



The Value of Susquehanna

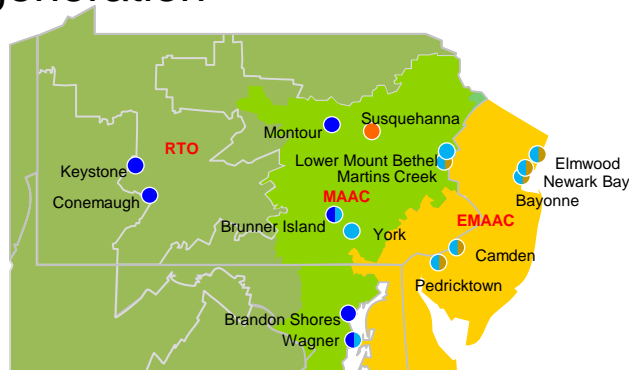
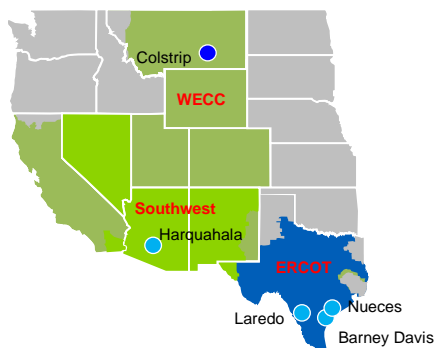
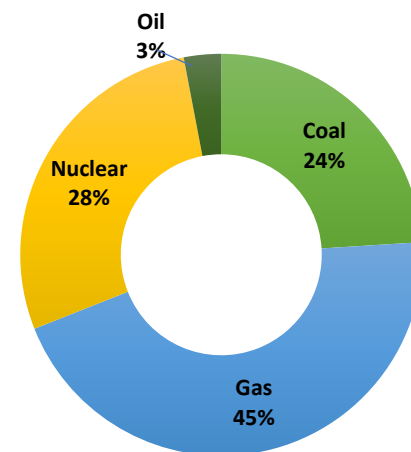
Delivering Value to Pennsylvania Customers
and Communities

Pennsylvania Nuclear Caucus
Tuesday April 17, 2018

Talen Energy as a Company

- Privately owned Independent Power Producer – not a public utility
- Owns or controls approximately 16,000 MW of generation for sale to regional transmission entities, commercial, industrial and residential customers
- Owns the largest generation portfolio within the Commonwealth – approximately 8,400 megawatts of in-state generation

Talen PA Generation Mix



● Coal ● Natural Gas ● Natural Gas / Oil ● Nuclear

Susquehanna

- Located on a 2,100-acre site in Salem Township, Luzerne County, PA
 - One of the largest employers and tax payers in the County
- Susquehanna Nuclear LLC owns 90% of the plant and operates it; Allegheny Electric Cooperative Inc. owns 10% which they purchased in 1977
- Combined nameplate capacity of 2,600 megawatts
- Produced almost 21 million MWHs of clean energy in 2017, a record production year for the station, with an availability factor of almost 94%
- Unit 1 is licensed until 2042; Unit 2 is licensed until 2044
- Employees approximately 1,000 full time union and non-union nuclear professionals and trade craft personnel
- Hires approximately an additional 2,000 contractors to support the annual refueling and maintenance outage

Challenges Facing Pennsylvania Nuclear

- Market policies are driving toward a future of natural gas fired generation with a few renewables
 - Only consider lowest cost resources which currently is primarily natural gas
 - Policies do not equally recognize all clean energy resources
- Talen generally supports market-based solutions that value attributes associated with fuel diversity and resilience—unfortunately, the current market does not adequately compensate the attributes of nuclear.
- If Pennsylvania values the attributes of nuclear power, there needs to be investment in the long-term viability of its reactors
 - Recent efforts at both FERC and PJM will likely not occur in a timely fashion, if at all
- We encourage the legislature to take swift action as we're seeing the devastating impact of the prior and planned closure of other nuclear stations