE have multi-year plans in effect for their jurisdictions. ComEd has filed its first multi-year grid investment plan for Commission approval in January 2023as well as a multi-year rate plan. In Pennsylvania, PECO uses a fully projected future test year, while ACE and DPL have capital trackers that execute on an agreed-upon multi-year category of investments. This move toward multi-year rate mechanisms will enable greater levels of transparency, certainty and engagement.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Cyclone, hurricane, typhoon

Primary potential financial impact

Increased direct costs

Company-specific description

Exelon's facilities and operations are subject to the impacts of global climate change. Long-term shifts in climactic patterns, such as sustained higher temperatures and sea level rise, may present challenges for each of our utilities and their service territories. Exelon believes its operations could be significantly affected by the physical risks of climate change.

Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities. Temperatures above normal levels in the summer tend to increase summer cooling electricity demand and revenues, and temperatures below normal levels in the winter tend to increase winter heating electricity and gas demand and revenues. Moderate temperatures adversely affect the usage of energy and resulting operating revenues at PECO and DPL Delaware. Due to revenue decoupling, operating revenues from electric distribution at ComEd, BGE, Pepco, DPL Maryland, and ACE are not affected by abnormal weather.

Extreme weather conditions or damage resulting from storms could stress the Exelon's transmission and distribution systems, communication systems, and technology, resulting in increased maintenance and capital costs and limiting each utility's ability to meet peak customer demand. First and third quarter financial results, in particular, are substantially dependent on weather conditions.

Climate change projections suggest increases to summer temperature and humidity trends, as well as more erratic precipitation and storm patterns over the long-term in the areas where our utilities have transmission and distribution assets. The frequency in which weather conditions emerge outside the current expected climate norms could contribute to weather-related impacts discussed above.

Examples of extreme storms that have impacted our utilities in recent years include hurricane Ida in August 2021, and Isaias in August 2020, both of which brought significant rainfall and winds to our east coast utilities. In 2022 our utilities saw more smaller scale unnamed thunderstorms, ice storms and tornados.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Exelon periodically perform analyses to better understand long-term projections of climate change and how those changes in the physical environments where they operate could affect their facilities and operations. Exelon primarily operates in the Midwest and East Coast of the United States, areas that historically have been prone to various types of severe weather events, and as such we have well-developed response and recovery programs based on these historical events. However, Exelon's physical facilities could be placed at greater risk of damage should changes in the global climate impact temperature and weather patterns, and result in more intense, frequent and extreme weather events, unprecedented levels of precipitation, sea level rise, increased surface water temperatures, and/or other effects.

The Utility Registrants' distribution and transmission infrastructures could be affected by natural disasters and extreme weather events, which could result in increased costs, including supply chain costs. An extreme weather event within the Utility Registrants' service areas can also directly affect their capital assets, causing disruption in service to customers due to downed wires and poles or damage to other operating equipment.

Variations on storm-related costs are reported by utility in our Form 10-K under Results of Operations (starting on page 56 for the 2022 Form 10-K). In the summer of 2022, a variety of unnamed storms brought significant rainfall and winds to our Mid-Atlantic utilities, while powerful thunderstorms and tornados affected ComEd in the Midwest. Restoration efforts included significant costs for employee overtime, support from other utilities, and contracted tree trimming crews, which result in incremental O&M expense and capital expenditures. ComEd's storm-related costs were $13 million higher than they were 2021, while PEPCO's were $8 million higher than 2021. BGE's and PECO's storm-related costs both decreased by $11 million and $34 million respectively as compared to 2021, while DPL's and ACE's storm-related costs increased in 2022

only marginally $1 million and $5 million respectively as compared to 2021. The potential annual financial impact from storm variability has been as high as $90 million combined across all Exelon utilities when looking back across the past 5 years, although this variability may change depending on the types of storms in a given year and may not be entirely attributable to climate change.

Cost of response to risk

Description of response and explanation of cost calculation

Exelon's assets undergo seasonal readiness efforts to ensure they are ready for the weather projections of the summer and winter months. Exelon's utilities consider and review national climate assessments to inform their planning. Each of our utilities also has well established system recovery plans and is investing in its systems to install advanced equipment and reinforce the local electric system, making it more weather resistant and less vulnerable to anticipated storm damage .

Maintaining energy system reliability is foundational to our business and weather-related risk is always a key focus area. We have many processes and programs in place to help prepare for the types of events that we have historically experienced. Each utility is also investing in its systems to install new and advanced equipment and technology designed to support higher levels of reliability and resilience, including more than 10 million smart electric and gas meters to avoid outages and speed recovery . This includes inspecting and replacing poles and trimming vegetation and trees, as well as drills to keep storm response skills sharp and ready to respond to emergencies. In addition, each Exelon utility can call on mutual assistance programs within the industry to restore power more quickly after major storms. Because of climate change, Exelon is expanding our adaptation planning efforts to better incorporate resilience considerations including changes to the types of weather conditions that may challenge our systems now or in the future.

In early 2022, ComEd partnered with Argonne 's Center for Climate Resilience and Decision Science (CCRDC) to begin forecasting future climate conditions for northern Illinois, and to consider the future climate risk exposure for the coming decades. Exelon is also an active participant in the EPRI Climate READi program, to continue building electric industry standardization around optimal resilience and adaptation investments in the power system in the context of climate and extreme weather risk.

Exelon invested $6.2 billion in 2022 in grid modernization and resilience. System hardening and improved grid management are not discretely measured at this time, and often have primary benefits of safety and reliability, with climate change action being a co-benefit.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Decreased access to capital

Company-specific description

Exelon's purpose statement underscores our commitment to advancing a better, more sustainable energy future, as well as our commitment to continuously improving the lives of those we serve. We have the opportunity and responsibility to help lead the energy transformation, creating a safer, cleaner and more equitable future for all.

Within our jurisdictions and across much of the U.S., customer, technology and policy trends signal an accelerating transformation to a cleaner, more dynamic and more distributed energy system. A diverse group of stakeholders—customers, policymakers, regulators and investors—are focused on mitigating the effects of climate change through rapid decarbonization. These stakeholders are influencing customer preferences, driving policy action and increasing deployment of clean energy technologies. As the nation's largest T&D company, we can leverage our size and scale to anticipate energy transformation risks and trends and to prepare for energy supply and use shifts in a way that supports economic health and social equity in the large and diverse areas that we serve.

However, customer affordability and cost management remain key priorities for Exelon as we seek to support balance between growing interests in additional investment to support grid modernization and electrification and affordability considerations.

Failure to execute on needed investments or decarbonization efforts could subject Exelon to public criticism. Adverse publicity of this nature could render public service commissions and other regulatory and legislative authorities less likely to view energy companies in a favorable light, and could cause those companies, including Exelon utilities, to be susceptible to less favorable legislative and regulatory outcomes, as well as increased regulatory oversight and more stringent legislative or regulatory requirements. Failure to do so could also have an adverse effect on Exelon's financial statements and its common stock price .

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Following the separation on February 1, 2022, Exelon is now a Distribution and Transmission company, focused on delivering electricity and natural gas service to our customers and communities. Exelon's businesses remain focused on maintaining industry leading operational excellence, meeting or exceeding their financial commitments, ensuring timely recovery on investments to enable customer benefits, supporting

clean energy policies including those that advance our jurisdictions' clean energy targets, and continued commitment to corporate responsibility. Exelon's strategy is to improve reliability and operations, enhance the customer experience, and advance clean and affordable energy choices, while ensuring ratemaking mechanisms provide the utilities fair financial returns. The jurisdictions in which Exelon has operations have set some of the nation's leading clean energy targets and our strategy is to enable that future for all our stakeholders. Exelon's utilities invest in rate base that supports service to our customers and the community, including investments that sustain and improve reliability and resiliency and that enhance the service experience of our customers. Exelon's utilities make these investments prudently at a reasonable cost to customers. Exelon seeks to leverage its scale and expertise across the utilities platform through enhanced standardization and sharing of resources and best practices to achieve improved operational and financial results.

In August 2021, Exelon announced a Path to Clean goal to collectively reduce its operations-driven GHG emissions 50% by 2030 against a 2015 baseline and to reach net zero operations-driven GHG emissions by 2050, while supporting customers and communities in achieving their GHG reduction goals (Path to Clean).

Various market, financial, regulatory, legislative, and operational factors could affect Exelon's success in pursuing its strategies. Exelon continues to assess infrastructure, operational, policy, and legal solutions to these issues.

The economic value of reputation is difficult to quantify with precision. However, we do understand that adverse impacts to reputation can impact a broad range of variables that have financial metrics, such as: stock price, cost of capital, relationships with regulatory authorities, customer satisfaction, and employee recruitment and retention.

Cost of response to risk

Description of response and explanation of cost calculation

Since its inception, Exelon has positioned itself as a leader in climate change mitigation. In 2021, Exelon's Scope 1 and 2 GHG emissions, as revised following its separation from Constellation, were just over 5.7 million mtCO2e using market-based accounting. Of these emissions, 0.5 million metric tons are considered to be operations-driven and in more direct control of our employees and processes. The remaining 5.2 million metric tons, approximately 91%, are the indirect emissions associated with the delivery of electricity to customers over our electric distribution system (line losses). We do engage in efforts that help to reduce these emissions, including customer programs to drive customer energy efficiency, help to manage peak demands, and enable distributed solar generation. During 2023 - 2026, estimated customer program energy

efficiency investments across the Utility Registrants total $3.5 billion. These programs enable customer savings through home energy audits, lighting discounts, appliance recycling, home improvement rebates, equipment upgrade incentives and innovative programs like smart thermostats and combined heat and power programs .
In August 2021, Exelon announced a Path to Clean goal to collectively reduce their operations-driven GHG emissions 50% by 2030 against a 2015 baseline, and to reach net zero operations-driven GHG emissions by 2050, while also supporting customers and communities to achieve their clean energy and emissions goals. Exelon's quantitative goals include its Scope 1 and 2 GHG emissions, with the exception of Scope 2 line losses. Exelon's activities in support of the goal include efficiency and clean electricity for operations, vehicle fleet electrification, equipment and processes to reduce sulfur hexafluoride (SF6) leakage, and investments in natural gas infrastructure to minimize methane leaks and increase safety and reliability. Beyond 2030, Exelon recognizes that technology advancement and continued policy support will be needed to ensure achievement of Net-Zero by 2050. Exelon is laying the groundwork by partnering with national labs, universities and research consortia to research, develop, and pilot technologies that will be needed, as well as working with our states, jurisdictions and policy makers to understand the scope and scale of energy transformation, and needed policies and incentives, that will be needed to reach local ambitions for GHG emissions reductions.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

As U.S. states and companies make commitments to cleaner, renewable generation sources, the electrification of transportation and other end uses continues to grow as a key tool for decarbonization. Beneficial electrification is a subset of broader electrification opportunities that meet one or more of the following conditions without adversely affecting the other two: enable better grid management; reduce negative environmental and health impacts; or save customers money over the long run. Exelon has developed a targeted strategy aimed at overcoming barriers to beneficial electrification by advocating for the right public policies, partnering in support of electrification, influencing enabling technology, investing in enabling infrastructure and supporting customer education and adoption.

As an example, in 2022, PECO launched a $1.5 million incentive program as part of the Company's EV Charging Pilot to support commercial, industrial and public transit customers interested in clean transportation options. PECO has been a leading proponent of legislation such as SB 1435 in 2021, which would explicitly authorize electric utilities in the Commonwealth to include EV infrastructure incentives and cost-sharing as part of electric rate cases. Building on their other innovative EV programs, BGE's EVsmart team launched an Electric Vehicles (EVs) ride-hailing program in July 2022 in partnership with a rideshare partner designed to help Maryland achieve its goal of reaching 300,000 Zero Emissions Vehicles on the road by 2025. The programs rolled out 100 EVs in the greater Baltimore area to rent for a discounted weekly rate, for renters to use for providing rides on the partner's platform aiming to increase the public's exposure to EVs . DPL Delaware continues to offer an EV-only rate to allow EV owners to utilize a time of use rate tailored to the load profile of EVs, incentivizing greater transportation electrification by allowing savings for off peak charging . ACE is working to support transportation electrification through the EVsmart program through innovative

rate design and providing incentives towards the costs for electrical upgrades for new EV chargers for residential and commercial customers and incentives for public chargers in NJ communities.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Electric vehicle (EV) incentives as part of the Inflation Reduction Act are designed to accelerate EV adoption in the U.S. towards meeting a target of 50 percent EV sales by 2030. Experts are projecting growth from 2.4 million passenger EVs on the road in the U.S. in 2021 to 12 million by 2025 and 47 million (19 percent of cars on the road) by 2030 according to BloombergNEF. With tens of millions of EVs expected on the road in the U.S. by 2030, EVs will represent the most significant new electric load since the rise of air conditioning in the 1950s. Utilities need to effectively plan for these loads and manage the associated power requirements as more EVs are adopted and charging infrastructure is installed. To prepare for these topics, Exelon has been exploring the potential EV-grid impacts with research and pilots on many topics including EV managed charging, updated models and new modeling tools, and new charger technologies.

Community goals and aspirations, regulatory and market structures, as well as the industries and natural resources most readily available, are all considerations affecting how far and how fast the lower carbon transition may occur and to what extent the above elements may prove to be an opportunity or risk to each of our utility businesses. The economic health of the community is also a factor in ensuring that all parts of the community can have access to new technologies and increasingly cleaner energy and that local workforces are developed to support a just and equitable transition. Each of our utilities is working with their communities and state regulators to maximize their positive impact in helping to attain community goals, while stimulating local economies. As an essential energy provider, our voice is key to ensuring that our customers are well represented in the transition conversation both from the perspective of ensuring reliable supply for all end uses and maintaining affordability of that supply.

Exact financial impact of support for vehicle electrification through customer programs and installation of public chargers is dependent on our ability to recover our increased investment and the development of policies around the utilities role in the management of these systems.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Electrification coupled with simultaneous decarbonization of electricity generation is one key lever for emissions reductions. Exelon is playing a role in the evolution of electric distribution by creating various opportunities for our businesses from vehicle electrification to enhanced grid management. Exelon can also be a key voice in advocating for policies that drive decarbonization of the electric grid supply at lowest cost.
To promote the use of EVs and other types of beneficial electrification, Exelon is focused on: 1) Infrastructure investments to save customers money and provide access for low- and moderate income communities; 2) Load management through program and rate design to encourage use of electricity when there is excess capacity; 3) Technology to leverage data for load management initiatives that support growth while offering savings to customers such as time-of-use programs and innovative service offerings based on telematics data from EVs; 4) Support for policies across our jurisdiction that help customers save money, remove barriers for adoption and accelerate GHG emission reductions in our communities; and 5) Partnering with customers and connecting communities with solutions, such as efforts to deploy electric school buses and public chargers.

Exelon is also in its third year working towards its goal to electrify 30 percent of our vehicle fleet by 2025, increasing to 50 percent by 2030. This transition will be achieved through a combination of fully electric vehicles, vehicles with plug-in idle mitigation units and plug-in hybrids. This

initiative covers a combined fleet of more than 7,200 vehicles and will provide valuable insights into how we can better support our communities in their desire to electrify transportation.

Exelon's utilities invested almost $7.2 billion across our regulated utilities in 2022 for grid advancements in reliability and resiliency, with $6.2 billion specifically focused the electric distribution system, including integration of EV charging technologies or improving the systems to meet this new growth in demand. Exact investment in grid advancement directly or indirectly relating specifically to EV programs resulting from climate change is not currently broken out in our financial disclosures.

Comment

No Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of new technologies

Primary potential financial impact

Increased value of fixed assets

Company-specific description

Under governing state laws, Exelon’s regulated T&D utilities cannot own electricity generation for customer supply and thus do not have direct control over how the electricity we deliver is generated. Exelon is playing a role in the expansion of zero-carbon generation at a local level through enablement of distributed energy resources (DER) on our distribution system, creating opportunities for our businesses relating to

enhanced grid management. Exelon is also expanding its transmission business to comply with federal mandates and support the needed connection of new utility scale renewable generation to areas of high demand. Exelon can also be a key voice in advocating for policies that drive decarbonization of the electric grid supply at lowest cost. Through net metering, utilities purchase excess electricity produced from residential and commercial customers' renewable energy equipment. At year-end 2022, Exelon utilities had a total of 200,100 customers with 3,089 megawatts (MW) of renewable energy generation resources installed, primarily solar photovoltaic systems, with a limited amount of wind and other resources.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Renewables contributed 22 percent of total U.S. electricity generation in 2022, up from 13 percent in 2015, and the Energy Information Agency projects that renewables will overtake coal as the second most prevalent source of generation by 2023. Distributed Energy Resources (DER)—including distributed solar, storage and flexible loads—are projected by Wood MacKenzie to comprise up to 40 percent of total U.S. capacity

additions from 2022–2026, with solar representing 60 percent of DER capital expenditures and EVs capturing 20 percent. Meanwhile, third-party companies are introducing tools to aggregate DER in a manner that can benefit the grid, customers and operations.

Community goals and aspirations, regulatory and market structures, as well as the industries and natural resources most readily available, are all considerations affecting how far and how fast the lower carbon transition may occur and to what extent the above elements may prove to be an opportunity or risk to each of our utility businesses. The economic health of the community is also a factor in ensuring that all parts of the community can have access to new technologies and increasingly cleaner energy and that local workforces are developed to support a just and equitable transition. Each of our utilities is working with their communities and state regulators to maximize their positive impact in helping to attain community goals, while stimulating local economies. As an essential energy provider, our voice is key to ensuring that our customers are well represented in the transition conversation both from the perspective of ensuring reliable supply for all end uses and maintaining affordability of that supply.

Exact financial impact of increased solar enablement is dependent on our ability to recover our increased investment and the development of policies around the utilities role in the management of these systems.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Electrification coupled with simultaneous decarbonization of electricity generation is one key lever for emissions reductions. Exelon is playing a role in the expansion of zero-carbon generation at a local level through enablement of distributed energy resources (DER) on our distribution system, creating opportunities for our businesses relating to enhanced grid management. Exelon is also expanding its transmission business to comply with federal mandates and support the needed connection of new utility scale renewable generation to areas of high demand. Exelon can also be a key voice in advocating for policies that drive decarbonization of the electric grid supply at lowest cost.

