

EXELON CORP
Form 8-K
November 18, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 18, 2016

| | | |
|--------------------|--|------------------------------|
| Commission | Exact Name of Registrant as Specified in Its Charter; | |
| | State of Incorporation; | |
| | Address of Principal Executive Offices; | |
| File Number | and Telephone Number | IRS Employer |
| 1-16169 | EXELON CORPORATION | Identification Number |
| | (a Pennsylvania corporation) | 23-2990190 |
| | 10 South Dearborn Street | |
| | P.O. Box 805379 | |
| | Chicago, Illinois 60680-5379 | |

(800) 483-3220

333-85496

EXELON GENERATION COMPANY, LLC

23-3064219

(a Pennsylvania limited liability company)

300 Exelon Way

Kennett Square, Pennsylvania 19348-2473

(610) 765-5959

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

On November 18, 2016, two subsidiaries of Constellation Energy Nuclear Group, LLC (CENG) and a subsidiary of Entergy Corporation entered into three separate agreements with the New York State Energy Research & Development Authority (NYSERDA) for the procurement of Zero Emission Credits (ZECs) pursuant to the August 1, 2016, New York Public Service Commission order approving the New York Clean Energy Standard (NYSERDA Agreements). The objective of the program is to preserve the environmental attributes of zero-emissions nuclear-powered generating facilities.

The NYSEDA Agreements extend from April 1, 2017 through March 31, 2029. Under the NYSEDA Agreements, ZECs will be procured in six, two-year tranches. Pricing for each tranche will be administratively determined based on the USIWG Social Cost of Carbon (escalating over the term), less a fixed baseline for carbon pricing already captured through the Regional Greenhouse Gas Initiative (\$10.41/short ton). Pricing for Tranche 1 is \$17.48/MWh.

The quantity of ZECs to be purchased by NYSEDA each year under all three NYSEDA Agreements is capped at an amount that represents the verifiable historic contribution the facility has made to the clean energy resource mix. Each Load Serving Entity is required to purchase an amount of ZECs equivalent to its load ratio share of the total electric energy load in the New York Control Area. Cost recovery from ratepayers will be incorporated into the commodity charges on customer bills.

The description of the NYSEDA Agreements referred to above is not complete and is qualified in its entirety by reference to the agreements. Copies of the two NYSEDA Agreements with subsidiaries of CENG are attached as exhibits 10.1 and 10.2, respectively, which are incorporated herein by reference.

Section 9 Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

| Exhibit No. | Description |
|-------------|--|
| 10.1 | Execution Version ZEC Standard Contract by and between the NYSEDA and Nine Mile Point Nuclear Station, LLC dated Nov. 18, 2016 |
| 10.2 | Execution Version ZEC Standard Contract by and between the NYSEDA and R. E. Ginna Nuclear Power Plant, LLC dated Nov. 18, 2016 |

* * * * *

Cautionary Statements Regarding Forward-Looking Information

This report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation and Exelon Generation Company, LLC include those factors discussed herein, as well as the items discussed in (1) Exelon's 2015 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 23; (2) Pepco Holdings, Inc.'s 2015 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 16; (3) Exelon's Third Quarter 2016 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 18 and (4) other factors discussed in filings with the SEC by Exelon and Generation. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this report. Exelon and Generation do not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this report.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXELON CORPORATION

/s/ Jonathan W. Thayer
Jonathan W. Thayer
Senior Executive Vice President and

Chief Financial Officer
Exelon Corporation

**EXELON GENERATION COMPANY,
LLC**

/s/ Bryan P. Wright
Bryan P. Wright
Senior Vice President and

Chief Financial Officer
Exelon Generation Company, LLC

November 18, 2016

EXHIBIT INDEX

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