



GE's Perspective on the US Power Market

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New York is powered by GE

GE Installed Base in NY



8.3 GWs, 152 GT units



16.3 GWs, 106 ST units



3 GWs, 3 reactors, 50% of IB



899 MWs, 594 WTGs, 49% of IB

Microgrid projects in NY

- NY Prize phase 1: 10 of 83 microgrid feasibility studies ('15 - '16)
- NY Prize phase 2: 4 out of 11 detailed design studies (ongoing)
- NY REV: National Grid Potsdam demonstration project... feasibility, design & build



GE in New York

Employees

Over 7,100 GE jobs, including:

- 2,300+ GE Power jobs
- 1,600+ GE Corporate jobs
- 630+ GE Aviation jobs
- 550 GE Healthcare jobs
- 510 GE Renewable Energy jobs
- 370+ GE Energy Connections jobs
- 370 GE Global Operations jobs
- 340+ GE Digital jobs
- 210+ GE Oil & Gas jobs
- 40+ GE Capital jobs

Charitable Contributions

- \$25.7M in 2016
- 13,833 Volunteer hours

Locations

GE Aviation – Norwich, Bohemia

GE Capital – New York

GE Corporate – Niskayuna, Newburgh, Albany

GE Digital - Schenectady

GE Energy Connections – Rochester, Schenectady

GE Healthcare - Troy

GE Oil & Gas - Skaneateles, Wellsville

GE Power – Schenectady

GE Renewable Energy – Schenectady

GE Transportation - Latham



Key Suppliers

- Advanced Atomization Technologies
- FADEC International LLC
- Hitachi America Limited
- New York Air Brake Corp.
- Users Machine & Tool Co. Inc.



A digital industrial company

295,000+ people • ~180 countries • \$123.7B revenue ⁽²⁰¹⁶⁾



POWER



AVIATION



RENEWABLE
ENERGY



BHGE



HEALTHCARE



TRANS.



LIGHTING



CAPITAL



DIGITAL



The Power transformation

Delivering on significant investment for portfolio repositioning

- Alstom integration on track ... above pro forma on profit, cash, synergies
- Combining generation (Power) and grid (Energy Connections) businesses
- Winning with the new HA ... best new product launch in last 20 years
- Services upgrade growth ... 4X over 2 years
- Power Digital Solutions ... industry leader

Navigating a flat HDGT industry with some volatility

- Planning for continued softness in '17 ... 4Q'16 softer than we thought
- GE Power #1 units position since 1980 ... industry leading value

