

ILLINOIS ENERGY TRANSFORMATION #19: THE COM-ED/EXELON SCANDAL: END NUCLEAR PAY-FOR-PLAY

Aug. 4, 2020

The recent Illinois lobbying corruption scandal involving Exelon Corporation, its subsidiary Commonwealth Edison and Democratic House Speaker Michael Madigan demonstrate the extent to which nuclear “power” is about more than electrons. While the FBI arrests of the Ohio House Speaker and 5 others in a \$60 million bribery/corruption scheme, the \$10 billion Exelon nuclear bailout in New York, the questionable circumstances surrounding Exelon’s 2016 PepCo merger, and the South Carolina \$9 billion SCANA fraud case suggest that this may be a national pandemic (summarized nicely in [this New York Times piece](#) , “*When Utility Money Talks*,” 8/2/20), the situation in Illinois with Exelon and its subsidiary ComEd has been long standing and particularly egregious.

For decades Exelon’s stranglehold on Illinois energy legislation in cooperation with the currently investigated Speaker Michael Madigan has not only given Illinois more reactors (14) and high-level radioactive waste (>11,000 tons) than any other state. It has severely stifled expansion of renewable energy and energy efficiency, and hampered the Illinois’ energy transformation needed to deal with the worsening climate crisis.

For decades the Illinois environmental community has seen renewables expansion thwarted by the recognition that no significant renewable energy buildout could occur without concessions to either Exelon or ComEd, and Speaker Madigan’s approval. The most recent instance was the 2016 \$2.35 billion bailout of three uncompetitive Exelon reactors.

This “nuclear blackmail” politics has forced enviros wanting to pass new legislation to expand renewables into a reluctant and grudging alliance with Exelon – at Exelon’s price of capacity market “reform” that would reward *both* renewables and ten of Exelon’s operating reactors. If passed in its presently proposed form, this provides yet another nuclear bailout under the disguise of “market-based reform.”

To ratchet up the pressure to enact this nuclear prop-up even more, Exelon CEO Chris Crane in Exelon’s 2Q quarterly earnings call with analysts once again dangles the prospect of closing up to 6 reactors if this market-based-bailout is not granted in 2021.

Under the current ongoing FBI corruption investigation, this reluctant alliance of necessity has turned disastrous, given the political toxicity of any current association with either ComEd or Exelon.

It is just and reasonable that ComEd (and the so-called “bad apples” who “retired” already) should be penalized and prosecuted for their misdeeds, even if they are reportedly “cooperative.” However, a \$200 million “settlement” penalty for a \$34 billion corporation that for decades has gouged billions from Illinois ratepayers through admittedly corrupt illegal practices is a slap on the wrist.

Further, the \$200 million penalty agreement provides no restitution for the decades-long societal damage done via nuclear pay-for-play. Illinois rate payers **deserve** restitution from these and any predatory,

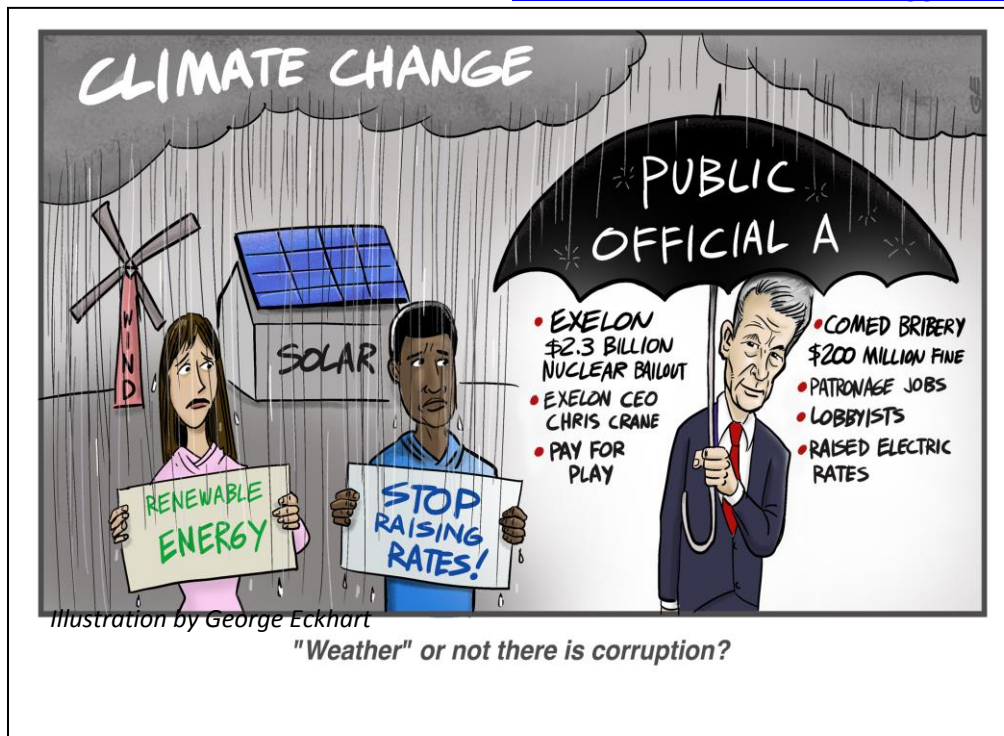
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corrupt companies that would engage in such activities. This may require explicit legislation. How can one logically or ethically assert that ill-gotten gains (e.g., the 2016 \$2.35 billion nuclear bailout) are still "good for the public" when bribery and corruption were used to get them?

Last Fall, a spokesperson for Illinois Gov. JB Pritzker stated, "The governor's priority is to work with principled stakeholders on clean energy legislation that is above reproach." Gov. Pritzker – your moment of truth has arrived.

We urge the Governor and the legislature to begin the restitution process by repealing the \$2.3 billion 2016 nuclear bailout. Further, and as others [like Crain's Joe Cahill have suggested](#), Christopher Crane must step



down completely from all functions at Exelon.

The legislature should also enact explicit utility ethics legislation with transparent oversight of utility contracting and philanthropic giving activities to insure that this kind of corrupt behavior is not repeated. And if Chris Crane's threat of imminent reactor closure is true, then community just-transitions legislation to protect those negatively impacted communities should be a priority of the legislature. As NEIS has maintained

and advocated since 2014 – it's the reactor communities (and equally adversely affected coal mining and power plant communities) that need state support and bailouts when plants are threatened with closure, not profitable private corporations like Exelon.

Finally, we support the FBI's continued investigation into the activities of Speaker Madigan, associates, and other legislators if necessary to ferret out the remaining political corruption that has abetted this corporate larceny. This is the only way to send a significant and lasting message that nuclear pay-for-play in Illinois is over.

[NOTE: If you are interested in using the above cartoon, please contact NEIS for conditions of use. Thanks in advance.]