



# Investment Recovery

Eric Vincent

Sr. Supply Business Analyst



# Investment Recovery Group

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- The Investment Recovery (IR) is part of the BSC Supply Business Operations and Technical Support (BOTS) organization.
  - 4 Full Time Employees– Managing every aspect of asset recovery for 13 Nuclear Facilities, 21 Fossil Sites, and 4 Utilities (ComEd, PECO, BGE, & PHI).
- Investment Recovery is responsible for the disposition of company assets that have been determined to be no longer required by the business units.
- Business Units are not authorized to directly seek or accept asset recovery on their own.
- Investment Recovery will assess the asset and will identify the recovery option that returns the greatest return on investment such as:
  1. Sales to other end-users – can be done via direct sales, or through an auction service
  2. Sales to third party resellers
  3. Scrap – selling the asset for its scrap value (e.g., steel, copper, aluminum, etc.)
- The Investment Recovery program is procedurally managed and governed.

**NOTE: Investment Recovery will never accept offers for sales of assets that are less than the scrap value of the raw materials.**

# IR Team Project Tracker

## Investment Recovery Project Tracker 2016 1st Qtr.

Last Updated: 2/5/16

<u>Responsible Party</u>	<u>Supporting</u>	<u>Action</u>	<u>Target Start Date</u>	<u>Target Compl Date</u>	<u>Status</u>	<u>Notes</u>
Eric Vincent	John Makar, Ralph Larzo, & Dave Martin	Oyster Creek Investment Recovery Project	1-Jan-16	31-Mar-16	In Work	Refer tp POA&M for Oyster Creek Project for complete plan of action and milestones.
Eric Vincent	Charles Rothfuss	GINNA Chemical Reduction	1-Jan-16	31-Jan-16	On Hold	Waiting word back from site.
Barry Rice	N/A	Investment Recovery Association 2016 Seminar & Trade Show in Houston, TX	6-Mar-16	9-Mar-16	In Work	Barry will be attending, Mike will attend next years conference.
Eric Vincent	Christine Kinkead, Brian Folkes, & Carl Behgning	Corporate Firewalls	1-Jan-16	29-Feb-16	In Work	Giving CIR and RDS until the end of February!
Lori Hutson	Ed Pluchar	ComEd -Tech Center Fabrication equipment	n/a	n/a	In Work	Will transistion to Mike Wright. Equipment was reviewed and solicited to Buy It Group. Vendor expressed interest. Have not reached out to any additional buyers
Lori Hutson	Bill Graziani	PECO - Oregon shop Motor Tester and small Lathe	n/a	n/a	In Work	Will transistion to Mike Wright. JJ Kane said would not be worth sending to auction. Buy it group expressed interest. Reached out to a couple additional buyers with no interest.
Eric Vincent	J. Michael Lair	TMI Non Stock Assets (crane, pumps, hoist, generator, shop equipment, etc.)	8-Jan-16	29-Feb-16	In Work	3 offers currently submitted for some of the shop equipment (no crane) \$500, \$1000, and \$1300. Working with the site now on a bottom number.
Eric Vincent	John Everett	Muddy Run Start Breakers	12-Jan-16	15-Jan-16	Completed	Credited \$20K for ABB Services.
Eric Vincent	Jonah Hinz	Calvert Cliffs Non-Stock	13-Jan-16	19-Jan-16	Completed	All assets cataloged with Safety Related Assets sent to ATC.
Eric Vincent	Jake Kemetz, Lori Hutson, & Dane Z.	Calvert Cliffs United Scrap Implementation	1-Feb-16	1-Mar-16	In Work	Implementing Mid to Late March.
Eric Vincent	Scott Stone	Nine Mile Point Batteries	1-Mar-16	30-Mar-16	Completed	Credited \$7,056.00 from Battery Research and Testing Inc. towards the installation services of new batteries.