Exelon’s utilities have worked over the last several years to develop similar approaches and platforms to assist and enable customers and contractors to deploy residential and commercial renewable energy, primarily solar photovoltaics, in our utility service areas. Each utility’s Green Power Connection website has resources to assist customers from start to finish on their renewable energy projects. Digital Solar Toolkits are a flagship resource from our Green Power Connection programs, offering solar calculators to help customers evaluate their options and other tools and tips to assist in decision-making. For customers deciding to install solar, the toolkits help them select qualified solar contractors,

monitor project progress, track energy usage and calculate savings. For more information on each utility's Green Power Connection program, please visit ACE, BGE, ComEd, DPL, PECO and Pepco. Through net metering, utilities purchase excess electricity produced from residential and commercial customers' renewable energy equipment .

Exelon's regulated utilities invested almost $7.2 billion in 2022 for grid advancements in reliability and resiliency, with $6.2 billion specifically focused the electric distribution system , including integration of distributed solar enabling technologies or improving the systems to meet this new distributed supply. Exact investment in grid advancement directly or indirectly relating specifically to distributed generation programs is not currently broken out in Exelon public disclosures.

Comment

No Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

As an energy T&D company, Exelon is preparing to deliver a range of clean energy options to our customers and communities. To support these efforts, we liaise with national labs, industry associations, developers and marketers to understand the emerging technological and

economic landscape for clean fuels such as hydrogen and biomethane, also known as renewable natural gas (RNG). These fuels have the potential to reduce the overall methane or carbon dioxide equivalent (CO2e) content of the gas we deliver to customers.

New technologies and energy options continue to emerge that allow us to leverage our delivery systems to further drive decarbonization. Renewable natural gas and hydrogen offer opportunities to adapt our existing natural gas distribution systems into clean-fuel networks that can be optimized and coordinated with our co-located electric distribution systems to drive an integrated approach to decarbonization.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Interest in lower-carbon fuels, such as biomethane and hydrogen, has grown markedly in recent years for their potential to help decarbonize hard-to-electrify end uses in industry, heavy transport and older buildings. Biomethane, often referred to as renewable natural gas (RNG), is the most market-ready of these fuels, but interest in hydrogen has expanded significantly with new momentum in the U.S. following a $3-per-

kilogram subsidy as part of the Inflation Reduction Act.

Gas distribution that provides affordable, reliable energy and added resilience to the overall energy system, particularly during extreme weather periods and for hard-to-abate sectors.

We will advance and enable cleaner energy supply shifts through lower-carbon fuels supply through opportunities to procure, blend and deliver non-fossil fuels, such as renewable natural gas, hydrogen and synthetic natural gas into our transmission and delivery networks.

Because the use of biofuel blending is still emerging, we are not able to estimate the potential financial impact of this opportunity at this time.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

RNG is the most market-ready of these options today and all three Exelon gas utilities have modified their gas tariffs for RNG interconnection. RNG is produced from the capture, cleaning and reuse of methane where it would otherwise have been released through decomposition of organic materials from sources such as dairies, food waste facilities or wastewater treatment plants. A major milestone was reached this past year after BGE completed the interconnection of RNG through its gas distribution system. This RNG came from a newly constructed RNG plant, owned and operated by Bioenergy Devco. Located in Howard County, the plant is Maryland's flagship anaerobic digestion facility that produces RNG from food waste

Exelon is also exploring emerging hydrogen technology options via R&D partnerships and industry collaborations. Blending natural gas with hydrogen can provide a lower-carbon fuel blend that can be delivered through the existing gas infrastructure, helping customers decarbonize their energy usage. Exelon's gas utilities are exploring hydrogen blending pilots and developing procedures for blending hydrogen into our natural gas system. Exelon is also engaged in multiple other initiatives related to hydrogen such as engaging in the National Lab HyBlend Consortium; sponsoring the EPRI/GTI Energy Low Carbon Resources Initiative (LCRI); partnering with researchers at MIT, the Sandia National Laboratories and others on development of advanced pipeline coatings to facilitate hydrogen delivery in legacy pipelines; and collaborating with three Hydrogen Hub coalition bids in our regions. The three hydrogen hubs, Mid-Atlantic Hydrogen Hub (MAHH), Mid-Atlantic Clean Hydrogen Hub MACH2) and the Midwest Alliance for Clean Hydrogen (MachH2), are part of the Regional Clean Hydrogen Hubs program (H2Hubs) funded through the recent Infrastructure Investment and Jobs Act (IIJA) to establish six to ten regional clean hydrogen hubs across the United

States. The selected hubs will demonstrate production, processing, delivery, storage and end-use of hydrogen and establish a foundation for a national network of hydrogen infrastructure to support U.S. decarbonization goals.

Exact investment in RNG partnership and pilots programs are not currently broken out in Exelon public disclosures.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, our strategy has been influenced by climate-related risks and opportunities, but we do not plan to develop a climate transition plan within two years

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Each of our jurisdictions has a public service commission whose mission is to balance the needs of consumers and utilities to ensure safe, reliable and economic public utility and transportation services to the citizens of its state. The decisions that we make with respect to the source of the energy supply and the types of upgrades and expansions we implement on our systems must satisfy applicable regulatory standards. Transition and adaptation planning, including consideration of the economic impacts to all energy users, can help inform how we can best respond to the needs and ambitions of each of the communities we operate, but are hesitant to commit to having a fully developed transition plan within 2 years given the extreme measures that would be needed for a 1.5C degree conformant plan as stipulated by CDP and given our need to seek approval at the jurisdictional level for actions we take. We do report in TCDF recommended format in our Corporate Sustainability Report (pg 42-61) describing our overarching approach to support a clean energy future, as well as our key focus areas of physical adaptation,

beneficial electrification with decarbonization of electricity supply, emergence of low-carbon fuels, and the support of new low-carbon energy technologies.

Exelon is giving careful consideration to how we address these future risks in the face of great uncertainty. Some investments in new technology and resilience have obvious benefits, such as smart meters to provide insights and control on energy use for end-users, or automatic reclosers that help to re-direct power flows should part of our system be disrupted to minimize customer outages. However, other longer-term investments are more complicated, requiring consideration of future operating factors, the type of energy and volume they must serve and the weather conditions they must withstand. Understanding the potential impacts of these emerging risks ensures that we can best inform and appropriately coordinate with our local communities and public service authorities to approach mitigation efforts to drive progress within the bounds of the regulatory structures under which we must operate. Community goals and plans, regulatory and market structures, as well as the industries and resources available, are all considerations for how far and how fast the transition may occur and to what extent the above elements may prove to be an opportunity or risk to each of our utility businesses.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios DDP	Company-wide		Details on scenario identification: Exelon evaluated national, economy-wide climate change scenarios in 2018 and 2019 to help the enterprise better understand the implications for the energy economy, customers and the communities where we operate. Our scenarios have aligned with the Intergovernmental Panel on Climate Change (IPCC) 2°C and 1.5°C ambitions to explore

			the difference in the level of effort needed between an 80 percent reduction by 2050 and Net-Zero by 2050 targets and potentially different pathways for achievement of those goals, as well as more state specific targets as appropriate. We used scenario analysis to gain insight into the societal costs of various alternative actions and the timeline when new technologies need to be commercially available. We have also worked with peers and industry groups to explore other potential pathways and perspectives on how policies and technologies may evolve. We have incorporated both qualitative and quantitative learnings from this scenario work into our business and climate change response strategies, and we continue to do so as scenario modelling techniques evolve, and as other studies are published. While no scenario can predict the future, thoughtfully designed scenarios can inform how to prepare for it, drive towards lower cost pathways and identify when shifting to a different pathway might be appropriate. All scenarios suggest implications for how consumers will access and consume energy, and at what cost, and each presents opportunities and risks for Exelon and implications for how we might address those opportunities and risks through our electric and gas delivery utilities. Parameters: Potential load changes as a result of carbon mitigation efforts (short-term reductions from energy efficiency and longer-term increasing/changing demand because of electrification); Increased interest in distributed generation; Potential asset damage or population shifts due to changing climate; New technologies for energy measurement and management Assumptions: Electric supply grid decarbonization; sales and stock turn-over to lessen costs by maximizing use of typical life; continued current level of service Analytical choices: through 2050, successful achievement of emissions reduction ambition without specified policy solution, publicly sourced base data or existing studies.
Physical climate scenarios RCP 4.5	Company-wide		Details on scenario identification: The science of climate change is compelling, and the evidence of physical damages occurring now and in the future is clear. However, the extent of these changes at a local level presents some uncertainty. Accordingly, Exelon is incorporating physical climate change data available from the National Oceanic and Atmospheric Administration (NOAA)

			and the IPCC emissions scenarios and the associated climate impacts described in the U.S. National Climate Assessment (NCA) into our business strategy and engineering planning processes both quantitatively and qualitatively as possible. Exelon's operating companies each face physical risks associated with the extreme events typical to their location and projections suggest that they will likely be subject to increased severity and frequency over time. For our East Coast utilities, these acute physical risks include severe thunderstorms, tropical storms and hurricanes, but in recent years have also included derecho windstorms and tornados. For our Midwest utility, acute physical risks include severe thunderstorms, tornados, derecho windstorms and ice storms. More chronic in nature, all Exelon utilities have begun to note more intense rainfall as well, which has caused inland flooding along streams and over roadways, as well as varying degrees of heat increases, with combined heat and humidity increases. In the Mid-Atlantic, our coastal utilities also face issues associated with potential sea level rise in some of the areas that they serve. Parameters: Acute physical risks are event-driven, and include extreme weather events, such as cyclones, hurricanes and floods. Chronic physical risks are longer-term shifts in climate patterns, such as sustained higher temperatures, changes to typical precipitation patterns and sea level rise, which may cause ongoing issues for the communities in our service territories. Assumptions: Average temperatures, Max temperatures, number of days over 95 degrees, average precipitation, days with over 3 inches precipitation, minimum temperature, hurricane return rates, storm specific winds and rainfall, sea level rise Analytical choices: Emissions mitigation is achieved such that there is less than a 1.5 degrees increase in global average temperatures by 2100. Downscaled data as available through NOAA's Climate Change toolkit and the NCA is the source of the projections used.
Physical climate scenarios RCP 8.5	Company-wide		Details on scenario identification: The science of climate change is compelling, and the evidence of physical damages occurring now and in the future is clear. However, the extent of these changes at a local level presents some uncertainty. Accordingly, Exelon is incorporating physical

			climate change data available from the National Oceanic and Atmospheric Administration (NOAA) and the IPCC emissions scenarios and the associated climate impacts described in the U.S. National Climate Assessment (NCA) into our business strategy and engineering planning processes both quantitatively and qualitatively as possible. Exelon's operating companies each face physical risks associated with the extreme events typical to their location and projections suggest that they will likely be subject to increased severity and frequency over time. For our East Coast utilities, these acute physical risks include severe thunderstorms, tropical storms and hurricanes, but in recent years have also included derecho windstorms and tornados. For our Midwest utility, acute physical risks include severe thunderstorms, tornados, derecho windstorms and ice storms. More chronic in nature, all Exelon utilities have begun to note more intense rainfall, which has caused inland flooding along streams and over roadways, as well as varying degrees of heat increases over the coming years, with combined heat and humidity increases. In the Mid-Atlantic, our coastal utilities also face issues associated with potential sea level rise in some of the areas that they serve. Parameters: Acute physical risks are event-driven, and include extreme weather events, such as cyclones, hurricanes and floods. Chronic physical risks are longer-term shifts in climate patterns, such as sustained higher temperatures, changes to typical precipitation patterns and sea level rise, which may cause ongoing issues for the communities in our service territories. Assumptions: Average temperatures, Max temperatures, number of days over 95 degrees, average precipitation, days with over 3 inches precipitation, minimum temperature, hurricane return rates, storm specific winds and rainfall, sea level rise Analytical choices: Emissions mitigation is NOT achieved such that there is a 4 degrees increase in global average temperatures by 2100. Downscaled data as available through NOAA's Climate Change toolkit and the NCA is the source of the projections used.
Transition scenarios Customized publicly	Business division	1.5ºC	Details on scenario identification: The BGE Integrated Decarbonization Study sought to expand upon recent Maryland statewide analyses,

available transition scenario			and to assess decarbonization options within BGE's service territory, focusing on impacts for BGE's customers. With the subsequent introduction and April 2022 passage of the Climate Solutions Now Act of 2022 (CSNA), this latest E3 analysis represents the first decarbonization study developed since CSNA's enactment, showing the value of coordinated electric and gas infrastructure planning in meeting Maryland's new goals of 60 percent reductions by 2031 and net zero GHG emissions by 2045. Parameters: Potential load changes as a result of carbon mitigation efforts (short-term reductions from energy efficiency and longer-term increasing/changing demand because of electrification); Increased interest in distributed generation; Vehicle and heating electrification; Incorporation of biofuels; New technologies for energy measurement and management Assumptions: Assumes that policy needed to drive necessary actions are present to achieve 60 percent reductions by 2031 and net zero GHG emissions by 2045 is achieved. Analytical choices: Three different scenarios to explore changes in costs associated with different decarbonization approaches

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Thoughtfully designed scenarios can teach us a lot about how to prepare for climate change, drive towards lower cost, lower risk pathways and identify when shifting to a different pathway might be appropriate. For example, we participated in two decarbonization transition studies in 2022 exploring potential pathways and implications of broad state-level goals and actions associated with our service territories.

GHG Mitigation/Transition Scenarios: The BGE Integrated Decarbonization Study sought to expand upon recent Maryland statewide analyses, and to assess decarbonization options within BGE's service territory, focusing on impacts for BGE's customers. With the subsequent

introduction and April 2022 passage of the Climate Solutions Now Act of 2022 (CSNA), this latest E3 analysis represents the first decarbonization study developed since CSNA's enactment, showing the value of coordinated electric and gas infrastructure planning in meeting Maryland's new goals of 60 percent reductions by 2031 and net zero GHG emissions by 2045.

The Illinois Decarbonization Study sought to build on the State of Illinois's decarbonization efforts led by its passing of the Climate and Equitable Jobs Act (CEJA), which sets the state's electric power sector on a path towards decarbonization. E3 worked with ComEd and a technical advisory committee (TAC) to develop three transition scenarios to highlight impacts of various approaches to decarbonize sectors of the economy that were not targeted under CEJA. The goals of this study were to 1) determine the impact that CEJA and the national Inflation Reduction Act (IRA) could potentially have on GHG emissions in Illinois and 2) identify what additional measures are needed to achieve net-zero.

Physical Climate Scenarios: Maintaining energy system reliability is of paramount importance to Exelon, and weather-related risk is always a key focus area for the company. We have many processes and programs in place to help prepare for the types of events that we have historically experienced. Exelon is expanding our adaptation planning efforts to better incorporate changes to the types of weather conditions that may challenge our systems now or in the future. In early 2022, ComEd entered into an agreement with Argonne National Laboratory's Center for Climate Resilience and Decision Science (CCRDC) to begin forecasting future climate conditions for northern Illinois, and to consider the future climate risk exposure that ComEd's infrastructure and operations may face in the coming decades. Exelon is an active participant in the Electric Power Research Institute (EPRI) strategic initiative called Climate Resilience and Adaptation Initiative, or Climate READi, to continue building electric industry standardization around climate resilience. This initiative aims to develop a framework to identify optimal resilience and adaptation investments in the power system in the context of climate and extreme weather risk.

Results of the climate-related scenario analysis with respect to the focal questions

GHG Mitigation/Transition Scenarios:

As an energy delivery utility operating under regulation by public utility commissions in different states, with different climate action plans and priorities, as informed by our ongoing scenario analysis work, we are positioning ourselves as a key partner in supporting the achievement of these local goals, while also seeking and cross-pollinating innovative solutions as they emerge and can be shared between our utilities. We maintain alignment in our approach through the following priorities:

1) Electrification coupled with simultaneous decarbonization of electricity generation is one key lever for emissions reductions, making necessary both growth and evolution of clean grid electric generation and transmission, enablement / expansion of zero-carbon generation on local level distribution systems and significant vehicle electrification, all requiring enhanced grid management.

2) Low-carbon fuels are another key lever for future emissions reductions, requiring emergence and commercialization of low-carbon fuel technologies including renewable natural gas and hydrogen, and a safe and reliable means to deliver increasing levels of those new fuels to customers.
3) New technologies will also be a key lever for longer-term emissions reductions and potentially for removing carbon dioxide from the atmosphere, including carbon capture and sequestration, integration of storage into the grid and other technologies that support energy efficiency, demand and flexible load management and electrification.
Community support, regulatory and market structures, as well as the industries and natural resources most available, are all considerations for how far and how fast decarbonization may occur.
Physical Climate Scenarios:
For our East Coast utilities, these acute physical risks include severe thunderstorms, tropical storms and hurricanes, but in recent years have also included derecho windstorms and tornados. For our Midwest utility, acute physical risks include severe thunderstorms, tornados, derecho windstorms and ice storms. More chronic in nature, all Exelon utilities have begun to note more intense rainfall, which has caused inland flooding along streams and over roadways, as well as varying degrees of heat increases over the coming years, with combined heat and humidity increases. In the Mid-Atlantic, our coastal utilities also face issues associated with potential sea level rise in some of the areas that they serve. Through these studies we have recognized gaps in the types of projection data that would be most useful in re-calibrating future focused engineering standards, as well as a high level of uncertainty which makes consuming and implementing the quantitative data directly challenging. We continue to work with NOAA, EPRI, Argonne and others to build consensus data that can be credibly used in cost benefit analysis and rate cases that need to show prudency of spend associated with infrastructure investments.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	High Impact. Our customers' expectations have changed in part because of the issue of climate change. Customers seek greater control over their energy usage, improved convenience and increased customization along with heightened expectations of energy reliability and resilience. These requirements include strong cyber and physical security for energy system operations and infrastructure.

