

AIR DERC_100542927-404219_
USE_20100512_Use_D2514

04/26/2010 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 404219

STATUS: P

DISP CODE: C

RECEIVED: 11/18/2009

PROJTYPE: BDIU

ISSUED DT: 04/15/2010

SUP-DISP DATE: 5/12/2010**STAFF ASSIGNED TO PROJECT:**

BANDA, DANIEL

PROJECT NOTES:

THE FOLLOWING GROUPWISE DOCUMENTS ARE FOR PROJECTS: 401196 / 401663 / 401240 / 402523 / 402104 / 403089 / 403715 / 404579 / 404537 / 404219.

CTAL-14633 / CTTR-14634

THE FOLLOWING GROUPWISE DOCUMENTS ARE USED DERC CERTIFICATES (DCCT) : 14635-D2202 / 14636-D2198 / 14638-D2515 / 14639-D2516 / 14641-D2201 / 14643-D2521 / 14645-D2199 / 14646-D2525 / 14648-D2527 / 14649-D2513 / 14651-D2523 / 14653-D2514

THE FOLLOWING GROUPWISE DOCUMENTS ARE RETAINED DERC CERTIFICATES (DCCT) : 14637-D2512 / 14640-D2517 / 14642-D2518 / 14644-D2522 / 14647-D2526 / 14650-D2519 / 14652-D2524 / 14654-D2520

PROJECT TRANSACTIONS**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_INTEN

DATE ENTERED: 2010-02-04 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: **2457.20**DOLLARS: **0**CERTIFICATE NO.: **D2514** COUNTY : **LIMESTONE****TRANSACTION DATA**

TRANSACTION TYPE: DERC_RET

DATE ENTERED: 2010-02-04 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: **102.80**DOLLARS: **0**CERTIFICATE NO.: **D2520** COUNTY : **LIMESTONE****TRACKING ACTIVITES**TR - ENGINEER RECEIVE
PROJECT :03/25/2010 FA - PROJECT ISSUED : 04/15/2010 TR - SUP/MANGR
APP/RVW RQSTD : 04/15/2010TR - PROJ TECH
COMPLETE :04/15/2010 TR - DATE SUP/MNGR
REQ ADDL TR :

02/04/2010 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 404219 STATUS: P DISP CODE: _____
RECEIVED: 11/18/2009 PROJTYPE: BDIU ISSUED DT: _____
SUP-DISP DATE: _____

STAFF ASSIGNED TO PROJECT:

~~BAINES, LUKE~~ *Daniel*

PROJECT TRANSACTIONS**COMPANY DATA**

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

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TRANSACTION DATA

TRANSACTION TYPE: DERC_INTEN
DATE ENTERED: 2010-02-04 00:00:00.0
CONTAMINATE: NOX
ALLOWANCE

DELETED DATE: EFFECTIVE YEAR: *2008.4*
TONS: 0 DOLLARS: 0
CERTIFICATE NO.: 0 COUNTY: LIMESTONE *2007.2*

INTENT 10'

2008.4 TONS

2007.2

TRACKING ACTIVITIES

TR - ENGINEER RECEIVE PROJECT : 02/04/2010

TR - SUP/MANGR
APP/RVW RQSTD :

TR - PROJ TECH
COMPLETE :

FA - PROJECT ISSUED :

TR - DATE SUP/MNGR
REQ ADDL TR :



Form DEC-2 (Page 1)
Notice of Intent To Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

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404219

I. Company Identifying Information			
A. Company Name: NRG Texas Power LLC 3185			
Mailing Address: 1301 McKinney, Suite 2300			
City: Houston	State: TX	Zip Code: 77010	
Telephone: 713-795-6208		Fax: 713-795-7431	
B. TCEQ Customer Number (CN): 603207218			
C. Site Name: Limestone Electric Generating Station			
Street Address: (if no street address, give driving directions to site): 9 miles North of Jewett, TX on FM 39			
Nearest City: Jewett	Zip Code: 75846	County: Limestone	
D. TCEQ Regulated Entity Number (RN): 100542927			
E. Primary SIC: 4911		Air Permit Number: 8576	
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.)			
Technical Contact Title: Perry M. Galloway			
Mailing Address: 1301 McKinney, Suite 2300			
City: Houston	State: TX	Zip Code: 77010	
Telephone: 713-795-6211	Fax: 713-795-7431	E-mail: perry.galloway@nrgenergy.com	
III. Mass Emission Cap and Trade Program (MECT)			
Is the DERC use for compliance with 30 TAC Chapter 101 Subchapter H, Division 3? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
Year DERC Generated: _____ Year of Use: _____ Ratio of DERC to Allowance: _____ to _____			
<i>Note: If DERC use is to comply with MECT then go to Section IX</i>			
IV. Intended Use Period			
Intended Use Start Date <u>01/01/10</u>		Intended Use End Date <u>12/31/10</u>	