1st Qtr 2nd Qtr 3rd Qtr 4th Qtr Beyond

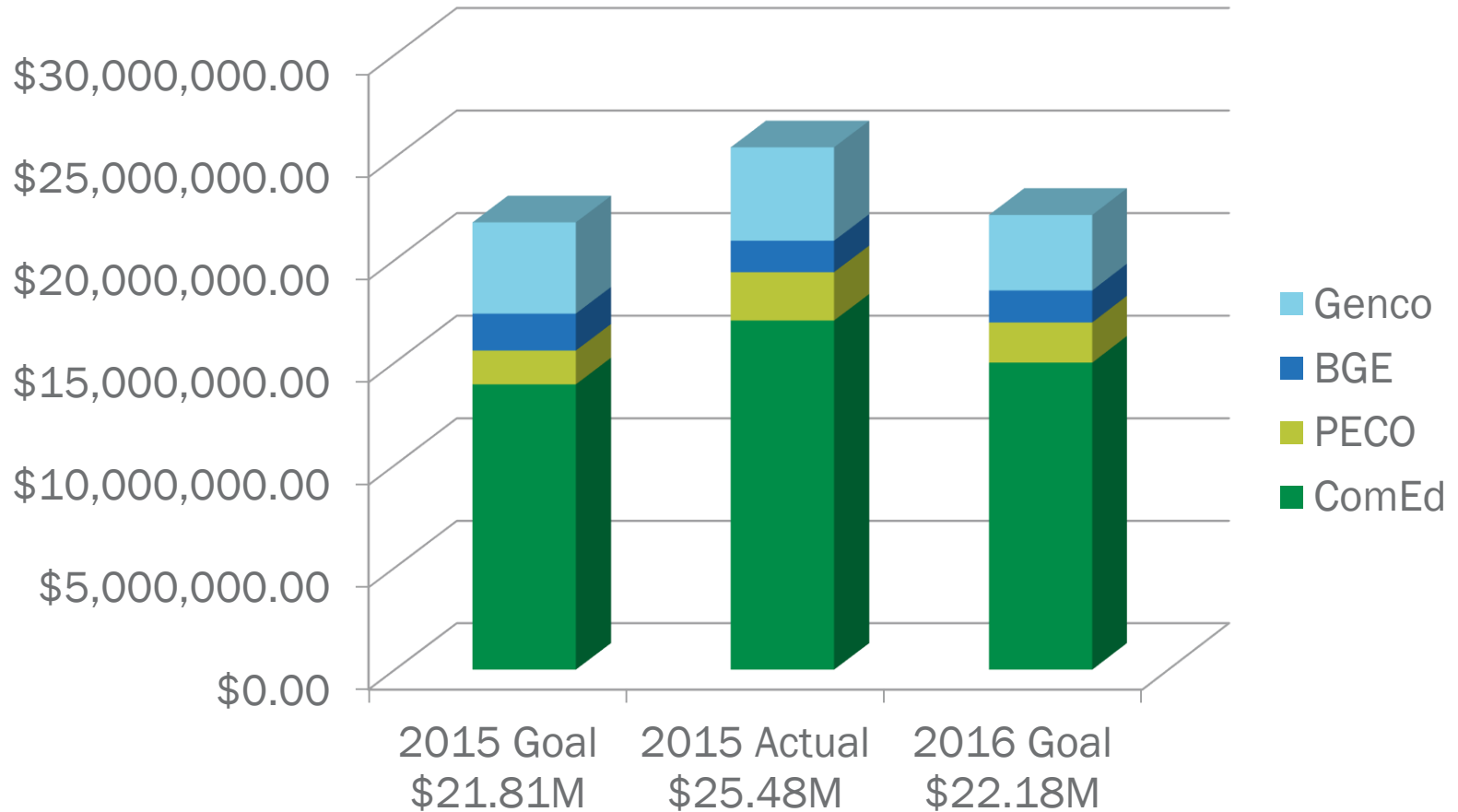
# Investment Recovery Procedure

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- The purpose of this procedure is to assure that Exelon documents, maintains, and complies with consistent, standardized processes for the disposition of surplus and obsolete assets.
  - Comply with regulations
  - Return best value
  - Properly allocate
- Sale of Inventory Assets
- Excess, not discontinued, not identified as obsolete
- Sale of Non-Inventory Assets
- Sale of Inventory Assets
- Transformer Sales environmental compliance (PCB / Halogen, SF6, bushings)
- Management of Contracts Onsite (personnel performing disassembly, auction, etc.)
- Outstanding Receivables Report
- Process payment from Vendor



