

## **FIRSTENERGY SOLUTIONS CORP. ENTERS INTO STALKING HORSE AGREEMENT TO SELL ITS RETAIL AND WHOLESALE LOAD-SERVING BUSINESS TO CONSTELLATION**

**AKRON, Ohio, July 10, 2018** – FirstEnergy Solutions Corp. (“FES”) announced today that it has agreed to sell its retail and wholesale load-serving business to Constellation, a subsidiary of Exelon Corporation (NYSE: EXC), for a purchase price of \$140 million in cash, subject to certain purchase price adjustments. FES has approximately 900,000 Commercial & Industrial and Residential customers in six states in the Midwest and Mid-Atlantic, primarily Ohio and Pennsylvania and serves 41 terawatt-hours of electricity load.

The transaction with Constellation does not include the transfer of (i) FES cash collateral posted with various counterparties or (ii) FES working capital. In total, FES expects to realize total cash proceeds of approximately \$280 million, subject to certain purchase price adjustments, including the return of cash collateral and collection of retained net working capital.

The sale will be accomplished pursuant to a court-supervised Section 363 bankruptcy auction process. FES has filed a motion with the Bankruptcy Court overseeing its chapter 11 cases for approval of auction and bid procedures that will permit other interested parties to submit competitive bids for the retail and wholesale load serving business.

The sale is subject to receipt of other necessary approvals, including Hart-Scott-Rodino. If approved, the companies expect to close the transaction in the fourth quarter of 2018.

Throughout the sale process, FES will continue to supply energy and service to all customers without interruption. “We believe this transaction is another important step in our restructuring plan,” said Kevin Warvell, Vice President and Chief Financial Officer of FES. “If approved, we will work with Constellation to ensure the transition of customer accounts is seamless. During the sale process, our daily operations will continue as usual, and we will continue to provide our customers with the uninterrupted service they demand. Taking care of customers is and will remain our number one priority.”

“This agreement would provide an opportunity to grow our retail business in strategically attractive markets where we’re best suited to match load served with Exelon generation assets,” said Mark Huston, President of Constellation’s National Retail Business. “FirstEnergy Solutions has a reputation for delivering value to customers, and our combined business would continue that tradition with a broad array of energy products and services at competitive prices.”

FES, its subsidiaries and FirstEnergy Nuclear Operating Company on March 31, 2018, filed petitions under Chapter 11 of the Federal Bankruptcy Code to facilitate an orderly financial restructuring. The case is proceeding in U.S. Bankruptcy Court for the Northern

District of Ohio, in Akron. Additional information can be found at <https://cases.primeclerk.com/FES>.

Akin Gump Strauss Hauer & Feld LLP is serving as legal counsel and Lazard is serving as investment banker to FES with respect to this sale and during FES's chapter 11 restructuring.

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**About Constellation**

Constellation is a leading competitive retail supplier of power, natural gas and energy products and services for homes and businesses across the continental United States. Constellation's family of retail businesses serves approximately 2 million residential, public sector and business customers, including more than two-thirds of the Fortune 100. Baltimore-based Constellation is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's leading competitive energy provider, with 2017 revenues of approximately \$33.5 billion. Learn more at [www.constellation.com](http://www.constellation.com) or on Twitter at @ConstellationEG.