

## PRESS RELEASE

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### **EXELON LEGISLATION, FERC COMMENTS A “DECLARATION OF WAR” ON RENEWABLES AND EFFICIENCY, GROUP ASSERTS**

**CHICAGO**—The release of its long-awaited bailout legislation, coupled with presentations made before the Federal Energy Regulatory Commission (FERC) last week add up to an Exelon declaration of war against renewables and energy efficiency, a Chicago nuclear watchdog organization asserts.

“If it looks like a bailout, walks like a bailout, and quacks like a bailout – it’s a BAILOUT,” asserts David Kraft, Director of Nuclear Energy Information Service (NEIS) of Chicago.

“While maintaining a seemingly benign verbal patina in their legislation, the practical and functional implementation of both Exelon’s proposed legislation and its intentions presented to FERC last week would relegate renewable energy and energy efficiency to being bit players in Illinois’ energy mix,” states Kraft.

Exelon released its 100-page legislative proposal today, a week after the **Illinois Clean Jobs Coalition** released the bi-partisan “**Illinois Clean Jobs Act.**”

“The goals and intents of the ‘Illinois Clean Jobs Act’ and the 32,000 jobs predicted to be created are clearly in jeopardy with the introduction of Exelon’s legislation,” Kraft says.

“To the extent that this fight will be about jobs, this should be a no brainer, with renewables and efficiency providing four times as many direct jobs statewide than ALL 11 nuclear reactors Exelon operates, not just the 2,300 they threaten to eliminate. In particular, the Black and Latino Legislative Caucuses need to ask themselves: how many of our constituents work at these 5 threatened reactors? And how many of those 32,000 renewable/efficiency jobs would be LOCAL jobs, available for my communities?” Kraft argues.

“But, this is not merely a ‘jobs hostage crisis’ issue, as Exelon characterized it last year, or even a means to comply with EPA’s carbon rule, as they are attempting to characterize it in this legislation. Exelon has been waging an unrelenting war against renewables and energy efficiency for over 2 years, and this legislation is the Illinois component of that war,” says Kraft.

Over the past two years, Exelon has:

- Opposed the wind production tax credit in Washington, and gotten themselves thrown off the board of the America Wind Energy Association;
- Formed the pro-nuclear front group called “Nuclear Matters,” which lobbies for subsidies for old, money-losing reactors around the country using retired politicians and bureaucrats as talking heads;

- Threatened the Illinois economy with the loss of 2,300 jobs if it closes five allegedly money-losing reactors in Illinois, without opening its books to public scrutiny to verify its claims and threats;
- Opportunistically “gamed” the EPA’s 2014 Carbon Rule mandate to assert without proof or detailed study that nuclear plants are “necessary” for Illinois to comply with the proposed limits;
- Used the threat of reactor closure and job loss to prevent a previously agreed-upon fix to the Illinois Renewable Energy Portfolio law, while manipulating House Speaker Michael Madigan into ordering a severely flawed and incomplete “study” using State funds and resources that would conclude that closing nuclear reactors in Illinois would result in “dire consequences,” without examining the dire consequences bailing out unprofitable reactors would have on the renewables and energy efficiency sectors, or the economy.

“This is not a mere fight about ‘jobs’, or even carbon rule compliance. It’s about retaining control of electricity markets on only Exelon’s terms. The 21<sup>st</sup> century energy future of Illinois is at stake in this decision. Legislators who do not grasp the ‘bigger picture’ of what is going on here are going to be played like cheap violins by Exelon in this proposed legislation, and in the ensuing energy bill negotiations,” Kraft predicts.

“The end game for Exelon is for nuclear and fossil fuels to retain their ‘top-dog’ status as energy sources of choice, and continue the anachronistic centralized power business model they currently control. This flies starkly in the face of where the future of energy generation and distribution is going in the 21<sup>st</sup> Century,” Kraft warns.

In recent months major utilities and investment houses have publicly announced their movement away from the “traditional” business model of being mere “electron retailers,” and towards becoming electric services providers using renewables and efficiency as the future basis for their production:

- In August, 2014, UBS bank (\$1.4 trillion in assets) “argues that large-scale, centralised power stations will soon become extinct because they are too big and inflexible, and are “not relevant” for future electricity generation...it expects a paradigm shift away from large-scale conventional power plants...[and] urge their financial clients to “join the [green power] revolution.” (Source: The Guardian, 8/27/14)
- In December, E.ON, the largest energy company in Germany, with 33 million customers (13 times as many as ComEd) and 60,000 employees (11 times as many as Exelon), announces its decision to drop (spin off) fossil fuels and nuclear in order to focus on renewable energy, customer solutions, and distribution networks. (Source: CleanTechnica, 12/3/14)

- In Illinois in April, NRG's CEO David Crane criticized Exelon for its hypocrisy, and stated that his company was "in transition" away from coal and nuclear, and towards renewables, efficiency and energy services. He also pointed out that NRG would NOT be seeking State legislative assistance to implement its plans. (Source: Crain's Chicago Business, 4/3/14)

"On the same day that Exelon introduces its legislation in Springfield, regulators in Ohio REJECTED a similar proposal by utility AEP to bailout a coal plant. Hypocritically, Exelon urged Ohio regulators to *reject* AEP's request for a bailout. Yet, they come with hands out to the Illinois Legislature asking for up to \$580 million from Illinois ratepayers." (Source: Midwest Energy News, 2/26/15)

In addition Exelon may benefit from an additional \$560 million from a PJM capacity market adjustment, to be decided by FERC in the coming months. This means that Exelon is angling for upwards of \$1.1 billion in nuclear bailouts from Illinois ratepayers. "Would Don Corleone have been this subtle?" Kraft wonders.

NEIS has urged legislators to take NO legislative action on the Exelon proposed bailout legislation, pending completion of 4 reasonable and prudent prior conditions:

1. Exelon needs to open its books to the State and the public, on a plant by plant basis, to conclusively prove its need;
2. The Legislature FIRST needs to fix the Renewable Energy Portfolio Standard to guarantee that EE/RE WILL be available to soften any economic or reliability damage the closure of the 5 money-losing reactors would cause, as the state mandated State Agencies Report from HR1146 suggests numerous times it could;
3. No Legislative decision should be rendered prior to the FERC deciding on its potential \$560 million capacity market award for Exelon. The Legislature should not set up an opportunity for what would become a billion-dollar Exelon "double-dip."
4. Alternatives to the Exelon proposals, and to Exelon as an energy provider, should be investigated by the Legislature. Perhaps some of Exelon's competitors like NRG would be willing to step up and fill some of the energy vacuum Exelon would create by closing the 5 reactors, and do so in a more economic, forward thinking manner -- as the State Agencies Report from HR1146 suggests should be done.

Kraft concludes:

"More than 'jobs' is riding on this energy legislation. It is about the energy future of Illinois. The Legislature should not condemn the Illinois economy and environment to operating with a 19<sup>th</sup> Century business model, propped up with private business bailouts.

“It will be a real test to see if the newly elected Governor Rauner is truly a “business man” as he claimed as a candidate, or a “business-as-usual” crony capitalist.

“It will test the real mettle of legislators to stand up for Illinois ratepayers and constituents – perhaps in opposition to leadership – or join the cheap-violin orchestra.”

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*NEIS was founded in 1981 to provide the public with credible information on nuclear power, waste, and radiation hazards; and information about the viable energy alternatives to nuclear power. For more information visit the NEIS website at: <http://www.neis.org>*