



pepeco holdings<sup>SM</sup>

AN EXELON COMPANY

# EPRI Energy and Climate Seminar

May 2026

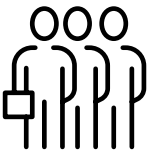


# Pepco at a Glance

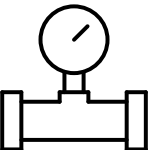
## Being Good Neighbors



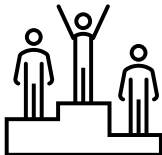
Pepco's energy-saving programs have delivered more than **4.5 million MW-hours** in energy savings, more than **\$4.3 billion in savings** for Maryland customers



**3,500** Employees sit on **24 nonprofit boards** in the community



In 2024, Pepco hosted **114 outreach events**, helping customers navigate energy efficiency, bill management, and assistance programs



## Supporting our Customers

secured **\$40 million** in financial assistance for **42,000 customers in 2024**, including more than \$13.2 million from LIHEAP

Pepco has pledged over **\$1M in Customer Relief Fund dollars** to customers in need with more applications being approved daily

Nearly **\$6M raised** through the PHI Community Foundation Golf Classic to **directly support energy assistance**

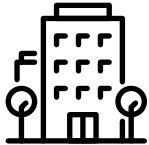
## Building Stronger Communities



**\$331 million** Spent with diverse suppliers in 2024



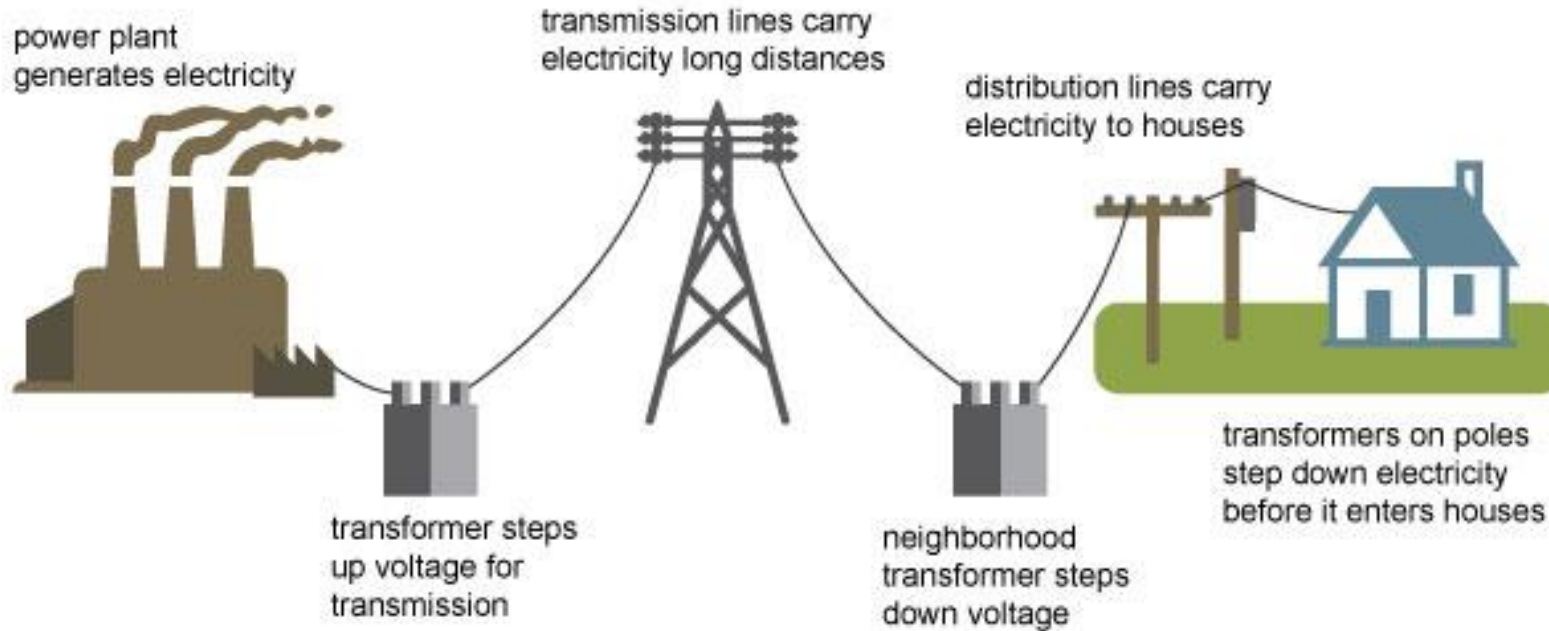
**11,000** Volunteer Service hours logged by Pepco employees in 2024 (660 employee volunteers – 224 events)



