Cleveland Park Citizens Association
Membership Meeting
November 18, 2015

The meeting was called to order at 6:40 pm by Gina Polidoro, President.

Governance. Gina asked for approval of the Bylaws amendments that were previously presented. Upon a motion, seconded, the changes were approved unanimously by voice vote.

3515 Woodley house demolition. Gina read the proposed Resolution re: demolition of the house at 3515 Woodley Road. She described the demolition as resulting from contractor negligence: the structure was destabilized when the basement was being dug out, the DC Department of Consumer and Regulatory Affairs (DCRA) condemned the structure without notice to ANC3C nor to the Cleveland Park Historical Society (CPHS), and the house was "obliterated" soon thereafter on November 6.

In answer to a question, Phil Eagleburger, an architect who is on the CPCA Board, said it's not clear who is supposed to be notified of condemnation or demolition permit of a contributing building in a historic district; it's without precedent. He added that there's been a groundswell of emotional concern from the community.

A member asked if there was a "paper trail". Phil said that CPCA, CPHS and ANC3C officers are working together to investigate. Phil said that there must be DCRA documents, but no one from the neighborhood organizations has seen any yet.

A motion to approve the Resolution was made, seconded, and approved unanimously by voice vote.

New business. Arlene Holen, a member, said she had sent Gina information about plans for a new building on the north side of Washington International School (WIS). The school submitted plans for a 38,000 SF new building with 38,000 SF of parking to the Historic Preservation Review Board (HPRB) before meeting with neighbors. The plans were presented at recent ANC3C and CPHS Architectural Review Committee meetings.

Library. At the November 16 ANC meeting, staff of DC Public Library (DCPL) said that demolition of the existing library building has been pushed forward to late Spring 2016 at the earliest. Phil Eagleburger, who is a community representative on the library renovation committee, said that the DCPL website was recently updated with renderings of the new building at the front.

Meetings. Susie Taylor said that CPCA's annual holiday party, hosted with CP&WP Village and the Cleveland Park Club, will not be held this year because of concerns expressed by the Village (handicap access) and the Club.

Program. Gina introduced Tommy Wells, director of the DC Department of Energy & Environment (DOEE), and Anya Schoolman, of Power DC and DC Sun, to describe opposing views of the proposed controversial merger of Pepco and Exelon.

Tommy Wells said he came not to persuade but to update CPCA on the merger consideration process since his presentation to CPCA on March 19. After DC's Public Service Commission (PSC) decided to reject the merger as not in the best interests of DC ratepayers, Mayor Bowser was opposed to the merger but reversed her position after Exelon negotiated a settlement via Wells to approve it.

Pepco Holdings owns subsidiaries that are the electric utility companies for parts of Maryland, Delaware, New Jersey, and DC. Five jurisdictions must approve the merger if it is to go forward; all rejected it initially. In the past few months, four of the five approved the merger after negotiating settlements with Exelon and pressured DC to agree. DOEE was the party to negotiate on behalf of DC.

According to Wells, the settlement that he negotiated with DC includes a cornucopia of benefits in the $78M "customer investment fund":

- $25.6M in future credits for residents to offset rate increases until March 2019;
- $14M in direct credits to DC residential customers, averaging $50 per ratepayer;
- $5.2M to train DC residents for positions in the electric utility;
- $16.15M to assist low income DC residents, with $6.75M to weatherize homes, $9M to supplement the Low-Income Home Energy Assistance Program, and $400K to forgive existing customer debts that are more than two years old;
- $17.05M for Sustainability, Renewable Energy, and Energy Efficiency: $3.5 for the Sustainable Energy Trust Fund for energy efficient projects in businesses and residences; $10.05 to DC's Green Building Fund for investments in new technologies, resilient infrastructure, and innovative pilot projects; and $3.5M to the Renewable Energy Development Fund to support solar projects in DC especially for low-income residents.

In addition, Exelon agreed to relocate to DC 100 employee positions from outside the city; to use "best efforts" to hire at least 102 union workers in DC and protect current workforce capacity for at least five years; and to locate Pepco headquarters in DC paying full property tax for at least 10 years. Also, Exelon is required to divest itself of Pepco if certain events occur (e.g., nuclear accident at one of Exelon's plants.)

