

PRESS RELEASE

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WASHINGTON D.C. PSC REJECTS EXELON'S PROPOSED MERGER WITH PEPCO **Rejection a huge defeat for Exelon, and loss of a regulated market to abuse**

CHICAGO—Exelon Corporation was handed a stunning defeat today when the Washington, D.C. Public Services Commission (PSC) rejected Exelon's merger bid with East Coast utility PEPCO.

The rejection denies Exelon a sorely needed new market in a regulated environment to help prop up its failing and anachronistic business model. Exelon's nuclear fleet – the nation's largest -- has been failing in the deregulated markets it helped create in Illinois (in the late 1990s). Exelon decided to “go retro” to bolster profitability by going back into regulated markets such as PEPCO's, where profits would be guaranteed.

The D.C. PUC cited in its unanimous rejection that the proposed Exelon/PEPCO merger was “not being in the public interest:”

[*From the Commission press release:*] “Chairman Kane stated, “The public policy of the District is that the local electric company should focus solely on providing safe, reliable and affordable distribution service to District residences, businesses and institutions. The evidence in the record is that sale and change in control proposed in the merger would move us in the opposite direction.”

Sources close to the proceeding indicate that the Commission also viewed Exelon's business model, and specifically its behavior in other markets like Illinois as being decidedly anti-efficiency and renewable energy, something which is “in the opposite direction” from where the D.C. PSC felt customers would benefit.

“Exelon's overt hostility to renewables and energy efficiency, both here in Illinois with its current legislation, and in its anti-renewable lobbying efforts in Congress, has come back to bite them big time,” notes David Kraft, director of the Chicago-based Nuclear Energy Information Service, an Illinois nuclear-watchdog organization and renewable energy advocacy group.

In early 2015 Exelon lobbyists helped introduce legislation in Springfield called the “Low Carbon Portfolio Standard,” (HB3293 & SB3328) which was not acted upon during the Spring 2015 session. Critics view this legislation as clearly anti-renewable energy, more evidence of its failed and anachronistic “big box” business model, and a bailout for five money-losing Illinois nuclear reactors. Some expect that Exelon will try to sneak this legislation through the Fall veto session, or else resurrect it during the Spring of 2016.

“For the better part of two years, NEIS has been sounding the alarm with Illinois public officials and largely disinterested journalists that Exelon has been spearheading a nationwide “nuclear war” against renewable energy. Finally, someone in a position of authority and responsibility has gotten the message, saw evidence that this was ‘not being in the public interest,’ and acted to protect their constituents,” Kraft continued.

“We can only hope that Illinois legislators and Governor Rauner take a lesson from the D.C. PSC, and reject Exelon's Illinois plans to gut renewable energy and energy efficiency in Illinois,” Kraft concludes.

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>