

FROM THE CHESAPEAKE SAFE ENERGY COALITION
For Immediate Release

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Chesapeake Safe Energy Coalition Applauds PSC's Decision to Regulate Nuclear Sale

Coalition Urges Scrutiny of French Company's Corporate Practices and Transparency

BALTIMORE - The Chesapeake Safe Energy Coalition applauds the Maryland Public Service Commission's (PSC) decision today to assert its jurisdiction over the nuclear sales transaction between Electricite de France (EdF) and Constellation Energy.

The coalition delivered 650 petition signatures to the PSC on Friday urging the commission to examine the effects of the deal on Constellation subsidiary Baltimore Gas and Electric (BG&E) and Maryland ratepayers and consider the corporate track record of EdF before approving the deal.

"The commission needs to make sure this sale will not negatively impact consumers in the long term or short term," said Johanna Neumann, state director for Maryland PIRG. "A laissez-faire approach by the last Public Service Commission allowed Constellation Energy to rake Maryland consumers over the coals time and again. We urge this commission to be an effective watchdog for the public by aggressively investigating this transaction."

As a result of today's decision, the PSC will review Constellation's proposed sale of half the company's nuclear assets to EdF - already Constellation's largest shareholder - as well as the right to sell up to \$2 billion of non-nuclear generating plants to EdF. The terms will significantly increase the French company's influence over Baltimore-based Constellation.

Risky business ventures by the parent company could threaten or divert BGE's resources away from providing quality affordable electricity service for Marylanders. For example, if Constellation/EdF moves forward with plans for a new nuclear reactor and the project goes over budget, which nearly every reactor project has done, BGE ratepayer funds could be used to shore up the project. According to the Department of Energy, the actual costs of 75 of the existing nuclear power plants in the U.S. exceeded initial estimates by more than 200 percent.

"Addressing the ramifications the deal could have on Maryland ratepayers is paramount," said Andy Galli of Clean Water Action. "However, the scope of review must also consider the questionable corporate track record of EdF. Maryland should not be subject to EdF's bad business practices."

The coalition - which includes Beyond Nuclear, Chesapeake Physicians for Social Responsibility, Chesapeake Climate Action Network, Clean Water Action, the Maryland Green Party, Maryland PIRG, Nuclear Information

and Resource Service, Public Citizen and the Maryland chapter of the Sierra Club - urges the PSC to consider recent revelations about possible anti-competitive practices by EdF in the European Union and the indictment of two senior EdF officials by a French court for spying on the environmental group Greenpeace France.

In light of the recent disclosure that Gov. Martin O'Malley's administration has engaged in behind-the-scenes negotiations with Constellation to reach a settlement on the transaction, the coalition urges PSC members to remember that their agency is tasked to operate as an independent body, separate from the legislative, executive or judiciary branches of government. The coalition urges them to take that role seriously as they investigate the transaction and disregard political pressure created by any settlements negotiated outside their proceedings.

“While the little that's been revealed about state-proposed concessions appears to be in the best interest of the ratepayer, all the terms and their details have yet to be disclosed and reviewed,” said Allison Fisher, energy organizer with Public Citizen. “It's essential that the terms of this deal do not have the same unintended consequences that befell deregulation - a clear example of what can happen when a deal is not properly scrutinized.”

As the Maryland PSC reviews the transaction, the coalition calls for a transparent public process. Conditions imposed on the deal should come from a public process rather than behind closed doors, and there must be a clear understanding not only of the conditions being negotiated by the state but also what Constellation is getting in return.

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