**\$4.5 million** Invested in regional nonprofit partners in 2024 through Corporate Community Giving fund

# Electric System Overview

## Electricity generation, transmission, and distribution



Source: Adapted from National Energy Education Development Project (public domain)

**Electricity rates are rising** due to supply prices

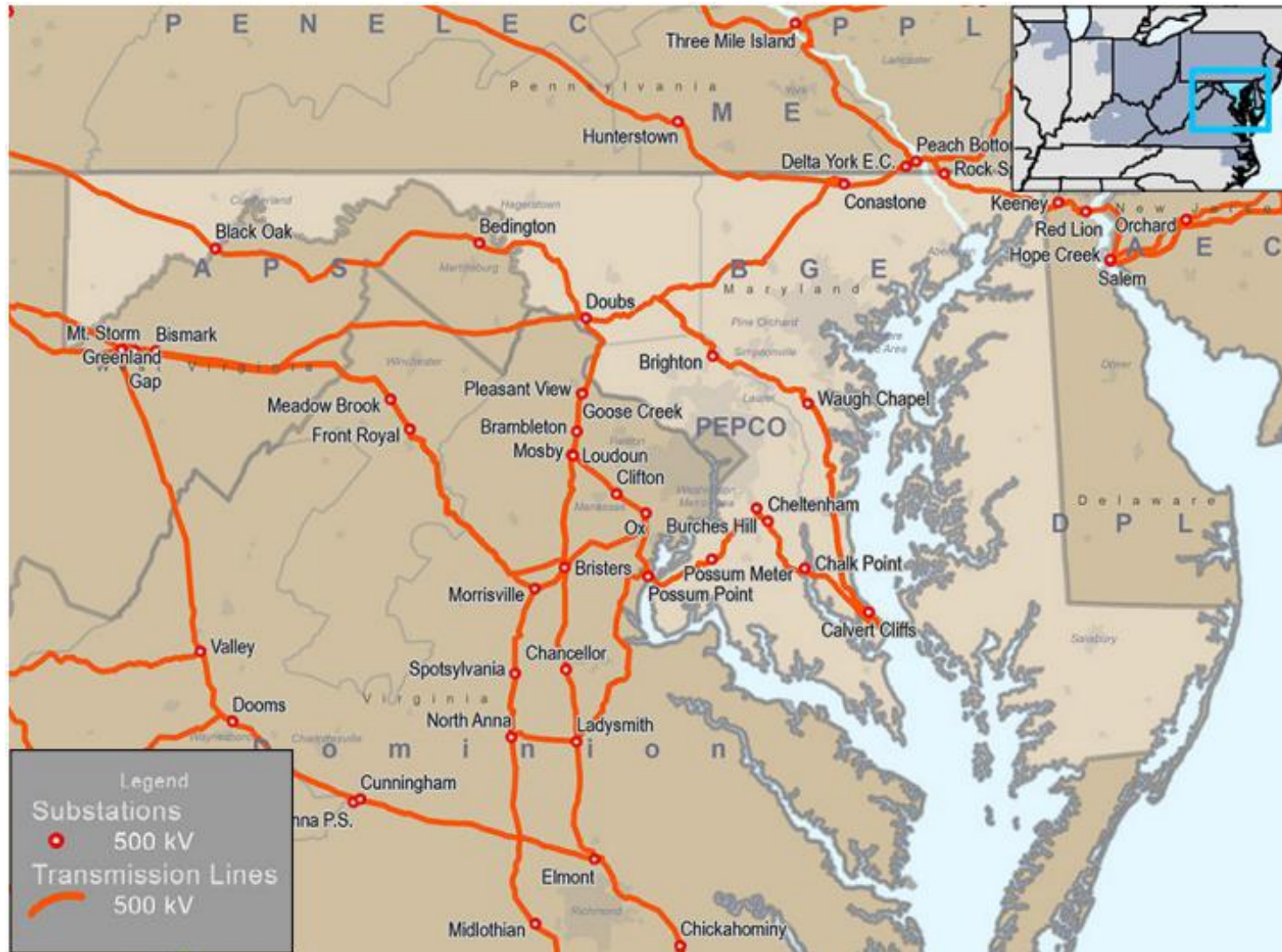
**Price volatility is increasing** as supply becomes more constrained