# Investment Recovery Revenue Summary



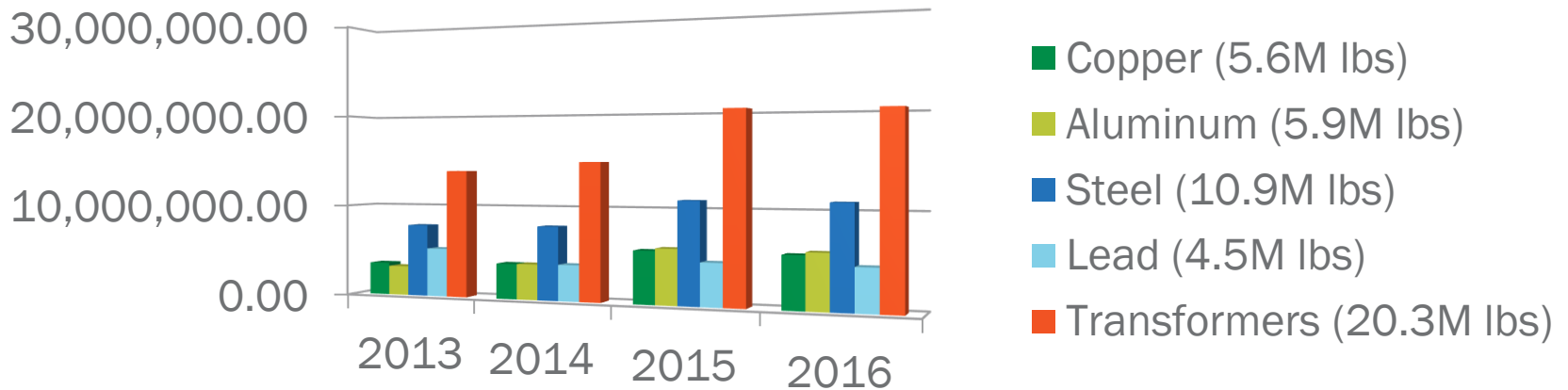
2015 Overall Performance: \$25.48M, \$3.67M higher than goal.

2016 Goal Including PHI: \$1.95M, \$24.14M.

# Investment Recovery 2016 Goal Calculation Methodology

2016 Investment Recovery Revenue Goals were created by starting with a three year average, consistent with prior years. However, more focus was placed on 2015's data and the input of Supply Operations, Engineers, Project Managers throughout all of the Business Units to obtain insight on special projects and to improve the forecast going forward. Scrap goals are lower for 2016 due to market price decline, not volume reduction.

## UTILITY SCRAP VOLUMES



## COMMODITY FORECAST SUMMARY

Commodity	2015	2016	2017	2018	2019	2020	2016-20 CAGR
Aluminum	-10.9%	-3.8%	16.9%	12.5%	5.2%	2.6%	6.4%
Copper	-19.8%	-8.1%	7.4%	6.6%	4.9%	3.3%	2.7%
Steel-Scrap	-39.1%	-34.3%	19.5%	13.3%	8.2%	2.7%	-0.2%

# Investment Recovery 2016 – Marketing Strategy

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**Identify:** There are two main avenues in which items are identified for asset recovery.

- The site/customer has already identified an asset and has reached out to the Investment Recovery team.
- The Investment Recovery team has identified an asset through inventory review, devalued stock analysis, demand history, or site visit.

**Evaluate:** When feasible a site visit is performed to assess the IR potential to maximize return.

- Value Concept – Replacement cost, current market value, scrap value, etc.
- Value Approach – Is there a market for the asset or will the cost of marketing outweigh the sale potential.
- Strategize – The marketing of the asset is dependent solely on the time constraints of the site/customers needs for the assets to be removed.

**5R Model:** Surplus is disposed of utilizing the most effective and efficient method.

- Reuse – Can the asset be utilized within the Exelon Fleet.
- Return – Does a manufacturer buy back exist?
- Resell – Sell to another utility or directly to a 3<sup>rd</sup> party through the IR Buyer Database.
- Remove – Transfer to ATC, IR warehouse, or donation.
- Recycle – Scrap.

