

Media Contact:
Patrick Skarr
312-228-4789/ ps@cullotonstrategies.com

Dennis Culloton
312-228-4780/ dc@cullotonstrategies.com

Stop \$2.3 Billion Exelon Bailout, Power Suppliers Ask U.S. Court
Law Subsidizes Failed Nuke Plants on Consumers' Backs

Chicago, Ill. (April 3, 2017) – The Electric Power Supply Association and electricity generators have asked a U.S. District Court to halt the multibillion-dollar illegal subsidy for Exelon's Illinois-based nuclear plants on the grounds it is unconstitutional while raising electric bills for consumers.

Enacted late last year, the Future Energy Jobs Act established a Zero Emissions Credit (ZEC) that forces Illinois consumers to pay Exelon hundreds of millions of dollars a year to keep uneconomic nuclear power plants operating.

"State subsidies tied to the price of the wholesale electricity market are not allowed under federal law," said Jonathan Schiller, lead legal counsel on the case, of Boies Schiller Flexner. "The Future Energy Jobs Act creates exactly this type of illegal subsidy. At Exelon's request, the General Assembly passed this law which forces ratepayers to bankroll expensive and uneconomic nuclear plants, while simultaneously undermining the competitive market."

"At a time when Illinois families and businesses are struggling, this law forces them to begin subsidizing Exelon, a Fortune 100 company with billions in annual revenue," said attorney and plaintiffs' co-counsel, Leonard Gail, of Massey & Gail in Chicago. "Without the court granting the injunction, the state's energy market and consumers will be irreparably harmed."

The Exelon subsidy is scheduled to begin June 1.

"In addition to harming consumers and the markets that were designed to protect them, the nuclear bailout will put other generators, their communities and employees at risk by replacing cost-effective plants with high-priced, retirement-aged plants," said Dean Ellis, Senior Vice President for Regulatory Affairs at Dynegy. "Our employees have worked diligently for years to do exactly what was asked of them; be the best, most-efficient and lowest cost operator. Yet now they are at risk of losing their jobs because of this illegal action."

On March 16, the federally mandated Independent Market Monitor for the P.J.M. Interconnection, L.L.C., one of Illinois' two independent market operators, asked to join the broader case to represent the public interest. The market monitor is opposed to the subsidy program and separately chose to take legal action.

In requesting to join the case, the market monitor wrote, "The ZEC Subsidies Program is not designed to serve the public interest. These subsidies were requested by the owners of specific uneconomic generating units in order to improve the profitability of specific generating units. These subsidies were not requested to accomplish broader social goals."

The generators' lawsuit was filed in federal court against two state regulatory bodies required to implement the ZEC program alleging the law violates the Supremacy Clause and Commerce Clause of the U.S. Constitution.

The Supreme Court struck down a similar subsidy program in *Hughes v. Talen* in April 2016.

###