Global industry leader ... transforming to align with customers



HA



Alstom



Services



Digital



Steam



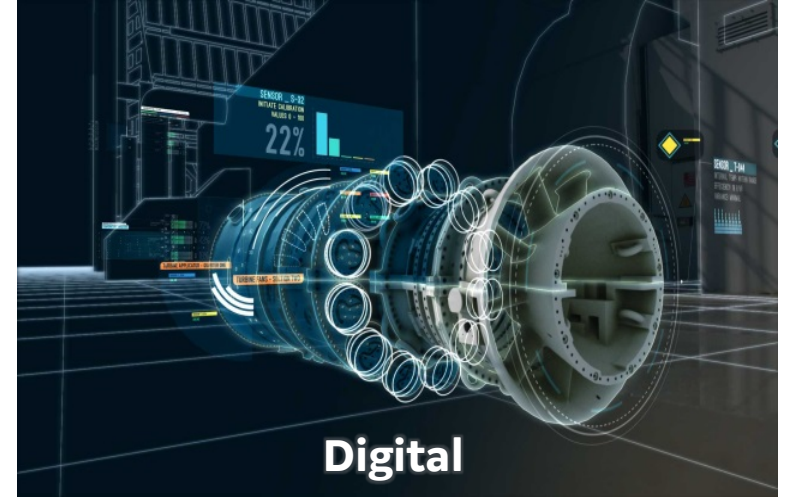
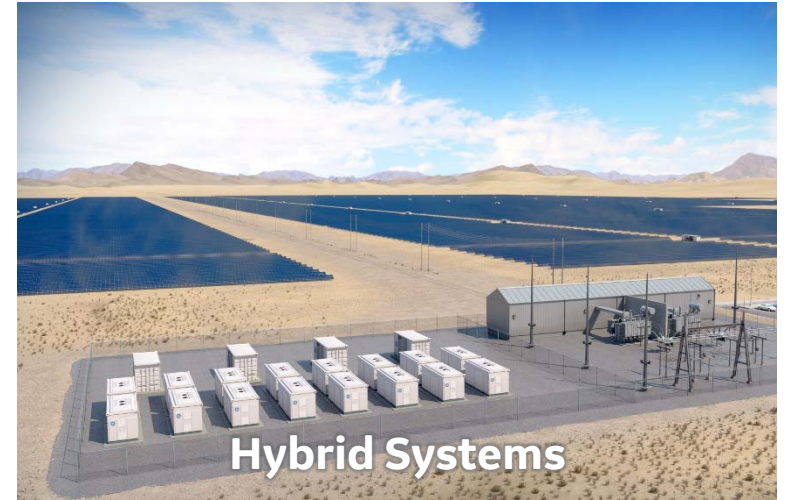
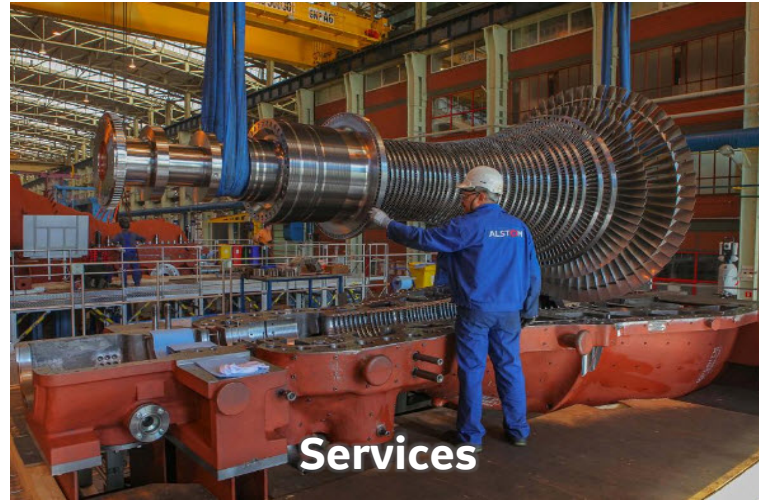
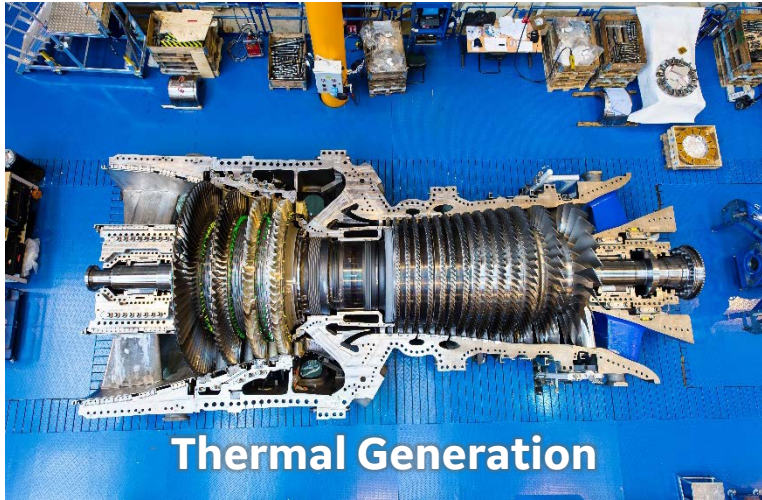
FastWorks



Adv. Mfg.



