

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**  
**2015 Legislative Session**

Resolution No. CR-13-2015  
Proposed by Council Member Franklin  
Introduced by Council Members Franklin, Turner, Harrison, Davis, Taveras,  
Lehman, Toles and Glaros  
Date of Introduction March 24, 2015

**RESOLUTION**

1 A RESOLUTION concerning

2 The Exelon Corporation and Pepco Holdings, Inc. Merger and Settlement Agreement  
3 For the purpose of recommending that the Maryland Public Service Commission  
4 (“Commission”) approve the merger of Exelon Corporation (“Exelon”) and Pepco Holdings, Inc.  
5 (“PHI”), including the terms of the Settlement Agreement and Stipulation (“Settlement  
6 Agreement”) by and among Exelon, PHI, Prince George’s County and other settling parties  
7 (“Settling Parties”).

8 WHEREAS, Exelon and PHI executed an Agreement and Plan of Merger on April 29,  
9 2014, and an Amended and Restated Agreement and Plan of Merger on July 18, 2014 (the  
10 “Merger”);

11 WHEREAS, on August 19, 2014, Exelon, PHI, Potomac Electric Power Company  
12 (“Pepco”), and other related entities (collectively, the “Joint Applicants”) filed an application  
13 with the Commission seeking approval of the proposed merger of Exelon and PHI and the  
14 resulting change in control of Pepco and Delmarva Power, pursuant to Md. Code, Public Utilities  
15 Article, § 6-105 (the “Application”);

16 WHEREAS, on August 19, 2014, the Commission initiated a proceeding for examination  
17 and investigation of the Application under Case No. 9361;

18 WHEREAS, Prince George’s County filed a Petition to Intervene in Case No. 9361 on  
19 September 15, 2014, which was granted by the Commission;

20 WHEREAS, Prince George’s County submitted live testimony and briefs and actively  
21 participated before the Commission in Case No. 9361;

22 WHEREAS, the Joint Applicants have agreed to binding commitments that address the

1 concerns and issues raised by Prince George’s County before the Commission, as set forth in the  
2 Settlement Agreement and Stipulation (the “Settlement Agreement”) entered into as of March  
3 16, 2015 by and among the Joint Applicants, Prince George’s County and other parties to Case  
4 No. 9361;

5 WHEREAS, the Settlement Agreement includes commitments aimed at providing certain  
6 benefits to customers and Prince George’s County through a combination of bill credits, funding  
7 for energy-efficiency programs and renewables investments, accelerated reliability  
8 improvements, low-income customer assistance and other provisions, including:

9 • A commitment by Exelon to establish a \$94.4 million customer investment fund  
10 that will be used to provide \$36.8 million in bill credits, or approximately \$50 per Pepco  
11 customer in Maryland, and \$57.6 million to fund energy-efficiency programs in PHI’s  
12 Maryland service territory, including \$17.6 million to be administered by Prince George’s  
13 County. To help economically challenged customers lower their energy bills, at least 20  
14 percent of the energy efficiency funds will be dedicated to programs targeting low- and  
15 moderate-income customers.

16 • A commitment to accelerate Pepco’s reliability improvements so that Pepco will  
17 achieve first-quartile performance by 2018 as measured against peers, or face financial  
18 penalties if it falls short.

19 • A commitment by Exelon to establish a \$50 million “Green Sustainability Fund”  
20 to stimulate investment in solar, energy storage and other distributed generation throughout  
21 the PHI service territory. The funds could also be used for such things as energy-efficiency  
22 investments, microgrids, water conservation in buildings, clean transportation, community  
23 solar and other qualifying energy technologies.

24 • Development of 15 megawatts of solar generation, with 5 megawatts each in  
25 Prince George’s County, Montgomery County, and the Delmarva Power service territory in  
26 Maryland. Prince George’s has also entered into an energy purchase agreement with Exelon  
27 that will result in the development of an additional 5 megawatts of electricity generated by  
28 solar projects, and this electricity will be provided to the county free of charge for a set  
29 period of time.

30 • A commitment to file a proposal with the PSC for public-purpose microgrid  
31 projects in Pepco’s service territory, including a project in Prince George’s County;

1           • A commitment for Pepco to request that the PSC initiate a “grid-of-the-future”  
2 proceeding to examine opportunities to transform the electric grid through smart grid  
3 technology, microgrids, renewable resources and distributed generation. Exelon will  
4 provide up to \$500,000 for the PSC to retain a consultant to study relevant issues and  
5 facilitate the proceeding.

