December 10, 2015

To: Brinda Westbrook-Sedgwick, Commission Secretary
Public Service Commission of the District of Columbia
1325 G Street, N.W., Suite 800
Washington D.C. 20005

Re: Formal Case No. 1119

Dear Ms. Westbrook-Sedgwick,

# I would like to register opposition to Exelon Nuclear’s takeover of Pepco, based on the harm Exelon has caused to renewables and efficiency in Illinois, and across the country. My concern is that Exelon, if allowed by the D.C. PSC to take over Pepco, would be willing to likewise undermine renewables and efficiency in the long term, in Washington, D.C., as well, in its pursuit of profits under its predominant, nuclear generation-centered business model. For these reasons, the D.C. PSC should yet again rule that Exelon’s takeover of Pepco is not in the public interest.

As stated by David Kraft, Nuclear Energy Information Service (NEIS) of Chicago’s director, *“Since late 2013 Exelon Corporation has led an industry-wide national campaign designed to thwart the expansion of renewable energy and energy efficiency; secure financial bailouts for unprofitable existing nuclear reactors; and entrench the traditional utility model of central station generation coupled with archaic electricity grids, dominated by existing nuclear and fossil fuel utilities.”*

(See: Nuclear Energy Information Service (NEIS), PRESS STATEMENT, March 11, 2014, “Exelon’s Nuclear War on Renewables: Bad Energy Policy, Thwarts Climate Goals,” posted online at http://neis.org/wp-content/uploads/Exelon%E2%80%99s-Nuclear-War-on-Renewables-Bad-Energy-Policy-Thwarts-Climate-Goals-9-11-14.pdf)

Kraft knows what he’s talking about. He’s been watchdogging Exelon since its formation in 2000. Before that, he watchdogged Exelon’s predecessor, Commonwealth Edison, as director of NEIS since 1981, and even for years before he took that position when NEIS was formed.

As Chesapeake Climate Action Network (CCAN) executive director Mike Tidwell stated on “The Kojo Nnamdi Show” on WAMU on Dec. 2nd, nuclear power is Exelon’s bread and butter, and overriding commitment, not renewables or efficiency. (http://thekojonnamdishow.org/shows/2015-12-02/exelons-chief-strategy-officer-on-its-proposed-takeover-of-pepco)

Kraft lays this plain to see, by writing:

*“Since late last year we in Illinois have seen the following occur with Exelon’s support and instigation:*

*•Not-too-veiled threats that Exelon may close up to 5 uncompetitive reactors in Illinois (resulting in the potential loss of 2,300 jobs in an election year) if the Legislature would not act to reward “nuclear’s unique value” to the State of Illinois;*

*•Establishment and primary bankrolling of the “Nuclear Matters” pro-nuclear front group;*

*•Meetings with the IL House Speaker Michael Madigan, which resulted in Madigan’s not making a needed fix to the State’s Renewable Portfolio Standard law, in exchange*

*for an Exelon pledge to not close the 5 previously mentioned uneconomic reactors for 12 months;*

*•Introduction of the pro-nuclear HR1146 Resolution a week after Madigan reneged on fixing the RPS.*

*Introduction of HR1146 by Speaker Madigan occurred after he met with representatives from Exelon, and after cancellation of the RPS fix. Its blatantly*

*pro-nuclear mandate calls for 4 State agencies to conduct studies which are to conclude that closing nuclear plants would be detrimental to the State’s well-being,*

*a conclusion reached without any data having yet been gathered, making this a “study to show,” not a “study to know.”* (March 11, 2014 NEIS press statement)

(Ultimately, Exelon didn’t wait for the IL state agencies, but instead had its own Nuclear Matters PR front group issue a biased report touting nuclear power’s supposed economic advantages for the state. NEIS had to wonder if the report was deliberately designed to mislead the state legislature: <http://neis.org/wp-content/uploads/Press-Release-NUCLEAR-INDUSTRY-REPORT-DELIBERATELY-DESIGNED-TO-MISLEAD-LEGISLATURE-WATCHDOG-WONDERS-10-3-14.pdf>.

