CHICAGO—Today’s rejection of the proposed Exelon-PEPCo merger should send a strong message to not only Exelon, but to Governor Rauner and the Illinois legislature. That message is: this is an age of energy transformation, and the days of the “big-box/electron retailer” utility are over.

While details are still emerging, the trade press [1] has reported four fundamentally important reasons for the rejection, which include:

- A number of concerns that the deal would not enhance DC's distribution system reliability;
- that PEPCo’s and Exelon's role in developing solar and microgrid projects could “undermine competition and grid neutrality.” [1]

The DC-PSC in its previous rejection had cited concerns that Exelon, the largest nuclear reactor operator and owner in the nation, would not be committed to expansion of renewable energy, something required by DC law. Beyond that, it expressed concern that the DC service territory provided Exelon through the merger, renewable energy and energy efficiency would all receive secondary emphasis in a utility so nuclear top-heavy; and that concerns for these would always be secondary to Exelon’s nuclear concerns. More bluntly, the PSC previously recognized,

[an] "inherent conflict of interest" between Exelon's business model and the District's clean energy goals. [2]

The DC-PSC recognizes the value of renewable energy and efficiency in its energy future, and is sensitive to the issue and degree of local control. It also questions Exelon’s anachronistic business model, so heavily entangled with nuclear power.

The question for Illinois is: do Governor Bruce Rauner and the Illinois Legislature?

Already, critics of the merger are pointing out that Exelon continued to add millions of dollars-worth of concessions (sweeteners) to the previously rejected deal to induce the PSC to change its mind. That money influenced DC Mayor Muriel Bowser, who after initially rejecting the merger, reversed her position. They apparently did not convince the DC-PSC.

Although Exelon may still get its way with the merger if it accepts the PSC’s alternate terms within 14 days, the future-trend signals are clear:

- forward-looking customers (and utilities) see their future in renewables, a modernized grid, and more local control, not in big-box nuclear-generated electron retailing;
- this is an age of “energy transformation” away from the methods of the past;
• Exelon’s present business model and approach are anachronistic.

One can only be pessimistic that the infantile, sandbox whinings that pass for adult behavior and public policy in Springfield today and which is responsible for recent increased job loss, unpaid vendors and business and public service closures will miss the point that Illinois needs a 21\textsuperscript{st} Century approach to energy. That approach is \textit{not} one that entrenches big-box utility control, and bails out money-losing nuclear plants and out-of-date business models.

Will anyone notice over all the whining? ■

[1] Utility Dive, 2/26/16