Investment focus areas



Investing for gas leadership... the HA

Leading and delivering



EDF Bouchain ... world record in efficiency

99.5% reliability ... Base load in 23 minutes

5,500+ hours & 130+ starts



Exelon ... 4x7HA.02

June 2016 COD

10,000+ hours & 200+ starts



Bhikki ... first HA in Pakistan

62%+ combined-cycle efficiency

17 months PO to power



Sergipe ... LATAM's largest Gas Power Plant

first HA turnkey self-implement project

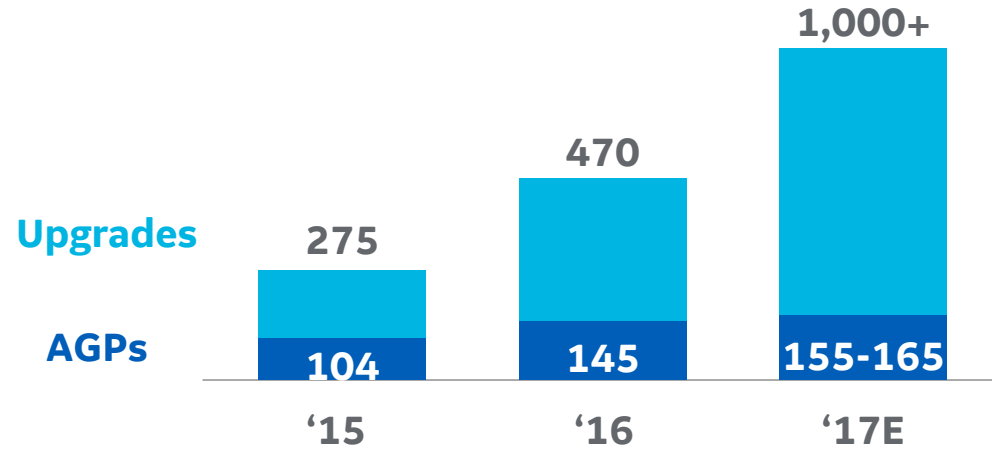
\$1B 2016 order

Leading the industry with advanced technology

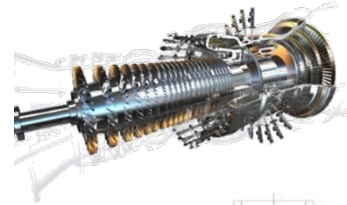


Investing for services leadership

Upgrades growth

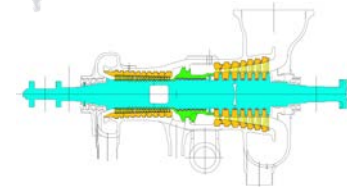


Growth beyond AGPs



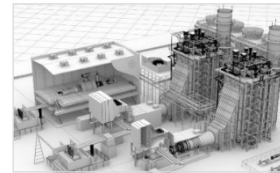
Gas upgrades

- ✓ Alstom IB, combined technologies
- ✓ 2%+ efficiency, extended life



Steam upgrades

- ✓ GE IB, combined technologies
- ✓ 2%+ efficiency, lower product cost



Fleet360 total plant solutions

- ✓ Plant outcomes incl. GT/ST/Boiler
- ✓ Improved performance/economics

PREDIX

Analytics: Lifting, M&D, Digital

- ✓ Advanced analytics for plant
- ✓ Improved productivity on full plant

Broadening the service portfolio with new upgrades and Predix



Hybrid case study: Southern California Edison



Existing LM6000 in Simple Cycle

+

**10MW/4.3 MW-hr Battery Energy
Storage System (BESS)**

+

Integrated Controls

Results

- 1st hybrid gas turbine/BESS in the world
- 50 MW of rapid response contingency reserve without fuel burn
- Max power in 5 minutes
- 30% lower CAPEX than standalone BESS
- \$1.7M additional annual revenue

Awards

- Edison Electric Institute
- Energy Storage North America

Extending simple cycle GT hybrid to combined cycle applications

Visit www.gepower.com/hybrid



Digital transformation of electricity

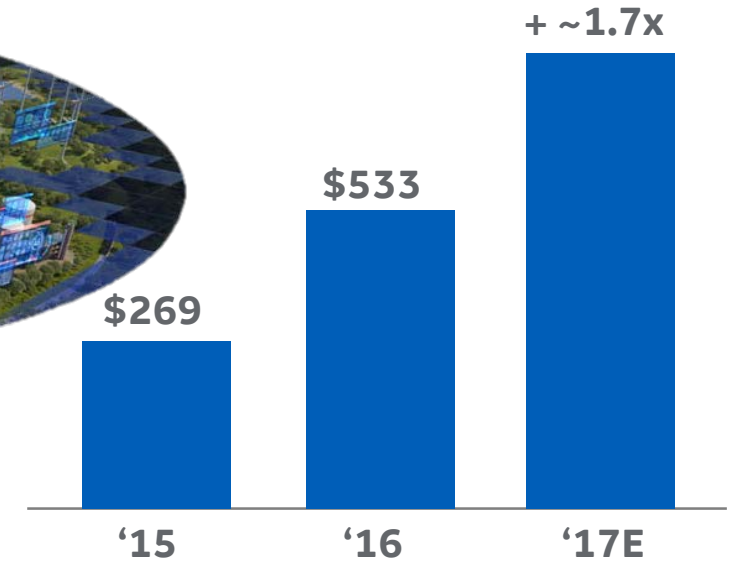
Reimagining electricity ... intersection of energy and digital

More data than any other industry

- **2TB** data per plant/day
- **2%** of all data is being utilized
- **75%** of plant downtimes are predictable
- **\$10** trillion by 2060



GE Power software orders (\$ in millions)



Generation



Market Operational Trading



Transmission



Distribution

Distributed Energy

Behind the Meter



The First Digital Utility?

