

PROJECT#: 401849
RECEIVED: 03/15/2006

STATUS: C
PROJTYPE: BNME

DISP CODE: _____
ISSUED DT: 06/07/2007
SUP-DISP DATE: 06/07/200

AIR DERC_100542927-401849_
TR_20070607_Trade_D2198

STAFF ASSIGNED TO PROJECT:
SUN, STEVE

PROJECT TRANSACTIONS**COMPANY DATA**

COMPANY NAME: TEXAS GENCO LP
CUSTOMER REGISTRY ID: CN601459837

PORTFOLIO DATA

NUMBER: P0983 NAME: LIMESTONE ELECTRIC - RN100542927

SITE DATA

ACCOUNT:
LI0027L

REG ENTITY ID: RN100542927

SITE NAME: LIMESTONE ELECTRIC GENERATING STATION

COUNTY: LIMESTONE

NEAREST CITY: JEWETT

LOCATION: 9 MILES NORTH OF JEWETT, TEXAS ON FM 39

TRANSACTION DATA

TRANSACTION TYPE: CNAME_OLD

DATE ENTERED: 2007-05-10 00:00:00.0

CONTAMINATE: ALL

ALLOWANCE

DELETED DATE: EFFECTIVE YEAR: 2006

TONS: 0

DOLLARS: 0

CERTIFICATE NO.: 0 COUNTY : LIMESTONE

COMPANY DATA

COMPANY NAME: NRG TEXAS POWER LLC
CUSTOMER REGISTRY ID: CN603207218

PORTFOLIO DATA

NUMBER: P3185 NAME: LIMESTONE ELECTRIC - RN100542927

SITE DATA

ACCOUNT:
LI0027L

REG ENTITY ID: RN100542927

SITE NAME: LIMESTONE ELECTRIC GENERATING STATION

COUNTY: LIMESTONE

NEAREST CITY: JEWETT

LOCATION: 9 MILES NORTH OF JEWETT, TEXAS ON FM 39

TRANSACTION DATA

TRANSACTION TYPE: CNAME_NEW

DATE ENTERED: 2007-05-10 00:00:00.0

CONTAMINATE: ALL

ALLOWANCE

DELETED DATE: EFFECTIVE YEAR: 2006

TONS: 0

DOLLARS: 0

CERTIFICATE NO.: 0 COUNTY : LIMESTONE

COMPANY DATA

COMPANY NAME: TEXAS GENCO LP
CUSTOMER REGISTRY ID: CN601459837

PORTFOLIO DATA

NUMBER: P0983 NAME: LIMESTONE ELECTRIC - RN100542927

SITE DATA

ACCOUNT:

LI0027L

REG ENTITY ID: RN100542927

SITE NAME: LIMESTONE ELECTRIC GENERATING STATION

COUNTY: LIMESTONE

NEAREST CITY: JEWETT

LOCATION: 9 MILES NORTH OF JEWETT, TEXAS ON FM 39

TRANSACTION DATA

TRANSACTION TYPE: D_GEN_OLD

DATE ENTERED: 2007-06-14 00:00:00.0

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: NOX

TONS: 5251.80

DOLLARS: 0

ALLOWANCE

CERTIFICATE NO.: D1062 COUNTY : LIMESTONE

COMPANY DATA

COMPANY NAME: NRG TEXAS POWER LLC

CUSTOMER REGISTRY ID: CN603207218

PORTFOLIO DATA

NUMBER: P3185 NAME: LIMESTONE ELECTRIC - RN100542927

SITE DATA

ACCOUNT:

LI0027L

REG ENTITY ID: RN100542927

SITE NAME: LIMESTONE ELECTRIC GENERATING STATION

COUNTY: LIMESTONE

NEAREST CITY: JEWETT

LOCATION: 9 MILES NORTH OF JEWETT, TEXAS ON FM 39

TRANSACTION DATA

TRANSACTION TYPE: DERC_GEN

DATE ENTERED: 2007-06-14 00:00:00.0

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: NOX

TONS: 5251.80

DOLLARS: 0

ALLOWANCE

CERTIFICATE NO.: D2198 COUNTY : LIMESTONE

Texas Genco CN 601459837 - P0983 change to P 3185

NRG Texas CN 602755415 <

Can this be put
in our database?

