



The Omnipotence Paradox: Compliance with EPA Power Sector Regulations

Emerging Issues Policy Forum

Amelia Island, Florida

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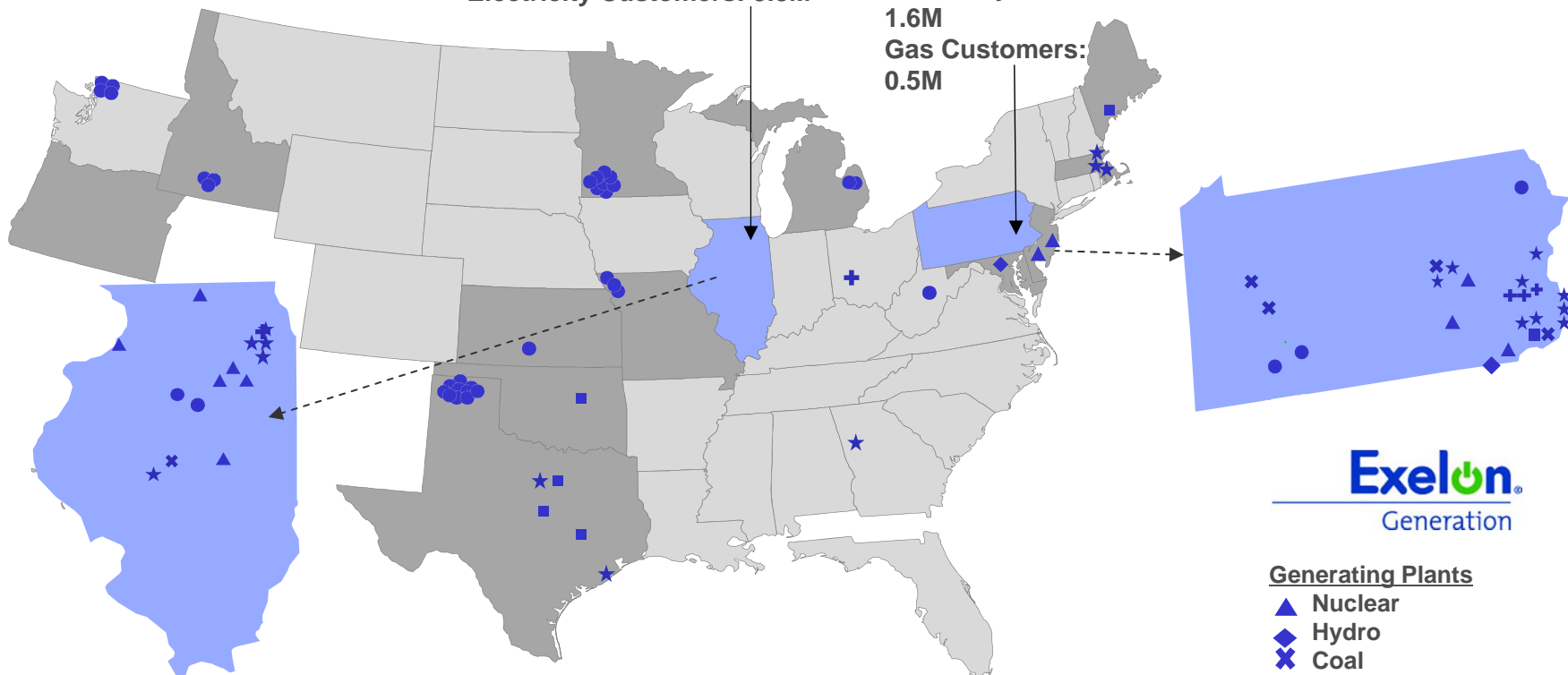
About Exelon