Form DEC-2 (Page 2)
Notice of Intent To Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

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V. State and Federal Requirements

Applicable State and Federal requirements that the DERCs will be used for compliance:
30 TAC 117.3010, 30 TAC 117.3020

VI. Most Stringent Emission Rate

Describe basis for most stringent allowable emission rate:

☐ Permit _____

☐ RACT _____

☒ Other: 0.165 lb/mmBtu

Notes:

Continue to Section VII (next page)



Form DEC-2 (Page 3)
Notice of Intent To Use Discrete Emission Credits
 (Title 30 Texas Administrative Code § 101.370 - § 101.379)

VII. Tons of DERCS Required									
Emission Point No.	FIN	Air Contaminant	Calculation of DERCs						
			Expected Activity (units)	Expected Emission Rate (units)	Expected Total Emissions (tons)	Regulated Activity (units)	Regulated Emission Rate (units)	Regulated Total Emissions (tons)	DERCs (tons)
LMS1	1	NOx	see attached	see attached	see attached	61,600,000 MMBtu	0.165 lb/mmBtu	5,082.0	750
LMS2	2	NOx	see attached	see attached	see attached	58,569,697 MMBtu	0.165 lb/mmBtu	4,832.0	1388
								Total:	2138

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Form DEC-2 (Page 4)
Notice of Intent To Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

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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 Attached.

IX. Total DERCs Required for Use (round up to the nearest tenth of a ton)

Tons of DERCs required (from Sect. VII.)	CO: _____	NO _x : <u>2138</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Offset Ratio (if required)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Environmental Contribution (+ 10%)	CO: _____	NO _x : <u>213.8</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Compliance Margin (+ 5%) (If DERC use requires >10 tons)	CO: _____	NO _x : <u>106.9</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs	CO: _____	NO _x : <u>2459</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____

X. DERC Information

Name of the DERC Generator: W. A. Parish Electric Generating Station

DERC Generator Regulated Entity Number: RN100888312

Certificate number of the DERCs acquired or to be acquired: D-1049

Note: The certificate number is assigned by the TCEQ



Form DEC-2 (Page 5)
Notice of Intent To Use Discrete Emission Reduction Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

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XI. Purchase Date and Price

Date on which the DERCs were acquired or will be acquired: 6/04/2003

Price or expected price of the DERCs: \$ 0.00 per ton (Required)

XII. Certification by Responsible Official

I Craig R. Eckberg, hereby certify, that the emission reductions claimed on this notice meet the requirements of 30 TAC Chapter 101, Subchapter H, Division 4. I further state that to the best of my knowledge and belief the information in this certification is not in any way in violation of 30 TAC, Subchapter H, Division 4, §101.370-101.379 or any applicable air quality rule or regulation of the Texas Commission on Environmental Quality and that intentionally or knowingly making or causing to be made false material statements or representations in this certification is a CRIMINAL OFFENSE subject to criminal penalties.

Signature C.R. Eckberg Signature Date 16 Nov 09
Title Manager, Air Resources

Mail application to:
Emission Banking and Trading Program
TCEQ MC-206
PO BOX 13087
AUSTIN, TX 78711-3087

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Calculation Description

The equation used to calculate the amount of discrete emission credits needed to demonstrate compliance or meet regulatory requirements is provided in 30 TAC 101.376 (d) to determine appropriate data series.

The affected units are equipped with a certified NOx Continuous Emission Monitor (CEM), which provides hourly NOx rates on a lb/MMBtu basis, in accordance with the requirements of 40 CFR 75.10(a)(2). The annual baseline NOx rate reported in the TCEQ Emission Inventories is calculated by the CEM data acquisition system and consists of the average of the hourly rates. The expected emission rate represents a conservative estimate of NOx emissions for the compliance period.

$$(ELA) \times (EER - RER) = \text{discrete emission credits needed}$$

where

ELA = maximum expected level of activity (MMBtu/yr)

EER = expected emission rate per unit activity (lb/MMBtu)

RER = regulatory emission rate per unit activity (lb/MMBtu)

$$\begin{aligned} \text{LMS1} &= (56,110,834.4^{42} \text{ MMBtu}) \times (0.19172^{0.192} \text{ lb/MMBtu} - 0.165 \text{ lb/MMBtu}) \\ &= (56,110,834.4 \text{ MMBtu}) \times (0.02672 \text{ lb/MMBtu}) \\ &= 1,499,281.5 / 2000 \text{ lbs./ton} \\ &= 749.6 \text{ tons} \end{aligned}$$

