



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

APR 20 2006

Ms. Lisa Johnson, President
MIRANT Potomac River, LLC
1400 North Royal Street
Alexandria, VA 22314

Dear Ms. Johnson:

As we recently discussed, the United States Environmental Protection Agency (EPA) requests that MIRANT install SO₂ monitors in close proximity to the Potomac River Generating Station (PRGS). Because EPA's modeling of PRGS's emissions predict high concentrations of SO₂ on the roof of the Marina Towers Building, we specifically request that you install one SO₂ monitor on the Southeast wing roof and one on the roof near the center of the building. As an alternative, MIRANT could install one SO₂ monitor with two probes at these locations.

EPA recognizes that it may be difficult to obtain timely permission to install these monitors from the owners of the Marina Towers. Please let us know by May 10, 2006, whether you have obtained permission to install these monitors at the preferred location.

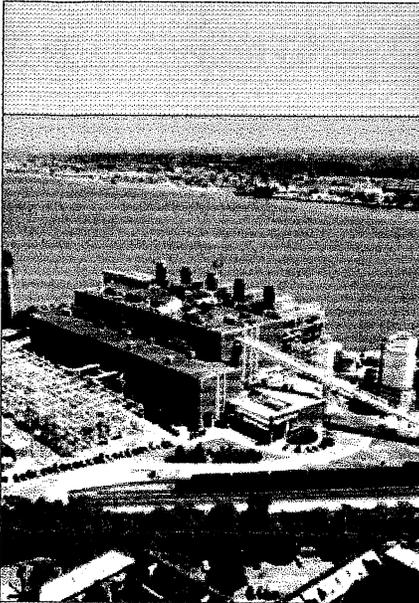
If you have not obtained permission by this time, identify two alternative monitor locations as close as possible to these locations and inform us of the earliest date by which MIRANT can install these alternative monitors.

If you have any questions, please call Judith M. Katz, Director, Air Protection Division, at (215) 814-2654 or Denis Lohman of the Air Protection Division, at (215) 814-2192. I look forward to hearing from you soon.

Sincerely,

A handwritten signature in black ink, appearing to read "Judith M. Katz".

Judith M. Katz, Director
Air Protection Division



Potomac River Generating Plant

Location

Alexandria, VA

Total Capacity

492 megawatts, capable of operating base load and intermediate service units

Equivalent number of homes served

482,000

Fuel

Coal and oil

Stacks

5 stacks, each 165 ft. high

Number of employees

120



What's Going on at Mirant's Potomac River Plant?

From November 12 through December 23, 2005, a series of "trona injection" tests were conducted at the Potomac River Generating Station. The primary objective of the tests was to determine if substantial sulfur dioxide (SO₂) removal could be achieved, and if any adverse unforeseen impacts from trona injection, such as unfavorable opacity or particulate emissions would occur.

What were the test results?

Of the 32 tests conducted—at various operating parameters, with several different sizes of trona particles, using both Central Appalachian and Colombian coals (coals with two different sulfur levels)—all of the tests showed that 80% SO₂ removal could be achieved consistently over the varying load ranges, coals, trona particle size, gas temperatures, and other operating parameters.

In addition to monitoring SO₂, carbon monoxide (CO) and nitrogen oxides (NO_x) emissions and stack opacity (visible emissions in the exhaust gas) were continuously monitored during the entire test period. CO and NO_x emissions were within compliance. Opacity had no spikes of any kind. Particulate matter test results demonstrated that precipitator performance actually improved with trona present.

Before beginning the trona injection tests, an Environmental Protection Agency (EPA) Relative Accuracy Test Audit (RATA) was completed to verify the accuracy of the permanent stack monitoring instrumentation. In addition, the equipment was checked periodically during the testing period to ensure it continued to function properly. Staff members of the Virginia Department of Environmental Quality (DEQ) and the City of Alexandria Department of Transportation & Environmental Services (T&ES) were on-site frequently throughout the testing period.

Why were the tests conducted?

You may recall that we temporarily shut down all five units of the Potomac River plant in August 2005 in response to air quality concerns. We did so after results of a computer modeling study showed that under worst-case conditions the plant's air emissions of SO₂, particulate matter (PM₁₀) and NO_x could cause modeled exceedances of national ambient air quality standards in a small area near the facility.

With the approval of DEQ, we are testing trona as a possible solution that could significantly reduce SO₂, PM₁₀ and NO_x emissions meet ambient standards with modest reductions from assumptions used in the August study. Our goal continues to be to work with environmental and other regulators to find sensible solutions that will bring the full plant back into service.



Trona crystals

What is trona?

Trona is a mineral found in large quantities in the United States and is similar to baking soda or soda ash. Trona is not volatile, flammable or combustible or odorous.

How does trona reduce SO₂?

SO₂ reduction occurs through a chemical process when trona in a dry powder form is blown into the exhaust gas stream. The trona bonds with the SO₂ in the gas and is then removed from the exhaust gas by our existing emissions control equipment.

Test results showed that trona injection could consistently remove 80% of the SO₂ in the exhaust gas and improve particulate emissions.

What's Going on at Mirant's Potomac River Plant?

Where can I get a copy of the test results?

Copies of the results from the trona testing, which was successful in reducing sulfur dioxide emissions and improving particulate emissions, are available on our website at <http://potomac.mirant.com/>.

Mirant's test report fully discloses all emissions reductions achieved by the trona testing. Particulate matter test results are available on the DOE website at http://www.electricity.doe.gov/documents/mirant_012006_b.pdf.

What happens next?

The Potomac River plant is now operating under an order from the U.S. Department of Energy. The plant is expanding the use of trona to enable additional units to operate while meeting ambient air quality standards at all times.

Chronology of Potomac River Events

- Sept. 23, 2004: Mirant and DEQ negotiate Consent Order for modeling study
- Oct. 15, 2004: Mirant submits modeling protocol to DEQ for review
- June 19, 2005: DEQ approves modeling protocol
- Aug. 19, 2005: Mirant receives and submits study results
- Aug. 19, 2005: Mirant receives DEQ letter
- Aug. 21, 2005: Mirant reduces plant operations to minimum levels
- Aug. 24, 2005: Mirant temporarily halts plant operations
- Sept. 21, 2005: Mirant voluntarily restarts Unit 1, at limited capacity
- Oct. 14, 2005: Mirant submits proposed trona injection plan to DEQ
- Nov. 9, 2005: DEQ issues news release approving trona testing at Potomac River
- Nov. 12, 2005: Trona testing begins on Unit 1
- Dec. 20, 2005: DOE orders Mirant to run for reliability under certain conditions
- Dec. 30, 2005: Mirant submits operating plan to DOE
- Dec. 23, 2005: Unit 1 trona test completed
- Jan. 17, 2006: Trona testing report submitted to DEQ
- Apr. 18, 2006: Mirant files patent for trona injection process
- Apr. 25, 2006: Trona testing report available to the public