NRO-281-12

COMMONWEALTH of VIRGINIA

Douglas W. Domenech
Secretary of Natural Resources

DEPARTMENT OF ENVIRONMENTAL QUALITY
NORTHERN REGIONAL OFFICE
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David K. Paylor
Director

Thomas A. Faha
Regional Director

December 20, 2012

Mr. William Lee Davis
President
GenOn Potomac River, LLC
211 Carnegie Center
Princeton, NJ 07854

Location: City of Alexandria
Registration No.: 70228
Facility ID No. 51-510-00003

Dear Mr. Davis:

In response to Mark Gouveia's letter dated November 19, 2012, the Virginia Department of Environmental Quality ("DEQ") is joining GenOn Potomac River, LLC ("GenOn") in a mutual determination, pursuant to 9 VAC 5-80-950 and 9 VAC 5-20-220 of Virginia's Regulations for the Control and Abatement of Air Pollution, regarding the shutting down of a source. The Regulations provide that DEQ and the owner of a source may make a "mutual determination that a stationary source or emissions unit is shut down permanently." The Regulations also require that, upon making a final decision that the source is permanently shut down, DEQ shall revoke any permits for that source in accordance with 9 VAC 5-20-220.

In execution of this mutual determination of permanent shutdown, GenOn agrees that:

1. A mutual and final determination has been made that the Potomac River Generating Station ("PRGS"), located at 1400 North Royal Street in Alexandria, Virginia, is permanently shut down.

2. GenOn is the sole owner, as defined in the Regulations, of the PRGS.

3. The air permits issued for the PRGS, dated July 31, 2008, and July 29, 2010, are revoked.

4. DEQ will remove the PRGS from the air emission inventory and will consider its air pollutant emissions to be zero in any future air quality analysis to be conducted.

5. Upon signature of this document by DEQ and by GenOn, the PRGS shall cease operations as an electric generating facility. No such future operations shall occur until the owner has obtained a permit pursuant to 9 VAC 5 Chapter 80. Any use of the PRGS after execution of this document shall be considered equivalent to construction and operation of a new emissions unit and will subject the PRGS to permitting requirements pursuant to applicable provisions of 9 VAC 5 Chapter 80 in the Regulations.

6. The permanent shutdown of the PRGS will become effective upon signature of this document by both parties.

7. The permanent shutdown of the PRGS is binding upon GenOn, its successors in interest, designees, and assigns, jointly and severally.

8. The revocation of the July 31, 2008 and July 29, 2010 permits shall not relieve GenOn or its successors of the responsibility to comply with all applicable local, state, and federal statutes or regulations with regards to the PRGS.

By authorized signature below, and in accordance with the Virginia Regulations for the Control and Abatement of Air Pollution, GenOn and the DEQ, acting on behalf of the State Air Pollution Control Board, mutually determine that the PRGS is shut down permanently.

Date: 12-20-12

Thomas A. Faha

Thomas A. Faha
Director, Northern Regional Office
Virginia Department of Environmental Quality

The terms and conditions of this determination are accepted by GenOn Potomac River, LLC.

Date: 12/21/12

William Lee Davis
President
GenOn Potomac River, LLC

State of New Jersey
City/County of Mercer

The foregoing instrument was acknowledged before me on (date) 12/21/12 by William Lee Davis (Name), President (Title) of GenOn Potomac River, LLC, a Delaware limited liability company, on behalf of the company.

12/21/12
(Date)

Maria G. DeLuca
(Notary Public)

My commission expires: MARIA G. DeLUCA (Date)
ID # 2413429
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 10/13/2016

cc: David Cramer, GenOn (pdf copy via email)
File 70228