**Supply charges** are a pass-through cost on customer's utility bills

**Supply and Transmission: pass-through costs**

**Distribution: Pepco-controlled costs**

# PJM Service Territory

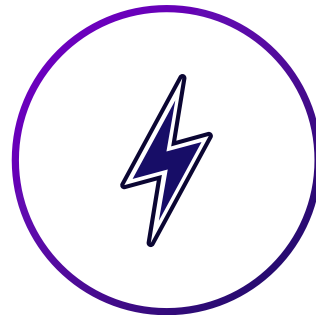


# Maryland ratepayers are facing a crisis of electricity affordability, reliability & sustainability, and long-term economic development



## Affordability

- **Electricity rates are rising** due to capacity & supply prices, and costly RMRs (MD customers pay an extra ~\$20/month, which may double without intervention)
- **Price volatility is increasing** as supply becomes more constrained



## Energy security

- **Insufficient energy supply** from existing and planned assets to meet Maryland's projected energy needs
- **Blackouts and voltage collapse** may result from extremely thin energy supply margins



## Economic growth

- **Maryland's economy depends on electricity** that is reliable and affordable to grow
- **"Lighthouse industries"** require significant additional energy resources



## Sustainability

- **Legacy coal plants remaining on the grid** emit ~2,200+ lbs of CO<sub>2</sub>/MWh
- **New capacity would include greener mix** of renewables, battery storage, and gas (<1,000 lbs of CO<sub>2</sub>/MWh)

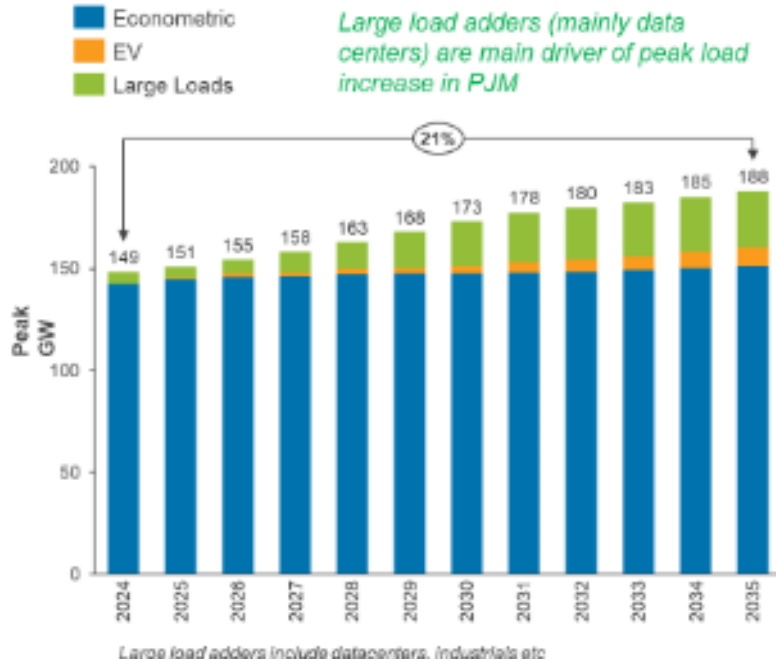
# What is driving the Resource Adequacy challenge?