		Customers also expect energy that is clean, reliable and affordable, with limits on customer willingness and ability to pay more for clean energy. Customer preferences are varied just as customer needs are diverse. Expectations continue evolving toward more equitable and reliable energy service. Also, transition scenario work indicates that demand management and flexible loads are important, given the key role electrification plays in most decarbonization pathways, futures to help minimize peak demands and associated costs. As a result, Exelon is making investments to advance clean and affordable energy choices, deliver a world-class customer experience, and provide safe, reliable and resilient power to our communities, through the creation of a smart grid that uses automated data collection, two-way communications and technology to deliver energy more reliably and efficiently. It provides data on hourly energy usage for customers and allows utilities to control and monitor the power system at a much more granular level than was previously possible. In 2022, Exelon invested more than $7.2 billion across our regulated utilities and plans to invest almost $31.3 billion from 2023 through 2026 in its transmission and distribution systems with these focus areas in mind. This includes upgrading more than 9.02 million electric smart meters and 1.38 million advanced gas meters over the last 10 years (avoiding 1.3 million BGE service truck trips in 2022), helping customers save almost 24.8 million MWh of energy through our award-winning customer energy efficiency programs in 2022 (equivalent to 9.5 million metric tons of CO2e emissions avoided), and developing Green Power Connection, common approaches and platforms to assist and enable customers and contractors to deploy distributed renewable energy in our utility service areas, which has enabled 200,100 customers to install 3,089 megawatts (MW) of renewable energy generation resources through 2022.
Supply chain and/or value chain	Yes	Moderate Impact. Exelon recognizes the climate change related risks that could disrupt our supply chain as a result of physical climate change impacts or a transition to a lower carbon economy which could affect pricing and availability. This has influenced our strategy for the short and mid-term time periods by increasing our focus on relationship building with our suppliers. Exelon works with approximately 4,000 suppliers to procure a wide range of materials and services. We actively engage, evaluate and monitor our suppliers to better understand our supply chain and proactively identify and address potential business continuity or related risks. We also work to align Exelon's sourcing practices with company objectives in environmental responsibility, supplier diversity and local economic development. In December 2022, Exelon conducted its semi-annual detailed risk assessment that identified 16 critical

		Tier 1 suppliers for its utilities. These Tier 1 suppliers represent 16 percent of total spend. These risk assessments include a review of the Supplier's Business Continuity Plan which would cover potential disruption from natural events that may be increasing as a result of climate change. In 2022 we also implemented a new Supplier Code of Conduct that sets forth expectations for all suppliers, contractors and agents. We advance sustainability in our supply chain through both our direct relationships with our suppliers and our engagement with the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA), an organization of utilities and suppliers working together to advance sustainability best practices in utility supply chain activities and supplier networks. Exelon has continued to pursue progress against the Alliance's sustainability maturity model by conducting a Scope 3 GHG emissions hot spot analysis, refining our Scope 3 reporting for "purchased goods and services" and "capital expenditures", and beginning supply engagement around GHG emissions based on the more Exelon-specific hot spot analysis relating to construction services. Exelon continues to recommend supplier participation in the Alliance and the EUISSCA Supplier Affiliate Membership program.
Investment in R&D	Yes	High Impact. Rapidly advancing technology is transforming every component of our transmission and distribution system (T&D) and our customer-facing engagements. Low carbon energy technologies are growing and achieving scale. Piloting and leveraging new technologies enable the delivery of lower cost, higher value and cleaner services. This has influenced our strategy over the short and mid-term by focusing our activities on emerging technologies that support GHG emissions reductions and grid resiliency. Over the past few years, Exelon has created an ecosystem to foster innovation and manage all phases of emerging technologies. and our Business and Technology Signals monitoring efforts, Corporate Strategy leads teams to evaluate technologies and emerging trends that have the potential to affect the enterprise and transform the industry, collaborating with industry associations, national labs, top universities and emerging business leaders to provide recommendations on how Exelon should best engage with the technology. TechEXChange and our Business and Technology Signals efforts evaluated opportunities across electrification, alternative fuels, battery storage and hydrogen, most recently exploring the potential of heat pumps to provide energy efficient solutions to buildings with greater efficiency and operability in colder climates. Exelon is actively exploring how each of these heat pump technologies can contribute to energy efficiency and decarbonization. Through our Partnership R&D Program, Exelon directly engages with early-stage technology innovation by funding and

		collaborating on projects at leading research institutions, including Argonne National Laboratory, Massachusetts Institute of Technology (MIT), Northwestern University and the University of Illinois. Over the last five years, the program has invested in transformative projects, supporting strategic areas such as electrification, DER enablement, grid flexibility and low-carbon fuels. For example, with the support of DOE grant, our experts are supporting the University of Maryland to develop a novel approach for applying protective coatings to gas distribution pipelines that could prolong their service life and support hydrogen blending in legacy pipelines. Exelon is an anchor sponsor in the EPRI-GTI Low Carbon Research Initiative that is researching lower carbon fuels.
Operations	Yes	High Impact. Exelon recognizes the risk to our operations both from physical climate change that may affect our assets, as well as the need to minimize carbon emissions resulting from our assets or in association with our electric delivery services. This has influenced our strategy through how we view our day-to-day operations and near-term infrastructure planning, but also for the long-term as we make system investments with life spans well into the future. Exelon strives for operational excellence in maintaining a highly reliable electric and gas distribution system, with an increasing focus on resiliency in response to the effects of climate change, including increased weather extremes and sea level rise, as well as reducing GHG emissions. Our Path to Clean commitment is to reduce our operations-driven emissions 50 percent by 2030 and achieve Net-Zero by 2050 while also supporting our customers and communities in achieving their clean energy goals. This commitment aligns our operating companies around decarbonization and integrates the below short-, mid- and long-term climate change Path to Clean imperatives into our business strategy. We are initiating key short-term, mid-term, and long-term actions now with portions of mid- and long-term actions dependent upon new and emerging technologies and solutions that we will continue to evaluate and invest in over time. Relating to our operations specifically we are focusing on reducing GHG emissions in our buildings, our fleet Vehicles, our electrical systems through improved management and reduced leakage of SF6, reduced methane emissions through gas system pipe replacements, and other specific sources as possible. Where we have control over GHG emissions, we are reducing them in alignment with the ambition of the national long-term strategy for decarbonization . In 2022 we participated in two decarbonization transition studies to support our communities' goals including the BGE Integrated Decarbonization Study sought to expand upon recent Maryland statewide analyses and the Illinois Decarbonization Study sought to

		build on the State of Illinois's decarbonization efforts. Exelon is also working to build its adaptation planning capabilities through our current participation in the EPRI ClimateReadi program and utility level studies with Argonne National Labs .

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures	At Exelon, we are taking a portfolio approach to decarbonization that recognizes the differences among our utility territories and among our communities—from energy resources to infrastructure to customer needs to policy environments. A portfolio of energy and technology solutions is best able to deliver decarbonization as cost-effectively as possible while meeting diverse customer and community needs, with the aim of lowering risk, lowering total cost and increasing reliability and resilience. Our objective is to be the integrator of multiple solutions that benefit stakeholders . Exelon invested almost $7.2 billion across our regulated utilities in 2022 and plans to invest $31.3 billion from 2023 through 2026. As seen in the adjacent chart, most of Exelon's utility investments over the next four years will be in the electric distribution system, followed by the electric transmission and gas distribution systems. For example, we have upgraded over 10.4 million smart electric and gas meters over the last 10 years across Exelon's utilities, enabling a wide range of system and customer benefits. These meters allow the utilities to remotely connect or disconnect service, provide enhanced information to help respond to power outages and better monitor circuit voltage, saving customers money and avoiding excess GHG emissions. At the same time, these technologies give customers real-time insights into their energy usage and opportunities to save energy. As we invest for the future, we remain focused on maintaining a strong balance sheet and investment grade ratings at our utilities in order favorable interest rate and debt financing terms as we build the energy system of the future. As states and companies make commitments to cleaner, renewable generation sources, the electrification of end uses continues to grow as a key source of decarbonization. In Washington D.C., Pepco's proposed and existing programs strongly support D.C.'s climate and clean energy goals for an equitable decarbonization. In December 2022, Pepco filed

		its Climate Solutions Plan Phase 1 application, which proposed 11 programs designed to increase the number and availability of electric vehicle charging stations throughout the District, including incentivizing more than 2,100 new charging ports, and to upgrade electric systems to enable electrification, among other specific benefits, including support for the installation of behind the meter batteries. Pepco also actively supports D.C.'s Solar for All program with over 300 community solar projects providing better access to renewable energy generation. Pepco also filed an innovative make ready program to remove barriers to residential small solar, enabling more customers to take advantage of local clean energy. In Illinois, the Climate and Equitable Jobs Act (CEJA) was enacted in 2021 to decarbonize the state's energy sector and transition it to clean and renewable energy with a focus on equitable job creation. As the largest electric utility in Illinois, ComEd is committed to implementing the new law that puts the state on a path to 100 percent clean energy by 2050 through the expansion of renewable energy, energy efficiency and electric vehicles, as well as programs to prepare diverse workers to join Illinois' future energy workforce. In 2022, ComEd filed its first beneficial electrification plan, on which the Illinois Commerce Commission issued a final order in March of 2023. The beneficial electrification plan advances transportation electrification and building electrification with programs that lower emissions and improve cost savings for customers. As required by CEJA, ComEd has filed its first multi-year grid investment plan for Commission approval in January 2023; this plan looks at current conditions and challenges, explores future capabilities and provides an overview of the investments needed to prepare the grid for a decarbonized economy. In Pennsylvania, PECO is a leading advocate of legislation to authorize utilities to recover the costs of EV infrastructure incentives and support the deployment of charging infrastructure on essential public access corridors and in underserved communities. In 2022, PECO launched a $1.5 million incentive program as part of the Company's EV Charging Pilot to support commercial, industrial and public transit customers interested in clean transportation options. PECO has been a leading proponent of legislation such as SB 1435 in 2021, which would explicitly authorize electric utilities in the Commonwealth to include EV infrastructure incentives and cost-sharing as part of electric rate cases. In Maryland, following the passage of its landmark Climate Solutions Now Act of 2022 (CSNA), BGE, Pepco MD, and DPL MD (collectively MD Exelon utilities) continue to advocate for the role utilities can play in advancing the State's climate goals, which now target a 60 percent reduction of GHG emissions by 2031 (relative to a 2006 baseline). Pepco

		MD included in its MYP rate filing a climate solutions plan, which articulates an initial suite of programs in response to Maryland's and its counties' goals. If adopted, these programs would help customers and businesses make investments in a variety of beneficial electrification technologies, such as electric vehicles and electric heat pump, and contribute to the achieving the CSNA's goals. Pursuant to the CSNA, the MD Exelon utilities will be contributing to studies on grid readiness and electrification. CSNA also allows each MD utility to seek permission to implement EV school bus pilots with up to $50 million in incentives for public schools. ACE supports New Jersey's efforts to decarbonize and electrify the state economy, as laid out in the New Jersey Energy Master Plan and Clean Energy Act, as well as other climate goals such as exploring energy storage and solar incentive programs. To these ends, ACE is a key partner in building out transmission infrastructure to support development of offshore wind generation to help meet clean energy goals. In 2022, ACE filed its Powering the Future application, supporting expanding solar development through system investments. If approved, these investments would enable an additional 50,000 residential solar customers. Responding to the increased frequency of climate-change related extreme weather events, ACE is hardening infrastructure to mitigate damage from more damaging winds and extreme flooding, including battery storage projects and reliability upgrades throughout the state. Exelon's strategy is focused on our customers, through focusing our capital expenditures prudently on modernizing our energy infrastructure for safe, reliable and resilient service; clean and affordable energy choices; and more equitable communities.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	No, and we do not plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2015

Base year Scope 1 emissions covered by target (metric tons CO2e)

678,075

Base year Scope 2 emissions covered by target (metric tons CO2e)

121,644

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

799,719

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

2

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

11

Target year

2030

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

399,859.5

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

451,331

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

74,913

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

527,014

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

68.20020532211939

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Exelon's Path to Clean Strategy is a commitment to reduce our Scope 1 and 2 operations-driven GHG emissions by 50 percent by 2030 and to achieve Net-Zero operations-driven GHG emissions by 2050, while simultaneously helping our customers and communities in achieving their clean energy goals.

In establishing our operations-driven goal, we focused on areas where we have the ability to directly control GHG emissions in our operations, through evolved work practices, building and fleet vehicle investments and deployment of new and expected future technologies. Emissions that we directly control include those associated with our buildings, fleet vehicles, and our gas distribution system equipment and infrastructure. Operations-driven emissions include 100 percent of our Scope 1 GHG emissions and the portion of Scope 2 GHG emissions associated with building energy use.

We currently exclude Scope 2 emissions associated with T&D system line losses, because system uses and losses are a function of how much load we are delivering for customers and the grid emissions rate of the electricity supply, neither of which we can directly take action to reduce. Because they are customer-driven, they are instead managed similarly to emissions associated with customer electric use through our customer programs and regulatory advocacy for grid decarbonization.

With respect to the operations-driven Scope 2 emissions that are included in our goal, Exelon is continuing to drive EE efforts, increasing its procurement of zero-carbon electricity where it is able to do so and we are continuing to support the dual accounting for Scope 2 through comments for the WRI methodology review. We recognize the importance of continuing to evolve GHG accounting to support decarbonization of the grid. Exelon's other actions towards our Path to Clean 50 percent by 2030 reduction goal include vehicle electrification, natural gas

system pipe modernization to reduce fugitive emissions, building EE and ongoing SF6 leak identification and management. These actions are focusing on absolute emissions reductions through 2030, without use of carbon offsets for goal achievement.

Plan for achieving target, and progress made to the end of the reporting year

Exelon is focusing on four key levers for our Path to Clean 2030 50% reduction goal. We have established a fleet vehicle electrification program targeting to have 30% of our fleet vehicles to be electrified by 2025, 50% to be electrified by 2030 , and annual replacements of light duty vehicles to be 100% electrified by 2025, with all light duty assets electrified by 2030. Exelon is also focusing on continued focus on SF6 management, natural gas pipe main replacement programs, and purchasing zero-carbon electricity for our own use. In February 2022, Exelon also joined the DOE Better Climate Challenge, and has recently added a facilities sub-goal focused on advancing building energy efficiency across our owned building portfolio. As of the end of 2022, we are over 2/3rds of the way to our goal.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Please explain target coverage and identify any exclusions

Exelon's Path to Clean Strategy is a commitment to reduce our Scope 1 and 2 operations-driven GHG emissions by 50 percent by 2030 and to achieve NetZero operations-driven GHG emissions by 2050, while simultaneously helping our customers and communities in achieving their clean energy goals.

In establishing our operations-driven goal, we focused on areas where we have the ability to directly control GHG emissions in our operations, through evolved work practices, building and fleet vehicle investments and deployment of new and expected future technologies. Emissions that we directly control include those associated with our buildings, fleet vehicles, and our gas distribution system equipment and infrastructure. Operations-driven emissions include 100 percent of our Scope 1 GHG emissions and the portion of Scope 2 GHG emissions associated with building energy use. We currently exclude Scope 2 emissions associated with T&D system line losses, because system uses and losses are a function of how much load we are delivering for customers and the grid emissions rate of the electricity supply, neither of which we can directly take action to reduce. Because they are customer-driven, they are instead managed similarly to emissions associated with customer electric use through our customer programs and regulatory advocacy for grid decarbonization.

With respect to the operations-driven Scope 2 emissions that are included in our goal, Exelon is continuing to drive EE efforts, increasing its procurement of zero-carbon electricity where it is able to do so and we are continuing to support the dual accounting for Scope 2 through comments for the WRI methodology review. We recognize the importance of continuing to evolve GHG accounting to support decarbonization of the grid. Exelon's other actions towards our Path to Clean 50 percent by 2030 reduction goal include vehicle electrification, natural gas system pipe modernization to reduce fugitive emissions, building EE and ongoing SF6 leak identification and management. These actions are focusing on absolute emissions reductions through 2030, without use of carbon offsets for goal achievement. We are in the process of developing our corporate standard for when, how and what type of carbon offsets will be applied to our 2050 Net-Zero operations-driven emissions commitment.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

Exelon's GHG goal is a 50% reduction in Operations-Driven emissions from a 2015 baseline by 2030 as an interim target to a goal of Net-Zero by 2050. This goal is in aligns with the ambitions of the Long-term Strategy of the United States. This 2030 is an absolute reduction goal which we are focused on achieving before applying offsets. Our focus is first on reducing emissions where we can, and on supporting new technologies that can reduce emissions even further. We recognize that there may be a need to use carbon offsets over time to meet our goal where emissions cannot be eliminated, but the science and guidance around the use of offsets is still emerging. We plan to continue to engage with stakeholders in that conversation as it develops and incorporate it as a piece of our longer-term strategy only if needed.

Planned actions to mitigate emissions beyond your value chain (optional)

Exelon’s near-term actions towards our Path to Clean 50 percent by 2030 reduction goal include vehicle electrification, natural gas system pipe modernization to reduce fugitive emissions, building EE and ongoing SF6 leak identification and management. These actions are focusing on absolute emissions reductions through 2030, without use of carbon offsets for goal achievement.

Based on our initial assessment, we aim to drive emissions reductions to 80% prior to applying offsets, but much of the reductions past our 2030 50% reduction goal are contingent on the development and commercialization/affordability of new or emerging technologies. We continually reassess viability and cost effectiveness of emissions reduction opportunities and are in the process of developing our corporate standard for when, how, how much and what type of carbon offsets will be applied to our 2050 Net-Zero operations-driven emissions commitment.

