

Beneficial Electrification

“One Utility’s Perspective”

Paul Miles, PECO (an Exelon Company)

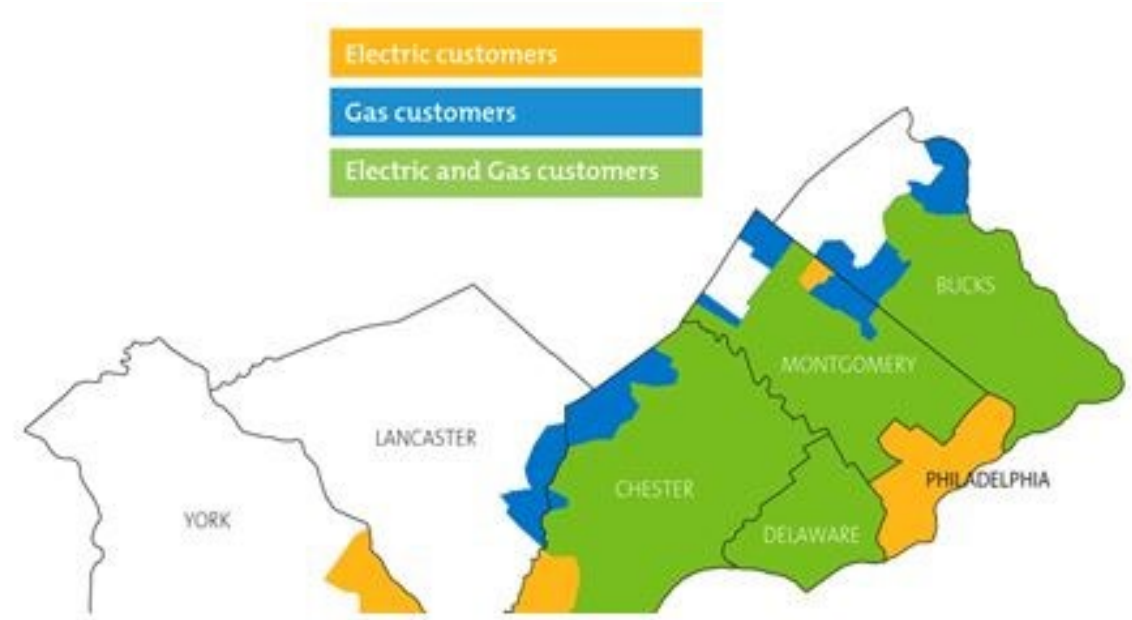
November 4, 2019

About PECO

Largest Electric and Natural Gas Utility in Pennsylvania
Based in Philadelphia, PECO is a subsidiary of Exelon Corporation, serving approximately 1.6 million electric customers and more than 511,000 natural gas customers in southeastern Pennsylvania

Other Exelon Utilities:

PHI (Delmarva Power & Light, Atlantic City Electric)
BGE
ComEd



Over 10 Million Customers Served Across the Mid-Atlantic and State of Illinois

Beneficial Electrification: Utility Challenges and Opportunities

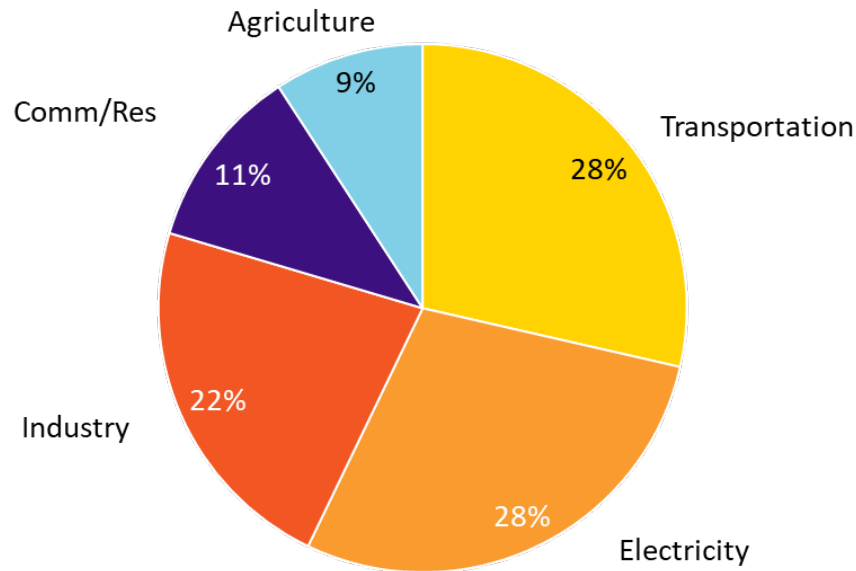
September 26, 2019

Previously presented by Tom Bonner, PECO Manager of State Government Affairs

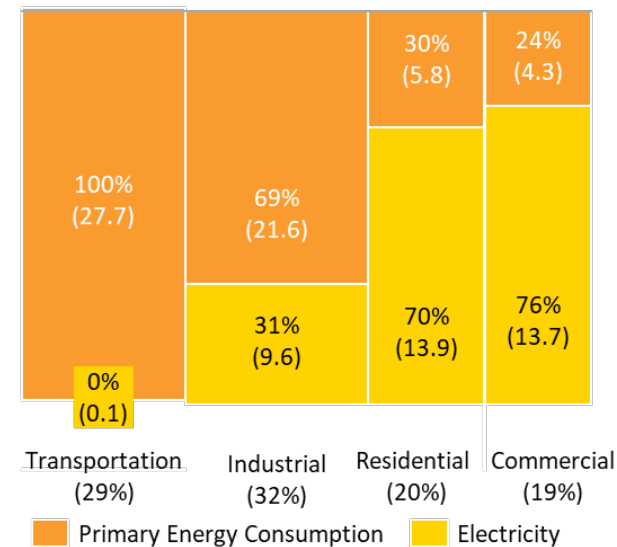
Where Are the Opportunities?

