

Digital Energy Real. Smart. Solutions.

Luke Clemente
November 2010



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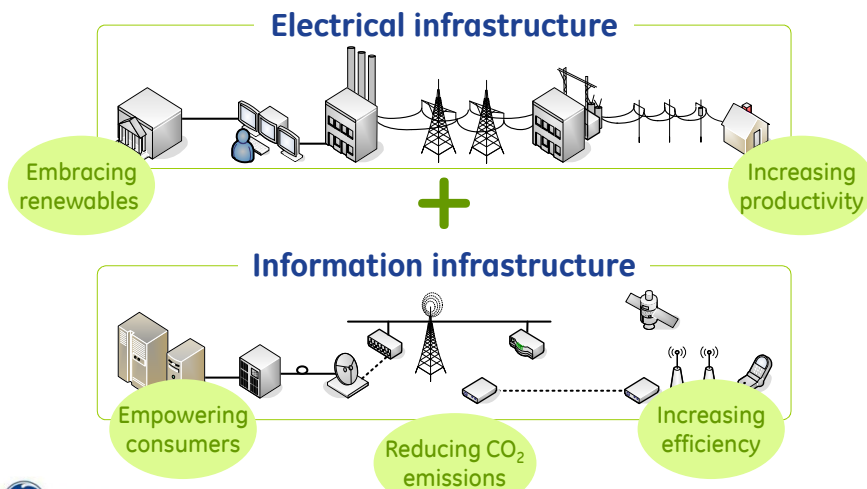
"This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at www.ge.com"

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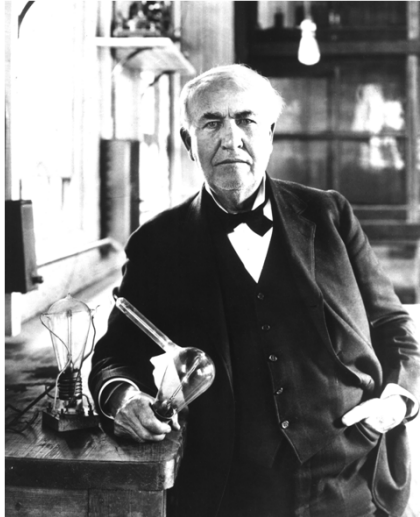
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What is the smart grid ... integration of two infrastructures



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Why Everyday People Need Us To Move Forward

We need more power

Global electricity demand will grow 75% by 2030

Power must remain affordable

Double-digit price increases are already commonplace

Sustainability must be achieved

More than 40% of our current emissions are from electric generation



Why the Energy Industry Needs Us To Move Forward



Industrialized nations are living on borrowed time
Half the infrastructure has exceeded its design life

Emerging economies will compete for resources
Per capita electricity use will soar around the globe

Prosperity vs sustainability
Competitiveness will be determined by our ability to grow in a prosperous yet sustainable manner



Yesterday's News ...

- Biggest award made in a single day from stimulus package
- 100 projects selected
- Funding awarded so far for 98 projects
- Total projects value ~\$8B
- Fund distribution has begun



LATEST NEWS

UPDATE 1-Obama announces \$3.4 bln in grants for smart grid

Tue Oct 27, 2009 12:58pm EDT

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By Steve Holland

ARCADIA, Fla., Oct 27 (Reuters) - President Barack Obama on Tuesday announced \$3.4 billion in grants to help build a "smart" electric grid meant to trim utility bills, reduce blackouts and carry power generated by solar and wind energy.

It was the largest award made in a single day from the \$787 billion stimulus package approved by Congress. The White House said the award will create tens of thousands of jobs while upgrading the U.S. electric grid.

Republicans have heavily criticized the stimulus as wasteful spending that has done little to reduce America's 9.8 percent jobless rate.

The grants, which range from \$400,000 to \$200 million, will go to 100 companies, utilities, manufacturers, cities and other partners in 49 states -- every state except Alaska.