# Investment Recovery 2016 – 30 Day Marketing Plan

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The Investment Recoverability Specialist works directly with the site/customer to assign the appropriate Asset Recoverability Priority based on the time constraints of the asset needing to be removed from its current location.

- Priority 3 Asset – No time constraints, assets(s) required to be removed from the current location within 6 months or an alternate storage location is available.
- Priority 2 Asset – Limited time constraints, assets(s) required to be removed from the current location within 3 months, no alternate storage location available.
- Priority 1 Asset – Immediate time constraints, asset(s) needs to removed from current location within 30 days or less.

Within the first 3 days of the cataloging process a search should be conducted throughout the Exelon Fleet to determine similar CAT ID's and any current pending orders by any site within our Fleet. Additionally, a scrub of all other potential utility companies immediate or future needs is conducted.

Asset should be to market by the 5<sup>th</sup> day of the process.

- Investment Recovery Specialist should contact 3<sup>rd</sup> Party companies identified in the Buyer Data Base.
- Post listing on Fairbid on-line auction site.
- Work directly with brokers (i.e. CIR, Central City Group, PKMJ, RDS, etc.)



# Buyer Database

Investment Recovery - Buyer Database							
Name	City	State	Phone No	Name	Email	Address	Commodities of Interest
Aaron Equipment	Bensenville	IL	630-350-3016	Michael Jay Cohen	<a href="mailto:mcohen@aaronequipment.com">mcohen@aaronequipment.com</a>	<a href="http://www.aaronequipment.com">www.aaronequipment.com</a>	Processing Equipment
Action Machinery	Bethlehem	PA	610-694-0944	Harvey Bliss	<a href="mailto:hbliss@actionmachinery.com">hbliss@actionmachinery.com</a>	<a href="http://www.actionmachinery.com">www.actionmachinery.com</a>	Machinery & Tools
Adams Equipment Company	Sugarland	TX	424-288-1032	Ronnie Gill	<a href="mailto:ronnieoil74@icloud.com">ronnieoil74@icloud.com</a>	<a href="http://www.adamsequip.com">www.adamsequip.com</a>	Processing Equipment
Adorama	New York	NY	800-223-2500	Jacob Zacon	<a href="mailto:izakon@adorama.com">izakon@adorama.com</a>	<a href="http://www.adorama.com">www.adorama.com</a>	Electronic Components
Alstom Power Inc.	Windsor	CT	859-488-0930	John Holbrook/Gary Fitterer	<a href="mailto:gary.l.fitterer@power.alstom.com">gary.l.fitterer@power.alstom.com</a>	<a href="http://www.alstom.com/us/">www.alstom.com/us/</a>	Plant Machinery (electrical & mechanical)
American Equipment Inc.				Steve Incremona	<a href="mailto:reves31@chaqwita@gmail.com">reves31@chaqwita@gmail.com</a>		Plant Machinery (electrical & mechanical)
American Millwright & Rigging	Audobon	NJ	865-457-9574	Bill Marley	<a href="mailto:millwright.american@gmail.com">millwright.american@gmail.com</a>	<a href="http://www.americanmillwright.com">www.americanmillwright.com</a>	Machinery & Tools
AMS Group	Houston	TX	713-426-4777	David Hess	<a href="mailto:david@amsgroupinc.com">david@amsgroupinc.com</a>	<a href="http://www.amsqe.com">www.amsqe.com</a>	Everything
Arcoa Group	Waukegan	IL	1-800-487-6798	Ed Spriegel	<a href="mailto:espiegel@mwcopier.com">espiegel@mwcopier.com</a>	<a href="http://www.thinkarcoa.com">www.thinkarcoa.com</a>	Office Machines
Ashmus Belting	Kenosha	WI	262-852-4596	Lynn Beck	<a href="mailto:ashmus@acronet.net">ashmus@acronet.net</a>	<a href="http://www.ashmus.com">www.ashmus.com</a>	Belting
Asset Recuperation	Fort Wayne	IN	260-657-0644	Michael Thomas	<a href="mailto:mthomas@are-mail.com">mthomas@are-mail.com</a>	<a href="http://www.assetrecuperation.com">www.assetrecuperation.com</a>	Plant Machinery (electrical & mechanical)