Beyond our operational boundary, we are also working with our communities to drive expansion of public vehicle charging, enable distributed solar on our distribution system, explore usage of battery storage for reliability and clean fuel blending to support emissions reductions from natural gas use. We have award winning programs for customer energy efficiency and demand response - and are exploring future use of 2-way flexible load to also support grid management. In the public advocacy space we are supporting policies that help to drive cost effective decarbonization of the grid supply. We are also partnering with national labs, universities, and research consortia to research, develop and pilot clean technologies. For example, we are a sponsor of the EPRI-GTI Low Carbon Research Initiative; We are supporting small businesses actively exploring climate solutions in our communities through the Climate Change Investment Initiative of our Foundation; and as a part of the

Path to Clean, we have also committed to partnering with our community stakeholders to help meet their climate and emissions goals. All of these efforts will help us achieve our Net-Zero goal and to support our customers and communities in achieving their clean energy goals.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	36	
To be implemented*	35	6,798,772
Implementation commenced*	31	6,806,983
Implemented*	31	6,806,343
Not to be implemented	4	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Fugitive emissions reductions

Oil/natural gas methane leak capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)

6,120

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

No payback

Estimated lifetime of the initiative

21-30 years

Comment

BGE, Delmarva and PECO repair and pro-actively replace and upgrade their system to ensure and improve operations. Converting from cast iron piping to plastic can reduce methane emissions by 95%. All three utilities are long time members of the EPA's Natural Gas Star program and in April 2016 committed to the Methane Reduction Challenge - establishing a goal to replace cast iron and unprotected steel mains in the system at a minimum rate of 2% per year through 2021, which was achieved and extended through this year. Performance against this goal has continued to be strong, with 58 miles of cast iron main and 50 miles of unprotected steel replaced (over 5.75%) in 2022. This effort is counted as 3 projects implemented (relating one each to BGE, Delmarva and PECO), with a similar 3 projects to be implemented in 2023, under question 4.3a, as well as towards performance under 4.1a Abs1 and 4.2b Oth 2 KPI for methane emissions. Emissions savings which are provided are related to the 2022 pipe cast iron and unprotected steel pipe replacement projects implemented at BGE, Delmarva and PECO combined. As investment benefits are beyond GHG emissions reductions and include performance and safety improvement, simple ROI analysis is not appropriate for this initiative.

Initiative category & Initiative type

Low-carbon energy generation

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

287,399

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

No payback

Estimated lifetime of the initiative

16-20 years

Comment

Exelon's utilities have worked over the last several years to develop common approaches and platforms to assist and enable customers and contractors to deploy residential and commercial renewable energy, primarily solar photovoltaics, in our utility service areas. Each utility's Green Power Connection website has resources to assist customers from start to finish on their renewable energy projects. Digital Solar Toolkits are a flagship resource from our Green Power Connect programs, offering solar calculators and other tools and tips to assist in decision making.

Through net metering, utilities purchase excess electricity produced from residential and commercial customers' renewable energy equipment. This effort is counted as 4 projects implemented (relating one each to BGE, ComEd, PECO and PHI), with a similar 4 projects to be implemented in 2023. Emissions are based on estimated production of projects implemented in 2022 based on a system efficiency of 20% for solar PV. Investment breakdown relating to system upgrades needed to enable these systems (not the systems themselves) is not currently discretely reported. As investment benefits are beyond GHG emissions reductions and include performance and safety improvement, simple ROI analysis is not appropriate for this initiative.

Initiative category & Initiative type

Fugitive emissions reductions

Other, please specify

SF6 insulating gas

Estimated annual CO2e savings (metric tonnes CO2e)

2,355

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

No payback

Estimated lifetime of the initiative

21-30 years

Comment

SF6 leakage occurs from high voltage electrical equipment that is part of utilities' transmission and distribution systems. As an early member of the EPA Partnership for SF6 Reduction, Exelon's utilities have invested significantly in SF6 leak reduction programs, which include advanced leak detection, improved material tracking, targeted repairs and replacements and equipment upgrades. ComEd, BGE, PECO, ACE, Delmarva and PEPCO continue to reduce SF6 releases through early leak detection, prioritization of leak repairs and replacement of aging SF6 breakers. PECO completed the replacement of its last 3 dual pressure breakers in 2022. Emissions reductions presented is the difference between SF6 emissions in 2022 as compared to 2021. Although actual system fugitive emissions will be dependent upon many factors, including weather, our SF6 management programs seek to minimize that leakage. As investment benefits are beyond GHG emissions reductions and include reliability and safety improvement, simple ROI payback analysis is not appropriate for this initiative. This is accounted for as 6 projects (one for each utility) implemented under 4.3a, one for each utility, and directly relates to our GHG reduction goal as described in 4.1a Abs1.

Initiative category & Initiative type

Low-carbon energy consumption
Wind

Estimated annual CO2e savings (metric tonnes CO2e)

376

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

Exelon's utilities ComEd and PECO offsets indirect emissions from their own electricity use through the retirement of renewable energy credits (RECs) to support our net GHG annual target. In 2022, they retired 100997 RECs to specify zero carbon electricity for their own use, 979 MWhs more than the prior year. REC certificates purchased are Green-e Certified, which insures they are sourced in the United States, and are retired in support of ComEd and PECO's green building initiatives. At this time we are purchasing renewable electricity for 36% of our facilities' electric use corporate-wide. The total non-renewable value above does include T&D line losses. These clean energy attributes are currently used in our market-based accounting view of our Scope 2 emissions as described in our GHG goal description outlined in 4.1a (Abs 1). Because these RECs were purchased through multi-year contracts, annual cost are not available. Emissions reductions shown are just those associated with the volume of RECs beyond what was purchased the previous year. There is no savings or payback associated with the purchase of RECs. This is counted as 2 actions implemented in 4.3a. PHI is considering the future purchase of zero-carbon electric in the future, which is an added initiative under consideration.

Initiative category & Initiative type

Low-carbon energy consumption

Other, please specify

RPS Renewable Energy Obligations Depend on State Requirements

Estimated annual CO2e savings (metric tonnes CO2e)

5,350,457

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

No payback

Estimated lifetime of the initiative

1-2 years

Comment

Exelon's Utilities purchase Renewable Energy Credits to add renewable electricity to that which they deliver to their customers per state Renewable Portfolio Standards (RPS). Approximately 4.4 million RECs were needed to satisfy Maryland's Renewable Portfolio Standard (RPS) requirements at BGE for 2022 , ComEd received and retired approximately 3.8 million RECs from wind and solar renewable energy resources to meet the Illinois RPS requirements, and PECO retired more than 2.5million RECs to satisfy PA requirements. PHI utilities will retire approximately 6.1 million RECs to meet RPS obligations in 2021. These RECs are procured on behalf of Exelon's customers in accordance with the state requirements. Emissions reductions are Scope 3 and support cleaner energy being used (or supported) by our customers. Estimated annual CO2e savings relate to the avoided emissions associated with these MWhs at the PJM residual emissions rate. These RECs are associated with the year they are retired, although as they encourage the clean energy market, they help to promote new renewable generation which can become a permanent emission reduction. There is no investment by the Utility as costs are passed through to the customer in accordance with their local utility specific rate case agreement. Payback is considered immediate because this is part of a compliance program. This is counted as 6 initiatives implemented each year under 4.3a (one for each of our six utilities).

Initiative category & Initiative type

Energy efficiency in buildings

Other, please specify

Customer Energy Efficiency Programs (residential, commercial and industrial)

Estimated annual CO2e savings (metric tonnes CO2e)

1,159,373

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Exelon's delivery companies — BGE, ComEd, PECO, Delmarva, and PEPCO—each implement a portfolio of leading-edge energy efficiency and demand response programs that help our customers reduce their energy consumption. This reduced energy use translates to reduced Scope 2 emissions for Exelon's customers, which is a reduction in Scope 3 emissions for Exelon. These emissions reductions are driven by state public statutes that outline requirements for energy efficiency programs for utilities; however, Exelon utilities have been recognized by ENERGY STAR® Partner of the Year Awards from the EPA for their exemplary implementation year over year. The emissions reductions shown are for new activities implemented in 2022, although additional reductions are present as a result of efforts implemented in previous years that continue to reduce use. Savings would be those associated with customer bill savings and rebates issued. Investments for

achievement of these efforts is shared between the customer and the utility. While not quantified, Exelon utilities may also see savings through avoided maintenance/need for expansion as related to our delivery system. These are public service programs under which we operate, therefor specific pay back does not directly apply, although a typical payback for the types of actions included has been provided. This is counted as 6 projects implemented (one for each utility) under 4.3a.

Initiative category & Initiative type

Transportation

Company fleet vehicle efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

263

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Exelon has established a fleet vehicle electrification program targeting to have 30% of our fleet vehicles to be electrified by 2025, 50% to be electrified by 2030 , and annual replacements of light duty vehicles to be 100% electrified by 2025, with all light duty assets electrified by 2030. While we have experienced some challenges with our supply chain for vehicles, we are making good progress towards our goal and the emissions indicated are those associated with the fossil fuel avoided as a result of our fleet efforts. The monetary savings would be related to fossil fuel not used. It should be noted that our fleet groups are implementing a variety of efforts to reduce GHG emissions, including use of biodiesel blends and idle mitigation, this emissions reductions show may incorporate a combination of these efforts with electrification. We currently do not have a full breakdown of the incremental costs associated with our vehicle electrification program. Payback and lifetime are estimated based on national averages.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Other Internal GHG Program Targets	Each year Exelon sets an annual net GHG target for operational emissions - which is a milestone on the path to achieving our 2030 reduction goal. This is reported on quarterly to upper management, and annual performance towards this goal is reported annual to the public as part of our Corporate Sustainability Report. Exelon also monitors several other key metrics related to GHG emissions performance. These include customer abatement which are avoided emissions associated with our utility customer energy efficiency programs and RPS REC commitments; % line losses which is an indicator of the efficiency of our distribution system; and the emissions intensity of our merchant electric generation portfolio. These target help to keep the importance of GHG mitigation and the transition to a clean energy economy in discussion throughout Exelon and a regular part of how we do business.
Compliance with regulatory requirements/standards	Through a combination of new and prior-year investments, Exelon utilities helped customers save almost 24.8 million MWh of energy in 2022 through the ComEd Energy Efficiency Program, PECO Energy Efficiency Program, BGE Smart Energy Savers Program® and PHI Home Energy Savings Program®. This equates to over 9.5 million metric tons of CO2e emissions avoided, the equivalent energy use of almost 1.2 million homes for one year or the carbon sequestered by 11.3 million acres of U.S. forest in one year. These programs enable customer savings through home energy audits, lighting discounts, appliance recycling, home improvement rebates, equipment upgrade incentives

	and innovative programs like smart thermostats and combined heat and power programs. The adjacent chart shows a summary of MWh saved and GHG emissions avoided over the past three years as a result of these programs.
Dedicated budget for low-carbon product R&D	Exelon is also working to develop and expand the use of hourly pricing programs. For example, ComEd's hourly pricing program allows enrolled residential customers to pay real-time market electricity prices, which vary from hour to hour. Through this program, customers who take advantage of lower prices (e.g., shifting the use of large electric appliances to lower-priced off-peak hours) can potentially save money on their electricity bills while helping the utility reduce peak load demand. Peak load generation pulls on the least efficient, often highest emitting generating plants. Better managing peak load can ultimately reduce GHG emissions relating to these fossil peaking generating plants.
Partnering with governments on technology development	Exelon and its operating companies often collaborates with local, state and federal government entities to pilot new technologies and support the advancement of climate adaptation and GHG emissions reduction goals. As an example, Delmarva Power partnered with the City of Wilmington, Delaware on Wilmington 2028, a plan that envisions creating a "brighter, safer, cleaner and technologically-advanced city." The work integrates community development opportunities, expands partnerships and uses smart city technology to create a safer, smarter, more sustainable and more connected community. The initial project with Delmarva Power focuses on LED smart streetlight conversions, smart sensor technologies and electrification opportunities. Phase One of ConnectWilmington included a pilot LED Streetlight conversion of 250 streetlights. Within the demonstration area Delmarva Power worked with the City of Wilmington to showcase three smart city sensors: traffic monitoring, gunshot detection and air quality monitoring sensors to understand priority issues for the city. In the future, Delmarva Power will expand work in the city to include expansion of the LED streetlight conversion, an indoor agriculture pilot, implementation of an electric bus and additional smart sensor and smart cities technologies.
Compliance with regulatory requirements/standards	Exelon maintains an ISO 14001 certified Environmental Management System to ensure that we maintain compliance with all state and federal regulatory requirements, to include those related to GHG emissions management, either through the EPA's Part 98 Mandatory GHG reporting program or a regional effort to reduce GHG emissions directly. We also support many eastern states' efforts to stand up the Transportation and Climate Initiative (TCI), which, when implemented, will employ a similar regional approach to reduce GHG emissions from transportation fuels.
Dedicated budget for low-carbon product R&D	Exelon maintains a New Technology Engagement Team whose mission is to explore new and emerging technologies relating to electricity generation, storage, transmission and distribution. Exelon also cultivates strategic partnerships with the external technology ecosystem, through our Partnership Research and Development (R&D) Program framework.

	Exelon directly engages with early-stage technology innovation by funding and collaborating on projects with leading research institutions, including Argonne National Laboratory (ANL), Massachusetts Institute of Technology (MIT), Northwestern University, and the University of Illinois. The Partnership R&D Program screens dozens of innovative technology projects each year. Over the last six years, the program has invested in 35 projects, supporting the co-creation of novel technologies in strategic areas such as electrification, DERs integration, grid flexibility, storage and hydrogen. Proactive ecosystem relationships also benefit Exelon through fresh insights in key science, technology and industry trends; workforce enrichment by challenging existing patterns of thinking within the company; and the creation of impactful solutions for technical and market challenges. These projects support our access to new markets and products; enhance customer value; contribute insights in key science, technology and industry trends; enable Exelon to obtain ownership of and access to valuable technical intellectual property; enhance our workforce by challenging existing patterns of thinking within the company; and create solutions for technical and market challenges. One recent example In an innovative multi-year project supported by the U.S. Department of Energy (DOE), BGE and PHI are leading a Smart Charge Management pilot in Maryland. The Smart Charge Management pilot is a model for coordination between utilities, electric vehicle supply equipment (EVSE) partner, telematics providers and EV owners. Exelon seeks to identify managed charging techniques that can be shared industry-wide, reduce the impact of EV charging on T&D systems, lessen Exelon customers' required capital investments and proactively address cybersecurity risks.
Employee engagement	Exelon uses many employee engagement activities, such as contests, events and volunteer opportunities to make employees aware of the importance of GHG management and climate change adaptation to the corporation and elicit ideas and input on how best to integrate this initiative into their day-to-day roles and responsibilities. Specifically our Eco-Team employee resource groups are funded initiatives that support electricity use reduction, greening of office and home activities in support of GHG reductions and sustainability education. We are also using our newly announced Path to Clean GHG reduction goal and long-term commitment to inspire and engage employees on the topic of decarbonization.
Other Community Engagement	Exelon maintains a high involvement with the communities in which we work, and emphasized education on energy efficiency and the science of electricity. Our three new signature education programs focus on equity and opportunity for students in financial need: • Exelon Foundation STEM Leadership Academy Scholars provides full scholarships to a select group of summer Academy alumnae.

	• Exelon-HBCU Scholars provides scholarships up to $25,000 per year for four years to select students from Exelon's markets who attend Historically Black Colleges and Universities. • Exelon Green Lab Program gives grants up to $50,000 to high schools and nonprofits to modernize their STEM labs

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Customer Energy Efficiency Programs

Type of product(s) or service(s)

Buildings construction and renovation

Other, please specify

A variety of customer energy efficiency offerings, including rebates, audits, and special rates to encourage improved energy management

Description of product(s) or service(s)

Each of the Exelon utilities offers hourly pricing or smart usage rewards programs so that customers can manage their costs and reduce load during peak times. These programs include remote management of residential air conditioning and water heaters, as well as hourly pricing options for those interested in avoiding use during high-demand, high-price times. These programs highlight the value of smart thermostats and

smart meters, allowing customers to receive bill credits when their power is curtailed during peak times, achieve lower costs by planning use during off-peak times and avoid overloading the grid. Commercial and Industrial peak demand programs are also in use in several of our service territories, to help these customer groups take advantage of off-peak pricing when they can adjust their business cycles to avoid peak demand times. Behavioral programs that alert customers to atypical or high-use situations also remind them to be aware of their energy use and take advantage of the available peak demand programs. In 2022, through a combination of new and prior-year investments, Exelon utilities helped customers save almost 24.8 million MWh of energy equal to over 9.5 million metric tons of CO2e emissions avoided. These programs enable customer savings through home energy audits, lighting discounts, appliance recycling, home improvement rebates, equipment upgrade incentives and innovative programs like smart thermostats and combined heat and power programs.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

MWh reduced

Reference product/service or baseline scenario used

Regional Electric supply grid emissions rate in lbs/MWh

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

9,516,975

Explain your calculation of avoided emissions, including any assumptions

Customer abatement refers to customer programs that result in reduced GHG emissions associated with customers' use of electricity. These include the BGE Smart Energy Savers Program®, ComEd and PECO Smart Ideas programs and the PHI Home Energy Savings program. All these programs help our customers reduce their electricity use through energy efficiency measures in conformance with state-mandated requirements. The customer energy efficiency estimates for GHG abatement are based on the MWh reported to the Energy Smart Savers in Maryland for BGE, to the Illinois Commerce Commission by ComEd, to the Pennsylvania Public Utility Commission by PECO and to the regulatory commissions associated with the PHI utilities. In 2022, through a combination of new and prior-year investments, our Exelon utilities helped customers save over 24.8 million MWh of energy through the ComEd Smart Ideas® programs, PECO Energy Efficiency programs, BGE Smart Energy Savers Program® and PHI Home Energy Savings Program®. This equates to more than 9.5 million metric tons of CO2e emissions avoided, the equivalent energy use of over 1.2 million homes for one year or the carbon sequestered by 11.3 million acres of U.S. forest in one year. When estimating emissions avoided by these efforts, Exelon is using the PJM system mix average (lb/MWh) for the program year being reported. These are the emissions that may have been generated but for rebates and incentives of these programs. As customers may simultaneously add new electric uses, we do not always see these energy efficiency efforts as direct reductions to our Scope 3 emissions. Percent of revenue is currently not available for these programs.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

C-EU4.6

(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Three of Exelon's utilities — PECO, BGE and DPL — provide natural gas distribution service to customers through almost 17,000 miles of gas mains. Exelon's gas utilities deliver fuel for heating, cooking and manufacturing processes. Over the course of our industry's long history, a variety of pipe main materials have been used, including cast iron, bare steel, coated steel and plastic. Service connections from the gas main in the street to the home or business have also used various materials, including copper, bare steel, coated steel and plastic, with Exelon's utilities having more than one million gas service connections. As Exelon recognizes the importance of gas delivery systems in a reliable and resilient integrated energy system of the future, we are working to modernize these systems to increase safety, reduce methane leakage and ready these systems to be a part of the decarbonization solution by carrying increasing amounts of low emissions fuels like renewable natural gas and hydrogen. This has been on ongoing effort and Exelon's capital plans call for about $3.9 billion of capital investment in our utilities' natural gas systems over the next four years. DPL has already replaced most of its cast iron and unprotected steel mains. BGE and PECO both maintain long-term pipe replacement programs aimed at eliminating all cast iron and unprotected steel pipes and services by no later than 2037. From a safety perspective,

Exelon uses optical methane detectors, remote methane leak detectors and combustible gas indicators to conduct periodic leak surveys. Identified leaks are prioritized for repair based on risk and in conformance with, or faster than, industry standards and regulatory requirements. Additionally, the Exelon gas companies are advancing their leak detection methods utilizing satellite imagery for enhanced accuracy and swifter repair. Since 2015, our pipe replacement programs have reduced methane emission by over 100,000 metric tons of carbon dioxide equivalents (CO2 e) based on a 100-yr global warming potential, and our emissions per million standard cubic feet (mscf) throughput has declined from 0.44 percent to 0.38 percent. When considering a twenty-year global warming potential for methane, GHG benefits are over 360,000 MTCO2 e due to the high impact of methane in the atmosphere immediately after release. In 2022, BGE launched biogas injection onto its pipeline network for the first blending renewable natural gas into its system; all three Exelon gas operating companies have modified their gas tariffs for RNG interconnection.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2015

Base year end

December 31, 2015

Base year emissions (metric tons CO2e)

678,075

Comment

As re-verified in 2022 for to reflect the split off of the competitive power generation and customer-facing energy businesses that is now Constellation Energy. This revised and re-verified base year is now reflective of the current day T&D utilities business of Exelon based on equity-share.