757.5

$$\begin{aligned} \text{LMS2} &= (68,951,845.6^{61} \text{ MMBtu}) \times (0.20526^{0.205} \text{ lb/MMBtu} - 0.165 \text{ lb/MMBtu}) \\ &= (68,951,845.6 \text{ MMBtu}) \times (0.04026 \text{ lb/MMBtu}) \\ &= 2,776,001.3 \text{ lbs.} / 2000 \text{ lbs./ton} \\ &= 1,388.0 \text{ tons} \end{aligned}$$

1375.1

$$\begin{aligned} \text{LMS1} + \text{LMS2} &= 750 \text{ tons} + 1,388 \text{ tons} \\ &= 2,138 \text{ tons} \end{aligned}$$

$$\begin{array}{r} 2136.6 \\ \times 0.1 \\ \hline 213.7 \end{array}$$

$$\begin{array}{r} 2136.6 \\ \times 0.05 \\ \hline 106.9 \end{array}$$

2457.2

NRG Texas Power LLC
Limestone Electric Generating Station
DERC Usage Calculations for January 1, 2010 - December 31, 2010
Based on 2009 CEMS NOx Cumulative Report (1/1/09 - 10/31/09) & 2008 CEMS NOx Cumulative Report (11/1/08 - 12/31/08)

TCEQ Account	Unit	NOx Control Method1	NOx Monitoring Method	Jan 1, 2007 thru December 31, 2007 Heat Input-(ALA) (MMBtu)2	Jan 1, 2007 thru December 31, 2007 EF-(AER) (NOx lb/MMBtu)	Emission Specification (RER) 117.135(1)(ii)	Actual Emissions (NOx tons/yr)	Annual Average Emissions Cap (NOx tons/yr)	Credits Used to meet Compliance (NOx lbs/yr) (101.376(e)(2)(A))3	Credits Used to meet Compliance (NOx tns/yr) (101.376(e)(2)(A))3	10% Environmental Contribution	Total DERCs Required
LI-0027-L	LMS 1	Comb, LNB, OFA	CEMS	56,110,834.4	0.19172	0.165	5,522.1	5,081.5	1,499,195.2	749.6	75.0	824.6
	LMS 2	Comb, LNB, OFA	CEMS	68,951,845.6	0.20526	0.165	7,159.9	4,831.5	2,775,794.2	1,387.9	138.8	1,526.7
Total:				125,062,680.0			12,682.0	9,913.0	4,274,989.3	2,137.5	213.7	2,351.2

Note 1 - NOx Control Method Code
Comb - Combustion Tuning
LNB - Low NOx Burners
OFA - Over-fire Air

Note 2 - Emission Factor
Heat Input weighted Emission Factor derived from CEMS data

Note 3 - Formula for discrete credits used is per 30 TAC 101.376(e)(2)(A):
(ALA) X (AER - RER) = discrete emission credits used

Where:
ALA = actual level of activity
AER = actual emission rate per unit activity
RER = regulatory emission rate per unit activity

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2009 Yearly NOx Emissions
CEMS 2009 Cumulative Report

Month 2009	LMS1			LMS2		
	Heat Input (mmBtu/mo.)	NOx (tons)	NOx Rate (lb/mmBtu)	Heat Input (mmBtu/mo.)	NOx (tons)	NOx Rate (lb/mmBtu)
January	5,223,597	476.8	0.181	6,506,025	680.7	0.209
February	1,698,325	157.6	0.186	4,986,087	494.0	0.196
March	2,193,017	197.7	0.165	5,442,395	520.3	0.189
April	4,397,097	405.7	0.185	5,561,763	534.4	0.191
May	5,604,359	556.8	0.197	5,933,348	631.5	0.212
June	5,761,382	642.3	0.222	6,051,927	705.4	0.232
July	5,922,873	639.3	0.215	6,339,234	728.8	0.230
August	4,661,927	473.2	0.201	5,107,581	540.3	0.208
September	3,964,512	338.8	0.169	4,739,122	418.9	0.177
October	4,748,825	391.8	0.165	5,286,151	447.3	0.170
November	5,967,460	621.1	0.208	6,499,107	729.2	0.224
December	5,967,460	621.1	0.208	6,499,107	729.2	0.224
Totals	56,110,834.42	5,522.1	0.1917	68,951,845.63	7,159.9	0.2053

2008 max data

2008 max data

Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Kathleen Hartnett White, *Commissioner*
Margaret Hoffman, *Executive Director*



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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 4, 2003

Mr. Joe Araiza
Senior Environmental Engineer
Reliant Energy
P.O. Box 1700
Houston, Texas 77251

Re: Review of Discrete Emission Reduction Credits
(DERCs) Generation
Project Number: 98167
W. A. Parish Electric Generating
Thompsons, Fort Bend County
Account Number: FG-0020-V

Dear Mr. Araiza:

This letter is to notify you of revisions to Title 30 Texas Administrative Code § 101.378 (30 TAC § 101.378), Discrete Emission Credit Banking and Trading. These revisions, adopted on December 13, 2002, now require the Texas Commission on Environmental Quality (TCEQ) to issue a uniquely numbered certificate for all certified DERCs listed in the Discrete Emissions Credit Registry.