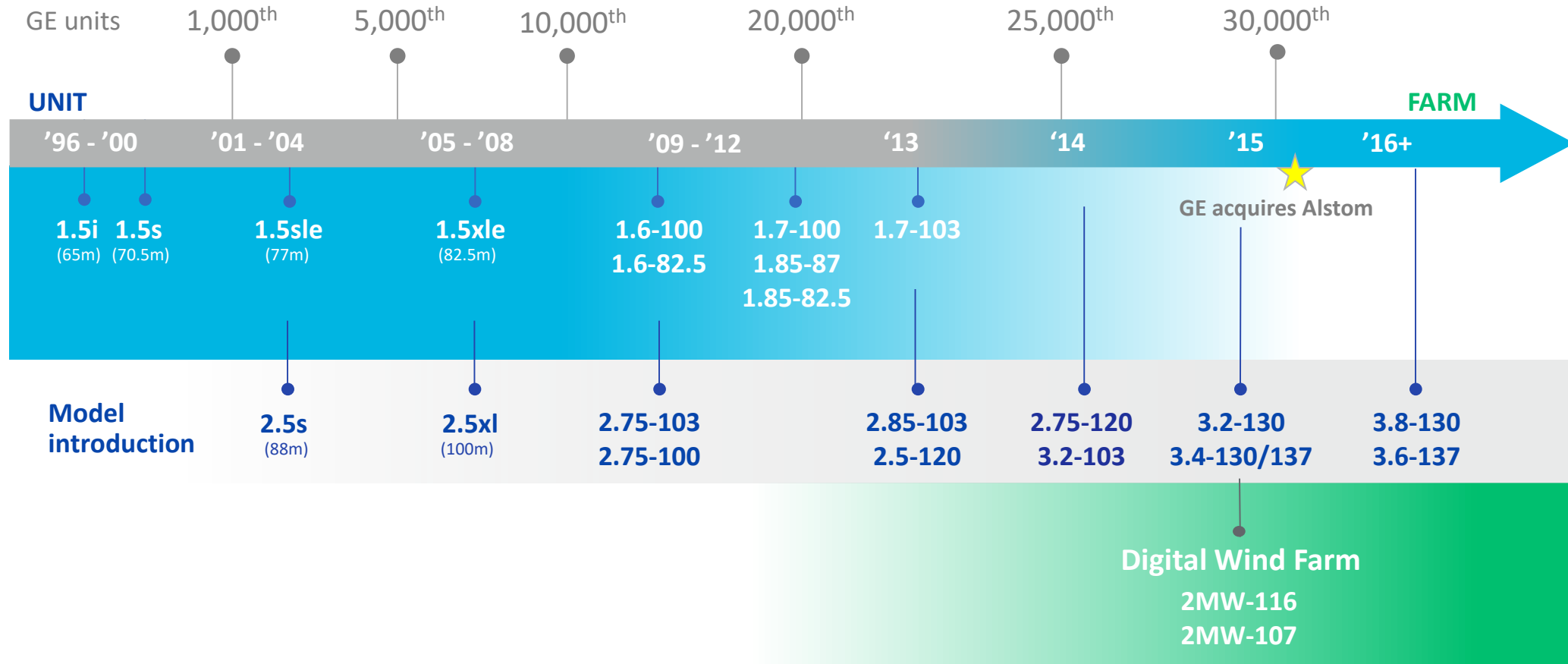


@NYPAAenergy

@GQenergy

Slide courtesy of the New York Power Authority

Evolution of the GE onshore wind portfolio



GE's journey from the unit to the farm



Haliade* 150-6MW offshore wind turbine

A bankable wind turbine ensuring generation of electricity at any time, lowering LCOE

Direct Drive Permanent Magnet Generator

Individual electrical pitch

Pure Torque*

Redundant sub-systems

High aerodynamic efficiency

Tuned mass damper

PROJECTS

~2 GW of order backlog

	Units
Block Island	5
Merkur	66
French Projects	238
Groix (floating)	4
Leucate (floating)	4
Xinghua Gulf	3

* Trademark of General Electric Company.



Grid in a changing energy landscape

GE is enabling the creation of greener, more resilient and reliable power system

HELPING TO MEET GROWING ENERGY DEMANDS

HV equipment and turnkey solutions, automation and software, microgrids

ENABLING RENEWABLES & A DIVERSIFIED ENERGY MIX

Electrical balance of plant, HV direct current, DER and energy management systems