Pepco is to work with DC to develop four microgrids that will reduce reliance on the full grid during severe climate events. It is to improve the interconnection process for customers who produce energy via solar and other means, and improve reliability standards. Exelon is to develop 7-10 megawatts of solar generation in DC, and procure 100 megawatts of windpower. Additionally, Exelon and Pepco are to maintain Pepco's current $1.9M of charitable giving for three years.

Wells pointed out that Pepco was not well-regarded by DC customers, and that Exelon was the only purchaser that Pepco chose to merge with. He acknowledged that Exelon has a history of actively lobbying against solar and windpower.

Wells said that he had to "sell" the merger agreement to Mayor Bowser, and that he believes Exelon is better than a weak Pepco. He said that the mayor originally asked for a "new filing" with the settlement terms, but the PSC agreed to reopen the case without a new filing but with new hearings. The Peoples' Counsel agreed. The Public Service Commission will hold hearings on December 2-3, and will accept comments from the public through December 17. Its decision is expected to come by March 2016.

Anya Schoolman presented DC Power's opposition as intervener to challenge the merger. Saying that there are other options, she said it's important to understand the context of Exelon's interest in acquiring Pepco: Exelon has leveraged the acquisition by borrowing $6.8 billion, which will result in payout to Exelon shareholders of $2.5 billion. She asserted that $78M is not a lot of money, that the $38.4M that DC government will get is paltry, and that funding government via ratepayers is bad policy.

She said that DC is a "pawn in a larger game", that Exelon wants to "roll up" the regional grid to reduce competition and benefit from higher rates. She pointed out that Exelon is nothing like Pepco. Years ago, Pepco gave up energy generation and is now "just wires". In contrast, Exelon derives 64% of its revenue from generation, has many aging nuclear plants, actively keeps renewable energy sources off the grid (although windpower is now cheaper than nuclear), and one of its "corporate guiding principles is to oppose community solar. She claimed that since Exelon bought Baltimore Gas & Electric Company, it has become the largest political donor in Maryland.

Schoolman asserted that the language in the settlement agreement is vague and the commitments are short term. She pointed out that the $25.6M fund to cover rate increases for 3-4 years doesn't really benefit customers, who will be hit with 12.5% rate increase in March 2019, that provisions for job protection last only until 2018, and that locating the headquarters in DC means only that employees now working in Virginia will go to work in DC.

She said that DC Power is a consortium of 21 action groups made up entirely of volunteers. She claimed that Pepco has pressured DC charities that it supports to advocate, often reluctantly, for the merger, and that the November 17 PSC hearing was filled with hired "supporters".

Wells and Schoolman discussed the $25M that Pepco gave to DC recently for naming rights to a street or another location connected to the planned DC United soccer stadium. Wells said that payment is unrelated to the merger.

In support of the merger, Wells pointed out that much of Pepco's energy now comes from coal, which contributes far more to global warming than nuclear power does. A member pointed out that Exelon has more nuclear plants than any other electric company and that its 23 nuclear plants must be decommissioned by order of the Nuclear Regulatory Commission. She said that Exelon seeks to expand its ratepayer base to fund the costs of decommissioning, and that it is also looking to invest in other equities that involve risks that could imperil its energy customers. Wells said that the settlement doesn't allow Pepco rates to be raised to pay for decommissioning.

In answer to a member's question, Wells said that the settlement negotiations did not include the cost of undergrounding wires because that project, mostly in NE, is being paid for now by DC ratepayers.

Another member pointed out that if the merger is approved, "we're really bailing out Exelon", asserting that Exelon needs us. Wells responded that Pepco has a very poor track record, that it is likely to be sold eventually, and that a new buyer could be worse for us than Exelon with the negotiated settlement.

John Chelen, a member, advocated for a public electric utility for DC. He is on the Board of the new DC Public Power.

The meeting was adjourned at 8:30 pm.

Respectfully submitted,

Margaret Lenzner, Recording Secretary