## Load Growth

Assumptions (aligned with Exelon stakeholders)

- LRP 1.0 (2025) for Exelon's zones
- PJM Jan. 2024 forecast for other zones ± additional data center load forecast by CRA

PJM Annual Load at Peak (GW) 2024-2035

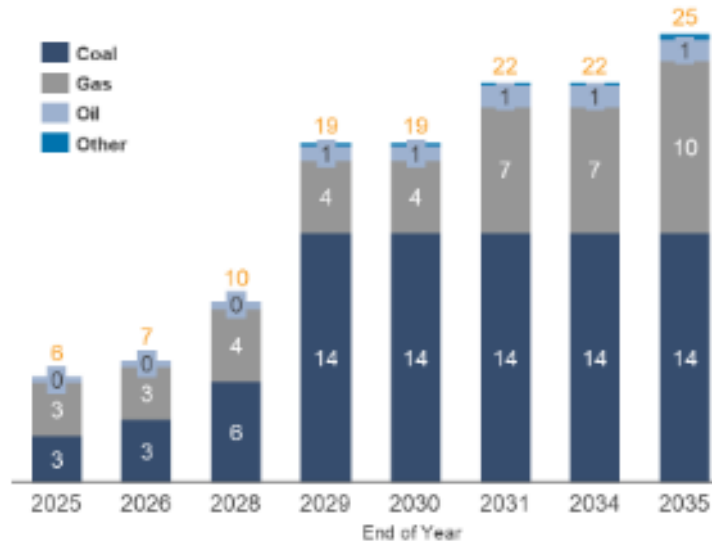


## Generator Retirements

Assumptions (aligned with Exelon stakeholders)

- 14 GW of Coal
- 10 GW of Gas
- 1 GW of Oil

PJM Announced Retirements GW (2025-2035)

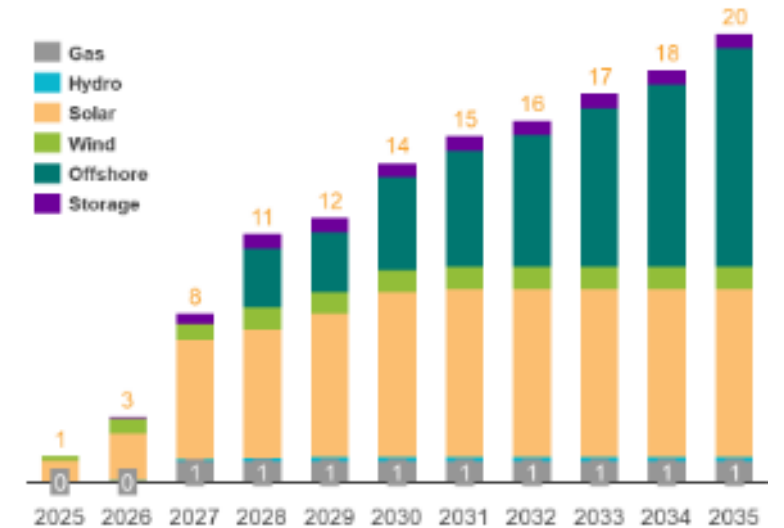


## Limited Firm Additions

Assumptions (aligned with Exelon stakeholders)

