

Summary of Project Schedule and Agreement with Mirant

1. Mirant will invest \$34 million for pollution control capital improvements at PRGS to achieve PM2.5 and PM10 emission reductions.
2. Mirant will be allowed to complete the stack merge and operate up to 5 boilers upon issuance of a 2-stack permit by the Air Board. Permit will contain interim PM2.5 and PM10 emission limits. The Permit will also contain other limits that are more stringent than the permit proposed by VDEQ in December 2007. Final PM2.5 limits will be based on the performance of the capital improvements.
3. Interim PM2.5 limits are expected to be in compliance with NAAQS starting in 2009 based on expected reduction in background concentrations and by allowing dispersion credits for stack merger. NAAQS compliance for final PM2.5 limits will be determined via a protocol approved by DEQ and EPA after capital improvements are installed.
4. The City will determine the scope of the "Project" and the manner in which the \$34 million is spent. This determination will be based on an engineering study to assess best feasible PM2.5 controls including baghouses and other state of the art controls on both fugitive and stack emissions. Up to \$2 million of the \$ 34 million will be used to improve controls on fugitive sources.
5. The City will have full involvement along with Mirant on the selection of the Engineer, the control technology to be installed, and the contractor that installs the controls. Mirant will provide access to the City to monitor implementation and testing of the controls.
6. The Engineer will identify the schedule for installation of pollution controls. Any delays caused by either Mirant or the City will require the respective party to bear the cost consequences of such delay or pay a penalty. Any disputes in this respect will be resolved via litigation or arbitration. Other disputes under this agreement will be resolved via mediation.
7. Mirant will establish a process to resolve community complaints with direct City involvement. Mirant will also install an additional PM2.5 monitor to the west or southwest of the plant. The monitor will be operated for two years after fugitive controls are installed.
8. If there are no challenges to the 2-stack permit, Mirant will dismiss its challenges to the Board's issuance of the June 1, 2007 SOP and Board's decision to require permit for stack merger. Mirant will also dismiss its appeal regarding its document requests submitted to the City.
9. Mirant will install CEMS to monitor CO and PM emissions within 12 months of permit issuance and provide data to the City for at least one year after the CEMS are certified.
10. Mirant will provide all 5-minute SO2 monitored data from ambient monitors to the City from April 2007 onwards.
11. The 2-stack Permit will contain the following limits.
 - a. PM2.5 (interim): 0.016 lb/MMBtu, 85 lb/hour, 207 tons/yr
 - b. PM2.5 (final): Based on final stack test, and DEQ's and EPA's NAAQS compliance
 - c. PM10: 0.03 lb/MMBtu, 325 tons/yr
 - d. SO2: 0.36 lb/MMBtu (3-hr), 0.30 lb/MMBtu (24-hr), 1,906 lb/hr, 3,813 tons/yr
 - e. CO & PM CEMS: Installed in 12 months, City to get data for atleast one year after certification
 - f. Sulfur content: 0.9% by weight
 - g. Alternate sorbent: Only permitted with permit modification