



William D. Euille
Mayor

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December 15, 2011

Mr. Gregory C. Staple
Chief Executive Officer
American Clean Skies Foundation
750 First Street, N.E., Suite 1100
Washington, D.C. 20002

Dear Mr. Staple:

I happened to see the half-page advertisement that Clean Skies placed in the *Washington Post* in regard to its redevelopment plans for the Potomac River Generating Station (PRGS) site, and have also have been advised of the employment advertisement that your organization has placed in our local papers seeking to hire someone to work in part on the land use planning process. Accordingly, I wanted to take the opportunity to bring you up to speed on the likely planning process and its timetable so you can coordinate that with your plans.

It is the City's understanding that GenOn plans to continue to keep the plant operational, safe and in compliance with regulatory requirements until October of 2012 when by agreement with the City their facility must cease operations. As a result, operations will be GenOn's primary focus during calendar 2012. In addition, PEPCO's transmission substation switching operations are located on land owned by PEPCO and not part of the property leased to GenOn, so GenOn's plant closing will have no impact on the PEPCO substation. In addition, it is the City's understanding that PEPCO retained and utilizes subservice rights beneath the land that is the subject of the GenOn ground lease within which transmission lines are currently located. PEPCO has advised the City that it does not plan to move either the substation operations or the subsurface transmission lines from the PRGS site. With the PEPCO transmission infrastructure intertwined on the site with the power generating facility, there will need to be some effort between GenOn and PEPCO devoted to determining how to separate the two facilities and keep the transmission infrastructure operational, all in the context of the lease between the parties.

As a result of this situation, the community based planning for the site that is anticipated will not likely start until 2013 at the earliest. Accordingly, we think it premature for the City or for Clean Skies to engage the community before then. It appears that some in our community are looking at your proposed plan and think that the planning process has been completed, or underway with decisions being made without them and that is causing concern. If we all are to have a

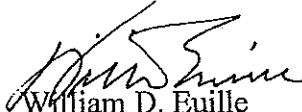
"Home Town of George Washington and Robert E. Lee"

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successful planning effort, and to achieve the types of successful repurposing that your organization would like to see replicated nationwide, it is in both of our interests to wait until the 2013 planning process to discuss with our community and the leasehold and fee interest owners what the best future for the site may be.

If you have any questions or concerns, please let me know.

Sincerely,


William D. Euille
Mayor

cc: The Honorable Members of Council
Rashad Young, City Manager
Mark Jinks, Deputy City Manager
Christopher Spera, Deputy City Attorney
Faroll Hamer, Director, Planning & Zoning



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January 16, 2012

Email: William.euille@alexandriava.gov

William D. Euille
Mayor
City of Alexandria
301 King Street, Ste. 2300
Alexandria, VA 22314

Dear Mayor Euille:

This is in response to your thoughtful letter of December 15 regarding our Foundation's Potomac River Green (PRG) development plan for the north Alexandria site now occupied by the Potomac River Generating Station (PRGS). The owner of the PRGS, an affiliate of GenON Energy, which leases the site from PEPCO, has stated that it expects to retire the plant by October 2012.

Your letter updates us on the likely planning process for the site and suggests, among other things, that the future development options for the site will be impacted by any decision that PEPCO reaches with GenON given that PEPCO intends to continue operating an electrical substation on property adjacent to the site. You also note that PEPCO has retained subservice rights for transmission lines under the PRGS which you advise PEPCO does not plan to remove.

In view of the foregoing, you state that "community based planning for the site...will not likely start until 2013 at the earliest" and "we think it premature for the City or for [the American] Clean Skies [Foundation (ACSF)] to engage the community before then." You go on to say, however, that "some in our community are looking at [ACSF's] proposed plan and think the planning process has been completed, or underway with decisions being made without them and that is causing concern."

First, let me assure you that ACSF has no wish to mislead anyone regarding the current status of its PRG proposal or the future planning hurdles related to redevelopment of the site given, among other things, PEPCO's existing substation and transmission facilities. For this and other reasons (e.g., the likely need for extensive environmental remediation), it has always seemed to us that a site-specific planning process should be conducted for the PRGS property after the City resolves the main terms of the waterfront small area plan.

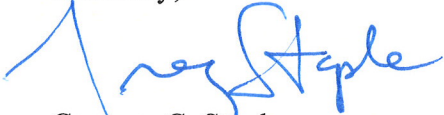
Consequently, earlier this month, we were glad to see that the work group reviewing the waterfront plan had agreed on provisions that are broadly compatible with the community-oriented vision we have for PRG. We also note the work group's recommendation for a separate

small area plan for the PRGS site during the implementation phase of the new waterfront plan. While we recognize that some portions of the community wish to delay the City's adoption of any waterfront plan until the PRGS parcel can be included, we do not think that is necessary to ensure that key features of the PRG plan (including, notably, the riverfront parks and community access) are preserved.

In closing, therefore, let me say how much we appreciate the interest which you and your staff, as well as various members of the Council, have shown in the PRG plan. Once a formal planning process for the PRGS site gets underway, we hope that several of the core concepts outlined in our plan, including the community parks and the "world class" energy innovation center, will garner widespread support.

Thank you again for your letter.

Sincerely,



Gregory C. Staple
CEO

American Clean Skies Foundation

cc: The Honorable Members of Council
Rashad Young, City Manager
Mark Jinks, Deputy City Manager
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