Scope 2 (location-based)

Base year start

January 1, 2015

Base year end

December 31, 2015

Base year emissions (metric tons CO2e)

7,031,088

Comment

As re-verified in 2022 for to reflect the split off of the competitive power generation and customer-facing energy businesses that is now Constellation Energy. This revised and re-verified base year is now reflective of the current day T&D utilities business of Exelon based on equity-share.

Scope 2 (market-based)

Base year start

January 1, 2015

Base year end

December 31, 2015

Base year emissions (metric tons CO2e)

6,668,702

Comment

As re-verified in 2022 for to reflect the split off of the competitive power generation and customer-facing energy businesses that is now Constellation Energy. This revised and re-verified base year is now reflective of the current day T&D utilities business of Exelon based on equity-share.

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

682,825

Comment

This Scope 3 category was not accounted for in 2015.

Scope 3 category 2: Capital goods

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

1,052,679

Comment

This Scope 3 category was not accounted for in 2015.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

74,658,788

Comment

This includes emissions related to all of the electricity that our utilities deliver, assuming an emissions rate based on the PJM grid average from 2021 before any state Renewable Portfolio Standard obligations were applied. As Exelon does not own electric generation, all electricity they delivered is either purchased per the requirements of their public utility commissions or delivered for other competitive retail electricity retailers.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO2e)

22,936

Comment

This Scope 3 category was not accounted for in 2015, and has been broken out from the Purchased Goods and Services category starting in 2022.

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

25,879

Comment

This Scope 3 category has not yet been able to be split for the 2015 calendar year when the company was combined.

Scope 3 category 6: Business travel

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

2,221

Comment

This Scope 3 category has not yet been able to be split for the 2015 calendar year when the company was combined.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

This Scope 3 category has not yet been calculated for the new company boundary.

Scope 3 category 8: Upstream leased assets

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

8,926

Comment

These emissions relate to buildings leased by Exelon as offices. It should be noted that since we report under an equity-share boundary, these buildings are actually also captured in our regular Scope 1 & 2 accounting.

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The category is not currently applicable to Exelon's operations.

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The category is not currently applicable to Exelon's operations.

Scope 3 category 11: Use of sold products

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

11,248,190

Comment

Based on its customers use of the natural gas delivered by DPL, BGE and PECO. This was the first year that included all three Exelon gas utilities

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The category is not currently applicable to Exelon's operations.

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The category is not currently applicable to Exelon's operations.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The category is not currently applicable to Exelon's operations.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The category is not considered relevant to Exelon's operations

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The category is not applicable to Exelon's operations.

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The category is not applicable to Exelon's operations.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ISO 14064-1
The Climate Registry: Electric Power Sector (EPS) Protocol
The Climate Registry: General Reporting Protocol
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
US EPA Mandatory Greenhouse Gas Reporting Rule

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

452,011

Comment

This value is as verified under our new corporate boundary that focuses on the current day T&D utilities business that is Exelon.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Equity Share Boundary; Scope 2 location-based uses the 2021 PJM ISO average emission factor for CO2 since all of our utilities are located in this region, employing the EPA eGRID sub-regional factors for CH4 and N2O from 2020 data set as issued in 1/2022; Scope 2 market-based use the 2021 PJM ISO residual factor for CO2, employing the EPA eGRID sub-regional factors from 2020 data set as issued in 1/2022 for CH4 and N2O. Scope 2 market-based also reflects Exelon purchases of Renewable Energy Certificates (RECs) for our own buildings.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

4,855,103

Scope 2, market-based (if applicable)

5,267,532

Comment

This value is as verified under our new corporate boundary that focuses on the current day T&D utilities business that is Exelon.

Much of the Scope 2 emissions for Exelon is related to transmission and distribution line losses not considered part of our Operations-driven emissions where we have direct control to drive reductions. This is because significant drivers of these emissions include the electric grid supply emissions rate and the amount of electricity that our customers use. While we are working to continually improve the efficiency of our grid, have award winning customer energy efficiency programs, and help to administrate the renewable portfolio standards for many of our jurisdictions, public utility commissions set requirements for how we purchase electricity, which must be at lowest cost and cannot preference lower

emissions electricity. While we do technically still classify these emissions as Scope 2 based on the current interpretation of the WRI Corporate Standard, the electric industry and WRI are reconsidering the appropriate classification of emissions associated with line losses under GHG accounting protocols because of the indirect level of control, and some utilities are already classifying them as Scope 3.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions

Minuscule sources as defined by The Climate Registry for the electric sector. Includes leak measurement from refrigerant units less than 50 lbs, acetylene from welding, site barbecues, lawn mowing equipment, etc that are not significant to our operations.

Scope(s) or Scope 3 category(ies)

Scope 1

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Relevance of market-based Scope 2 emissions from this source

Relevance of Scope 3 emissions from this source

Date of completion of acquisition or merger

Estimated percentage of total Scope 1+2 emissions this excluded source represents

0.1

Estimated percentage of total Scope 3 emissions this excluded source represents

Explain why this source is excluded

Emissions would be extremely difficult to estimate and may include refrigerants for units of less than 50 pounds, acetylene from welding, site barbecues, lawn mowing equipment, etc that are not significant to our operations.

Explain how you estimated the percentage of emissions this excluded source represents

Percent would be less than 1 % but the data entry does not allow for that to be entered. By definition they are miniscule sources are very small and we are trying to focus on the emissions sources which can have the most impact.

Source of excluded emissions

Scope 3 Employee Commuting has been excluded for our full operating boundary at this time due to difficulty in obtaining accurate data inputs.

Scope(s) or Scope 3 category(ies)

Scope 3: Employee commuting

Relevance of Scope 1 emissions from this source

Relevance of location-based Scope 2 emissions from this source

Relevance of market-based Scope 2 emissions from this source

Relevance of Scope 3 emissions from this source

Emissions are not relevant

Date of completion of acquisition or merger

Estimated percentage of total Scope 1+2 emissions this excluded source represents

Estimated percentage of total Scope 3 emissions this excluded source represents

0.1

Explain why this source is excluded

This emissions source is currently excluded because its emissions are a very small percentage of our Scope 3 and the amount of effort required to gather necessary data from employees with any accuracy is very high. We due hope to add it over time when more resources are available.

Explain how you estimated the percentage of emissions this excluded source represents

We used a national average of 3.2 mt CO2e per year per employee to get a gross estimate of likely emissions. This total is less than 1 percent of our Scope 3 emissions.

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

684,062

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Exelon has just started calculating this category and has begun to meet with its highest impact suppliers to discuss their more specific emissions profiles.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

932,676

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Exelon has just started calculating this category and has begun to meet with its highest impact suppliers to discuss their more specific emissions profiles.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

71,927,761

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

These emissions represent emissions associated with electricity not purchased or generated by Exelon, but that is distributed by our utilities ACE, BGE, Delmarva, PECO, Pepco and ComEd to their customers (and accounted for as our customers Scope 2 emissions). Since Exelon does not own any electric generation, our utilities deliver electricity that is either purchased per the public utility commissions requirements or delivered for other competitive electricity retailers. As a result we are only able to use the PJM grid average as the emissions rate for the supply of this electricity. This value also includes the upstream production of the natural gas that our three gas utilities, BGE, PECO and DPL, delivery to their customers. Each of these components of this category are listed separately on our verification statement such that they is visibility as to what comes from electricity and what comes from natural gas.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

22,936

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Exelon has just started getting more granularity in its spend reporting such that we could break this category out from our purchased goods and services total. In prior years this category was captured in that reporting.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

24,686

Emissions calculation methodology

Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

Please explain

Exelon uses the new EPA EPA Wastewise WARM guidance. Performance will be measured off of a similar revised prior year's emissions. Due to delays associated with Covid-19, Exelon was not able to include the emissions associated with waste management in its annual third party verification process for calendar year 2020. Exelon does estimate some of the waste generation amounts in association with dumpsters that are only weighed periodically

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4,645

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Exelon uses the latest EPA GHG Emissions Factor Hub emissions factors for calculation of business travel emissions beyond those captured from our fleet vehicles and aircraft in our Scope 1 emissions. Exelon receives summaries of our miles traveled by each mode of transportation from our business travel agency.

Employee commuting

Evaluation status

Not relevant, explanation provided

Please explain

At this time, there are not significant emissions reductions that could be undertaken or influenced by the company for employee commute given that the means of calculating these types of emissions would have to be based on assumptions that would not cleanly pick up efforts made to reduce emissions. Using a national average emissions factor of 3.2 mtCO2e per employee per year, this source would be <1% of our total Scope 3 emissions.

Upstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,836

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

90

Please explain

Exelon calculates leased assets using actual energy use data when available and estimates emissions using an average 17.3 kwh/square foot per year for leased spaces where only the square footage is available and energy use is captured as part of the lease terms.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable to our business model and we would not have associated Scope 3 emissions.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable to our business model and we would not have associated Scope 3 emissions.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

11,226,129

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category captures emissions associated with the combustion of the natural gas we deliver to our customers. It is assumed that all natural gas delivered is combusted.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable to our business model and we would not have associated Scope 3 emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable to our business model and we would not have associated Scope 3 emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable to our business model and we would not have associated Scope 3 emissions.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

This source is not considered relevant as it is not our primary business and the Scope 3 guidance suggests it is mainly for financial sector companies.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable to our business model and we would not have associated Scope 3 emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable to our business model and we would not have associated Scope 3 emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	8,833	Associated with the biogenic portion of our fleet vehicle bio-diesel and ethanol blended fuels. There are also minor Scope 2 biogenic emissions associated with district heating where MSW is used as a fuel source.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0003

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

5,719,543

Metric denominator

unit total revenue

Metric denominator: Unit total

19,078,000,000

Scope 2 figure used

Market-based

% change from previous year

6.5

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Please explain

Exelon saw a 6.5% reduction in this metric since our total gross market-based emissions went down as our total revenues went up. It should be noted that our intensity rate is extremely low for our industry to start with, but should be viewed as an indicator of our efforts to reduce both our own emissions as well as those associated with our customers and communities. In 2022, we saw a decrease in our Scope 1 emissions as a result of various emission reduction activities, such as our natural gas pipe replacement program and SF6 management efforts. Our market-based Scope 2 emissions also went went down due to less T&D losses even while delivering more electricity to our customers. The electric grid rates in our region (both the average and the residual) remained mostly steady, with a less than 1% decrease. While T&D losses can be driven by many factors, we are targeting our investments in our distribution system infrastructure to improve grid management, efficiency and resiliency which also has the potential to reduce GHG emissions associated with line losses (such as equipment service upgrades and voltage conservation reduction projects). While more focused on minimizing our Scope 3 emissions, minimizing the electric loads on our system, especially at peak demand times, through the progress of our award winning customer energy efficiency programs, our demand response programs, and enablement of distributed renewable generation via our Green Power Connect programs, may also contribute to lower T&D losses.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference

CO2	112,135	IPCC Fourth Assessment Report (AR4 - 100 year) [1]
CH4	298,698	IPCC Fourth Assessment Report (AR4 - 100 year) [2]
N2O	389	IPCC Fourth Assessment Report (AR4 - 100 year) [3]
HFCs	240	IPCC Fourth Assessment Report (AR4 - 100 year) [4]
PFCs	0	IPCC Fourth Assessment Report (AR4 - 100 year) [5]
SF6	40,550	IPCC Fourth Assessment Report (AR4 - 100 year) [6]
NF3	0	IPCC Fourth Assessment Report (AR4 - 100 year) [7]

[1] We align with the EPA regulatory reporting requirements of 40 CFR Part 98

[2] We align with the EPA regulatory reporting requirements of 40 CFR Part 98

[3] We align with the EPA regulatory reporting requirements of 40 CFR Part 98

[4] We align with the EPA regulatory reporting requirements of 40 CFR Part 98

[5] We align with the EPA regulatory reporting requirements of 40 CFR Part 98

[6] We align with the EPA regulatory reporting requirements of 40 CFR Part 98

[7] We align with the EPA regulatory reporting requirements of 40 CFR Part 98

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	371	11,946	1.779	240	This includes fugitive emissions from SF6 equipment and natural gas distribution systems, as well as refrigerants
Combustion (Electric utilities)	0	0	0	0	Exelon no longer owns any electric generation combustion sources and is a distribution utility only
Combustion (Gas utilities)	12,115.68	0.23	0	6.87	This includes combustion emissions associated with our natural gas distribution system including preheaters and peaking plant equipment
Combustion (Other)	99,648.1	1.49	0	381.87	This captures combustion for fuels associated with our fleet vehicles, as well as building heat and emergency back up
Emissions not elsewhere classified	0	0	0	0	Not applicable

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	452,011

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
BGE - Baltimore Gas & Electric is a de-regulated electric and gas utility operating in Baltimore, Maryland and the surrounding area. This utility is not vertically integrated with our Exelon Generation business, purchasing electricity needed for its customers competitively off the open market or delivering electricity for other electricity retailers.	201,973
BSC - Exelon Business Services is our corporate operations that support the other companies. GHG emissions are primarily associated commercial building space and corporate transportation.	5,229
ComEd - ComEd is a de-regulated electric utility operating in the ComEd and southern IL region. This utility is not vertically integrated with our Exelon Generation business, purchasing electricity needed for its customers competitively off the open market or delivering electricity for other electricity retailers.	39,473
PECO - PECO is a de-regulated electric and gas utility operating in Philadelphia, Pennsylvania and the surrounding area. This utility is not vertically integrated with our Exelon Generation business, purchasing electricity needed for its customers competitively off the open market or delivering electricity for other electricity retailers.	138,296
PHI - Pepco Holdings is a grouping of utilities that includes Pepco in Washington DC, Delmarva Power and Gas in Wilmington, DE and Atlantic City Electric in Atlantic City, NJ. These utilities are not vertically integrated with our Exelon Generation business,	67,041

purchasing electricity needed for its customers competitively off the open market or delivering electricity for other electricity retailers. All are electric distribution companies, and Delmarva also has a natural gas distribution system.	

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Electric utility activities	112,937	These are the emissions associated with our electric distribution system including SF6 leakage, fleet vehicles and buildings and emergency equipment that support this part of our business. Where we have electric and gas utilities combined, these emissions from fleet vehicles and buildings have been split. It does not include our natural gas distribution methane leakage, natural gas combustion, or the buildings and fleet vehicles associated with gas operations.