UPGRADING AGING INFRASTRUCTURE

Digital substations, turnkey solutions, equipment, refurbishment services, APM

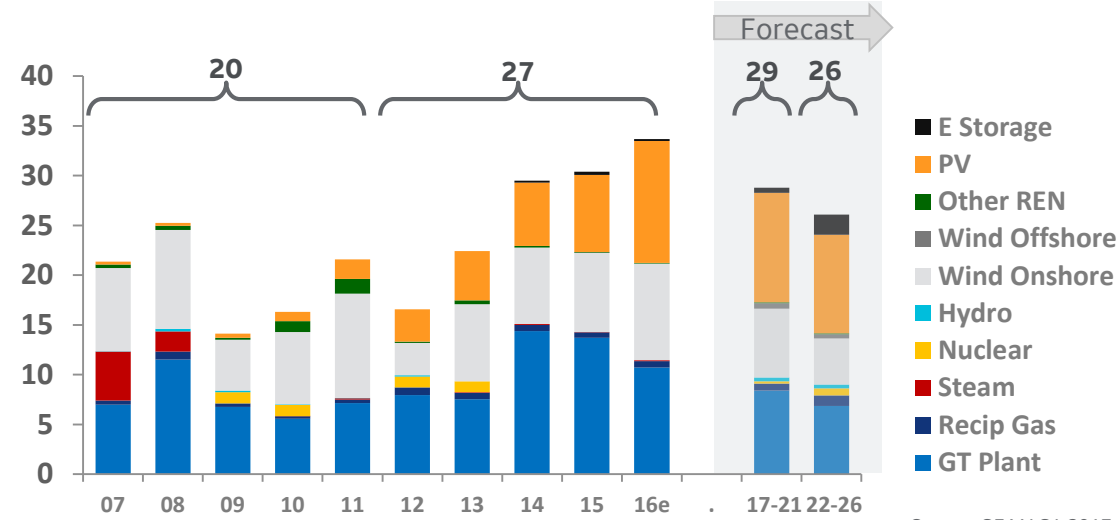
IMPROVING GRID RESILIENCE AND ENERGY EFFICIENCY

HV direct current systems, flexible AC transmission systems, microgrids



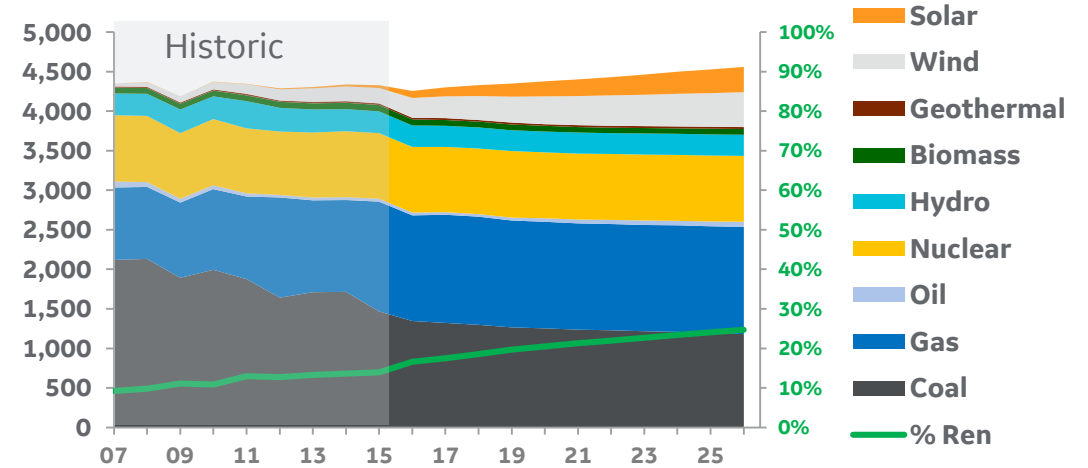
US power industry outlook ... 10 year view

Equipment orders, GW



*year of NTP orders, excludes oil recip. engines + partial coverage of very small sizes of GT & ST

Generation, TWhs



Thermal outlook

- Trump environmental policy not expected to revive coal
- New gas largely driven by gas price and coal/nuclear retirements
- Watch for expanded subsidies supporting existing nuclear

Renewable outlook

- PTC & ITC drive strong short term wind & solar growth
- Offshore wind emerging ... driven by mandates
- Storage market to grow fast long term