Atlas International Lift Trucks, Inc.	Schiller Park	IL	847-678-3450	John Missimer	<a href="mailto:jmissimer@atlaslift.com">jmissimer@atlaslift.com</a>	<a href="http://www.atlasd2d.com">www.atlasd2d.com</a>	Vehicles
A & T Industries LLC	Burlington	NC	336-512-3668	Allen Mitchell	<a href="mailto:atindustries336@aol.com">atindustries336@aol.com</a>	<a href="http://www.atindustriesnc.com">www.atindustriesnc.com</a>	Everything
Babcock and Wilcox	Charlotte	NC	704-625-4900	Mark Sacy	<a href="mailto:masacy@babcock.com">masacy@babcock.com</a>	<a href="http://www.babcock.com/Pages/default.aspx">www.babcock.com/Pages/default.aspx</a>	Plant Machinery (electrical & mechanical)
Baker Bearing Company	Nationally	USA	800-875-6211	Tina Weaver	<a href="mailto:tina@bakerbearing.com">tina@bakerbearing.com</a>	<a href="http://www.bakerbearing.com">www.bakerbearing.com</a>	Bearings
Baltimore Belting	Baltimore	MD	410-338-1230	Marty Davis		<a href="http://www.baltimorebelting.com/">www.baltimorebelting.com/</a>	Belting
Basic Wire & Cable	Chicago	IL	312-368-9419	Howard Garoon	<a href="mailto:howard@basicwire.com">howard@basicwire.com</a>	<a href="http://www.basicwire.com">www.basicwire.com</a>	Cable
Belyea Company Inc.	Easton	PA	610-515-1263	Toni Martin	<a href="mailto:toni@belveapower.com">toni@belveapower.com</a>	<a href="http://www.belveapower.com">www.belveapower.com</a>	Plant Machinery (electrical & mechanical)
Branch Solutions	Mukitelo	WA	877-987-7226	Dorothy Brinz	<a href="mailto:dbrinz@branchsolutions.com">dbrinz@branchsolutions.com</a>	<a href="http://www.branchsolutions.com">www.branchsolutions.com</a>	Electronic Components
Buy It Group	Lake Geneva	WI	262-325-6634	Dave Stavis	<a href="mailto:buyitgroup@gmail.com">buyitgroup@gmail.com</a>	N/A	Everything
Bytek Corporation	Eden Prairie	MN	866-218-9567	Alex Crew	<a href="mailto:alex@bytekcorp.com">alex@bytekcorp.com</a>	<a href="http://www.bytekcorp.com">www.bytekcorp.com</a>	Electronic Components(IT equipment)
Chillers & Boilers Inc.	Fort Wayne	IN	260-413-6874	Mike	<a href="mailto:mike@chillersandboilers.com">mike@chillersandboilers.com</a>	<a href="http://www.chillersandboilers.com">www.chillersandboilers.com</a>	Plant Machinery (electrical & mechanical)
CHP Consultants/Dosimety	Oak Ridge	TN	888-766-4833	Rob Gunter	<a href="mailto:rjgunter@chpconsultants.com">rjgunter@chpconsultants.com</a>	<a href="http://www.chpconsultants.com">www.chpconsultants.com</a> <a href="http://www.chpdosimetry.com">www.chpdosimetry.com</a>	Lab Equipment & Radiological
CHU Contracting	Chantilly	VA	703-378-8190		<a href="mailto:info@chucontracting.com">info@chucontracting.com</a>	<a href="http://www.chucontracting.com">www.chucontracting.com</a>	Roofing
Circuit Breaker Sales Co. Inc	Gainesville	TX	800-232-5809	Bill Schofield		<a href="http://www.cbsales.com">www.cbsales.com</a>	Plant Machinery (electrical & mechanical)
Climax Portable Maching & Welding	Northeast	USA	971-282-1075	Mike Cenedella	<a href="mailto:mcenedella@cpmt.com">mcenedella@cpmt.com</a>	<a href="http://www.climaxportable.com">www.climaxportable.com</a>	Portable Machining & Welding Systems
Collins-Oliver, Inc	Baton Rouge	LA	800-247-5756	Wanda Donovan	<a href="http://www.collinsoliver.com">collinsoliver.com</a>	<a href="http://www.collins-oliver.com/">www.collins-oliver.com/</a>	Valves
CR Electrical Dist. Services	Williamsburg	VA	757-564-9486	John Roy	<a href="mailto:credsjohn@widomaker.com">credsjohn@widomaker.com</a>	<a href="http://www.credsi.com">www.credsi.com</a>	Electronic Components(only deal in circuit breakers)
Critical Power Exchange LLC	Spokane Valley	WA	509-344-8819	Joe Kenney	<a href="mailto:joek@criticalpower.com">joek@criticalpower.com</a>	<a href="http://www.criticalpower.com">www.criticalpower.com</a>	Plant Machinery (electrical & mechanical)
Dairyland Power Coop	Genoa	WI	608-787-1214	Larry Nelson/Tim Spesster		<a href="http://www.dairylandnet.com/">www.dairylandnet.com/</a>	Plant Machinery (electrical & mechanical)

