



Exelon Acquiring Pepco and Delmarva Power. Here's Why the Maryland Affordable Housing Community Must Get Involved

Exelon Corporation is in the process of acquiring Pepco Holdings, Inc., including Pepco's Maryland operating companies: Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company (Delmarva Power). The MD Public Service Commission (PSC) must determine if the merger is in the public interest.

Why does the merger of Exelon and Pepco Holdings matter for affordable housing?

Tens of millions of dollars are at stake. To show that the merger is in the public interest, Exelon is proposing to create a Customer Investment Fund (CIF). How these funds are to be used will be up to the MD PSC.

In past mergers, a large portion of CIF funds have been used to fund energy efficiency improvements in affordable multifamily housing. In 2012 Exelon acquired Constellation Energy and its holding company Baltimore Gas & Electric (BGE). \$9 million was provided to fund energy efficiency improvements in affordable multifamily housing.

The merger also presents an opportunity to highlight the importance of utility cooperation in helping multifamily owners establish accurate utility allowances.

Is Exelon proposing to provide a sufficient level of direct financial benefits for Pepco and Delmarva Power customers, including residential, low income customers?

No. Exelon is offering **75% less than was received by BGE's customers when Exelon acquired BGE in 2012.** As outlined below, Pepco and Delmarva Power customers are being offered benefits of **\$50** per customer, while the MD PSC required Exelon to provide benefits to BGE customers of up to **\$200** per customer.

Exelon's Current Proposal for Pepco and Delmarva Power Customers	Exelon's Merger Agreement for BGE Customers in 2012
\$50 bill credit per customer OR \$50 per customer in rate assistance and/or energy efficiency measures Total: \$40 Million	\$100 bill credit per customer (\$112M) AND ~\$100 per customer in energy efficiency investments (\$113.5M) Total: \$225.5 Million

What should the Public Service Commission Require of Exelon?

At a minimum, as a condition of approving the merger, the MD PSC should require Exelon to:

1. Provide Pepco and Delmarva Power customers with direct and tangible financial benefits equal to roughly \$200 per customer, or approximately **\$160 million total**;
2. Set aside approximately **\$32 million for energy efficiency improvements in multifamily affordable buildings** in Pepco and Delmarva Power's service territories; and
3. Commit to providing building owners and managers with timely and streamlined support for **utility allowances** as well as access to **whole-building energy usage data for benchmarking**.

What must the affordable housing community do to achieve this goal?

It is critical that you attend one of five **community hearings taking place during January 6-14, 2015.** These hearings will provide an opportunity for the MD PSC commissioners to learn about why improving the energy efficiency of multifamily affordable housing is in the public interest.

To sign up to attend a community hearing, [click here](#).