6           • A commitment to work with PSC staff and other stakeholders to accelerate and  
7 enhance Pepco’s energy-efficiency initiatives. The commitment includes establishing  
8 penalties for failure to meet commission-approved goals.

9           • A commitment by Exelon to provide funding of \$1,240,000 over four years to  
10 Prince George’s County in support of Workforce Development programs as follows:

11           • Exelon and Pepco will partner with Prince George’s County to promote a  
12 Sustainable Energy Workforce Development Program in Prince George’s County. The  
13 Sustainable Energy Workforce Development Program will play a critical role in  
14 establishing an advanced energy industry in the County that will create quality jobs and  
15 build employment capacity in the energy sector. A sustainable energy job or career  
16 produces goods or services that benefit the environment, promote a low-carbon economy,  
17 and/or conserve natural resources by performing duties in the area of energy-efficiency and  
18 renewable energy.

19           • Exelon and Pepco will partner with Prince George’s County on the  
20 implementation of an energy-literacy program in Prince George’s County Public School  
21 System to prepare students for advanced careers in the energy sector.

22           • Exelon or Pepco will participate in Prince George’s County Summer Youth  
23 Enrichment Program (“SYEP”) by hiring or sponsoring at least 20 County youth annually  
24 for the next four years.

25           • A commitment by Exelon and Pepco to help reduce the burden of long-standing  
26 debts for low-income families in Maryland through a one-time elimination of unpaid bills  
27 that are over three years past due as of the date of the merger closing.

28           • A commitment that there will be no net reduction, due to involuntary attrition as a  
29 result of the Merger integration process, in the employment levels at Pepco for two years  
30 following the Merger closing, a commitment to make a good-faith effort to hire a minimum  
31 of 110 bargaining-unit employees in Maryland during the twenty-four month period after

1 the Merger closes, and a commitment by Exelon to assume PHI's obligations, or cause PHI  
2 to continue to meet its obligations, to Pepco employees and retirees with respect to pension  
3 and retiree health benefits.

4 WHEREAS, the Joint Applicants and Prince George's County, together with other parties  
5 to Case 9361, have agreed to terms that they believe establish that the Merger is in the public  
6 interest, convenience and necessity, including benefits to consumers and no harm as required by  
7 Md. Code, Public Utilities Article, § 6-105.

8 WHEREAS, because Exelon owns nuclear power plants, concern has been expressed that  
9 Exelon will (a) seek to obtain revenue from utility ratepayers to offset losses from its nuclear  
10 power plants and (b) favor its nuclear power plants at the expense of renewable and distributed  
11 energy resources.

12 WHEREAS, communities in Prince George's County have expressed a desire to see more  
13 undergrounding of utility facilities for reliability, economic development, and aesthetic reasons.

14 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's  
15 County, Maryland, that the Council urges the Maryland Public Service Commission to  
16 determine, as a condition of approving the Settlement Agreement and the Merger, whether the  
17 commitments made by Exelon are strong and verifiable commitments (a) that Exelon will not  
18 impose risk from its nuclear operations on the utility customers of Pepco and (b) for significant  
19 clean, renewable and distributed energy, including energy efficiency.

20 BE IT FURTHER RESOLVED, that the Council urges the Maryland Public Service  
21 Commission to find that the Merger is consistent with the public interest, convenience, and  
22 necessity, including benefits and no harm to consumers, and, pursuant to §6-105, to grant the  
23 Application, adopting the commitments delivered by the Settlement Agreement without further  
24 modification.

25 BE IT FURTHER RESOLVED, that the Council urges the Maryland Public Service  
26 Commission, as part of its approval of the Merger, to encourage Pepco to engage the  
27 communities of Prince George's County and the Prince George's County Department of Public  
28 Works in meaningful dialogue and discussion by conducting a study to determine the feasibility  
29 and establish a reasonable cost estimate of undergrounding utility facilities in coordination with  
30 county road projects.

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1 BE IT FURTHER RESOLVED, that the Council encourages all parties to the Settlement  
2 Agreement to fully support the Merger and the Settlement Agreement so that the benefits of the  
3 Merger may be realized as set forth in the Settlement Agreement.

Adopted this 7th day of April, 2015.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Mel Franklin  
Chairman

ATTEST:

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Redis C. Floyd  
Clerk of the Council