Opportunities for Electrification Exist Across Industry Sectors

Total U.S. GHG Emissions by Economic Sector in 2016



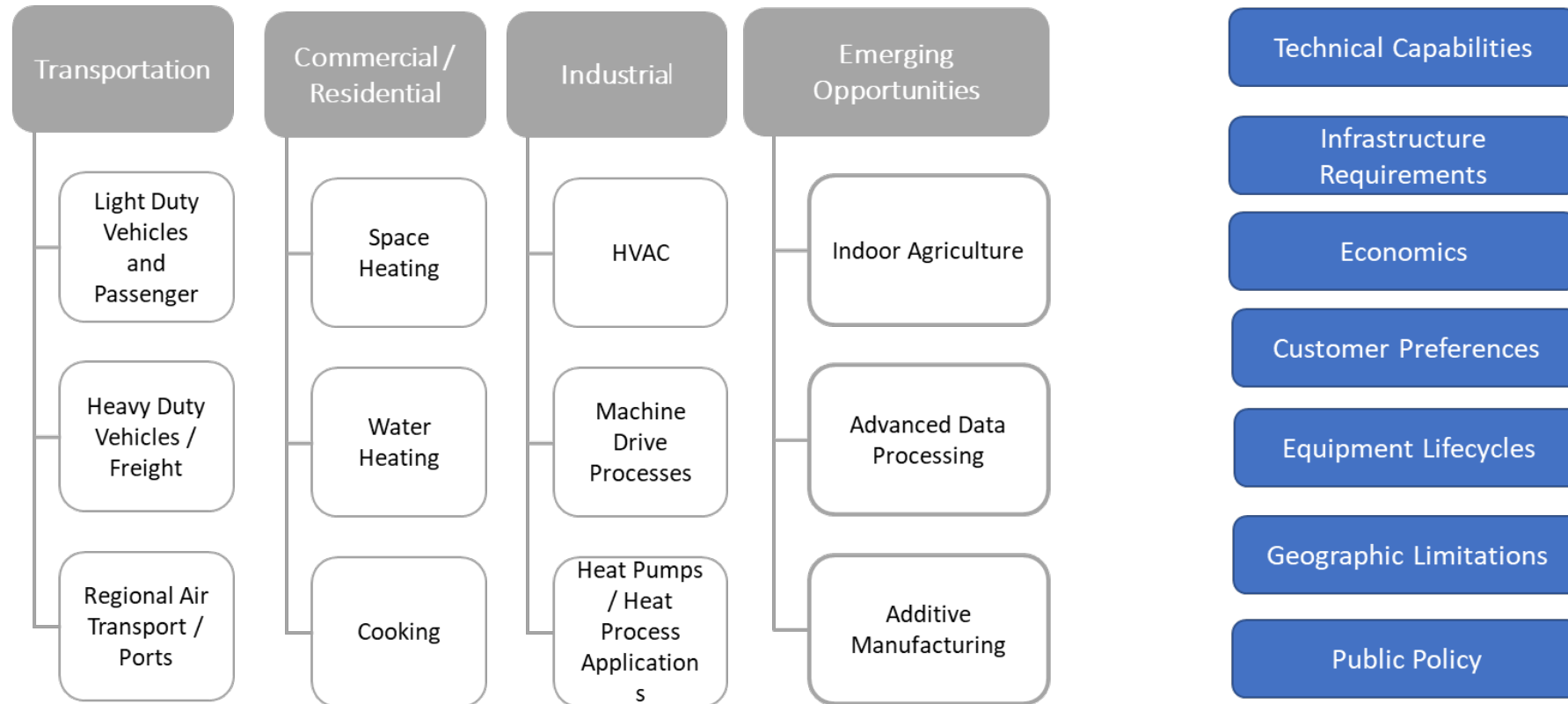
2017 Total U.S. Energy Consumption by End-Use and Energy Source (Total = 96.8 Quad BTU)



Along with Efficiency and Maintaining and Expanding Emission-Free Energy, Electrification is an Essential Element of Any Decarbonization Strategy

Can We (Will We) Make The Case? How Long?

Electrified Technologies Will Become Cost-Competitive on Differing Schedules Based on A Range of Factors



As A Trusted Energy Advisor We Will Play A Major Role



Utility Opportunities to Support Electrification

- Enabling Policy and Advocacy
- Pilots and Partnerships
- Technology and Infrastructure Investment
- Customer Education
- Products and Services

Challenges and Opportunities to Promote Electrification

• Challenges

- Many “Energy Efficiency” Programs are Really “Electric Efficiency Programs”
- Grant Program Favored More “Shovel Ready” Projects
- Regulatory Policies Often Do Not Support Utility Cost-Sharing for Infrastructure Projects
- Utility Rate Designs
- Sector-Specific Environmental Compliance Markets

• Opportunities

- Permit Beneficial Electrification as an Eligible Use of EE Program Funds
- Structure Grant Funding Programs to Promote Innovative Projects
- Authorize Utility Cost-Sharing for Infrastructure Upgrades that are Environmentally Beneficial
- Innovative Rates
- Economy-wide Environmental Compliance Markets or Mitigation Measures

What Next?