Enclosed is the DERC Certificate numbered D-1049, issued to Reliant Energy in the amount of 2,560.0 tons of nitrogen oxide discrete emission credits. This certificate has been deposited in the TCEQ Discrete Emissions Credit Registry. This certificate may be transferred or sold to another owner per the requirements of 30 TAC §§ 101.370 through 101.379. However, the certificate must be submitted to the TCEQ Discrete Emissions Credit Registry when ownership of the credits changes.

Thank you for your cooperation in this matter. If you have questions concerning this review or need further assistance regarding the banking program, please contact Mr. Richard 'Cory' Chism at (512) 239-0539 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-162), P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

A handwritten signature in black ink, appearing to read "John F. Steib, Jr.", written over a horizontal line.

John F. Steib, Jr., Director
Air Permits Division
Office of Permitting, Remediation & Registration

JUN 09 2003

JS/LH/bs

Enclosure

cc: Ms. Karen Atkinson, Air Program Manager, Region 12 - Houston



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CERTIFIED MAIL—RETURN RECEIPT REQUESTED

November 16, 2009

Mr. Jay Tonne
Texas Commission on Environmental Quality
Emission Banking and Trading Program, MC206
P.O. Box 13087
Austin, TX 78711-3087

RE: Notice of Intent to Use Discrete Emission Credits (Form DEC-2)
Limestone Electric Generating Station
Customer Reference No.: CN603207218
Regulated Entity No.: RN100542927

Dear Mr. Tonne:

NRG Texas Power LLC (NRG Texas) provides the enclosed information to fulfill the applicable requirements of 30 Texas Administrative Code, Chapter 117 for the Limestone Electric Generating Station. The Discrete Emission Reduction Credit Certificate D-1049 with the letter of approved generation from the TCEQ is attached.

As required by 30 TAC 101.376(d)(1)(D)(xi) due diligence was taken to verify that the discrete emission credits were not previously used, the discrete emission credits were not generated as a result of actions prohibited under this regulation, and the discrete emission credits will not be used in a manner prohibited under this regulation.

NRG Texas has determined that up to 2,138 discrete emission credits will be required for 2010 operations at the Limestone Station.

If you have any questions, please contact Mr. Perry M. Galloway at (713) 795-6211 or email at perry.galloway@nrgenergy.com.

Sincerely,

Craig R. Eckberg
Manager, Air Resources
Environmental Operations

cc: Mr. Gary Goldman, TCEQ Region 9, Air Section Manager, Waco, TX
Mr. John Smith, TCEQ Central Office, Austin, TX

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

D-2520



Number of Credits:

102.8 Tons NOx

Discrete Emission Reduction Credit Certificate

This certifies that

***NRG Texas Power, L.L.C..
1301 McKinney, Suite 2300
Houston, Texas 77010***

is the owner of 102.8 tons of nitrogen oxides (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, 2001 to March 31, 2002

Generator Regulated Entity No.: RN100888312

Generator Certificate: D-1049

County of Generation: Fort Bend

May 4, 2010

Date

A handwritten signature in black ink, appearing to read "David Bryner".

For the Commission

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

May 26, 2010

Mr. Perry M. Galloway
Sr. Environmental Specialist
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: CN603207218
Portfolio Number: P3185

Dear Mr. Galloway:

This letter is in response to NRG Texas Power, L.L.C.'s (NRG), formerly Texas Genco, L.P., multiple Form DEC-2's, entitled "Notice of Intent to Use Discrete Emission Credits," and multiple Form DEC-3's, entitled "Notice of Use of Discrete Emission Credits," for the purpose of compliance with emission specifications referenced in Title 30 Texas Administrative Code (TAC) §117.3010 (previously 30 TAC §117.135) for the 2006-2010 compliance period.

We have reviewed your applications and have found that the notices and the credits to be used meet the requirements of 30 TAC §§101.370 through 101.379. Please refer to the summaries and table below for details.

Form DEC-2 dated September 17, 2006, was submitted by NRG as a supplement to the previously filed 2006 intent notice received November 18, 2005. The Form DEC-2 indicated that NRG plans to use 1,271.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the purpose of complying with 30 TAC §117.3010 for the period of January 1, 2006, through December 31, 2006. Upon review of the use of these credits, only a total of 1,270.1 tons of NO_x DERCs are needed and will be set aside from certificate D-2202 (parent D-2049). The remaining 55.6 tons of NO_x DERCs have been issued to certificate D-2512 and deposited into the Texas Commission on Environmental Quality (TCEQ) Discrete Emission Credits Registry.