Age of gas ... but renewables go mainstream



North America power industry Voice of Customer project

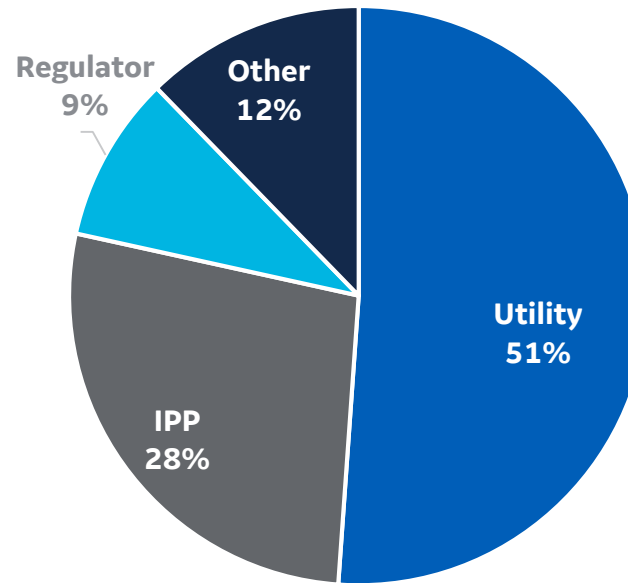
Approach

3rd party interviews on GE's behalf

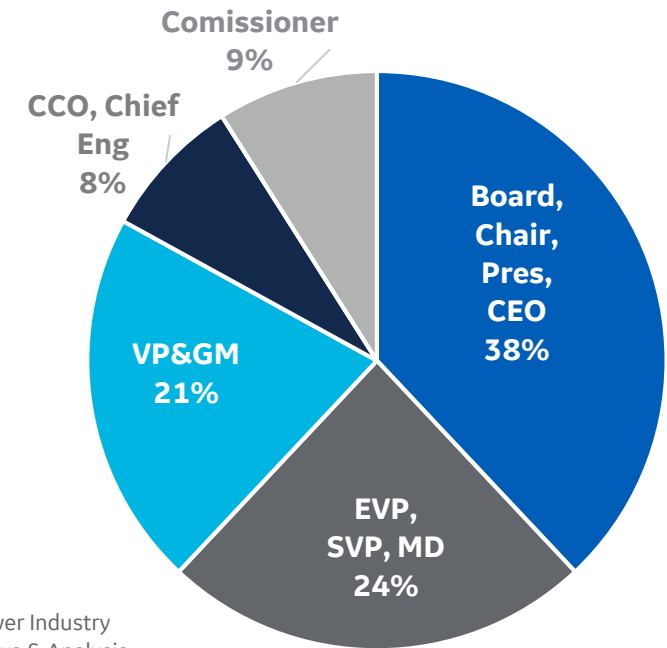


- Disruptions impacting the industry over the next 10-15 years
- Key strategic issues
- Innovation adoption
- Share results with study participants

