



January 31, 2018

Bruce Wilson
SVP, Deputy General Counsel & Corporate Secretary
Exelon Corporation
10 S. Dearborn St., 48th Floor
Chicago, IL 60603

Re: Withdrawal of 2018 Methane Reporting Shareholder Proposal

Dear Mr. Wilson:

As You Sow appreciates the constructive dialogue we have had with Exelon Corporation regarding the company's methane disclosures and the methane-risk proposal we filed this year on behalf of shareholder UTE Holdings LLC. The methane resolution outlines shareholder concern about methane emissions, including fugitive methane emissions, and the growing associated climate and regulatory risks. In order to make informed investment decisions, investors require specific, quantitative disclosures about the Company's methane emissions and the actions the company is taking to address those emissions.

Following As You Sow's submission of the 2018 methane disclosure proposal, and subsequent discussions with the company, As You Sow and Exelon Corporation have agreed to the following actions:

1. **As You Sow Action.** In exchange for the actions listed below by Exelon, As You Sow agrees to withdraw its shareholder proposal and agrees that such proposal need not appear in the Company's definitive proxy statement for Exelon's 2018 annual meeting.
2. **Company Actions.** Exelon agrees to publish in its Corporate Responsibility Report and/or website, by the third quarter of 2018, the following disclosures that are intended to help provide investors and stakeholders with information about how Exelon is managing and mitigating its methane emissions.
 - a. A detailed description of methane leak detection and monitoring technologies used, including specifically where (or on what systems) they are used.
 - b. The frequency with which pipelines are monitored and with what monitoring equipment, including a discussion of how risk impacts monitoring frequency or technologies used, and how risk levels are determined.
 - c. Leak repair timeframes and prioritization methodologies beyond regulatory compliance, including for non-hazardous (lower classified) leaks.
 - d. Leak-prone pipeline replacement plans including timeframe, prioritization methodologies, timeline or other constraints.
 - e. Practices and technologies being implemented to prevent and reduce emissions as repair and replacement work is being done, from blowdowns (venting, flaring), or associated with other routine operations.
 - f. A discussion of the Company's actual methane emissions, including the metrics CO₂-e emissions per year from natural gas systems and an intensity rate based on throughput



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- across natural gas operations, as well as an explanation of how emissions are calculated (EPA emissions factors, direct measurements, etc.) and why that calculation method was selected. Other emissions metrics such as CO₂-e emissions per total utility mile of natural gas pipe per year can be additionally included and compared for reference.
- g. A discussion of Exelon's new greenhouse gas emissions target, including the extent to which methane reductions will contribute to achieving that target.

3. Both parties further agree to continue good-faith dialogues on these matters in the future.

This agreement will become effective on the date the last party below executes this agreement.

AS YOU SOW:

Danielle R. Fugere
President and General Counsel
As You Sow

Feb 5, 2018

Date

COMPANY:

Scott N. Peters
Associate General Counsel & Assistant Corporate Secretary
Exelon Corporation

Feb. 1, 2018

Date