Electricity Customers: 3.8M



Electricity Customers: 1.6M
Gas Customers: 0.5M



Generating Plants

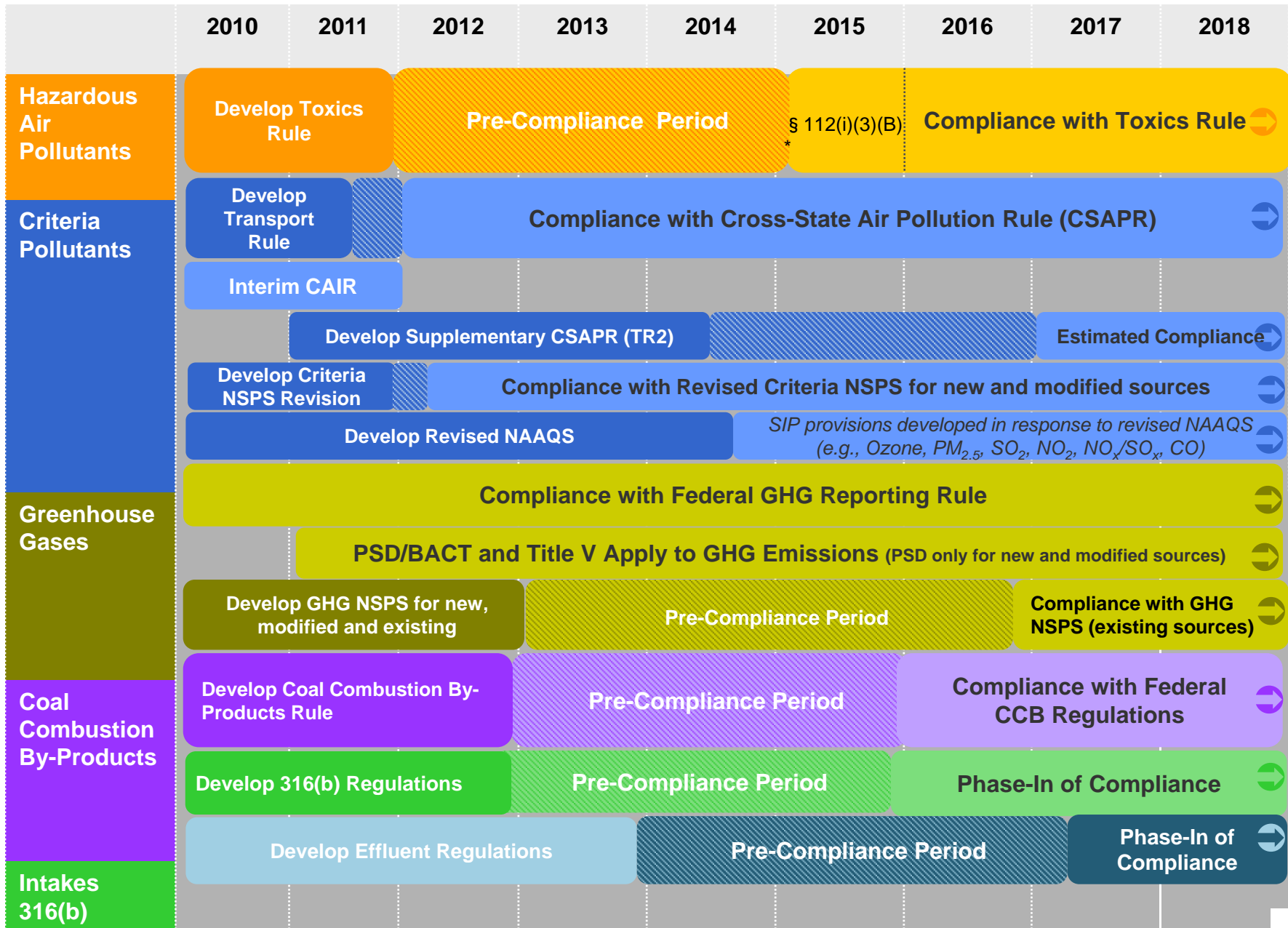
- ▲ Nuclear
- ◆ Hydro
- ✕ Coal
- Gas/Oil Intermediate
- ★ Peakers
- Wind
- + Solar/Methane

(in MW)	Midwest Capacity	Mid-Atlantic Capacity	South/West Capacity	New England Capacity	Total Capacity
Owned:	11,658	11,033	2,746	182	25,619
Contracted:	2,900	336	2,903 ^(a)	-	6,139
Total:	14,558	11,369	5,649	182	31,758

Note: Owned megawatts as of 12/31/10 based on Generation's ownership, using annual mean ratings for nuclear units (excluding Salem) and summer ratings for Salem and the fossil and hydro units.
(a) Generation sold its rights to 945 MW from its long-term contract with Tenaska Georgia Partners, LP through a PPA with Georgia Power for a 20-year period that began on 6/1/10.