30 Companies...23 Utilities & IPPs



68 Interviews...40% at CEO level

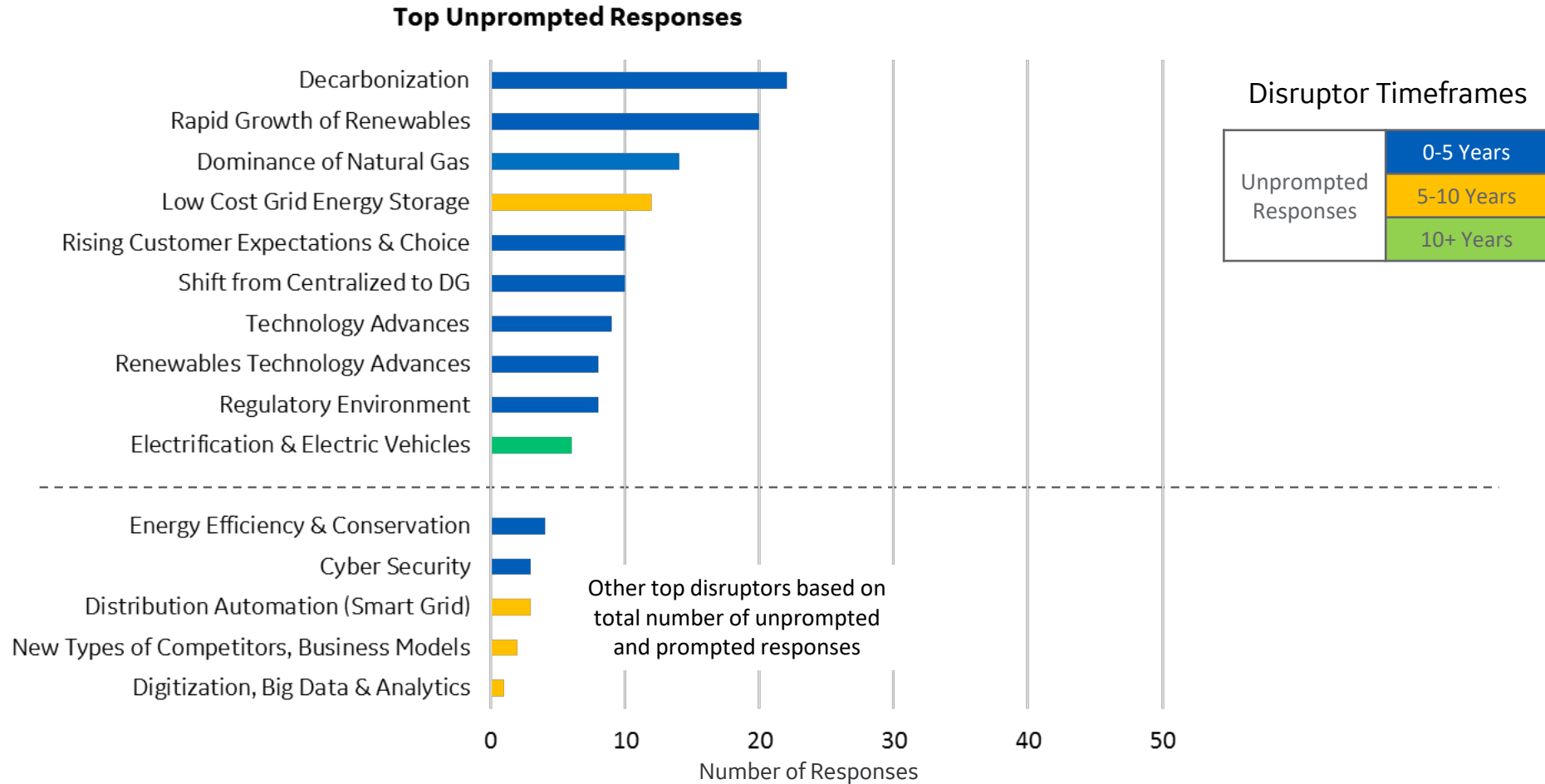


Source: ECG Power Industry Executive Interviews & Analysis



Power industry disruptors

Decarbonization, renewables growth, and gas availability are top of mind...



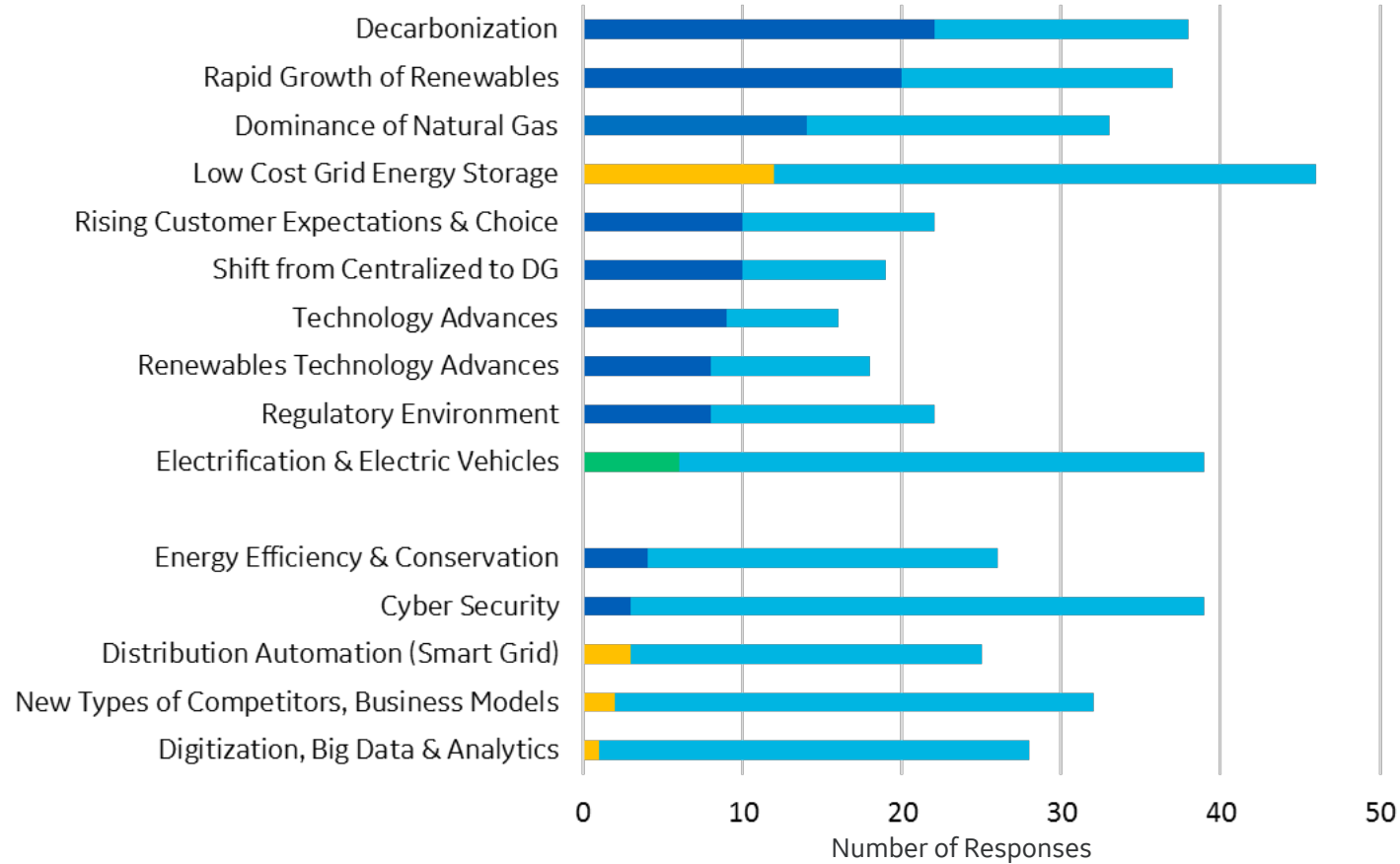
Source: ECG Power Industry Executive Interviews & Analysis



Power industry disruptors

Interactive dialog elevates strategic discussions...