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	376	Decreased	0.01	Due to 'increased renewable energy consumption' implemented during the year, we were able to avoid fossil emissions from dispatch that could have been needed to satisfy grid demand. In 2022, Exelon purchased over 100,997 MWh of renewable energy credits , which is 1% more than we purchased last year. This resulted in 979 additional RECs (equivalent to 376 mtCO2e at the PJM average emissions rate) used to reduced our market-based inventory as a result in expanded purchases of Renewable energy credits to cover the power that we consume. Our total Scope 1 and Scope 2 emissions in the previous year was 5,748,929 metric tons CO2e, therefore we arrived at -0.01% through (-376/5,748,929) * 100= -0.01% (i.e. a 0.01% decrease in emissions).
Other emissions reduction activities	213,342	Decreased	3.71	Due to 'other emissions reduction activities' implemented during the year, Exelon reduced its emissions 213,342 mtCO2e. Emissions reduction activities include building energy efficiency improvements; fleet vehicle electrification, biofuel blend increases and fuel efficiency / electrification improvements in our vehicle fleet; natural gas distribution system modernization; replacement of first generation breakers to reduce SF6 use; and implementation of voltage optimization/conservation voltage reduction and other demand management efforts that can help minimize line losses across our utility systems. Using 213,342 metric tons of CO2e reduced in 2022 by our emissions reduction projects, and our total Scope 1 and Scope 2 emissions in the previous year was 5,748,929 metric tons

				CO2e, therefore we arrived at -3.71% through (-213,342/5,748,929) * 100= -3.71% (i.e. a 3.71% decrease in emissions).
Divestment	0	No change	0	No Divestments
Acquisitions	0	No change	0	No Acquisitions
Mergers	0	No change	0	No mergers
Change in output	186,487	Increased	3.24	This is associated with increased MWh of customer demand which drives the amount of transmission and distribution line losses we experience, which because of our distribution only business model is currently categorized as Scope 2 emissions. Using 186,487 metric tons of CO2e being related to the increase in MWh delivered to customers in 2022 at the 2021 line loss rate and our total Scope 1 and Scope 2 emissions in the previous year was 5,748,929 metric tons CO2e, therefore we arrived at 3.24% through (186,487/5,748,929) * 100= 3.24% (i.e. a 3.24% potential increase in emissions from losses before reduction efforts). Customer demand fluctuates every year due to changes in customer activity. Exelon's utilities have award winning customer energy efficiency programs that drive to minimize customer use as possible, but as new electric uses like electric vehicles, get adopted customer demand can ultimately go up. Note that we say potential increases from losses before reduction efforts, as some of these potential emissions increases are offset by emissions reductions associated with percent line loss improvements included in other emissions reductions efforts above.
Change in methodology	0	No change	0	No change in methodology
Change in boundary	17,937	Decreased	0.31	As Exelon completed the final details of it separation from Constellation, there were some refinements made to the inventory boundary to ensure final reallocation of buildings, corporate aircraft, fleet and other sources. Using -17,937 metric tons of CO2e being related to this boundary change in 2022 and our total Scope 1 and Scope 2 emissions in the previous year was 5,748,929 metric tons CO2e, therefore

				we arrived at 0.31% through (-17,937/5,748,929) * 100= -0.31% (i.e. a 0.31% decrease in emissions).
Change in physical operating conditions	15,782	Increased	0.27	Each year Exelon adjusts the electric grid emissions rates to the latest PJM CO2 residual emissions rate and EPA eGRID subregional emissions rate for CH4 and N2O for the calculation of our Scope 2 emissions. We consider this a change to operating conditions since we do not own electric generation and must deliver what is available on the PJM grid. This year the PJM 2022 residual emissions factor was not available at the time of the close of our inventory, so the CO2 factor remained on the 2021 PJM Residual CO2 factor, and there was only a slight increase in the emissions rate due to the new EPA eGrid data sets being released. Using 15,782 metric tons of CO2e being related to this emissions factor update in 2022 and our total Scope 1 and Scope 2 emissions in the previous year was 5,748,929 metric tons CO2e, therefore we arrived at 0.31% through (15,782/5,748,929) * 100= 0.27% (i.e. a 0.27% increase in emissions).
Unidentified	0	No change	0	No changes noted
Other	0	No change	0	No changes noted

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 40% but less than or equal to 45%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	24,402	620,967.6	645,370
Consumption of purchased or acquired electricity		100,997.4	12,546,424.4	12,647,421.8
Consumption of purchased or acquired steam		142.5	1,334	1,477
Consumption of purchased or acquired cooling		0	472	472

Total energy consumption		125,542	13,169,198	13,294,739.9

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

We currently do not have certifications for our purchased biofuels, but will pursue that in the future

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

24,401

Comment

Ethanol and Biodiesel used to fuel fleet vehicles. We currently do not have certifications for our purchased biofuels, but will pursue that in the future

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

None used yet

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

None Used

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

3,474

Comment

Use in emergency generators

Gas

Heating value

Total fuel MWh consumed by the organization

249,319

Comment

Use for building heat and consumption for auxiliary combustion equipment use to support our natural gas distribution system.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

368,175

Comment

Gasoline, Diesel, Propane and Jet Fuel used to fuel fleet vehicles and corporate aircraft

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

645,369

Comment

Includes all fuel combustion for building heat, natural gas distribution system operations, emergency generators and fleet vehicles. With our current delivery only business model, we do not have fuel use for electric generation.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

United States of America

Consumption of purchased electricity (MWh)

278,445

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

1,949

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

280,394

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?

Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/area/region

United States of America

Voltage level

Distribution (low voltage)

Annual load (GWh)

200,191

Annual energy losses (% of annual load)

6.2

Scope where emissions from energy losses are accounted for

Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)

5,192,597

Length of network (km)

262,435

Number of connections

9,100,000

Area covered (km2)

63,326

Comment

This includes the information of all Exelon Utilities combined as reported in the 2022 10-K. Exelon's utilities do own a small amount of high voltage electric transmission lines (17,949 km total across all utilities, less than 7% of total circuit miles), which is included in this reporting summary. Number of connections shown is the number of electric customers served by our combined utilities in 2022. The percent line loss is the weighted average of the rates for each utility, and is based on annual accounting losses as reported in each of our utilities' FERC Form 1 reporting for 2022. Market-based emissions are based on the PJM 2021 Residual Emissions Rate. Note that emissions associated with line losses are categorized as Scope 2 for Exelon since we do not own electric generation and acquire all electricity that we deliver from grid supply. Note that electricity associated with line losses is not purchased by the company, but acquired as part of the supply that we deliver. Therefore it is not reported in section 8.2g, which shows electricity purchased and consumed in our facilities.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
Other, please specify includes all electric distribution infrastructure investments combined across Exelon Utilities' BGE, ComEd, PECO, ACE, DPL and PEPCO	Exelon invested almost $4.775 billion in their electric distribution systems across our regulated utilities in 2022 and plans to invest $20.775 billion from 2023 through 2026 in electric distribution. A smart grid is a modern electrical system that uses automated data collection, two-way communications and technology to deliver energy more reliably and efficiently. It provides data on hourly energy usage for customers and allows utilities to control and monitor the power system at a much more granular level than was previously possible. By investing in a smarter grid, we enable an electric system that is reliable, resilient, responsive, efficient and secure. Our customers benefit through instant access to energy information, faster outage detection and response, enhanced reliability, greater energy efficiency (EE) and increased involvement in the energy system. Smart meters are foundational to a smarter power grid as they enable customers to better understand real time energy usage in homes and businesses, in addition to providing Exelon's utilities with enhanced information to make our systems more efficient and resilient. Exelon has an installed base of more than 9.02 million electric smart electric meters over the last 10 years across Exelon's utilities. Due to the structure of our industry, Exelon's utilities are generally unable to directly invest in and own power generation resources. However, our utilities use other means to enable renewable energy investment and deployment in our service territories by third parties. For example, Exelon's utilities have	20,775,000,000	66.3	2026

	worked over the last several years to develop similar approaches and platforms to assist and enable customers and contractors to deploy residential and commercial renewable energy, primarily solar photovoltaics, in our utility service areas. At year-end 2022, Exelon utilities had a total of 200.1 thousand customers with 3,089 megawatts (MW) of renewable energy generation resources installed, primarily solar photovoltaic systems, with a limited amount of wind and other resources. Exelon has only developed a targeted strategy aimed at overcoming barriers to beneficial electrification by advocating for the right public policies, partnering in support of electrification, influencing enabling technology, investing in enabling infrastructure and customer education and adoption.			
Other, please specify includes all electric transmission infrastructure investments combined across Exelon Utilities' BGE, ComEd, PECO, ACE, DPL and PEPCO	Exelon is investing in transmission expansion to support increasing reliance on renewable energy and growing electrification in addition to traditional needs, including congestion relief, operational performance needs, infrastructure resilience, equipment condition and customer service.	6,675,000,000	21.3	2026
Other, please specify includes all gas distribution infrastructure investments combined across Exelon Utilities' BGE, PECO and DPL	As Exelon recognizes the importance of gas delivery systems in a reliable and resilient integrated energy system of the future, we are working to modernize these systems to increase safety, reduce ethane leakage and ready these systems to carry increasing amounts of lower-carbon fuels like renewable natural gas and hydrogen.	3,875,000,000	12.4	2026

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	Note that large scale commercial deployment activities are not typically categorized within Exelon's R&D portfolio, but are mentioned here to respond to the spirit of the question categories and reflect the scale of Exelon's investments in these technologies. We responded with a focus on our Research, Development & Deployment efforts.

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)	Average % of total R&D investment planned over the next 5 years	Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Other, please specify Emerging Technologies – Electric business	Applied research and development	27			Exelon directly engages with early-stage technology innovation by funding and collaborating on projects with leading research institutions, including Argonne National Laboratory (ANL), Massachusetts Institute of Technology (MIT), Northwestern University, and the University of Illinois. The Partnership R&D Program screens dozens of

					innovative technology projects each year. Over the last six years, the program has invested in 35 projects, supporting the co-creation of novel technologies in strategic areas such as electrification, DERs integration, and grid flexibility. As an example, Exelon has been exploring the potential EV-grid impacts with research and pilots on many topics including EV managed charging, updated models and new modelling tools, and new charger technologies. Exelon is also working to better understand the potential impacts of climate change to our assets and operations over time. In 2022, we engaged in local deep dives and industry-wide initiatives to advance this goal. Exelon is an active participant in the Electric Power Research Institute (EPRI) strategic initiative called Climate Resilience and Adaptation Initiative, or Climate READi, to continue building electric industry standardization around climate resilience. This initiative aims to develop a framework to identify optimal resilience and adaptation investments in the power system in the context of climate and extreme weather risk. Through Climate READi, Exelon is supporting industry-led efforts to convene global thought leaders and researchers to develop a comprehensive, integrated approach to managing physical climate risk. The two-year program is divided into three focus areas: Physical Climate Data and Guidance; Energy System and Asset Vulnerability Assessment; and Resilience/Adaptation Planning and Prioritization

Other, please specify Emerging technologies - Gas business	Applied research and development	27			As an energy T&D company, Exelon is preparing to deliver a range of lower carbon energy options to our customers and communities. To support these efforts, we liaise with national labs, industry associations, developers and marketers to understand the emerging technological and economic landscape for lower carbon fuels such as hydrogen. Exelon is also exploring emerging hydrogen technology options via R&D partnerships and industry collaborations. Blending natural gas with hydrogen can provide a lower-carbon fuel blend that can be delivered through the existing gas infrastructure, helping customers decarbonize their energy usage. Exelon's gas utilities are exploring hydrogen blending pilots and developing procedures for blending hydrogen into our natural gas system. Exelon is also engaged in multiple other initiatives related to hydrogen such as engaging in the National Lab HyBlend Consortium; sponsoring the EPRI/GTI Energy Low Carbon Resources Initiative (LCRI); partnering with researchers at MIT, the Sandia National Laboratories and others on development of advanced pipeline coatings to facilitate hydrogen delivery in legacy pipelines; and collaborating with three Hydrogen Hub coalition bids in our regions.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Exelon CY2022 Scope 1 and 2 Assurance Statement.pdf

Page/ section reference

Whole thing

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Exelon CY2022 Scope 1 and 2 Assurance Statement.pdf

Page/ section reference

whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Exelon CY2022 Scope 1 and 2 Assurance Statement.pdf

Page/ section reference

whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Upstream leased assets
Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Exelon CY2022 Scope 3 Assurance Statement rev1.pdf

Page/section reference

whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
SC. Supply chain module	Product footprint verification	Edison Electric Institute Instructions and Definitions: Electric Company Carbon Emissions and Electricity Mix Reporting Template for Customers; World Resources Institute / World Business Council for	As part of our participation with the Edison Electric Institute (EEI), Exelon utilities have begun to publish Utility Specific Residual Emissions Rates for the electricity that they sell and deliver. These factors are created from the PJM residual emissions rate, adjusting for the benefit of the Renewable Energy Credits that they retire on behalf of their full-service customers to meet state specific Renewable Portfolio Standard (RPS) obligations.

		Sustainable Development Greenhouse Gas Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard; Industry Best Practices	These factors allow their customers to complete market-based GHG accounting by combining the RPS benefits they pay for in their rates with any additional clean power purchases they may be specifying, and help to engage consumers in the efforts to drive decarbonization of the grid. Exelon similarly uses these factors in our Scope 2 market-based accounting where the electricity consumed for our own building use is included in the RPS eligible load 1

1Exelon 2022 Utility Factors Assurance Statement.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

Other, please specify

Include climate change in supplier selection / management mechanism. Climate change is integrated into supplier evaluation process

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

This applies to all Suppliers managed by our supply chain organization and relates to 100% of our Scope 3 emissions as reported in Section 6.5 under the Purchased goods and services, Capital Goods and upstream transportation and distribution categories.

Exelon is active in industry and government efforts to improve supply chain operations and cognizant of the influence we can have toward sustainable practices given our position as a large purchaser. We evaluate and monitor all of our suppliers for potential environmental impacts as part of entry into our e-sourcing process. Our rationale for targeting all suppliers is that we need to understand our supply chain and how it may either impact the environment or be affected as a result of new environmental regulations or requirements. This engagement is accomplished when any supplier is invited for a bid, as they must answer the screening questions on our e-sourcing tool. Based on their answers, suppliers receive a score weighted by price, quality, safety, diversity and environmental performance. The standard set of environmental questions on every RFP are meant to capture risks associated with environmental compliance and climate change issues prior to contracting. The questions also help to inform additional supplier engagement that may be needed for certain critical supply chain items with regard to managing environmental risk or climate change resilience.

We advance sustainability in our supply chain through both our direct relationships with our suppliers and our engagement with the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA), of which Exelon was a founding member. EUISSCA, or “the Alliance,” is an organization of utilities and suppliers working together to advance sustainability best practices in utility supply chain activities and supplier networks. Exelon continues to pursue progress against the Alliance’s sustainability maturity model by creating more rigor around the scoring of sustainability aspects of supplier proposals in bids, and by recognizing top suppliers with awards related to their environmental performance. Exelon continues to recommend supplier participation in the Alliance and the EUISSCA Supplier Affiliate Membership program.

Impact of engagement, including measures of success

Success of this engagement is measured by the number of suppliers responding to these questions each year as part of this process. We view the effort taken by suppliers to complete the questions as part of the awareness building process, setting the stage for the high environmental standards set by Exelon. Each year, the questionnaire is completed by over 2,000 unique suppliers as part of various bid events (note that suppliers already in the system or under longer term contracts do not always need to complete the survey for each project the work on with us).

In addition to meeting contract terms and conditions tailored to manage each supplier’s engagement, all Exelon business partners, including our suppliers, were required to comply with Exelon’s Code of Business Conduct in 2022. Starting in 2022, Exelon implemented a new Supplier Code of Conduct that sets forth expectations for all suppliers, contractors and agents

We advance sustainability in our supply chain through both our direct relationships with our suppliers and our engagement with the Electric Utility Industry Sustainable Supply Chain Alliance (SSCA), of which Exelon was a founding member. SSCA, or “the Alliance,” is an organization of utilities and suppliers working together to advance sustainability best practices in utility supply chain activities and supplier networks. Exelon continues to recommend supplier participation in the Alliance and the SSCA Supplier Affiliate Membership program for capacity building.

As a result of our work with the Alliance on the Scope 3 Hot Spot analysis – we have identified construction services as one our higher emitting supply categories and have initiated specific one on one engagements with these key suppliers to discuss GHG measurement, goals and potential partnerships to work through emission reduction barriers or support emission reduction opportunities relating to our projects with them as possible. In 2022, Exelon also began direct engagement for the development of a capacity building program with 8 of its significant construction services suppliers around GHG emissions tracking and goal setting.

Comment

No Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify

Assess business risk, including potential impacts from climate change

% of suppliers by number

2

% total procurement spend (direct and indirect)

31

% of supplier-related Scope 3 emissions as reported in C6.5

31

Rationale for the coverage of your engagement

This applies to suppliers that have been designated as critical due to size of spend or nature of the goods and services received. As emissions are currently calculated based on spend, it relates to approximately 31% (similar to spend) of our Scope 3 emissions as reported in Section 6.5 under the Purchased goods and services, Capital Goods and Upstream Transportation and Distribution categories.

Exelon employs a risk management process developed by our Supply and Enterprise Credit Risk Management team to identify, communicate and mitigate risks. Our semi-annual review of all suppliers determines supplier criticality to our business. This team conducts in-depth risk reviews of our critical suppliers, directly requesting additional information from the suppliers as needed. The team evaluates suppliers based on third-party credit reports, criticality of the supplier to Exelon's business functions and company objectives (such as diversity and sustainability, including climate change risks), probability of a risk event, the potential severity of impacts and our resilience to a disruption through alternate suppliers. The team regularly communicates the results of these risk reviews to management. In December 2022, Exelon conducted its semi-annual detailed risk assessment that identified 79 critical suppliers for its utilities. These suppliers represent 31 percent of total spend. As part of this process, we identified nine critical suppliers to place on a watch list and no critical suppliers which required performance improvement plans. Exelon actively works with all suppliers on a watchlist or performance improvement plan to implement corrective action strategies and remediate any performance issues.

Impact of engagement, including measures of success

As part of this process, we identified nine critical suppliers to place on a watch list and no critical suppliers which required performance improvement plans. Exelon actively works with all suppliers on a watchlist or performance improvement plan to implement corrective action strategies and remediate any performance issues, to include potential business continuity issues especially regarding critical equipment needed in system recovery.

Exelon sourcing professionals manage approximately 69 categories of supply spend. At a high level across our utilities in 2022, 39 percent is on construction, 34 percent of this spend is on services, 23 percent is on materials and 4 percent is on IT hardware and services. Over half of Exelon's supply chain spend is with suppliers in our key operating geographies,
where our businesses are most heavily concentrated. This spend analysis excludes goods and services not managed by Exelon's Supply organization.

As a result of our work with the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA) on the Scope 3 Hot Spot analysis – we

have identified construction services as one our higher emitting supply categories and have initiated specific one on one engagements with these key suppliers to discuss GHG measurement, goals and potential partnerships to work through emission reduction barriers or support emission reduction opportunities relating to our projects with them as possible. In 2022, Exelon also began direct engagement for the development of a capacity building program with 8 of its significant construction services suppliers around GHG emissions tracking and goal setting. Construction services was found to be the highest emitter in our Scope 3 Hot Spot analysis, and make up 39% of our supplier spend.