Certificate D-1062 change to D-2198
5251.8 5251.8

INTENT TO USE DISCRETE EMISSION CREDITS TECHNICAL REVIEW

Project No.:	400845	Customer Reference No.:	CN602755415
Project Type:	BDIU	Regulated Entity No.:	RN100542927
Company:	NRG Texas Power, L.L.C.	Facility Name:	Limestone Electric Generating Station
City:	Jewett	County:	Limestone
Project Reviewer:	Todd Huddleson	Portfolio Name:	Limestone Electric- RN100542927

Project Overview

NRG Texas Power, L.L.C. (formerly Texas Genco, L.P.) submitted a Form DEC-2, Notice of Intent to Use Discrete Emission Credits, dated November 15, 2005 for the Limestone Electric Generating Station. NRG Texas intends to use DERCs for compliance with 30 TAC §§117.135 and 117.138, in effect January 17, 2003 and recently updated (June 14, 2007) to 117.3010 and 117.3020, respectively. The supporting rule 30 TAC §117.3010 addresses emission specifications and 30 TAC §117.3020 addresses the system cap for utility electric generation in East and Central Texas. In order to meet the new emissions specifications, NRG Texas Power, L.L.C. proposes to use 2,437.0 total tons NOx DERCs for two facilities at the Limestone Station.

Discrete Emission Credit Use Summary

NRG Texas Power, L.L.C., Limestone Electric Generating Station, Located in the East and Central Texas region, was subject to 30 TAC §§117.135 and 117.138 beginning January January 17, 2003. The company wants to use discrete emission credits for the difference between the NOx emission rate defined in 30 TAC §117.3010 and the current NOx emission rate of the facility. The intent to use period is from January 1, 2006 through December 31, 2006.

Texas Genco claimed 5,251.8 tons of NOx DERCs by the additional control measures installed on two generating facilities at the Limestone Station. The DERCs to be used for this project are from parent certificate D-1062. Certificate D-1062 was generated from the period of April 1, 2002 to December 31, 2002. Certificate D-1062, issued to Texas Genco, L.P., on May 6, 2003 is valued at 5,251.8 tons of NOx. Texas Genco, L.P. has undergone a name change to NRG Texas Power, L.L.C. on June 7, 2007 (Project #401849). The certificate D-1062 moved from old portfolio P0983 to a new portfolio P3185 during the name change to NRG Texas Power, L.L.C. and is now certificate D-2198.

NRG Texas Power, L.L.C. has acquired the assets of Texas Genco, L.P., therefore the quantity of DERCs which NRG Texas Power, L.L.C. intends to use is less than the value of D-2198. The remaining DERCs will be transferred to a new certificate D-2410 and will be issued to NRG Texas Power, L.L.C. with a value of 2,814.8 tons NOx.

Discrete Emission Credit / Emission Reduction Credit Use

Certificate(s) to be used	D-2198
Pollutant.....	NO _x
Amount	2,437.0 tons
Regulation.....	30 TAC §§117.3010 and 117.3020
Use period/Use Date	January 1, 2006 - December 31, 2006

Credit Use Calculation Methods

NRG Texas Power, L.L.C. estimated a level of activity from 1/1 through 12/31 of 65,272,925 MMBtu for facility LMS1 and 65,034,149 MMBtu for facility LMS2. An expected emission rate of 0.210 and 0.185 lbs/MMBtu, respectively, based on previous emissions data, was given for each facility. The total emissions over the ESAD rate of 0.165 lbs/MMBtu comes to 2,119 tons. An environmental contribution of 212 tons, and a compliance margin of 106 tons are added to the total for a total of 2,437 tons of DERCs.

According to 30 TAC §101.376(d)(2)(B):

The formula to be used will be $(ELA \times (EER - RER)) / 2000 = \text{discrete emission credits needed}$.

For facility LMS1: $(65,272,925 \text{ MMBtu}) \times (0.210 - 0.165 \text{ lbs/MMBtu}) / 2000 \text{ lbs/ton} = 1,468.6 \text{ tons}$
For facility LMS2: $(65,034,149 \text{ MMBtu}) \times (0.185 - 0.165 \text{ lbs/MMBtu}) / 2000 \text{ lbs/ton} = 650.3 \text{ tons}$

Conclusion:

NRG Texas Power, L.L.C. has accurately calculated its DERC requirements for compliance with 30 TAC §§117.3010 and 117.3020. NRG should be approved for the intent to use 2,437 tons of NOx DERCs for the period 1/1/2006 through 12/31/2006. Remaining DERCs of 2,814.8 tons NOx have been issued to NRG Texas on certificate number D-2410.