Top Unprompted + Prompted Disruptors



Disruptor Timeframes

Unprompted Responses	0-5 Years
	5-10 Years
	10+ Years
Prompted Responses	Same timeframes as above

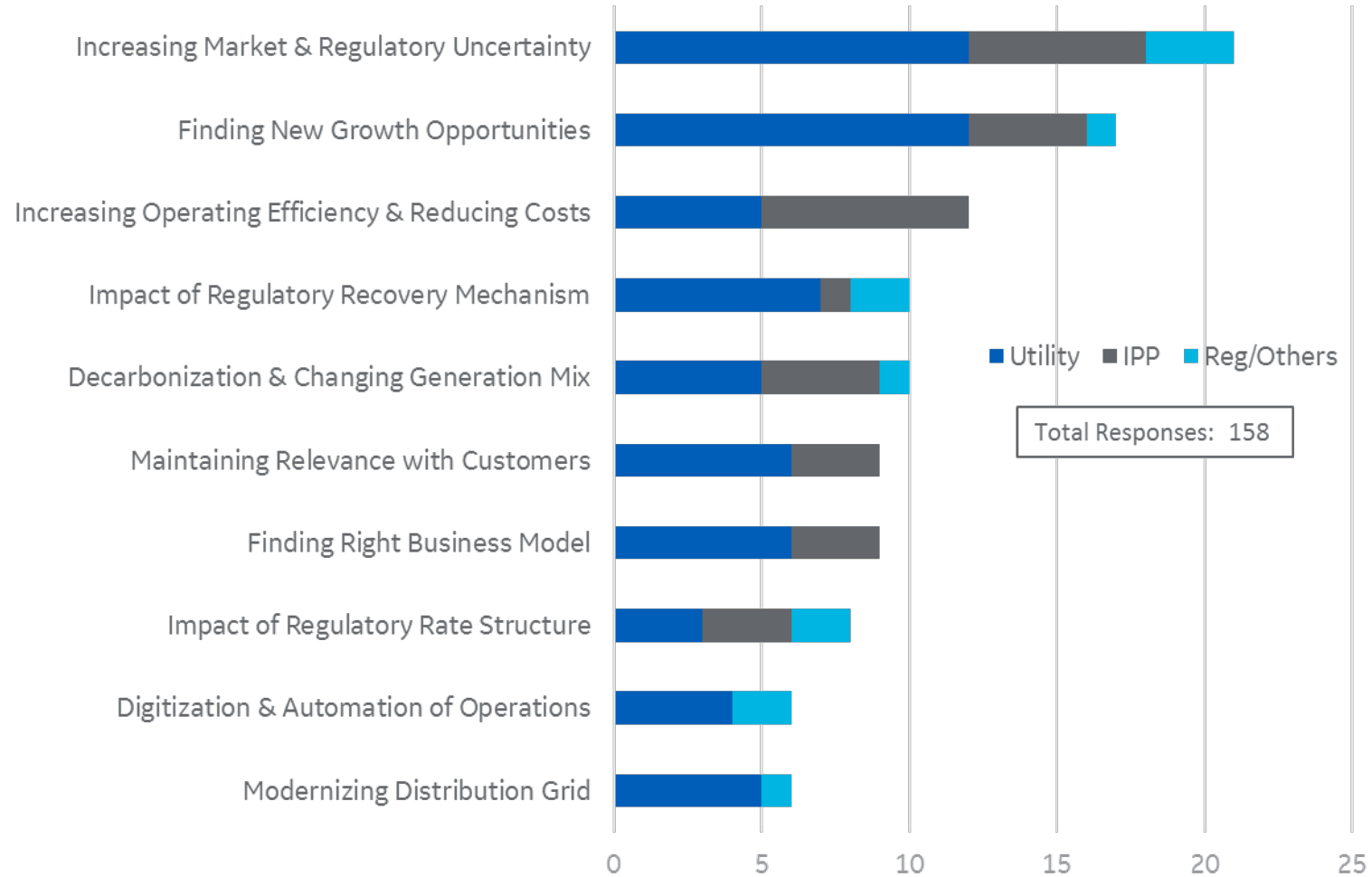
Other top disruptors based on total number of unprompted and prompted responses

Source: ECG Power Industry Executive Interviews & Analysis



Top 10 strategic issues customers are facing

Regulatory, growth and cost issues prevail



Source: ECG Power Industry Executive Interviews & Analysis



