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For Immediate Release

Alexandria Coal Plant Could Be Retired Without Affecting Power Reliability

Washington D.C. -- A local nonprofit released a report today that may clear the way for early retirement of the coal-burning Potomac River Generating Station (PRGS) in Alexandria, Virginia, long a subject of environmental concern for residents of Alexandria and the District of Columbia.

The new report by the Analysis Group, www.analysisgroup.com, a leading national engineering and utility research firm, says that, once certain transmission and substation upgrades are completed next year, the PRGS could be shuttered without adversely impacting the power supply to the nation's capital. Prior to closing the plant, however, the report says that the District or federal regulators should ask PEPCO, the D.C utility, and PJM, the regional transmission organization, to confirm the absence of any reliability issues.

The Analysis Group report concludes that retirement of the Virginia plant would also result in immediate benefits to the local environment because electricity from cleaner generating plants would replace output from the Potomac plant. This would lead to an overall reduction in harmful air pollution – especially from chemicals that contribute to ozone, such as sulfur dioxide (SO₂) and nitrogen oxides (NO_x). Total greenhouse gases emissions would also fall substantially.

The American Clean Skies Foundation (ACSF), www.cleanskies.org, commissioned the report from the Analysis Group as part of its ongoing program to research cleaner generating options for PJM and other regional transmission organizations (RTOs).

“As stricter pollution regulations prompt older coal-fired power plants, like the Potomac plant, to consider retirement, we want to make sure that electricity continues to be reliable for D.C. residents and the federal government,” said Gregory C. Staple, CEO of ACSF. “We also wanted to assess the net public health and environmental benefits from closing the PRGS,” said Staple, “because we’d like to ensure that any plant retirements benefit the local community.”

Washington, D.C. Mayor Vincent Gray expressed concern earlier this month about the high levels of sulfur dioxide emitted by the PRGS and the adverse effect that may have on D.C. residents. Gray said he was considering a petition to the EPA to remedy the situation. City officials, however, have also indicated that any remedy must take into account electric reliability concerns.

In the past, Alexandria has also sought to close the plant because of the effects on local residents of the pollution emitted by the plant. The 482 MW plant, which dates from 1949, is owned by a subsidiary of Houston-based GenOn Energy Inc., a wholesale merchant power operator. The plant does not provide electricity directly to Alexandria.

In recent years, as described in the Analysis Group report, demand for the plant's relatively high-cost power has fallen, as newer more efficient plants are connected to the grid. In 2010, for example, the PRGS only operated at about 20% of capacity, accounting for just 2% of the total electricity generated in the local PJM area, and less than one half of a percent of PJM's total power supply.

Background

The PRGS has long drawn the attention of state and federal environmental officials.

As detailed in the report, in 2005, the Virginia Department of Environmental Quality ordered the plant's former owner, Mirant, to reduce harmful air emissions by upgrading control equipment or shutting down the facility. After a temporary shutdown, the D.C. government and the U.S. Department of Energy took action to keep the plant operating so as to ensure electric power reliability in the D.C. area.

Thereafter, the Federal Energy Regulatory Commission (FERC) directed PEPCO and PJM to upgrade the local transmission grid to ensure that the lights would stay on in D.C. even if PRGS was later taken off line. In 2007, PJM and PEPCO told FERC that they planned to undertake a comprehensive set of transmission and substation improvements that, once completed, would resolve prior reliability issues with respect to retiring the plant.

The Analysis Group's report is based on a detailed review of the planned reliability measures by PEPCO and PJM. It finds that the vast majority of upgrades appear to have been completed, with some remaining items scheduled for 2012. The report concludes that PRGS does not need to remain in service to ensure that D.C. has a reliable electricity supply.

The complete Analysis Group report for ACSF is available here:

<http://www.cleanskies.org/?publication=prgs>

Contact:

Paul J. Hibbard, vice president of Analysis Group and former chairman of the Massachusetts Department of Public Utilities, can be reached at PHibbard@analysisgroup.com and 617-425-8171.

Jack Deutsch, communications director, ACSF, can be reached at jdeutsch@cleanskies.org and 202-621-2910.

The American Clean Skies Foundation was founded in 2007 to advance the country's energy independence and a cleaner, low-carbon environment through expanded use of natural gas, renewables and efficiency.