But in the end, as reported by NEIS -- <http://neis.org/wp-content/uploads/PRESS-RELEASE-Illinois-Would-Survive-Closure-of-5-Exelon-Reactors-Report-Indicates-1-8-15.pdf> -- the state agencies concluded that the closure of the five aging, uncompetitive Exelon reactors in IL would not be the end of the world. In fact, redirecting the $580 million per year subsidy Exelon’s lobbyists craved, or even a portion of it, toward renewables and efficiency instead, would be a tremendous boon to the economy and for jobs, made possible by the reactors’ timely closure.)

Kraft continued:

*HR1146 also asks the U.S. EPA to order the State to use nuclear plants to meet its pending carbon limits goal, and "...to offset and balance emissions from fossil fuel electric generation...."(1), thus guaranteeing the continued operation of polluting coal plants which otherwise might have closed. This is an express contradiction to the stated purpose of the EPA’s recently released draft carbon standards rule, “...to lower the carbon intensity of power generation in the United States (U.S.). Lower carbon intensity means fewer emissions of CO2 (2)....” To enlist nuclear plants to sell or trade credits to keep fossil fuel plants operating defeats the very purpose of the EPA rule.*

*Thus, through the provisions of HR1146, Exelon intends to subvert the legitimate goals of the EPA carbon standard rules, using them as a fig leaf justification to keep its uncompetitive nuclear reactors operating, and insure the continued operation of polluting coal plants as well, while destroying the expansion of renewable energy and*

*energy efficiency in Illinois.*

*This is not sound climate, nor sound energy policy; it's political payback, and business as usual. It will be opposed.*

As Kraft makes clear, Exelon Nuclear sees efficiency and renewables as its adversaries, and acts against them at the national, regional, state, and local levels. Exelon can be fully expected to behave in just the same way in the Mid-Atlantic region, if allowed to take over Pepco. As you ruled in August, the Exelon-Pepco merger does not conform to the District’s cutting edge vision for a clean, green, sustainable energy future. Even the current merger proposal would provide woefully inadequate commitments for renewables and efficiency in the long term and big picture, instead prioritizing Exelon’s ultimate dirty, dangerous, and expensive, 19th century central station business model (coal), with 20th century radioactive (nuclear power) and 21st century hazardous chemical (fracking) twists, in terms of fuel sources. With solar power and wind power, of course, the “fuel” is free.

Kraft compared Exelon’s nuclear lobbying to a form of state-wide hostage taking: <http://neis.org/wp-content/uploads/EXELON-HOLDING-ILLINOIS-HOSTAGE-AGAIN-3-3-14.pdf>

And also as a war on renewables: <http://neis.org/wp-content/uploads/NO-RATEPAYER-BAILOUTS-FOR-EXELON-IL-Issues-revised-4-27-14.pdf>

A veritable “nuclear attack on renewables”:

<http://neis.org/wp-content/uploads/Renewables-are-under-Nuclear-Attack-6-18-14.pdf>

Thus, proponents’ claims that the currently proposed Exelon-Pepco merger is somehow good for renewables are very dubious. Why, then, would groups like [Brookland Solar Co-op](http://www.dcsun.org/brooklandward-5/), [Chesapeake Climate Action Network](http://www.chesapeakeclimate.org" \o "" \t "_blank), [DC Solar United Neighborhoods (DC SUN)](http://www.dcsun.org/advocacy-and-policy/save-dc-solar-oppose-the-exelon-merger/%22%20%5Co%20%22%22%20%5Ct%20%22_blank), [Public Citizen](http://www.citizen.org/Page.aspx?pid=496), and others in the [PowerDC](http://www.powerdc.org/) coalition oppose this merger? These groups are the champions of renewable energy in the District!

Exelon Nuclear, on the other hand, is the only company ever kicked out of the American Wind Energy Association. This AWEA action was in response to Exelon Nuclear’s lobbyists working at the federal level to kill the Wind Power Production Tax Credit (see: <http://www.politico.com/story/2012/09/wind-group-boots-exelon-from-board-081008>).

# Ironically enough, as reported by Hannah Northey of *E&E* in “Nuclear giant taps wind tax credit that it's trying to kill” (see: <http://www.eenews.net/stories/1059990089>), hypocrisy can be added to Exelon’s long list of rogue, toxic, and abusive corporate behaviors, as I have documented in previous public comments to the D.C. PSC. But the common motivation driving all these bad behaviors is greed.

