

Key Features of the Exelon-Pepco Settlement Agreement

PROVISION	ORIGINAL PROPOSAL	REVISED PROPOSAL	SETTLEMENT PROPOSAL	BENEFICIARIES
<p>Customer Investment Fund</p>	<p>Initially, PHI and Exelon offered a Customer Investment Fund (“CIF”) of \$14 million. That fund would be used to provide each customer with either a one-time \$50 bill credit OR low-income bill assistance OR energy efficiency programs. OPC found this proposal inadequate because it provided insufficient benefits to residential consumers.</p>	<p>Shortly before trial, PHI and Exelon increased the Customer Investment Fund to \$33.75 million for bill credits, or low-income assistance and energy efficiency. The CIF would be applied to customers in any way the Public Service Commission deemed appropriate.</p>	<p>The CIF in the Settlement Proposal is \$78 million, which supports a one-time bill credit, a rate increase offset, and a wide range of energy efficiency and sustainability programs to be administered by various District agencies. Most importantly, the CIF is funded by Exelon’s shareholders and will NOT be recovered from ratepayers.</p>	<p>RESIDENTIAL RATEPAYERS & LOW-INCOME CONSUMERS</p>
<p>Reliability</p>	<p>PHI and Exelon would not commit to meeting the Public Service Commission’s reliability metrics. OPC found this inadequate because it did not benefit ratepayers. In fact, PHI and Exelon’s offer promised decreased reliability.</p>	<p>PHI and Exelon agreed to meet the Commission’s reliability metrics, but only for the years 2018-2020.</p>	<p>In the Settlement Proposal, Pepco has committed to exceed the reliability metrics each year within established budgets. The Settlement Agreement increased the amount of the penalties Pepco would be subject to if it fails to meet reliability targets.</p>	<p>ALL RATEPAYERS</p>
<p>Rate Affordability</p>	<p>No Offer</p>	<p>No Offer</p>	<p>In the Settlement Proposal, Exelon commits to provide \$14 million to fund a one-time credit of \$57. Additionally, Exelon will provide \$25.6 million to be used as a rate increase offset. The offset ensures that distribution rates will effectively be held constant from April 2014 until March 2019—a five-year period.</p>	<p>RESIDENTIAL RATEPAYERS</p>

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Sustainability	No Offer	No Offer	<ul style="list-style-type: none"> • Exelon commits to: • Develop 10 MW of solar by Dec. 2018; • Submit a proposal to build 4 microgrids; • Procure 100 MW of wind energy; • Enhance its interconnection procedures; • Provide a \$5 million loan to DC Government for renewable energy projects; • Provide \$3.5 million to the Renewable Energy Development Fund to expand renewable generation; • Provide \$10.05 million to the District’s Green Building Fund to promote sustainability; and • Provide \$6.75 million to the District Government for energy efficiency programs designed for affordable multifamily and master metered apartments. 	ALL DISTRICT RESIDENTS
Community Workforce Development	No Offer	No Offer	In the Settlement Proposal, Exelon will provide \$5.2 million to the District to support workforce development programs administered by the Department of Employment Services and the University of the District of Columbia.	DISTRICT RESIDENTS & UNDERSERVED COMMUNITIES
Ring-Fencing	PHI and Exelon provided a set of basic protections against harms caused by Exelon’s non-jurisdictional business activities.	PHI and Exelon committed to more detailed ring-fencing and affiliate transaction provisions.	The Settlement Proposal provides additional and more detailed protections than originally presented.	ALL DISTRICT RESIDENTS
Pepco Employment Levels	PHI and Exelon proposed to avoid net job reductions at Pepco for a period of two years.	PHI and Exelon proposed to avoid net job reductions at Pepco for a period of two years.	The Settlement Proposal avoids net reductions in employment at Pepco for a period of five years.	DISTRICT ECONOMY