Comment

No Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

We take pride in providing our customers with world-class customer experiences, innovative program solutions, and tools to control energy usage, save money and reduce environmental impacts. As we work towards an equitable energy future, we are taking actions to harness the power of data to better understand and meet the needs of our residential, commercial and industrial customers. These programs enable customer savings through home energy audits, lighting discounts, appliance recycling, home improvement rebates, equipment upgrade incentives and innovative programs like smart thermostats and combined heat and power programs. This applies to all electric and gas

customers at all six of our utilities through the ComEd Smart Ideas® programs, PECO Energy Efficiency programs, BGE Smart Energy Savers Program® and PHI Home Energy Savings Program® and 100% of the Scope 3 emissions for Fuel and Related Purchases (Customer Electric supply) and Use of Sold Products (natural gas customer use) emissions as reported in Section 6.5. Not that is equates to 98% of our total reported Scope 3 emissions).

Impact of engagement, including measures of success

Through a combination of new and prior-year investments, Exelon utilities helped customers save almost 24.8 million MWh of energy in 2022 through the ComEd Energy Efficiency Program, PECO Energy Efficiency Program, BGE Smart Energy Savers Program® and PHI Home Energy Savings Program®. This equates to over 9.5 million metric tons of CO2e
emissions avoided, the equivalent energy use of almost 1.2 million homes for one year or the carbon sequestered by 11.3 million acres of U.S. forest in one year. These programs enable customer savings through home energy audits, lighting discounts, appliance recycling, home improvement rebates, equipment upgrade incentives and innovative programs like smart
thermostats and combined heat and power programs.
BGE received the EPA ENERGY STAR® Partner of the Year—Sustained Excellence Award for the 12th consecutive year in 2022, two American Marketing Association—Marketing Excellence Awards for various business program campaigns, a Platinum, Gold and two Honorable Mention dotCOMM Marketing Awards and an E Source Utility Ad Award. BGE also received two Hermes Creative Awards for Marketing for BGE Energy Solutions for Business Programs and four additional Hermes Creative Awards for the BGE Residential Breakup ads. Lastly, BGE again received the ENERGY STAR Residential New Construction Market Leader Award in 2022.
ComEd received the ENERGY STAR Partner of the Year—Sustained Excellence Award for 2022. This is ComEd's tenth year in a row for the sustained excellence recognition and its 13th year of earning recognition in at least one award category. ComEd also received two Inspiring Efficiency awards from the Midwest Energy Efficiency Alliance (MEEA) Awards in the category of Education (Energy Efficiency Service Provider Program) and Innovation (Multi-Family Energy Savings Program) for program work completed in 2022.
PECO received the 2022 ENERGY STAR Partner of the Year—Sustained Excellence recognition for the sixth year in a row. Additionally, PECO received an ENERGY STAR New Construction Market Leader Award for its important contribution to energy-efficient construction.
PHI utilities also received significant recognition and awards from EPA ENERGY STAR and others for their programs as well, all of which indicate the ongoing success of these customer program efforts.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Through regular engagement with our stakeholders and partners, we improve our understanding of emerging trends affecting our business. We use stakeholder feedback to inform our sustainability strategy and business plans. Our operating companies also participate in dozens of stakeholder engagement activities related to specific local issues. Each year, we facilitate specialized forums with individual stakeholder groups to discuss their sustainability interests and concerns to inform our business and sustainability planning. For example, since 2008 we have engaged with Ceres, a nonprofit organization advocating for sustainability leadership. Ceres provides an external perspective on key issues to help Exelon advance our sustainability performance. As a recent example of how this engagement informs our ESG strategy, Ceres convened a group of external stakeholders and Exelon participants in May 2022 to discuss Exelon's Path to Clean climate change goals, as well as our plan and approach to sustainability reporting. Exelon appreciates the feedback received as we continue to look for opportunities to advance GHG emissions reductions both in our company operations as well as at our customers and communities through support in reducing their GHG emissions. In addition, we have appreciated direct engagement with Ceres staff over the last several years as Exelon developed our new Human Rights and Environmental Justice Policies and as we continue to consider other opportunities to enhance Exelon's sustainability performance and programs.

To explore avenues for improving sustainability performance as measured by the Dow Jones Sustainability Index (DJSI) scorecard, we held discussions with S&P Global, an international investment company with a specific focus on sustainability investments, whose Corporate Sustainability Assessment (CSA) analysis forms the basis for DJSI scores. We also met with CDP to share our views on Exelon's climate change and supplier disclosures and CDP scoring considerations, given Exelon's post-separation T&D utility business model. Other engagement included our response to the Climate Action 100+ Benchmark initiative, the Transition Pathway Initiative (TPI), discussions with our lead Climate Action 100+ investors, California Public Employees' Retirement System (CalPERS) and Nuveen.

In recent years, investors and non-governmental organizations (NGOs) have sought more information about ESG topics including: Climate transition and adaptation planning and management; Company climate change goals and consideration of science-based targets; Policies aligned with national and international climate targets and goal; Utilization of voluntary ESG reporting standards such as SASB and TCFD; Human capital and social equity issues; Support for communities and employees through the COVID-19 pandemic; and Compensation linkages to ESG performance.

In 2022, Exelon engaged on these topics with shareholders representing 36 percent of all outstanding shares. We will continue engaging with customers, communities, NGOs and investors in the coming years to ensure that our sustainability strategies and disclosures align with stakeholder needs.

In addition to engagement meetings and events with stakeholder groups, Exelon regularly surveys our customers to better understand their interests and priorities with regard to our operations, services and performance. We regularly survey customers in each of our service areas to gauge customer satisfaction, which is of paramount importance to our utilities. Exelon's Supply Chain organization has also begun to engage with its key suppliers on GHG emissions and potential opportunities for driving Scope 3 emissions reductions

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

Per our Supplier Code of Conduct and standard supplier contract language, suppliers must comply with all applicable laws and regulations governing the work they perform for Exelon. This would include climate-related regulations such as the EPA Mandatory GHG reporting rule, EPA CAFÉ standards for vehicle efficiency and state-level car emission control requirements.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

No mechanism for monitoring compliance

Response to supplier non-compliance with this climate-related requirement

Other, please specify

Exelon's response to a non-compliance would depend upon the situation and severity of the violation and likely range from engagement around corrective actions to ending the contract and excluding the supplier from future work.

Climate-related requirement

Implementation of emissions reduction initiatives

Description of this climate related requirement

Per our Supplier Code of Conduct, Exelon’s commitment to the environment is integral to meeting customers’ expectations and reducing Exelon’s environmental impact on future generations, while also ensuring that we meet or exceed all environmental laws and regulations. Exelon Utilities set a Path to Clean Goal for 50% GHG emissions reduction by 2030 and strives to achieve net-zero Operations by 2050. This includes a commitment to support customers and communities in reaching their clean energy and emissions reduction goals. We expect Suppliers to share these goals by identifying and implementing opportunities to reduce or eliminate energy usage, greenhouse gas emissions, waste and pollution at its source, and continually improving efficiency of resource and materials use.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

No mechanism for monitoring compliance

Response to supplier non-compliance with this climate-related requirement

Other, please specify

Suppliers are encourage to bring forth ideas and to participate in the Electric Utility Sustainable Supply Chain Alliance to learn best practices for measuring and reducing GHG emissions associated with their products and services.

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

In 2021, Exelon expanded and extended its GHG goal to a 50% reduction in Operations-Driven emissions from a 2015 baseline by 2030 as an interim target to a goal of Net-Zero by 2050. This goal is consistent with the ambitions of the Long-term Strategy of the United States which is in alignment with the Paris Agreement.

Path_To_Clean_Overview.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Exelon maintains a Federal Government, Regulatory, and External Affairs team to ensure that we stay up to date and involved in national policy activities relating to clean energy and other climate change issues. Similarly, we have Operating Company Government and Regulatory specialists on the state and local levels to do the same at the utility jurisdiction level. Exelon's Senior Vice President of Government, Regulatory and External Affairs is responsible for the development and coordination of the Corporation's overall position on various policies that may affect our businesses. Her counterparts in Exelon's utilities work with executives across all operating companies to maintain alignment at the state and local levels.

Exelon's Federal Government, Regulatory and External Affairs Department also works closely with the Corporate Strategy, Innovation and Sustainability Department with regards to developments in industry trends and ongoing climate change analysis that may influence our public positions or engagement efforts. Our Senior Vice President and Chief Strategy and Sustainability Officer is responsible for coordinating the Sustainability Council, where Government Regulatory and External Affairs is represented, and whose function is to ensure that these issues are brought together with our broader business strategy in context of our Sustainability priorities including climate change. Policy coordination is also part of Exelon's strategic planning process, with our strategy periodically reviewed by the Exelon Executive Committee. Every year, with the production of our Corporate Sustainability report, a review board is established with representation across the company to capture and share all related activities. This structured process also helps to ensure that our direct and indirect activities that influence policy are consistent with our overall clean energy and climate change strategy, and well communicated to our stakeholders.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Infrastructure Investment and Jobs Act (IIJA): as it relates to accelerating the buildout and connection of renewable and other clean energy resources, transportation electrification, increasing energy efficiency, resilience and workforce readiness.
Inflation Reduction Act (IRA): as it relates to facilitating our customers as they access tax credits and programs that allow for the more affordable and rapid adoption of clean energy resources, electrification, and energy efficiency.
Financial Responsibility Act (FRA): as it relates to transmission reform aimed at increasing grid capacity.

Category of policy, law, or regulation that may impact the climate

Climate change adaptation

Focus area of policy, law, or regulation that may impact the climate

Construction and housing

Planning
Transport infrastructure
Other, please specify
Electricity grid access for renewables; Accelerating the buildout and connection of renewable and other clean energy resources, transportation electrification, increasing energy efficiency, resilience and workforce readiness

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

IIJA -- Of the approximately $550 billion in new spending included in the IIJA, about $90 billion is tied to power infrastructure and clean or electric transportation. With the passage of this Act, Exelon began to engage with industry associations, legislators and the U.S. Department of Energy (DOE), the U.S. Department of Transportation, the National Telecommunications Information Agency and others to seek program implementation terms that would allow for the optimal deployment of federal funds to support our corporate efforts and the efforts of our customers and communities to address climate change through investments that drive both climate adaptation and GHG emission reduction . With the release of program implementation rules, Exelon has been working both internally to craft direct applications for IIJA funding and to collaboratively with states and community stakeholders in support of their applications under IIJA.

IRA -- With the passage of this Act, Exelon began to engage with industry associations, legislators and the U.S. Department of Energy (DOE), the U.S. Department of Transportation, the U.S. Treasury Department and others to seek program implementation terms that would allow for the optimal support for the efforts of our customers and communities to address climate change.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Exelon has been actively engaged in IIJA and IRA implementation and has developed comments related to the various programs under the IIJA and IRA.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Congressional legislation regarding energy project permitting and transmission reforms as it relates to accelerating the connection of renewable and other clean energy resources, improving grid resilience, increasing capacity, and enabling electrification

Category of policy, law, or regulation that may impact the climate

Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate

Electricity grid access for renewables

Other, please specify

Enabling the siting, permitting, and construction of new technologies and the transmission infrastructure needed to deliver clean energy; Enhancing energy grid modernization and resilience without compromising customer affordability and reliability

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

Exelon expects that the Biden Administration and federal agencies will continue to use their full authority to advance policies that drive further decarbonization across the U.S. economy and build resilience for the future, both through implementation of federal laws and the issuance of executive orders.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Exelon supports funding for clean energy and climate change investments.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Clean Air Act: as it applies to challenges to potential regulation of GHG emissions from power plants. CAFÉ standards for automobiles.

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Low-carbon, non-renewable energy generation

Renewable energy generation

Other, please specify

efficiency standards for vehicles

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Exelon is a founding member of the Clean Energy Group, a coalition of electricity generators and utilities that have supported and argued before various federal courts in defense of the U.S. EPA's authority under the Clean Air Act to regulate GHG emissions from power plants. Similarly, Exelon is a member of the National Coalition for Alternative Transportation, that has defended by the EPA's right to issue waivers to allow states to adopt more stringent car emission controls and the EPA's ability to issues new CAFÉ standards.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Advanced Notice of Proposed Rulemaking (ANOPR) on Building for the Future through Regional Transmission Planning and Cost Allocation and Generator Interconnection - FERC Order 1000 and 2222

Category of policy, law, or regulation that may impact the climate

Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate

Electricity grid access for renewables

Other, please specify

Grid resilience and reliability

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

We are engaged in several ongoing state, regional and federal regulatory efforts related to transmission planning. These proceedings affect modernization and expansion of our transmission infrastructure to integrate offshore wind and other new renewable generation. We are actively engaging at the Federal Regulatory Energy Commission (FERC) in response to its Advanced Notice of Proposed Rulemaking (ANOPR) on Building for the Future through Regional Transmission Planning and Cost Allocation and Generator Interconnection, both as Exelon and through the WIRES coalition. We also participated in the PJM stakeholder process to reform the generator interconnection queue.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Exelon is supportive of competition in transmission where appropriate as well as of modifying existing elements of FERC Order 1000 to enable the more rapid buildout of needed transmission upgrades for reliability and generator interconnection purposes. Exelon is also working with stakeholders on FERC Order 2222, which enables the participation of DER through aggregation into the wholesale electricity market. Order 2222 provides unique opportunities and challenges for the distribution system and its operators both for customers and for grid reliability. For example, distribution utilities will need new processes and tools to evaluate the reliability of the new registration applications from DER aggregators. In addition, aggregators and distribution utilities will need to design and implement new monitoring and control schemes to better manage the reliability of the grid as greater levels of aggregated DERs integrate into the grid. In the future, states and utilities will need to ensure that DER interconnection processes, rates and distribution system technology requirements anticipate participation in wholesale aggregations, which could change the operational profile of these systems.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Jurisdictional Level Policies to accelerate the deployment of clean energy technologies and combat climate change

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Other, please specify

Jurisdictional Level Policies to accelerate the deployment of clean energy technologies and combat climate change

Policy, law, or regulation geographic coverage

Sub-national

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

At the state level, the convergence of energy and climate policy is occurring, with our six utilities operating in jurisdictions with leading policies to accelerate the deployment of clean energy technologies and combat climate change. For example, our jurisdictions have goals related to decarbonization, advancing renewables and clean energy, transportation electrification, deploying distributed energy resources and energy efficiency. They also each provide opportunities for Exelon's utilities to make investments and recover costs through various forms of alternative ratemaking, including the use of multi-year plans and capital trackers. In addition, each jurisdiction is focused on making the transition to a lower carbon, more resilient future equitably, inclusively and with an intention to provide opportunities to local business and historically marginalized and under-resourced communities.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Regulatory planning and certainty over multiple years provides opportunities for more efficient procurement, enables hiring and longer-term contracting with our local, diverse suppliers, and allows us to attract capital at lower cost. It also provides transparency to our customers about what future energy costs will be and opportunities for all stakeholders to understand the investments we intend to make before making them. This forward-looking approach to regulation can take many forms. For example, Pepco and BGE have multi-year plans in effect for their jurisdictions, while ComEd will transition to a form of forward-looking ratemaking as a result of the Clean Energy Jobs Act. In Pennsylvania, PECO uses a fully projected future test year, while ACE and DPL have capital trackers that execute on an agreed-upon multi-year category of investments. This move toward multi-year rate mechanisms utilized in many states across the country will enable greater levels of transparency,

certainty and engagement for us and our customers alike. As an essential energy service provider, we also have a duty to balance safe, reliable and affordable energy solutions for all customers while meeting our respective jurisdictional targets and must consider aspects of reliability and affordability as part of clean energy transition planning.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Edison Electric Institute (EII)

Is your organization's position on climate change policy consistent with theirs?

Mixed

Has your organization attempted to influence their position in the reporting year?

Yes, and they have changed their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Global climate change presents one of the biggest energy and environmental policy challenges this country has ever faced. EEI member companies are committed to addressing the challenge of climate change and have undertaken a wide range of initiatives over the last 30 years to reduce, avoid or sequester GHG emissions. Policies to address climate change should seek to minimize impacts on consumers and avoid harm to U.S. industry and the economy.

Exelon consistently supports an effective price on carbon emissions and use of competitive markets to value carbon equally across all technologies and would do so in this forum as well. Exelon supports regulatory efforts to price carbon emissions properly. Also, in conjunction with EEI, we support efforts to better inform and evolve infrastructure standards for resilience to extreme events (including cyber, physical attacks and natural disasters). We also support the development of a common methodology for applying details of potential impacts to utility infrastructure planning given the uncertainty of future projections and potential scenarios and the need to balance cost of investment with public benefits achieved. See our public policy discussion for more information on our efforts with peer and industry groups and state and federal agencies. From July 2019 through June 2020, our CEO Chris Crane was the Chairman of EEI and established two strategic initiatives. The first focused on workforce development and the second on grid resilience and the value of proactive, resilience-based investment on behalf of our customers.

Exelon remains active in this key industry trade association to help it stay current on new regulations, technologies and initiative that ultimately drive the evolution of the industry. It also participates in working groups and special projects that support advancement of the industry.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

American Gas Association

Is your organization's position on climate change policy consistent with theirs?

Mixed

Has your organization attempted to influence their position in the reporting year?

Yes, and they have changed their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The American Gas Association is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient and affordable energy service choices for consumers. The association supports: 10 commitments to further reduce methane emissions from natural gas utility systems; and 8 principles for a national policy approach to reducing greenhouse gas emissions and addressing climate change.

AGA's position on climate change is generally in line with Exelon's views. As Exelon continues to work with our customers and communities to meet their clean energy and climate goals, we want to ensure decarbonization is achieved in a manner that is equitable, affordable, reliable, and meets the needs of our customers. With respect to natural gas, it is an affordable, reliable, and abundant energy source that we deliver to 1.35 million customers across Pennsylvania, Maryland, and Delaware. We see customers continuing to ask to connect to our gas systems, which provides reliability that customers value. We know natural gas has an emissions impact. We are actively working to explore and advance a lower carbon future for our gas networks. Infrastructure modernization programs at BGE, PECO, and DPL are the foundation. But we are also exploring all the tools, including: energy efficiency, leak detection and cleaner fuel alternatives. We plan to test these tools this decade to put us on track to a low-carbon future. Similarly, we foresee the methane content and combustion emissions of the gas we deliver as declining over time through efficiencies and as alternative fuels are blended into the system.