# Tim Judson, executive director of Nuclear Information and Resource Service in Takoma Park, MD, summed up Exelon’s attitude toward renewables and efficiency well: “Killing the Competition.”

Subtitled “The Nuclear Power Agenda to Block Climate Action, Stop Renewable Energy, and Subsidize Old Reactors,” Judson’s white paper (<https://www.nirs.org/neconomics/killingthecompetition914.pdf>) returns time and again to Exelon for examples of this nation-wide industry “nuclear attack on renewables.” (Also see the press release NIRS put out when its report was published: <http://neis.org/wp-content/uploads/MediaRelease_Nuke-ClimateReport_20140911_FINAL-2.pdf>)

After all, Exelon is the largest nuclear utility in the U.S., with some two-dozen atomic reactors in its fleet. As mentioned in my previous comments, these include the twin reactor Calvert Cliffs nuclear power plant in Lusby, MD, just 50 miles from D.C., as well as the two reactor Peach Bottom nuclear power plant in Delta, PA, about a hundred miles from D.C. (General Electric Mark I Boiling Water Reactors, identical in design to Fukushima Daiichi Units 1 to 3 in Japan, which exploded and melted down in March 2011). Given their proximity, these four reactors represent the biggest, nearest risk from nuclear power for DC.

Of course, it’s important to point out that Exelon doesn’t oppose ALL renewable energy.

As John Capozzi, Pepco shareholder opposed to Exelon’s takeover, put it in the short documentary film “The Big Gets Bigger: The Exelon-Pepco Merger” (posted online at: <http://www.powerdc.org/learn-more.html>):

“Exelon has a whole strategy about renewable energy, which is, they want to get rid of renewable energy, unless they own it.”

In that sense, it fits with Exelon’s hypocritical attempt to kill the Wind Power Production Tax Credit nationally, while nonetheless taking such subsidies itself, while they still exist, as mentioned above.

The IL Clean Jobs Coalition called Exelon’s bluff on its supposedly being a supporter of renewables and energy efficiency, by putting forward an alternative, genuinely pro-renewables and pro-efficiency bill, to counter Exelon’s massive nuclear power bailout request. (See: <http://neis.org/wp-content/uploads/PRESS-RELEASE-Exelon-bailout-legislation-2-26-15.pdf>)

# As NEIS testified in May 2015, as Exelon’s lobbyists frantically tried to secure a massive $580 million per year bailout from the IL state legislature before it recessed for the summer, nuclear power is not clean, green, or renewable; in fact, it is the antithesis of these (see: <http://neis.org/wp-content/uploads/Myth-Busters-Part-2-Nuclear-Not-Clean-Green-Renewable-5-20-15.pdf>).

# Exelon’s lobbyists were unsuccessful. In fact, they still have not secured the bailout in IL.

# Exelon’s attempted takeover of Pepco can very much be seen as a Plan B, as complementary to its bailout scheme in IL. Exelon regards the regular revenues from Pepco ratepayers as very helpful to propping up its five failing reactors in IL. All the more so, when it would jack electric rates in D.C. by a whopping 45%, just a few years from now.

# Exelon’s nuclear liabilities in IL, and elsewhere, are also of tremendous concern to Pepco ratepayers. Exelon’s nuclear decommissioning funds, as but one example, have been hugely underfunded in IL. Exelon would look to captive ratepayers, as in D.C., to help share that pain. With Exelon’s current Zion nuclear power plant decommissioning north of Chicago coming in with a price tag of around a billion dollars (yes, that billion with a B!), future Exelon atomic reactor decommissioning projects in IL (and elsewhere, such as MD, PA, NJ, and NY) could represent an astronomically large liability for Pepco ratepayers, if this merger happens.

# Exelon, Pepco, and other merger proponents’ claims that the quite minimal commitments to expansion of renewables and efficiency are little more than thinly veiled PR green-washing. We urge the D.C. PSC to see it for what it is, and to defend D.C.’s cutting edge vision for clean, green, sustainable energy in the District, by rejecting the Exelon takeover of Pepco as not in the public interest of an energy policy based on renewables and efficiency.

# Sincerely,

# Kevin Kamps, Beyond Nuclear