GenOn
Potomac River, LLC

1400 North Royal St.
Alexandria, VA 22314

September 27, 2012

Mr. James LaFratta
Air Permit Manager
Northern Regional Office
Virginia Department of Environmental Quality
13901 Crown Court
Woodbridge, VA 22193

Re: Deactivation of the Potomac River Generating Station

Dear Mr. LaFratta:

On August 30, 2011, GenOn Potomac River, LLC ("GenOn") announced its plans to deactivate and permanently cease generating electricity at the Potomac River station on October 1, 2012. GenOn has provided the necessary notifications to regulatory entities and satisfied other contractual obligations relating to notification of the deactivation. The purpose of this letter is to notify the Virginia Department of Environmental Quality ("DEQ") that GenOn will no longer operate any of the coal fired boilers (i.e., Units C1, C2, C3, C4, or C5) or generate electricity at the Potomac River plant as of 00:00 on October 1, 2012.

As part of the deactivation process and as allowed by 9 VAC 5-20-220, GenOn will work with DEQ in making a mutual determination that the Potomac River plant is permanently shutdown on or before December 31, 2012. As a result of this determination, GenOn understands that all air permits issued to the Potomac River plant by the DEQ will be revoked. GenOn has requested the DEQ to define the number of emission reduction credits ("ERCs") or offsets generated by the closure of the plant, and it is our understanding that the revocation of the permits will not in any away impair our ability to obtain such ERCs.

Over the next several months, the following bulk materials regulated under the July 31, 2008, State Operating Permit will be removed from the site:

- Coal – Beginning in October, the coal pile inventory will be removed, bringing the pile down to level grade. The windscreen fencing around the coal pile will remain in place during this work. Additional grading and reclamation of the coal pile area is scheduled to take place in the 1st Quarter of 2013, after removal of the coal inventory is complete.

- Ash – Existing ash systems will transport fly ash and bottom ash from all five boilers to the ash silos, which will subsequently be unloaded to ash trucks or rail cars. Ash silo water spray systems and silo baghouse differential pressure monitors will be in service. The ash removal process is already underway.

- Trona – The five trona silos inside the plant will be emptied, and the enclosed railcars of product will be taken off site. The trona removal process is also underway.

Once the coal pile inventory, ash, and trona product removal activities noted above have been completed, GenOn will provide DEQ written notification so that the mutual determination of permanent shutdown process can begin. Under the current deactivation schedule, GenOn expects to provide notification to the DEQ in early December 2012.

Numerous other deactivation activities, unrelated to the air permit, will take place to bring the plant to a stable and secure condition. These activities will begin in October 2012 and continue through the 3rd Quarter of 2013 under the current schedule. If you should have any questions on these activities, please contact David Cramer at david.cramer@genon.com or on 301-955-9168. Thank you.

Sincerely,

Mark A. Gouveia
Vice President, Operations
GenOn Energy, PJM East