



# Exelon-Pepco Merger Fund

(P362105)

Category	General Government	Date Last Modified	06/11/20
SubCategory	County Offices and Other Improvements	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

## EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	56	-	-	56	56	-	-	-	-	-	-
Construction	6,144	-	-	6,144	1,915	1,942	2,287	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>6,200</b>	<b>-</b>	<b>-</b>	<b>6,200</b>	<b>1,971</b>	<b>1,942</b>	<b>2,287</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Utility Merger Funds	6,200	-	-	6,200	1,971	1,942	2,287	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>6,200</b>	<b>-</b>	<b>-</b>	<b>6,200</b>	<b>1,971</b>	<b>1,942</b>	<b>2,287</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 22 Request	1,942	Year First Appropriation	FY21
Cumulative Appropriation	1,971	Last FY's Cost Estimate	6,200
Expenditure / Encumbrances	-		
Unencumbered Balance	1,971		

## PROJECT DESCRIPTION

This project provides for the design and implementation of energy savings projects in various County facilities and locations using funds obtained through the merger of Exelon Corporation, Pepco Holdings Inc., Potomac Electric Power Company, and Delmarva Power & Light Company ("Exelon/PHI merger"), approved by the Maryland Public Service Commission (PSC) per Order No. 86990 on May 15, 2015. Projects include lighting retrofits, heating, ventilation, and cooling (HVAC) controls upgrades and equipment replacement including chillers, condensing units and air handling units.

## ESTIMATED SCHEDULE

Projects are identified and scheduled based on energy savings potential, reduced maintenance costs, overall cost savings, and quantifiable environmental benefits. Schedule is subject to change based on project need. Currently planned projects include:

FY21: Upper County Community Recreation Center and Pool; Margaret Schweinhaut Senior Center, Scotland Neighborhood Recreation Center; Holiday Park Senior Center; Gwendolyn Coffield Community Recreation Center, David F. Bone Equipment Maintenance and Transit Operations Center (EMTOC); Potomac Community Recreation Center; and Fire Station #10 (Cabin John

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Volunteer Fire Station)

FY22: Jane Lawton Community Recreation Center; Public Safety Headquarters (PSHQ); Veteran's Plaza Civic Center; Gaithersburg Highway Maintenance Facility; Fire and Rescue Maintenance Depot (Southlawn); and Alternate Emergency Communications Center

## PROJECT JUSTIFICATION

The Exelon/PHI (PHI) merger, approved by the Maryland PSC per Order No. 86990 on May 15, 2015 and Order No. 88128 on April 12, 2017 regarding the Most Favored Nation Provision, resulted in the County receiving over \$40 million, of which \$8.4 million was designated to establish a Green Sustainability Fund. The County will use \$6.7 million of these funds for this project to establish a revolving funding mechanism to implement energy savings projects in public facilities. Generally, projects will pay for themselves over several years. Significant reductions in energy consumption, greenhouse gas emissions, and maintenance are expected.

## OTHER

Staff from the Department of General Services (DGS), Department of Finance (FIN), Office of Management and Budget (OMB), and County Attorney (OCA) are coordinating the development of processes and monitoring of energy savings in order ensure funds are revolving as intended by the terms of the merger. Energy savings are not expected to be realized until the completion of the first round of projects in FY22 and FY23.

## FISCAL NOTE

A total of \$6.7 million was originally appropriated in the Restricted Donation Fund in FY19. Approximately \$500,000 is expected to be spent in FY20 from the Restricted Donation Fund to fund the initial round of projects, including: Potomac Library, Upper County Community Recreation Center and Pool, Bethesda-Chevy Chase Regional Services Center, and Margaret Schweinhaut Senior Center. The remaining funds of \$6.2 million will be shifted to this new CIP in FY21.

Projects are also expected to be eligible for utility incentives during and after implementation; utility incentives will offset the use of the merger funds. Merger funds cannot be used to supplant existing County funding for projects, including staff charges.

## COORDINATION

Department of General Services, Department of Finance, Office of Management and Budget, County Attorney