



LEGISLATIVE SUMMIT

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Utility of the Future

3 trends are disrupting the utility industry


1 Climate change is requiring action

- Clean energy legislation (renewables, EE)
- Increase in weather related outages




2 Technology innovation is accelerating

- Installation base of solar is growing
- Costs of solar/storage are declining

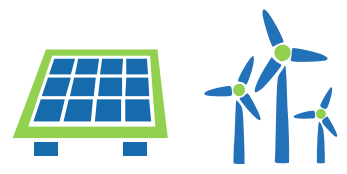






3 Customers are increasingly digital

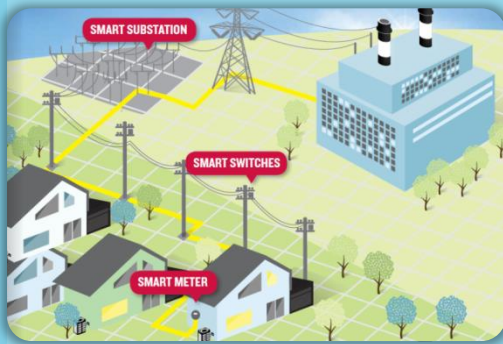
- Customer segments of "one"
- Pervasive connectivity



...requiring us to respond differently than we have before

Clean	
Lean	
Decentralized	
Communal	
With new participants	

Smart Grid bill overview



- **Reliability-Related Investments** – \$1.3B over 5 years, cable replacement, manhole refurbishment program, storm hardening program, wood poles program, and building two training centers
- **Smart Grid-Related Investments** – \$1.3B over 10 years, distribution automation, intelligent substations, smart meters, and cyber secure communication network

Invest in Illinois

- \$1.3B in infrastructure upgrades
- \$1.3B in smart grid
- Create 2,000 full time jobs
- Establish Science and Energy Innovation Trust
- Establish Smart Grid Test Bed
- Contribute \$50M over 5 years for customer assistance
- Increase diverse supply chain

Stabilize the Regulatory Environment

- Annual filing and reconciliation (reduces lag)
- ROE set by formula of 30Y T-bond plus 580 bps (reduces uncertainty)
- ± 50 bps earned ROE collar (limits volatility due to weather load and changes in customer mix)

Customer Value

- ComEd must meet annual reliability and customer service improvement metrics
- Failure to meet targets results in ROE penalties
- Rates could not increase by more than 2.5% on average through May 2014

Next Generation Energy Plan (NGEP)



Double energy efficiency programs, yielding >\$4 billion in energy savings



Provide \$1 billion of low-income assistance



Enable solar with rebates and > \$100 million in new funding



Enhance grid security and reliability



Support at risk nuclear plants through a Zero Emission Standard



Reduce fixed charges by 50%, giving customers more control



Strengthen and expand RPS for stable, predictable funding



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Platform for Utility of the Future

