

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

August 20, 2020

Date of Report (Date of earliest event reported)

Commission File Number	Name of Registrant; State or Other Jurisdiction of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
001-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street P.O. Box 805379 Chicago, Illinois 60680-5379 (800) 483-3220	23-2990190
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348-2473 (610) 765-5959	23-3064219

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
EXELON CORPORATION:		
Common Stock, without par value	EXC	The Nasdaq Stock Market LLC

Indicate by check mark whether any of the registrants are emerging growth companies as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if any of the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Section 2 – Financial Information

Item 2.05. Costs associated with Exit or Disposal Activities.

Item 2.06. Material Impairments.

In March 2018, Exelon Generation Company, LLC (Generation) notified independent system operator New England Inc. (ISO-NE) of its plans to early retire, among other assets, the Mystic Generating Station's Units 8 and 9 (Mystic Generating Station assets) absent regulatory reforms to properly value reliability and regional fuel security.

Thereafter, ISO-NE identified Mystic 8 and 9 as being needed to ensure fuel security for the region and entered into a cost of service agreement with these two units for the period between June 1, 2022 - May 31, 2024. The agreement was approved by the Federal Energy Regulatory Commission (FERC) in December 2018.

On June 12, 2020, Generation filed a complaint with FERC against ISO-NE stating that ISO-NE failed to follow its tariff with respect to its evaluation of Mystic Generating Station assets for transmission security for the 2024 to 2025 Capacity Commitment Period (FCA 15) and that the modifications ISO-NE made to its unfilled planning procedures to avoid retaining the Mystic Generating Station assets should have been filed with FERC for approval. On August 17, 2020, FERC issued an order denying the complaint.

As a result, on August 20, 2020, Exelon Corporation (Exelon) determined that Generation will permanently cease generation operations at Mystic Generating Station assets on or about May 31, 2024.

Generation will perform an impairment assessment and Exelon and Generation expect to record a non-cash impairment charge for the difference between the book value and the fair value of the New England asset group in their financial results for the third quarter of 2020. The impairment charge is currently expected to be in the range of \$350 million to \$550 million on a pre-tax basis, which will be excluded from Exelon's and Generation's adjusted (non-GAAP) operating earnings.

Estimated one-time charges and estimated cash expenditures related to the one-time charges as a result of the decision to retire the Mystic Generating Station assets, are not expected to be material. In addition, there will be annual financial impacts stemming from shortening the expected economic useful life of the Mystic Generating Station assets primarily related to accelerated depreciation of plant assets. The estimated amount of expected incremental non-cash pre-tax expense as a result of the early retirement decision, after recognition of the impairment referenced above, is \$75 million to \$125 million annually for a 12-month period, through the retirement of the Mystic Generating Station assets in 2024, which will also be excluded from Exelon's and Generation's adjusted (non-GAAP) operating earnings.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
101	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.
104	The cover page from this Current Report on Form 8-K, formatted as Inline XBRL.

This combined Current Report on Form 8-K is being furnished separately by Exelon Corporation and Exelon Generation Company, LLC (Registrants). Information contained herein relating to any individual Registrant has been furnished by such Registrant on its own behalf. No Registrant makes any representation as to information relating to any other Registrant.

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 the Registrants include those factors discussed herein, as well as the items discussed in (1) the Registrants' 2019 Annual Report on Form 10-K in (a) Part I, ITEM 1A Risk Factors, (b) Part II, ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part II, ITEM 8. Financial Statements and Supplementary Data; Note 18, Commitments and Contingencies; (2) the Registrants' Second Quarter 2020 Quarterly Report on Form 10-Q in (a) Part II, ITEM 1A Risk Factors; (b) Part I, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, ITEM 1. Financial Statements; Note 14, Commitments and Contingencies; and (3) other factors discussed in filings with the Securities and Exchange Commission by the Registrants.

Investors are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Current Report. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Current Report.

SIGNATURES

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

EXELON CORPORATION

/s/ Joseph Nigro

Joseph Nigro

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

August 21, 2020

EXHIBIT INDEX

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