TB Haddleson

Project Reviewer

3/27/09

Date

Daniel Zengorich

Team Leader/Section Manager/Backup

12/3/09

Date



Form DEC-2 (Page 1)
Notice of Intent To Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.374)

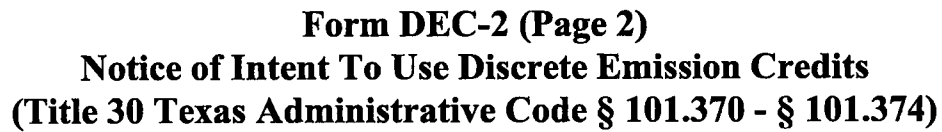
UPDATE: The TNRCC is now requiring all applications to be accompanied by the new TNRCC CORE Data Form located at: <http://www.tnrcc.state.tx.us/permitting/projects/cr/index.html> .

A notice of intent to use must be submitted to the Texas Natural Resource Conservation Commission (TNRCC) DERC Registry in accordance with the following requirements:

I. COMPANY IDENTIFYING INFORMATION		
A. Company Name: Texas Genco II, LP		
B. Owner or Operator of User Source: Texas Genco II, LP		
C. Plant/Site Name: Limestone Electric Generating Station		
D. Street Address: 9 miles North of Jewett, Texas on FM 39		
E. Nearest City: Jewett	F. Zip Code: 75846	
G. County: Limestone	H. Primary SIC: 4911	
I. TNRCC Account No.: LI-0027-L	J. Air Permit No.: 8576	
K. Telephone: (903) 626-9500	L. Fax: (903) 626-9741	
M. Mailing Address: P.O. Box 4710		
City: Houston	State: Texas	Zip Code: 77210
II. TECHNICAL CONTACT IDENTIFYING INFORMATION		
A. Technical Contact Name: (<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.) Craig R. Eckberg		
B. Technical Contact Title: Manager, Air Resources		
C. Telephone: (713) 795-6208	D. Fax: (713) 795-7431	E. E-Mail: ceckberg@txgenco.com
F. Mailing Address: P.O. Box 4710		
G. City: Houston	State: Texas	Zip Code: 77210
III. CONTACT FOR PURCHASE OF CREDIT		
A. Contact Name: (<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.) Craig R. Eckberg		
B. Sale Contact Title: Manager, Air Resources		
C. Telephone: (713) 795-6208	D. Fax: (713) 795-6208	E. E-Mail: ceckberg@txgenco.com
F. Mailing Address: P.O. Box 4710		
F. City: Houston	State: Texas	Zip Code: 77210
IV. STATE AND FEDERAL REQUIREMENTS		
Applicable State and Federal requirements that the DERCs will <u>NOV 15 2005</u> used for compliance: <u>30 TAC 117.135, 30 TAC 117.138</u>		
V. INTENDED USE PERIOD		
Intended Use Start Date <u>1/1/06</u>		Intended Use End Date <u>12/31/06</u>

AIR PERMITS DIVISION

RECEIVED

[illegible]



Form DEC-2 (Page 3)
Notice of Intent To Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.374)

VII. MOST STRINGENT EMISSION RATE

Describe basis for most stringent allowable emission rate: ☐ Permit _____ ☐ RACT _____ ☒ Other: 0.165 lb/MMBtu

Notes:

30 TAC 117.135

30 TAC 117.138

VIII. PROTOCOL

Protocol used to calculate DERC:

Note: Attach the actual calculations that were used to determine the amounts of DERCs needed to this form

See Calculation Description

IX. TOTAL DERCs REQUIRED FOR USE (round up to the nearest ton)

Tons of DERCs required (from Sect. VI.)	CO:	NO _x : <u>2,119</u>	PM ₁₀ :	SO ₂ :	VOC:
Environmental Contribution (+ 10%)	CO:	NO _x : <u>212</u>	PM ₁₀ :	SO ₂ :	VOC:
Compliance Margin (+ 5%) <i>(If DERCs requires >10 tons)</i>	CO:	NO _x : <u>106</u>	PM ₁₀ :	SO ₂ :	VOC:
Offset Ratio (if required)	CO:	NO _x : <u>N/A</u>	PM ₁₀ :	SO ₂ :	VOC:
Total DERCs required	CO:	NO _x : <u>2,437</u>	PM ₁₀ :	SO ₂ :	VOC:

X. DERC INFORMATION

Name of the DERC Generator: Texas Genco II, LP - Limestone Electric Generating Station

DERC Generator Account Number: RN100542927, LI-0027-L

Serial numbers of the DERCs acquired or to be acquired: Certificate No. D-1062

Note: The serial numbers are assigned by the TNRCC



Form DEC-2 (Page 4)
Notice of Intent To Use Discrete Emission Reduction Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.374)