EPA Regulatory Roadmap for the Electric Sector



✓ Unstoppable force

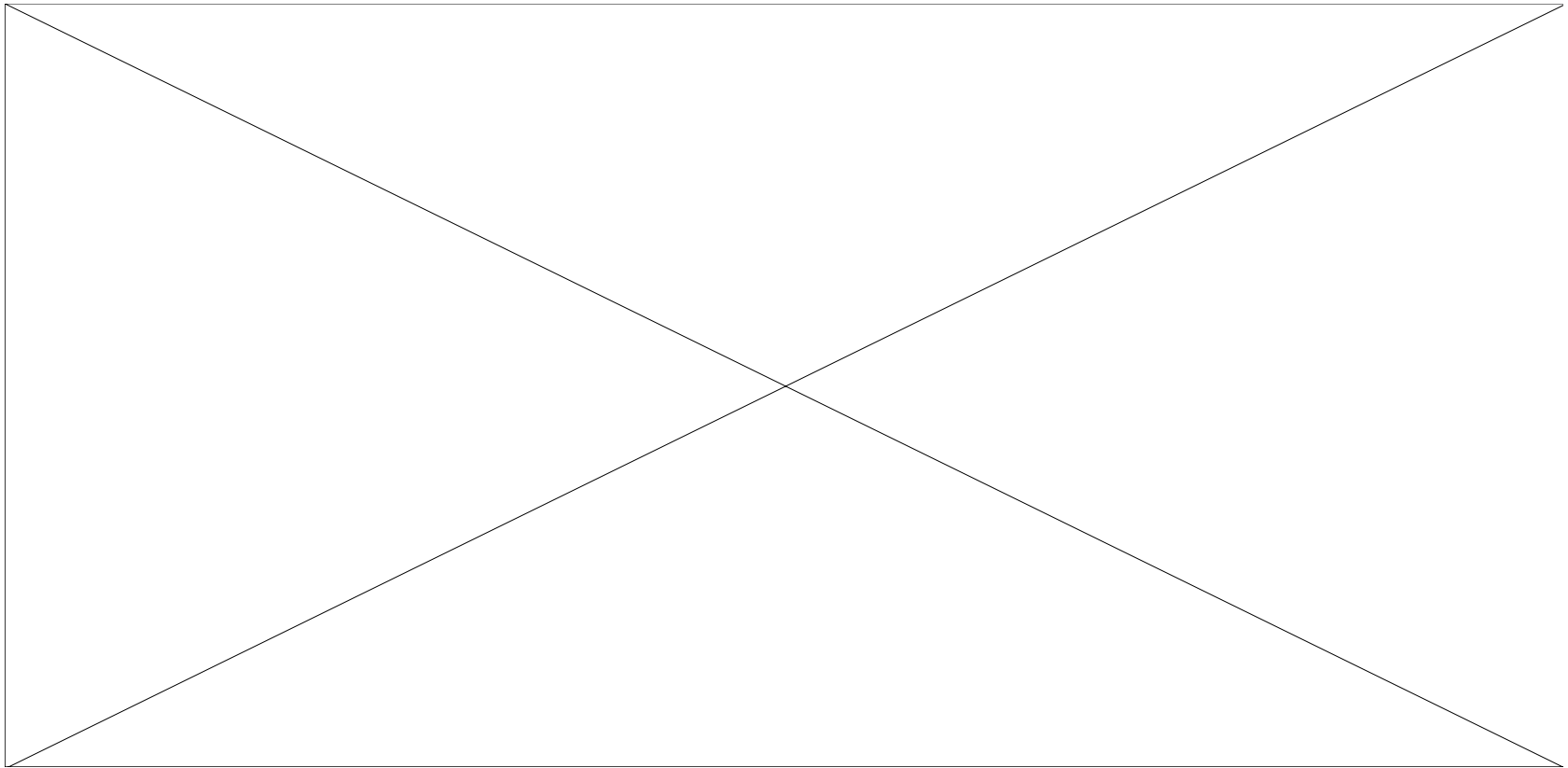
- Statutory requirements + court decisions = rules are coming