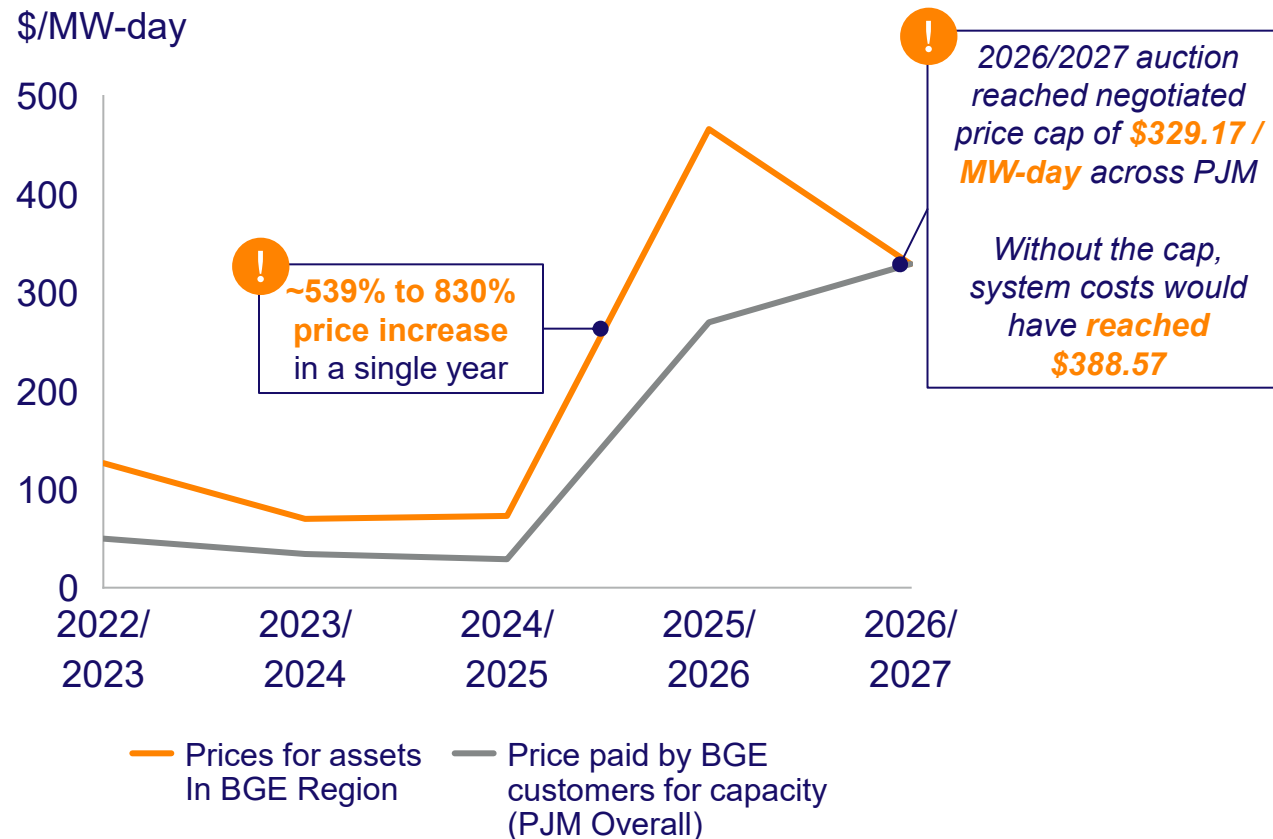
- 1 GW gas
- 10 GW offshore wind
- 8 GW solar
- 1 GW onshore wind

Firm Capacity Additions ICAP GW (2025-2035)



# Capacity prices – which directly impact customer rates – continue to soar...

PJM RTO capacity prices over past five years



**Note:** IPP profits rose alongside capacity prices spike (see next page)

Source: PJM reports; <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2026-2027/2026-2027-bra-report.pdf>

## ...and still may not be enough to spur new construction

*"To get price signals to developers for new build... We could be looking at price signals that are much, much higher — closer to **\$700 / MW-day**"*