Buyers Brokers Transformers Environmental Services Industry Contacts

# On Line Auctions



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## Shop Owner

Eric Vincent  
Kennett Square, PENNSYLVANIA  
19348

Have a question?  
[Send Email](#)

## Shop Info

Exelon  
Opened on Jan 30, 2014

## Actions

[Tweet](#)

## Current Items



**1000' Reel Fiberoptic Cable**  
Expires: 02/15/2016 07:26  
[Make An Offer](#)



**4000 LB Steel Gantry Crane**  
Expires: 02/11/2016 06:57  
[Make An Offer](#)



**Allied TB60-70 Telescopic Boom Crane**  
Expires: 02/11/2016 06:03  
**Up For Bid**  
10,000.00 USD



**Air Conditioner Condenser**  
14.5 Seer  
Expires: 02/10/2016 03:49  
[Make An Offer](#)



# United Scrap

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- We have consolidated scrap metal recycling to a single supplier for the majority of our facilities.
- Permanent dumpsters are located at satellite offices/warehouses throughout territory to ensure scrap metals are processed through our strategic scrap supplier. Dumpsters are also delivered when requested to substations and jobsites. All recovery is tracked via a Salvage Release that is tied to each location
- Investment Recovery utilizes an internal database to create salvage releases and track projects
- All scrap metal that is recovered from jobs, cleanups, failures and damage is an Exelon asset and required to be recycled through our preferred vendors

## United Scrap's scope of work

- Metal dumpster switch outs at all of Exelon's barns and satellite offices
- Metal dumpster deliveries to substations and jobsites
- Live load pick ups:
  - onsite pick ups of reels of scrap cable and misc. large equipment that can not fit into a dumpster
  - Cable pull assistance: follow the crews as they pull cable from the ground and immediately place in USM truck
  - Substation lead acid battery pick up and recycling
  - Wood reels, wood pallets and rubber goods pick up and recycling
  - Steel reel management -USM contacts cable vendors to pick up empty reels when they have accumulated a truck load on site

# Oyster Creek

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- 2013 Station Engineering/Maintenance evaluated the top 1,422 inventory items which comprise ~84% (\$31M) of the total inventory value.
- Determining probability of usage during the remaining plant life, quantity that can be immediately placed into the IR process, and future years for those items not currently identified based on scheduled maintenance, outages, contingencies, etc.
  - 345 items with a total value of \$2.3M were identified as available for immediate asset recovery.
  - 457 items to date have now been identified with 225 sold to date.
  - IR also continues to evaluate ~14,000 devalued inventory items to identify good candidates for investment recovery to generate additional revenues.
- Other Utilities and Exelon facilities have increased transfers of inventory from OC
  - 2,308 total asset transfers worth \$701K.
  - \$263K in 3<sup>rd</sup> party sales; 26% rate of return on inventory value.