Form DEC-3, received April 5, 2007, states that NRG used 2,575.0 tons of NO_x DERCs for the purpose of compliance with 30 TAC §117.3010 for the period of January 1, 2006, through December 31, 2006. Upon review of the use of these credits, 2,622.1 tons of NO_x DERCs were

needed to meet the requirements of 30 TAC §117.3010. Certificate D-2198 (parent D-1062), set aside by project 400845 for this use, will be stamped used and retired. In addition, 185.1 tons of NO_x DERCs, set aside by project 401196 from certificate D-2202, will be stamped used and retired. The remaining 1,085.0 tons of NO_x DERCs from certificate D-2202 have been issued to certificate D-2517 and deposited into the TCEQ Discrete Emission Credits Registry. Certificates D-2198 and D-2202 are no longer available for use.

Form DEC-2 dated November 27, 2006, states that NRG plans to use 3,345.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the purpose of complying with 30 TAC §117.3010 for the period of January 1, 2007, through December 31, 2007. Upon review of the use of these credits, 1,284.8 tons of NO_x DERCs will be set aside from certificate D-2201 (parent D-1207) and 2,096.0 tons of NO_x DERCs will be set aside from certificate D-2410 (parent D-2198) for a total of 3,380.8 tons of NO_x DERCs. The remaining 718.8 tons of NO_x DERCs from certificate D-2410 have been issued to certificate D-2518 and deposited into the TCEQ Discrete Emission Credits Registry. The original certificate which NRG had intended to use, certificate D-2118 (parent D-1120), has already been used in project 403143. As a result, certificate D-2410 was used instead to cover the intent for 2007.

Form DEC-3, received March 20, 2008, states that NRG used 2,328.6 tons of NO_x DERCs for the purpose of compliance with 30 TAC §117.3010 for the period of January 1, 2007, through December 31, 2007. Upon review of the use of these credits, only 2,313.3 tons of NO_x DERCs were needed to meet the requirements of 30 TAC §117.3010. Certificate D-2201, set aside by project 401240 for this use, will be stamped used and retired. In addition, 1,028.5 tons of NO_x DERCs, set aside by project 401240 from certificate D-2410, will be stamped used and retired. The remaining 1,067.5 tons of NO_x DERCs from certificate D-2410 have been issued to certificate D-2522 and deposited into the TCEQ Discrete Emission Credits Registry. Certificates D-2201 and D-2410 are no longer available for use.

Multiple Form DEC-2's dated November 19, 2007, and September 23, 2008, state that NRG plans to use 3,118.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the purpose of complying with 30 TAC §117.3010 for the period of January 1, 2008, through December 31, 2008. Upon review of the use of these credits, 1,369.5 tons of NO_x DERCs will be set aside from certificate D-2199 (parent D-1063) and 1,204.9 tons of NO_x DERCs will be set aside from D-2525 (parent D-2323) for a total of 2,574.4 tons of NO_x DERCs. After reviewing the Form DEC-3 submitted for the 2008 use, it was determined that the total amount of 3,118.0 tons set aside in the intent was not needed. Therefore, certificate D-1027, which NRG had intended to use, will not be used and will remain in portfolio P0576. The remaining 125.1 tons of NO_x DERCs from certificate D-2525 have been issued to certificate D-2526 and deposited into the TCEQ Discrete Emission Credits Registry.

Form DEC-3, received April 3, 2009, states that NRG used 2,596.0 tons of NO_x DERCs for the purpose of compliance with 30 TAC §117.3010 for the period of January 1, 2008, through December 31, 2008. Upon review of the use of these credits, only 2,574.4 tons of NO_x DERCs were needed to meet the requirements of 30 TAC §117.3010. Certificates D-2525 and D-2199,

which were set aside by project 402104 and 403089 for this use, will be stamped used and retired. Certificates D-2199 and D-2525 are no longer available for use.

Form DEC-2 dated November 11, 2008, states that NRG plans to use 2,730.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the purpose of complying with 30 TAC §117.3010 for the period of January 1, 2009, through December 31, 2009. Upon review of the use of these credits, a total of 2,727.4 tons of NO_x DERCs will be set aside from certificate D-2513 (parent D-1026). The remaining 8.6 tons of NO_x DERCs from certificate D-2513 have been issued to certificate D-2519 and deposited into the TCEQ Discrete Emission Credits Registry.

Form DEC-3, received March 15, 2010, states that NRG used 1,908.9 tons of NO_x DERCs for the purpose of compliance with 30 TAC §117.3010 for the period of January 1, 2009, through December 31, 2009. Upon review of the use of these credits, 1,894.6 tons of NO_x DERCs meet the requirements of 30 TAC §117.3010. Certificate D-2513, which was set aside by project 404579 for this use, will be stamped used and retired. The remaining 832.8 tons of NO_x DERCs from certificate D-2513 have been issued to certificate D-2524 and deposited into the TCEQ Discrete Emission Credits Registry. Certificate D-2513 is no longer available for use.

Form DEC-2 dated November 18, 2009, states that NRG plans to use 2,459.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the purpose of complying with 30 TAC §117.3010 for the period of January 1, 2010, through December 31, 2010. Upon review of the use of these credits, only a total of 2,457.2 tons of NO_x DERCs will be set aside from certificate D-2514 (parent D-1049). The remaining 102.8 tons of NO_x DERCs from certificate D-2514 have been issued to certificate D-2520 and deposited in the TCEQ Discrete Emission Credits Registry.

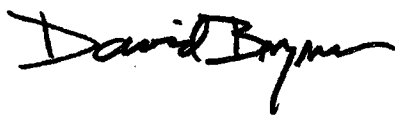
Please refer to the table on the following page for a list of NRG certificates that have been retained or cancelled.

PROJECT #	RECEIVE DATE	PROJECT TYPE	USE PERIOD	TOTAL TONS REQUIRED/USED	CERTIFICATES RETAINED	CERTIFICATES CANCELLED
401196	9/17/2006	Intent	1/1/06 - 12/31/06	1,270.1	D-2512	-
401663	4/5/2007	Use		2,622.1	D-2517	D-2198 D-2202
401240	11/27/2006	Intent	1/1/07 - 12/31/07	3,380.8	D-2518	-
402523	3/20/2008	Use		2,313.3	D-2522	D-2201 D-2410
402104	11/19/2007	Intent	1/1/08 - 12/31/08	2,383.9	-	-
403089	9/23/2008	Intent		754.3	D-2526	-
403715	4/3/2009	Use		2,574.4	-	D-2199 D-2525
404579	11/11/2008	Intent	1/1/09 - 12/31/09	2,727.4	D-2519	-
404537	3/15/2010	Use		1,894.6	D-2524	D-2513
404219	11/18/2009	Intent	1/1/10 - 12/31/10	2,457.4	D-2520	-

Thank you for your cooperation in this matter. If you have questions concerning this review or need further assistance regarding the banking program, please contact Mr. Daniel Banda at (512) 239-4701, or write to the Texas Commission on Environmental Quality, 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,



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

DB/DB/lb

Project Numbers: 401196, 401663, 401240, 402523, 402104, 403089, 403715, 404579, 404537, and 404219

DISCRETE EMISSION CREDITS INTENT TO USE TECHNICAL REVIEW

Project No.:	401196,401663,401240,402523, 402104,403089,403715,404579, 404537,404219	Customer Reference No.:	CN603207218
Project Type:	BDIU / BUSE	Regulated Entity No.:	RN100542927
Company:	NRG Texas Power, L.L.C.	Facility Name:	Limestone Electric Generating Station
City:	Jewett	County:	Limestone County
Project Reviewer:	Mr. Daniel Banda	Portfolio Name:	P3185 – RN100542927

Project Overview

NRG Texas Power, L.L.C. (NRG), formerly Texas Genco, L.P., has submitted multiple Form DEC-2's, "Notice of Intent to Use of Discrete Emission Credits", and multiple Form DEC-3's, "Notice of Use of Discrete Emission Credits," for the purpose of compliance with emission specifications referenced in Title 30 Texas Administrative Code (TAC) §117.3010 (previously 30 TAC §117.135) for the 2006-2010 compliance period. The supporting rule 30 TAC §117.3010 addresses emission specifications for utility electric generation in East and Central Texas.

A supplemental Form DEC-2, notice of intent to use, was submitted on September 23, 2008, for the period of January 1, 2008, through December 31, 2008. Title 30 TAC §101.376(d)(1)(B)(ii) indicates that the Form DEC-2 must be submitted 45 days prior to the first day of the use period. Despite the fact that the intent to use was submitted past the required due date, NRG will not receive a notice of violation because the late submittal did not affect the processing of the following back-logged projects.

The intents and uses were available for review at the same time since they had been back-logged for many years. Therefore, in order to minimize the amount of certificates retained and generated, DERCs were set aside in intent projects with the corresponding use amount as a reference. In addition, there were instances where NRG did not use the appropriate rounding to calculate the amount of DERCs needed for the intents/uses and as a result, some of the values that were calculated and entered in Information Management System (IMS) are different than those submitted.

Discrete Emission Credit Intent to Use Summary

NRG Texas Power, L.L.C., Limestone Electric Generating Station, located in the East and Central Texas region, is subject to 30 TAC §117.3010 (previously 30 TAC §117.135). NRG will use discrete emission credits for the difference between the NO_x emission rate of 0.165 pound per million British thermal units (lb/MMBtu) defined in 30 TAC §117.3010 and the NO_x emission rates during the 2006-2010 compliance periods.

Form DEC-2 dated September 17, 2006, was submitted by NRG as a supplement to the previously filed 2006 intent notice received November 18, 2005 (project 400845). The Form DEC-2 indicated that NRG plans to use 1,271.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the period of January 1, 2006, through December 31, 2006. Upon review of these credits, 1,270.1 tons of NO_x DERCs were set aside from certificate D-2202 (parent D-2049, original D-1053). Certificate D-2049 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-2202. The quantity of DERCs needed for the 2006 intent is less than the total value of D-2202. Therefore, the remaining DERCs will be transferred to certificate D-2512 and issued to NRG with a value of 55.6 tons of NO_x DERCs as the remainder for future use.

Form DEC-3, received April 5, 2007, states that NRG used 2,575.0 tons of NO_x DERCs for the period of January 1, 2006, through December 31, 2006. Upon review of the use of these credits, NRG used 2,622.1 tons (including the 10% environmental contribution) of NO_x DERCs to meet the requirements of 30 TAC §117.3010. Certificate D-2515 (parent D-2198, original D-1062) which was set aside by project 400845 from certificate D-2198 for this use will be stamped used and retired. In addition, 185.1 tons of NO_x DERCs, set aside by project 401196 from certificate D-2202, will be used from certificate D-2516 (parent D-2202, original D-1053). The quantity of DERCs set aside by project 401196 from certificate D-2202 is less than the needed amount for the 2006 use. Therefore the remaining DERCs from certificate D-2202 will be transferred to certificate D-2517 and issued to NRG with a value of 1,085.0 tons of NO_x DERCs as the remainder for future use. Certificates D-2198 and D-2202 are no longer available for use.

Form DEC-2 dated November 27, 2006, states that NRG plans to use 3,345.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the period of January 1, 2007, through December 31, 2007. Upon review of the use of these credits, 1,284.8 tons of NO_x DERCs were set aside from certificate D-2201 (parent D-1207, original D-1123) and 2,096.0 tons of NO_x DERCs were set aside from certificate D-2410 (parent D-2198, original D-1062) for a total of 3,380.8 tons of NO_x DERCs. The certificate D-1207 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-2201. The quantity of DERCs needed for the 2007 intent is less than the total value of D-2410. Therefore, the remaining DERCs will be transferred to certificate D-2518 and issued to NRG with a value of 718.8 tons of NO_x DERCs as the remainder for future use. Please note that the certificate which NRG had intended to use, D-2118 (parent D-1120), has already been used in project 403143. As a result, NRG authorized the use of certificate D-2410 to cover the intent for 2007.

Form DEC-3, received March 20, 2008, states that NRG used 2,328.6 tons of NO_x DERCs for the period of January 1, 2007, through December 31, 2007. Upon review of the use of these credits, NRG used 2,313.3 tons (including the 10% environmental contribution) of NO_x DERCs to meet the requirements of 30 TAC §117.3010. Certificate D-2201, which was set aside by project 401240 for this use will be stamped used and retired. In addition, 1,028.5 tons of NO_x DERCs, set aside by project 401240 from certificate D-2410, will be used from certificate D-2521 (parent D-2410, original D-1062). Certificate D-2521 will be stamped used and retired. The quantity of DERCs set aside by project 401240 from certificate D-2410 is less than the needed amount for the 2007 use. Therefore, the remaining DERCs from certificate D-2410 will be transferred to certificate D-2522 and issued to NRG with a value of 1,067.5 tons of NO_x DERCs as the remainder for future use. Certificates D-2201 and D-2410 are no longer available for use.

Multiple Form DEC-2's dated November 19, 2007, and September 23, 2008, state that NRG plans to use 3,118.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the period of January 1, 2008, through December 31, 2008. Upon review of the use of these credits, 1,369.5 tons of NO_x DERCs were set aside from certificate D-2199 (parent D-1063) and 1,204.9 tons of NO_x DERCs from certificate D-2525 (parent D-2323, original D-1029) for a total of 2,574.4 tons of NO_x DERCs. After reviewing the Form DEC-3 submitted for the 2008 use, it was determined that the total amount of 3,118.0 tons set aside in the intent was not needed. Therefore, certificate D-1027, which NRG had intended to use, will not be used and will remain in portfolio P0576. Certificate D-1029 was generated by Reliant Energy, Inc., and then transferred to Texas Genco, L.P., during a name change. Texas Genco, L.P., then became NRG and the certificate D-1029 became certificate D-2323. On April 16, 2010, NRG authorized the transfer of certificate D-2323 from portfolio P3140 to portfolio P3185. Certificate D-2323 is now certificate D-2525. In addition, certificate D-1063 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-2199. The quantity of DERCs needed for the 2008 intent is less

than the total value of certificate D-2525. Therefore, the remaining DERCs will be transferred to certificate D-2526 and issued to NRG with a value of 125.1 tons of NO_x DERCs as the remainder for future use.