- Richard Levitan, president of Levitan & Associates

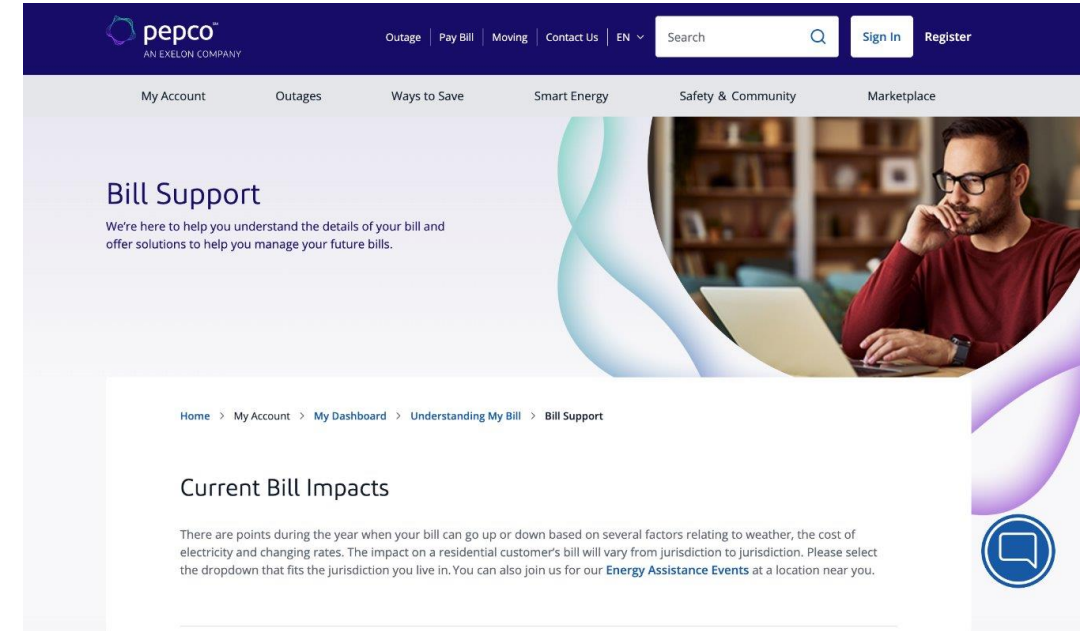
*" We have been a bit challenged on the issue of getting the capacity market moving... The load is going up and the market **needs the price signal to react.**"*

- Constellation, earnings call on February 18, 2025

# Bill Support Programs

Pepco offers the following programs to make it easier for customers to manage their bills:

- **Budget billing**, which provides a predictable monthly payment based on your electricity usage from the last 12 months.
- **Payment arrangements** of up to 12 months for eligible residential customers with past-due balances.
- **High usage alerts**, which alert customers when their usage is trending higher than normal to help manage overall energy use.
- **Assistance Finder Tool** to help customers identify all potential resources
- **Customer Relief Fund**, which provides up to \$300 in energy assistance to qualifying customers



Customers can use our Bill Support page to get updates about impacts to their bill, energy saving tools and resources, and energy assistance information from our comprehensive bill support webpage: [pepco.com/BillSupport](https://pepco.com/BillSupport)

# Pepco's Customer Relief Fund

We're here to support our Maryland customers who need direct relief assistance this summer and in the months ahead.

Eligible limited- to moderate-income customers may qualify for an up to \$300 grant

Learn more at [pepco.com/ReliefMD](https://www.pepco.com/ReliefMD)



Maryland utilities stand ready to support the state's economic growth with affordable, reliable electricity

**Maryland policy must evolve to enable:**

- 1 Remove the Ban, and allow utilities to construct, own, and operate generating facilities when needed by the state...
- 2 ...subject to PSC approval and prudence reviews...
- 3 ...with rate-based cost recovery (to enable low cost of capital)