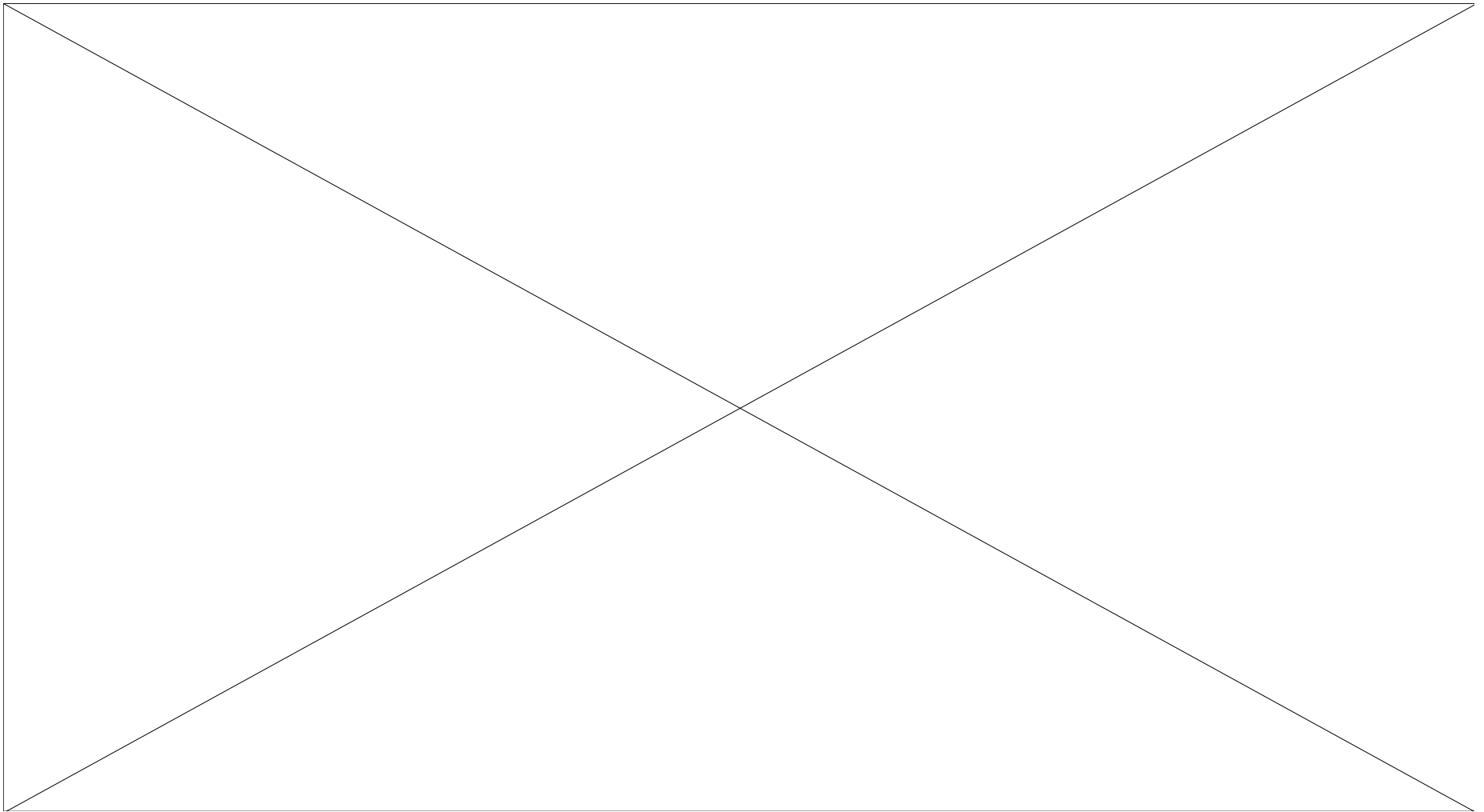
✓ Immovable object

- Capital-intensive industry that requires significant forward planning to produce a product we simply cannot live without, one that needs to be available instantly every second of every day



✓ Conflict has reached epic proportions





Images from your morning subway ride



**YOUR LOCAL COAL BURNING
POWER PLANT HAS A NEW FILTER.**

HIS NAME IS DANNY.

