



December 14, 2014

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Executive Director
Susan Eads Role

The Honorable Vincent C. Gray
Mayor
District of Columbia
1350 Pennsylvania Avenue NW
Suite 316
Washington, DC 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue NW
Suite 504
Washington, DC 20004

VIA E-MAIL: eom@dc.gov; pmendelson@dccouncil.us

OFFICERS

Chair
Brian Flahaven

Vice-Chair
Ivan Frishberg

Secretary
Nichole Opkins

Treasurer
Brian Pate

Parliamentarian
Philip Peisch

RE: ANC 6B Resolution Regarding Exelon's Proposed Acquisition of Pepco

Dear Mayor Gray and Chairman Mendelson:

At its regularly scheduled, properly noticed meeting on December 9, 2014, with a quorum present, Advisory Neighborhood Commission 6B (ANC 6B) voted 6-0-3 in support of the enclosed resolution regarding Exelon's proposed acquisition of Pepco.

Please contact me at 202-744-1854 or brianf6b09@anc6b.org if you have questions or need further information. Thank you.

COMMISSIONERS

SMD 1 Vacant
SMD 2 Ivan Frishberg
SMD 3 Philip Peisch
SMD 4 Kirsten Oldenburg
SMD 5 Brian Pate
SMD 6 Nichole Opkins
SMD 7 Sara Loveland
SMD 8 Chander Jayaraman
SMD 9 Brian Flahaven
SMD 10 Francis Campbell

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Flahaven", with a stylized flourish at the end.

Brian Flahaven
Chair

Enclosure

cc: The Honorable Yvette Alexander, Councilmember, Ward 7
The Honorable Anita Bonds, Councilmember, At-large
The Honorable Muriel Bowser, Mayor-elect and Councilmember, Ward 4
The Honorable David Catania, Councilmember, At-large
The Honorable Mary M. Cheh, Councilmember, Ward 3
The Honorable Jack Evans, Councilmember, Ward 2
The Honorable Jim Graham, Councilmember, Ward 1
The Honorable David Grosso, Councilmember, At-large
The Honorable Kenyan McDuffie, Councilmember, Ward 5
The Honorable Vincent Orange, Councilmember, At-large
The Honorable Tommy Wells, Councilmember, Ward 6
Charles Allen, Councilmember-elect, Ward 6
Brianna K. Nadeau, Councilmember-elect, Ward 1
Elissa Silverman, Councilmember-elect, At-large
Betty Ann Kane, Chairman, DC Public Service Commission



RESOLUTION REGARDING EXELON'S PROPOSED ACQUISITION OF PEPSCO

- A. Advisory Neighborhood Commission 6B (ANC 6B) requests that the Council of the District of Columbia and the District of Columbia Government (DC Government) refuse to settle the DC Public Service Commission (PSC) Formal Case No. 1119 ("The Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC and New Special Purpose Entity, LLC") without assurances that this merger will enhance the availability of local, clean, affordable, reliable electricity for all customers in the District of Columbia. This request is based on the following facts:
1. Potomac Electric Power Company (Pepco) has been given a franchise to serve as the District of Columbia's electric company since 1912, and because it is sheltered from competition, Pepco is obligated to operate in the public interest;
 2. Exelon Corporation (Exelon), a Chicago-based power company with more than 35,000 megawatts of electric generating capacity and the largest fleet of nuclear power plants in the country, seeks to acquire Pepco but first must receive approval from the District of Columbia's Public Service Commission (PSC) in Formal Case No. 1119;
 3. The DC Government is a party to Formal Case No. 1119 and participates in that proceeding, including any Settlement Conferences ordered by the PSC;
 4. The District of Columbia has made a significant commitment to sourcing at least 20% of our electric energy from renewable sources by 2020, and the Mayor's Sustainability Plan has set a goal of sourcing 50% of our electric energy from renewable sources by 2032;
 5. The District of Columbia has also adopted a strong policy of supporting and promoting development of local, distributed solar generation resources and its actions have been successful in promoting residential solar installations throughout the District;
 6. Exelon has a history of opposition to renewable energy deployment at the state and national level, including working with and supporting groups in Massachusetts, New Jersey, Maryland, Illinois, and Ohio to defeat renewable energy initiatives supported by local stakeholders;
 7. A substantial portion of Exelon's business model is based on selling the energy from nuclear power generators to customers at the highest market prices, but the development of renewable energy sources threatens that business model because renewable generation lowers the competitive price of electric energy;
 8. The District of Columbia has historically had local control of its electric utility, and this local control has helped to ensure reasonable energy prices and reliability for all residents, regardless of income; and
 9. The PSC has (a) rejected the DC Government's proposed schedule that would permit a more thorough investigation of the merger, (b) rejected the Office of the People's Counsel request for a ruling that would have required Exelon to provide funding to support the resources needed for this case, and (c) failed to make the facts of this merger available and accessible to ANCs and other civic or citizen associations.

B. Based on these facts, ANC 6B is concerned that Exelon's corporate interests are not consistent with the policy objectives of the District of Columbia and that Exelon's acquisition of Pepco would not be in the public interest unless the PSC requires substantial protections for customers. In particular, ANC 6B is concerned that:

1. Because of its interests in preserving high prices for its nuclear and other non-renewable generating resources, Exelon will attempt to weaken or roll back the District of Columbia's achievements and commitments to developing local renewable energy resources;
2. Because Exelon is Chicago-based, the District of Columbia will have reduced control over its local public utility and the distribution grid, and Exelon will take actions to increase electricity bills and to impede the installation of local distributed generation, which would be contrary to the public interest;
3. As the Independent Market Monitor for the regional grid operator warned, Exelon's merger with Pepco will "reduce the competition to build competitive transmission projects . . . [and] a reduction in competition will likely result in higher costs for customers"; and
4. Because of the shortened schedule and inadequate funding to conduct a thorough inquiry, the parties may feel pressure to reach a settlement that does not adequately protect electric customers in the District of Columbia and that is not in the public interest.

C. For these reasons, ANC 6B resolves that in any settlement negotiations, the Council and the DC Government should require at least the following provisions:

1. A binding Exelon commitment to implement policies and procedures that will assist 100 % of low-income customers to reduce their electric bills by 50% or more through a combination of energy efficiency and locally-based solar generation;
2. A binding Exelon commitment to exceed the PSC's current reliability targets for reducing the number and duration of power outages;
3. A binding Exelon commitment to work cooperatively with electricity customers in the District of Columbia to implement the Mayor's sustainability plan, including a goal of reaching at least 50% renewable energy by 2032 and documented reforms to Pepco's grid planning processes to ensure future investments and upgrades help the District reach this goal; and
4. A binding Exelon commitment as part of this merger to develop and implement, in conjunction with the PSC and the Council, the structure for a utility of the future, including a new regulatory framework that integrates clean, locally produced energy, energy efficiency, storage, and state-of-the-art grid management techniques to create local jobs and to produce reliable, clean, affordable energy.

Finally, ANC 6B urges all members of the DC Council to publicly pledge that they will not to accept campaign contributions or constituent service funds from Exelon as a demonstration that DC residents' interests are paramount.

Adopted by ANC 6B at its duly noticed meeting on December 9, 2014, by a vote of 6-0-3 (a quorum being five).

Attest:


Nicholas Quinn, Secretary

Date:

Dec. 16, 2014