XI. PURCHASE DATES AND PRICES

Date on which the DERCs were acquired or will be acquired: 05/06/03

Price of the DERCs acquired or the expected price of the DERCs to be acquired: \$ 0.00 per ton (Required) – Even Trade

XII. CERTIFICATION BY RESPONSIBLE OFFICIAL

I, Craig R. Eckberg, hereby certify, to the best of my knowledge and belief, that this application is correct and the proposed use claimed on this notice meets the requirements of all applicable state and federal rules and regulations. I further understand that the discrete emission reduction credits listed in this notice for use may devalue upon review of their creditability.

Signature C.R. Eckberg Signature Date 11/15/2005
Title Manager, Air Resources _____

Mail application to:
Emission Banking and Trading Program
TNRCC MC 162
PO BOX 13087
AUSTIN, TX 78711-3087

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 16, 2009

Mr. Peter Galloway
Environmental Scientist
NRG Texas Power, L.L.C.
1301 McKinney, Suite 2300
Houston, Texas 77010

Re: Notice of Intent to Use Discrete Emission Credits
Limestone Electric Generating Station
Jewett, Limestone County
Regulated Entity Number: RN100542927
Customer Reference Number: CN602755415
Account Number: LI-0027-L

Dear Mr. Galloway:

This letter is in response to your Form DEC-2 (Notice of Intent to Use Discrete Emission Credits), received November 15, 2005, for compliance with 30 Texas Administrative Code Chapter 117 (30 TAC Chapter 117), for the period of January 1, 2006, through December 31, 2006. We understand you plan to use 2,437.0 tons of nitrogen oxides (NO_x) discrete emission credits for the purposes of complying with the emission specifications for attainment demonstration for boilers in 30 TAC §117.2010(c)(1)(A).

We have reviewed your application and have found that the notice and the credits to be used meet the requirements of 30 TAC §§ 101.370 - 101.379. A Form DEC-3, (Notice of Use of Discrete Emission Credits), must be submitted within 90 days of the end of the use period.

For the 2006 calendar year, 2,437.0 NO_x tons will be set aside from certificate number D-2198. Enclosed is a copy of Discrete Emissions Reduction Credits (DERC) Certificate Number D-2410 issued to NRG Texas Power, L.L.C. for the remaining 2814.8 tons of NO_x discrete emission credits from DERC Certificate Number D-2198. This certificate has been deposited into the Texas Commission on Environmental Quality (TCEQ) Discrete Emission Credits Registry. The certificate may be transferred or sold to another owner for use per the requirements of 30 TAC §§ 101.370 - 101.379.

Mr. Peter Galloway
Page 2
December 16, 2009

Thank you for your cooperation in this matter. If you have questions concerning this review, please contact Mr. Todd Huddleson at (512) 239-1105 or write to the Texas Commission on Environmental Quality (TCEQ), Chief Engineer's Office, Air Quality Division (MC-206), P.O. Box 13087, Austin, Texas 78711-3087.

This action is taken under authority delegated by the Executive Director of the TCEQ.

Sincerely,

A handwritten signature in black ink, appearing to read "David Brymer". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Brymer".

David Brymer, Director
Air Quality Division
Texas Commission on Environmental Quality

DB/TH/rj

cc: Air Section Managers, Region 9 - Waco

Project Number: 400845

The State of Texas
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-1062



Number of Credits

5251.8 TONS NOx

USED
PURPOSE: *intent to use*
DATE: *12/7/09*

Project #400845
Discrete Emission Reduction Credit Certificate

This certifies that:

Texas Genco, L.P.
12301 Kurland
Houston, TX 77034

is the owner of 5251.8 tons of nitrogen oxide (NOx) discrete emission reduction credits established under the laws of the State of Texas, transferable only on the books of the Texas Commission on Environmental Quality, by the holder hereof in person or by duly authorized Attorney, upon surrender of this certificate.

The owner of this certificate is entitled to utilize the discrete emission credits evidenced herein for all purpose authorized by the laws and regulations of the State of Texas and is subject to all limitations prescribed by the laws and regulations of the State of Texas.

Discrete Emission Reduction Generation Period: April 1, 2002-December 31, 2002

Generator Account No.: LI-0027-L
County of Generation: Limestone

Generator Certificate: N/A

May 6, 2003

Date

Margaret Hoffman
Executive Director

Texas Commission on Environmental Quality