Exelon remains active in this key industry trade association to help it stay current on new regulations, technologies and initiative that ultimately drive the evolution of the industry. It also participates in working groups and special projects that support advancement of the industry while sharing costs across multiple peer companies.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

Center for Climate and Energy Solutions

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

The Center for Climate and Energy Solutions is as a non-profit, non-partisan, and independent organization dedicated to providing credible information, straight answers, and innovative solutions in the effort to address global climate change. The Center engages business leaders, policy makers, and other key decision makers at the international, national, regional, and state levels to advance meaningful, cost-effective climate policy and action.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

2022 Exelon 10-K.pdf

Page/Section reference

Page 13 through 15, as well as other elements relating to storm-related costs and risks associated with new technologies

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Final for Posting 6.26.23+2022_Exelon_SR_Final_reduced_size (002).pdf

Page/Section reference

Pages 41 to 61; in additional overall corporate strategy, operational performance and customer programs

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

We align our climate change section of our corporate sustainability report with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, focusing on how our business strategy relates to climate change issues that may impact our business and communities. We use the TCFD guidance to help explain our response to these challenges meaningfully and comparably, in context with our peers and with stakeholder expectations for climate change action transparency.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment

Row 1	Global Reporting Initiative (GRI) Community Member Task Force on Climate-related Financial Disclosures (TCFD)	Exelon aspires to follow voluntary reporting best practices, including aligning with the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and the Task Force on Climate Related Financial Disclosures (TCFD). We also engage with an accredited third-party GHG verifier, Lloyd's Register Quality Assurance, Inc. (LRQA), to provide verification of our 2022 GHG emission inventory to a reasonable assurance level for Scope 1 and 2 GHG emissions and to a limited assurance level for relevant Scope 3 GHG emissions. Verifications are performed in accordance with The Climate Registry and International Standards Organization (ISO) 14064 standards for the performance of GHG emission verifications. These verification statements are available on our website and cover Exelon's post-separation footprint (T&D utilities) and related corporate operations. Our executive leadership ESR Editorial Board has reviewed our annual sustainability report prior to publication.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, both board-level oversight and executive management-level responsibility	The Exelon Board's Corporate Governance Committee oversees the company's strategy and performance for addressing sustainability and environmental issues, including biodiversity. Our executive management team is supported by our Sustainability Council, established in early 2022 as an advisory body to oversee Exelon's integrated ESG program and disclosures, including Exelon's management of biodiversity. Our Senior Vice President and Chief Strategy and Sustainability Officer (CSO) is responsible for chairing the Sustainability Council and overseeing the establishment and maintenance of all sustainability efforts, including biodiversity, in coordination with our broader business strategy.

		Our operational footprint encompasses large tracts of land that are adjacent to a wide variety of waterbodies, public, and private lands, all containing diverse flora and fauna. Through our corporate Biodiversity and Habitat Policy, we reflect our commitment to protect wildlife and habitats. We work to improve our understanding of biodiversity through partnerships with experts and regulatory agencies. We collaborate on a variety of studies and provide educational opportunities for employees and community members through our Wildlife Habitat Council (WHC) and National Wildlife Federation (NWF) certified sites. We also embrace nature-based solutions to climate change. Over 11,151 miles of electric utility transmission lines across our rights-of-way (ROWs) and other land holdings, every operating company is sustaining meaningful actions to mitigate the impacts of climate change on local species and native habitats. With climate change accelerating the decline in grassland habitats across our territories, Exelon is supporting efforts to restore and maintain 9,549 acres of fragile ecosystems at WHC and NWF locations along our transmission systems. By using a higher diversity seed mix as we manage, maintain, and restore land, we are able to proactively support pollinators and birds, increase biodiversity, and help mitigate the impacts of climate change. From ROWs to office campuses, we are also working to control invasive species that can spread more quickly as a result of climate change. We manage and maintain land to proactively support pollinators, increasing biodiversity and helping respond to climate impacts. Where possible, we use higher diversity seed mixes in restoration efforts, establishing a richer habitat to accommodate shifting ranges of pollinators and birds.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Initiatives endorsed
Row 1	Yes, we have endorsed initiatives only	Other, please specify

		Exelon has longstanding relationships with Wildlife Habitat Council (WHC) and National Wildlife Federation (NWF), with a total of 40 sites certified by WHC and 65 locations or programs having NWF habitat certifications.

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify

Integrated Vegetation Management (IVM); geographic information system (GIS) analysis

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

We continuously manage vegetation along our transmission line ROWs to ensure safety and system reliability and promote diverse habitats. Managing these areas presents an opportunity to cultivate open, low-growing habitats favored by certain plants and wildlife. In ComEd's territory, we manage more than 15,000 acres as natural green space using a
selective management approach that preserves compatible habitat, including more than 500 acres managed as high-quality, native prairie ecosystem. PECO uses Integrated Vegetation Management (IVM) to manage transmission ROWs in a manner that promotes native biodiversity in over 3,800 acres, with over 148 acres of ROW lands certified as conservation habitat. BGE actively manages over 2,800 acres of transmission ROWs using IVM to encourage the establishment of compatible low-growing native shrub and grass communities to improve wildlife habitat, reduce BGE's carbon footprint and improve water quality within the Chesapeake Bay watershed.

As an example, as part of the Key Crossing Reliability Initiative, BGE conducted tidal wetland enhancement to mitigate the impacts of filling wetlands to install transmission towers in the Patapsco River. The transmission improvement project was vitally important to maintain secure

and reliable service throughout the Baltimore area. BGE used geographic information system (GIS) analysis to identify and screen potential sites for wetland mitigation to compensate for unavoidable project impacts. The screening evaluation included aspects such as areas of environmental concern (brownfields), rare/threatened/endangered species, historic/cultural resources, submerged aquatic vegetation, hydric soil, wetlands/waterways and existing easements or restrictions. A site along the western shoreline of the Chestnut Hill Cove community in an unnamed cove of Nabbs Creek was ultimately selected. The shoreline was exhibiting excessive erosion and had experienced slope failures due to precipitation events, and an emergent wetland at the top of the cove was dominated by common reed (Phragmites australis). BGE's project stabilized the eroding shoreline, created marsh habitat and enhanced the existing Phragmites dominated wetlands, improving habitat and increasing the biodiversity of the habitat. The project created 0.46 acre of tidal wetlands as part of permitting requirements and installed over 17,000 plants, which will be monitored for five years to ensure the viability of the living shoreline.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify

Environmental conservation plans for environmentally sensitive areas within our regions; watershed rules and regulations

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

The ecological well-being of watersheds is linked to the social fabric of communities, the economic health of the regions and the quality of life of many of our customers. Exelon uses conservation stewardship and sustainable business practices within watersheds where we operate. Comprehensive environmental stewardship strategies provide long-term guidance for identifying and addressing priority issues relevant to our business objectives and the interests of key stakeholders within watersheds like the Chesapeake
Bay. Environmental conservation plans guide our pursuit of emerging technologies that address these priority issues, such as water quality, species of concern, vegetation management and climate change impacts. We engage in restoration and enhancement projects and collaborate with communities and environmental stakeholders to implement projects, such as habitat restoration activities that support rare, threatened or endangered species.

We also embrace nature-based solutions to climate change. Our utilities have significant land holdings and 11,151 miles of transmission lines across our rights-of way (ROW). Across these land areas, Exelon is acting to mitigate the impacts of climate change on local species and native habitats. With climate stressors exacerbating the decline of grassland habitats in many regions of our country, Exelon supports efforts to restore and maintain 9,549 acres of fragile ecosystems at WHC and NWF locations across our transmission system. From
ROWs to office campuses, we are working to control invasive species that can spread more quickly as a result of climate change. We manage and maintain land to proactively support pollinators, increasing biodiversity and helping respond to climate impacts. Where possible, we use higher diversity seed mixes in restoration efforts, establishing a richer habitat to accommodate shifting ranges of pollinators and birds. We continue to partner with environmental non-governmental organizations (NGOs) and agencies to learn from one another and build a community of leaders.

Exelon protects our shared natural environment through conservation and sustainable practices. We work to reduce our impacts on wildlife and enhance natural habitats.

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization’s activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

Aviation protection; Wildlife habitat protection; Protected species management

Country/area

United States of America

Name of the biodiversity-sensitive area

Our rights-of-way (ROWs) and other company operations span thousands of acres of land, which we carefully manage to ensure the protection of the diverse plant and animal species who call these habitats home. As we manage and build new transmission and distribution (T&D) infrastructure, we consider potential impacts to avian species, bats and the terrestrial habitats where our infrastructure and operations are located.

Proximity

Overlap

Briefly describe your organization's activities in the reporting year located in or near to the selected area

In addition to wildlife habitat certifications, we maintain special management plans to protect biodiversity on our sites and ROWs as outlined in our Biodiversity and Habitat Policy. Our utilities are members of the Avian Power Line Interaction Committee (APLIC) and actively engage in using and improving avian protection methods on our electric infrastructure. For example, our utilities each have a detailed Avian Protection Plan, and several Exelon utilities maintain state-level depredation permits and U.S. Fish and Wildlife Service (USFWS) Special Purpose Utility permits to manage interactions between birds and power lines.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Site selection
Project design
Scheduling
Physical controls
Restoration

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Where there are robust populations of eagles, we maintain raptor focused initiatives as part of their Avian Protection Plan. These initiatives include routine raptor nest surveys for rebuilds and new construction, time-of-year restrictions to avoid impacts to bald eagle nests, avian-friendly design standards where feasible in the landscape, and pole retrofits or reframes to address electrocution, collision, and nesting risk. To further support bald eagle conservation, we assist state agencies with gathering population data, supporting local wildlife rehabilitators, participating in eagle surveys, banding or telemetry projects, and providing bucket trucks to agency wildlife biologists to access eagle nests, Exelon frequently collaborates with various stakeholders to improve eagle nest success and provide conservation support. In 2022, ComEd proactively started to review every pole within 0.25 miles from the nests previously identified as part of eagle and osprey nest surveys in 2021 in order to make retrofits where to need to ensure they are avian safe

Where threatened or endangered species are located on or near our sites, we work with regulatory agencies and interested stakeholders to develop and implement agreed-upon management plans or special mitigation tactics to reduce impacts on wildlife. In addition, since the ComEd plan's inception, about 1,220 avian diverters were installed on ComEd transmission lines to reduce avian collisions. In 2022, Pepco Holdings launched its Avian Incident Management System (AIMS), a comprehensive GIS-based bird incident reporting
and tracking database, to help meet compliance commitments to reporting and tracking birds impacted by PHI infrastructure. Through implementation of AIMS, PHI tracked over 534 bird incidents in 2022, including over 100 osprey nest issues, and facilitated risk mitigation for many of these incidents. Pepco Holdings also identified an efficient, safe and effective
line marking technology employing drones to address collision risk on transmission lines for eagles which will be implemented in early 2023.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

Pollinator habitats; Wildlife habitat protection; Protected species management

Country/area

United States of America

Name of the biodiversity-sensitive area

Across North America, many pollinator species are in decline due to loss of habitat and other environmental factors. Pollinators provide numerous ecological and economic benefits, including pollination of flowering plants that produce fruits, vegetables and grains. Exelon is

engaged in a variety of pollinator habitat projects across the company that support a range of pollinators such as insects, birds, bees and mammals.

Proximity

Overlap

Briefly describe your organization's activities in the reporting year located in or near to the selected area

During 2022, we engaged with interested employees at a number of Exelon locations to site beehives and hold educational discussions around the importance of native bee species to local ecosystems. The monarch butterfly, a species of concern for many scientists and resource management groups, continues to be a priority for Exelon. Locations in our service territories include areas where monarch butterflies may rest and feed along their 3,000-mile migratory journey. Our efforts support national goals for pollinator species recovery, particularly regarding recovery of the iconic monarch. We collaborate with several academic institutions, nonprofit organizations, community and youth organizations, federal and state agencies, trade associations and other Exelon business units to advance our habitat and species conservation plans. This includes consideration of United States Fish and Wildlife Service (USFWS) candidate conservation agreements under which utilities agree to take voluntary conservation actions to support monarch butterfly habitat. We also support public education programs that help enable societal action to advance habitat conservation.

In 2022, ComEd completed its first year of prairie habitat maintenance and enhancement while holding its USFWS certificate of inclusion into the Candidate Conservation Agreement with Assurances (CCAA) for the monarch butterfly. BGE and PHI have also joined the USFWS CCAA program.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Site selection
Project design
Restoration

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Our rights-of-way (ROWs) and other company operations span thousands of acres of land, which we carefully manage to ensure the protection of the diverse plant and animal species who call these habitats home. Not properly considered, opportunities to increase and improve wildlife habitat preservation and support protected species could be missed. Where we can use these effort to improve pollinator migration routes, we do so.

We continuously manage vegetation along our transmission line ROWs to ensure safety and system reliability and promote diverse habitats. Managing these areas presents an opportunity to cultivate open, low-growing habitats favored by certain plants and wildlife. In ComEd's territory, we manage more than 15,000 acres as natural green space using a
selective management approach that preserves compatible habitat, including more than 500 acres managed as high-quality, native prairie ecosystem. PECO uses Integrated Vegetation Management (IVM) to manage transmission ROWs in a manner that promotes native biodiversity in over 3,800 acres, with over 148 acres of ROW lands certified as conservation habitat. BGE actively manages over 2,800 acres of transmission ROWs using IVM to encourage the establishment of compatible low-growing native shrub and grass communities to improve wildlife habitat, reduce BGE's carbon footprint and improve water quality within the Chesapeake Bay watershed.

BGE, PECO and ComEd also have programs to donate certain removed vegetation to local zoos to provide diverse feed for the animals. Referred to as "browse," leaves, twigs, and branches from vegetation such as maple, willow, mulberry, and honey locust trees can serve as food and a great source of nutrition for some species of zoo animals, including giraffes,
gorillas, grizzly bears, kangaroos, okapi, rhinoceroses, camels, rock hyraxes and tapirs. In addition to helping our local utilities repurpose tree trimmings for beneficial use, local participating zoos can also save money by substituting browse for food sources that would otherwise need to be purchased.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

Stormwater management; Wildlife habitat protection; Protected species management

Country/area

United States of America

Name of the biodiversity-sensitive area

Controlling stormwater runoff from our utility properties remains an area of continued focus as weather and precipitation events become more unpredictable due to the effects of climate change within our service territories.

Proximity

Overlap

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Exelon uses green infrastructure where possible across our territories to proactively address stormwater management. Our utilities maintain stormwater management controls such as bioretention areas like rain gardens, bio-infiltration areas like native meadows, green roofs, stormwater basins and vaults to store, evaporate and infiltrate stormwater on our properties. Native meadows are maintained at some transmission ROWs and service buildings to provide infiltration of stormwater and serve as habitat for wildlife.

As part of the efforts to control and eliminate sediment migration from Exelon construction projects that cause an earth disturbance, each Exelon utility implements a field inspection
program to assess appropriate erosion and control measures. Permitted projects are inspected in accordance with permit requirements, while earth-disturbance projects where no regulatory permits are required are inspected to ensure implementation of best management practices.

Bioretention systems collect and clean stormwater generated on site. They also minimize erosion by reducing peak stormwater flows while treating water as it filters pollutants though layers of mulch, soil and gravel. Permeable pavements reduce stormwater runoff, minimizing erosion while allowing more groundwater to infiltrate the soil and be cleansed on its way to rivers and the groundwater table. Native plants uptake some contaminants and convert them to non-harmful compounds and provide habitat for birds and insects, providing important ecological services.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Site selection

Project design
Physical controls
Operational controls
Abatement controls
Restoration

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In 2022, BGE installed new "smart" technology in a stormwater detention pond at its Windsor Mill Electric Operations Building (EOB). The retention pond was designed in 1979 in the early days of stormwater regulation, and stormwater from the EOB property runs off to three major watersheds in in the Chesapeake Bay. Retention ponds function to hold stormwater with the goal of reducing flooding, erosion and water pollution. The Smart SWM technology created by Century Engineering installed at the EOB uses cloud-based technology with Amazon Web Services to control the release of rainwater to improve water quality, groundwater recharge, stream channel protection and flood control. The system
collects real-time weather forecasts from the National Weather Service and transmits information about the pond such as water depth. Every five minutes, the smart system issues instructions to the pond's operating equipment based on the forecasts and the pond's metrics. In advance of a rainstorm, the system can inform the pond's equipment to release water,
preventing the pond from overflowing. Data from BGE's EOB "smart" pond is provided to the University of Maryland Baltimore County's Center for Urban and Environmental Research and Education as part of an ongoing urban environment study to assess how and to what effect natural, geological processes interact with human-driven processes such as stormwater runoff from impervious surfaces.

With increased focus on stormwater runoff, PECO has developed criteria to implement porous asphaltic pavement for installation on new or repaving projects. Recently, PECO also supported the Headwaters Riparian Restoration Project along with other local stakeholders and in 2022 received the Water Resources of Delaware River Basin Achievement Award.

BGE employs the use of a trash interceptor at its Spring Gardens facility to capture trash and debris that originates from stormwater runoff from approximately 60 surrounding acres in South Baltimore. Since its installation in 2018, the Spring Gardens interceptor has prevented more than 5,700 pounds of trash from reaching the Middle Branch of the Patapsco River, a tributary to the Chesapeake Bay.

During 2022, Pepco completed environmental stewardship projects at the Fort Slocum and Van Ness substations focused on rainwater

management in the District of Columbia as part of the utility's Green Infrastructure Initiative. Rainfall at these sites eventually flows into the Anacostia River, potentially bringing with it harmful nutrients, sediments, metals and toxins that can negatively impact aquatic ecosystems. The Fort Slocum project included the installation of a bioretention system and permeable pavements, as well as tree plantings. Van Ness also installed a bioretention system.

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Response indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located

In voluntary sustainability report or other voluntary communications	Governance Impacts on biodiversity Details on biodiversity indicators Biodiversity strategy	page 96-105 1

[1]Final for Posting 6.26.23+2022_Exelon_SR_Final_reduced_size (002).pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Vice President and Chief Strategy and Sustainability Officer	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms