

# LR Independent Assurance Statement

## Relating to Exelon's Air Emissions Intensity Report for Calendar Year 2020

This Assurance Statement has been prepared for Exelon Business Services Company, LLC (Exelon) in accordance with our contract.

### Terms of Engagement

Lloyd's Register Quality Assurance (LR) was commissioned by Exelon Business Services Company, LLC (Exelon) to provide independent assurance on its 'assertion ("the Report") for the calendar year 2020 (CY 2020) against the assurance criteria below to a reasonable level of assurance using LR's verification procedure and ISO 14064 - Part 3 for greenhouse gas assertions.

Our assurance engagement covered Exelon's operations and activities under its equity share and specifically the following requirements:

- Verifying conformance with:
  - Exelon's 2020 Greenhouse Gas Inventory Management Plan reporting methodologies for the GHG data.
  - The Climate Registry General Reporting Protocol Version 3 (May 2019) for the GHG Data<sup>1</sup>
  - The Climate Registry Electric Power Sector Protocol (EPS) Version 1.0 (June 2009) for the GHG and net generation data.
  - EPS Protocol Updates and Clarifications (December 2020)
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Carbon dioxide (CO<sub>2</sub>) emissions intensity
  - Sulfur Oxides (SO<sub>x</sub>) emissions intensity
  - Nitrogen Oxides (NO<sub>x</sub>) emissions intensity

LR's responsibility is only to Exelon. LR disclaims any liability or responsibility to others as explained in the end footnote. Exelon's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of Exelon.

### LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that Exelon has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance<sup>2</sup> and at the materiality of the professional judgement of the verifier.

<sup>1</sup> <https://www.theclimateregistry.org/>

<sup>2</sup> *The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.*

**Table 1. Summary of Exelon Emissions Intensity Report for CY2020:**

Parameter	lbs per MWh
Carbon Dioxide, CO <sub>2</sub>	93.871
Sulfur Dioxide, SO <sub>x</sub>	0.001
Nitrogen Oxides, NO <sub>x</sub>	0.012

### LR's Approach

LR's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- interviewing relevant employees of the organization responsible for managing CO<sub>2</sub>, SO<sub>x</sub>, and NO<sub>x</sub> emissions and net generation data and records;
- auditing Exelon's data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification; and
- verifying historical CO<sub>2</sub>, SO<sub>x</sub>, and NO<sub>x</sub> emissions and net generation data and records at an aggregated level for the calendar year 2020.

### LR's Standards, Competence and Independence

LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed

Dated: 14 May 2021



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