Today: A smarter grid is an enabling technology



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Peak time energy usage



Peak load
during daytime



Sell power back
to the grid



Lower consumer
electricity bill



A smart grid needed to make it work



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Energy home manager



A smart grid needed to make it work



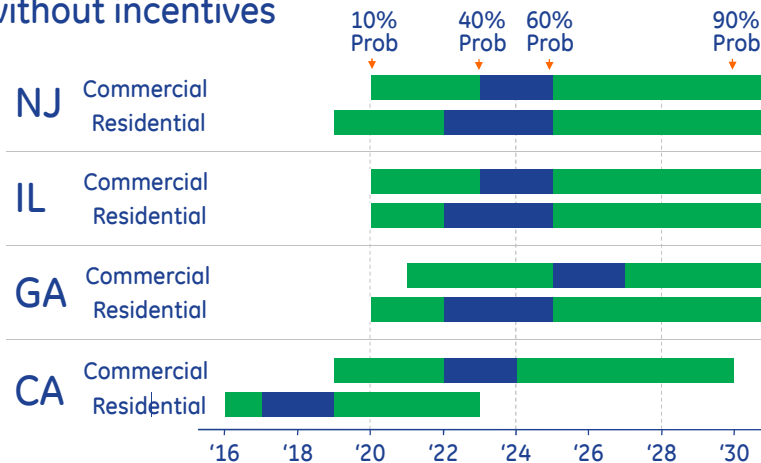
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PV grid parity is coming

... without incentives



10-25% IRRs today in AZ, CT, HI, MA, NJ, & OR with incentives



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What the future IS looking like ...



What the future could look like ...



A smart grid needed to make it work

EV/PEVs are coming

- 73% of cars, SUVs and pickup trucks or 84% of light duty vehicle fleet could be powered by existing electrical generation, transmission and distribution*
- Green house gas emissions ... reduced 27% max
- Organic compounds down 93%, CO down 98% and NOx down 31%
- Reduce oil imports by 6 million barrels per day



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*Impacts assessment of plug-in hybrid vehicles on electric utilities & regional U.S. power grids Pacific Northwest National Laboratory, Nov. 2007

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Digital Energy – Smart Grid

Metering & Sensing



Product lines

- Smart Meters
- Industrial Communications
- Monitoring & Diagnostics

Strengths

- Globalize metering platform
- End-to-end communications
- Demand response
- Leading transformer M&D provider

Smart Substations



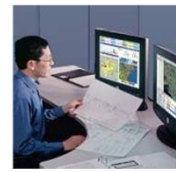
Product lines

- Protection & Control
- Substation/distribution automation
- Substation projects

Strengths

- Leading product technology
- Strong domain expertise
- Powerful combined sales force
- Customer alliance model

Smart Grid Solutions



Product lines

- Distribution/Outage Mgmt Systems
- Energy Management Systems
- GIS and mobile platform

Strengths

- In possession of 4 SG platforms
- Advanced Apps for grid optimization
- Secure interoperability framework
- Leading Network Asset Management

27% Revenue CAGR over next three years ... R&D up 44% over 2009



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UK's Low Carbon Network Fund

Ofgem to announce winning proposals in December

Scottish & Southern Energy

- Cutting edge research into how new technology impacts electricity and the network



Distribution Network Operator
Scottish and Southern Energy

Central Networks

- Striving to morph Milton Keynes into Europe's lowest carbon-producing city



Milton Keynes



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GE Smart Grid at Work

Developing & Developed Countries ... China

- Modernizing its grid infrastructure
- Commitment to reduce CO2 emissions by 40-45% of 2005 levels by the year 2020
- Developed a holistic smart grid demo center in Yangzhou
- Showcases generation to consumption
- City-wide deployment in 2012



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Smart Grid at work

Collaborations & Alliances are Critical

- \$200MM+ smart grid initiative
- ~800-1,000 "green collar" jobs
- Public/private alliance
 - ✓ GE
 - ✓ City of Miami
 - ✓ FPL
 - ✓ Cisco
 - ✓ Silver Spring Networks
- ~1MM customers involved
 - ✓ Smart Meters
 - ✓ Demand Management
 - ✓ Distribution Automation
 - ✓ Substation Intelligence
 - ✓ Distributed Generation
 - ✓ Enterprise Systems

"It's time for action. With projects like Energy Smart Miami, we can stimulate the economy today and build a brighter, cleaner tomorrow. It's truly a win-win."

Carol Browner

Assistant to the President for Energy and Climate Change



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Summary

- GE uniquely positioned ... from turbine to toaster
- Grow smart grid business 2X over next three years
- Increase GE footprint in the ecosystem
- Grow global presence, 50% outside US
- Strengthen depth and breadth of solutions portfolio



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