Pollution from coal-fired power plants is making our kids sick—1 in 10 already suffer from asthma. Our kids deserve better than a city with smog-filled summers. Tell President Obama to stand up to polluters. Text **COAL** to **69866** to take action for cleaner air. sierraclub.org/coal



Replacing coal in our energy mix? Hang on tight.

Three times as much. That's how much more it costs to generate electricity with natural gas, which sometimes is mentioned as an alternative to American coal. Three times.

And not only does natural gas cost more than coal, its price has traditionally been much more volatile ... swinging up and down, taking consumers on a wild ride.

We don't have to get on that roller coaster.

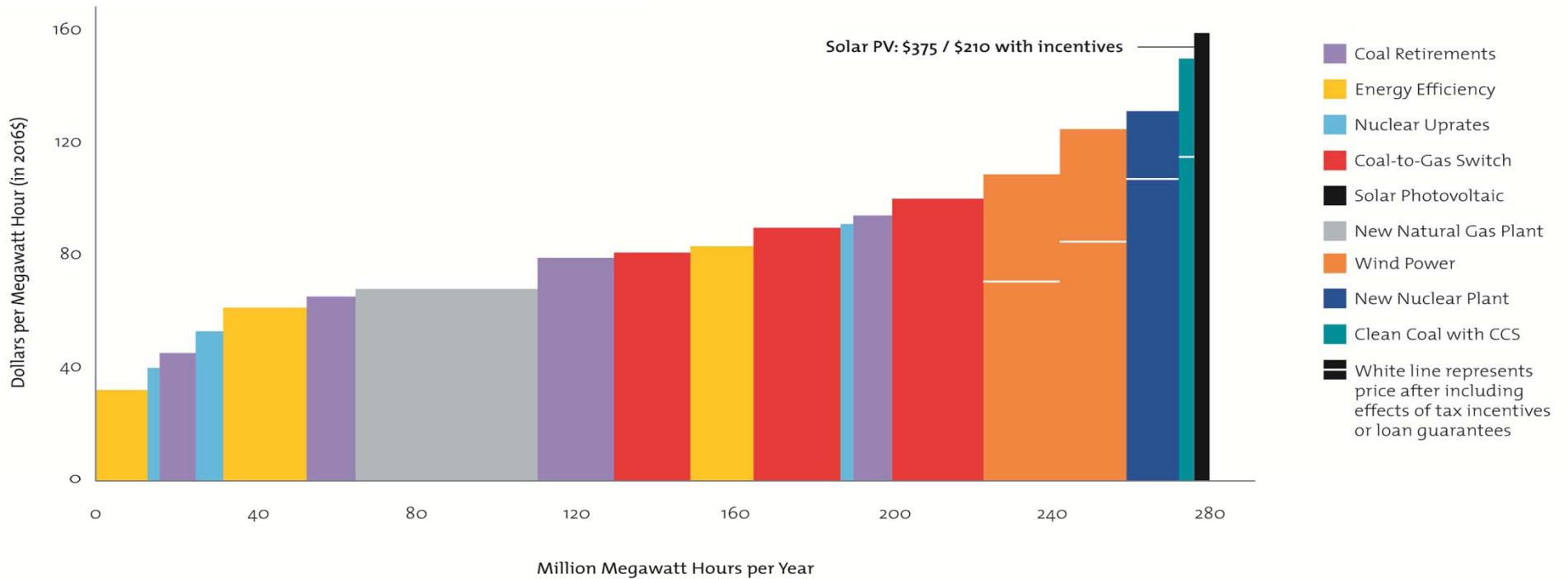
Coal, America's most abundant resource, continues to generate nearly 50 percent of our electricity affordably, and at prices that have historically been much less volatile than those of natural gas or other fossil fuels.

Higher and more volatile energy prices offer a ride we can't afford to take just as our economy is fighting its way back.

We don't have to. That's the power of coal - our most affordable fuel.

CLEAN COAL.
AMERICASPOWER.ORG

Levelized Cost of Clean Energy Options in PJM



Note: Adjusts for the market value of the generation's reliability and production profile.

Technology cost assumptions (in 2016 \$/kw):
 Combined-cycle gas turbine: \$1,300 - \$1,700
 Wind: \$2,000 - \$2,500
 Nuclear: \$5,000 - \$6,000
 Clean coal with CCS: \$5,500 - \$6,500
 Solar photovoltaic: \$3,000-\$4,000