



City of Alexandria, VA

City of Alexandria and GenOn Agree to Close Potomac River Generating Station

The City of Alexandria and GenOn Energy have reached an agreement to permanently close the company's Potomac River Generating Station, which began operating in 1949. To facilitate the retirement of the plant, the City of Alexandria will release approximately \$32 million currently held in escrow, which was set aside to pay for the additional environmental controls at the station as a result of a 2008 agreement between the City and GenOn.

"Today's announcement is a path forward for both Alexandria and the power company that works for everybody, and truly reflects the interest of both parties," said Alexandria's Mayor William D. Euille. "Both the Alexandria City Council and community have worked extremely hard toward this goal, and we are very proud of the final result. This news strengthens Alexandria's future and opens the door to an enhanced quality of life for our residents."

Under the terms of the agreement, GenOn has agreed to retire the generating station by October 1, 2012, or, if the plant is needed beyond that date for reliability purposes, as soon as it is no longer needed. GenOn will coordinate with PJM Interconnection L.L.C., Pepco, and government regulators for the necessary notifications and approvals to close the plant.

"Retiring the facility next year makes sense for GenOn, but it is a difficult decision given the impact on the approximate 120 employees who work at the station," said Edward R. Muller, Chairman and CEO of GenOn. "Our decision to retire the plant is not reflective of our employees' skills, dedication or capabilities, and we will work to help them in their transition over the next year."