Form DEC-3, received April 3, 2009, states that NRG used 2,596.0 tons of NO_x DERCs for the period of January 1, 2008, through December 31, 2008. Upon review of the use of these credits, NRG used 2,574.4 tons (including the 10% environmental contribution) of NO_x DERCs to meet the requirements of 30 TAC §117.3010. Certificate D-2199, which was set aside by project 402104 for this use will be stamped used and retired. In addition, certificate D-2527 (parent D-2525, original D-1029) which was set aside by project 403089 from certificate D-2525 for this use will be stamped used and retired. Certificates D-2199 and D-2525 are no longer available for use.

Form DEC-2 dated November 11, 2008, states that NRG plans to use 2,730.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the period of January 1, 2009, through December 31, 2009. Upon review of the use of these credits, a total of 2,727.4 tons of NO_x DERCs were set aside from certificate D-2513 (parent D-1026). Certificate D-1026 was generated by Reliant Energy, Inc., and then transferred to Texas Genco, L.P., during a name change. Texas Genco, L.P., then became NRG and the certificate is now D-2513. The quantity of DERCs needed for the 2009 intent is less than the total value of certificate D-2513. Therefore, the remaining DERCs will be transferred to certificate D-2519 and issued to NRG with a value of 8.6 tons of NO_x DERCs as the remainder for future use.

Form DEC-3, received March 15, 2010, states that NRG used 1,908.9 tons of NO_x DERCs for the period of January 1, 2009, through December 31, 2009. Upon review of the use of these credits, NRG used 1,894.6 tons (including the 10% environmental contribution) of NO_x DERCs to meet the requirements of 30 TAC §117.3010. Certificate D-2523 (parent D-2513, original D-1026) which was set aside by project 404579 from certificate D-2513 for this use will be stamped used and retired. The quantity of DERCs set aside by project 404579 from certificate D-2513 is less than the needed amount for the 2009 use. Therefore the remaining DERCs from certificate D-2513 will be transferred to certificate D-2524 and issued to NRG with a value of 832.8 tons of NO_x DERCs as the remainder for future use. Certificate D-2513 is not longer available for use.

Form DEC-2 dated November 18, 2009, states that NRG plans to use 2,459.0 tons (including the 10% environmental contribution and the 5% compliance margin) of NO_x DERCs for the period of January 1, 2010, through December 31, 2010. Upon review of the use of these credits, a total of 2,457.2 tons of NO_x DERCs were set aside from certificate D-2514 (parent D-1049). Certificate D-1049 was generated by Reliant Energy, Inc., and then transferred to Texas Genco, L.P., during a name change. Texas Genco, L.P., then became NRG and the certificate is now D-2514. The quantity of DERCs needed for the 2010 intent is less than the total value of certificate D-2514. Therefore, the remaining DERCs will be transferred to certificate D-2520 and issued to NRG with a value of 102.8 tons of NO_x DERCs as the remainder for future use.

PROJECT #	RECEIVE DATE	PROJECT TYPE	USE PERIOD	TOTAL TONS REQUIRED/USED	CERTIFICATES RETAINED	CERTIFICATES USED	CERTIFICATES CANCELLED
401196	9/17/2006	Intent	1/1/06 - 12/31/06	1,270.1	D-2512	-	-
401663	4/5/2007	Use		2,622.1	D-2517	D-2515 D-2516	D-2198 D-2202
401240	11/27/2006	Intent	1/1/07 - 12/31/07	3,380.8	D-2518	-	-
402523	3/20/2008	Use		2,313.3	D-2522	D-2521 D-2201	D-2201 D-2410
402104	11/19/2007	Intent	1/1/08 - 12/31/08	2,383.9	-	-	-
403089	9/23/2008	Intent		754.3	D-2526	-	-
403715	4/3/2009	Use		2,574.4	-	D-2199 D-2527	D-2199 D-2525
404579	11/11/2008	Intent	1/1/09 - 12/31/09	2,727.4	D-2519	-	-
404537	3/15/2010	Use		1,894.6	D-2524	D-2523	D-2513
404219	11/18/2009	Intent	1/1/10 - 12/31/10	2,457.4	D-2520	-	-

Example Credit Use Calculation Methods

Per 30 TAC §101.376(e)(2)(A), the amount of discrete emission credits needed demonstrate compliance or meet a regulatory requirement is calculated as follows:

$$(ALA) \times (AER - RER) = \text{discrete emission credits used}$$

Where:

ALA = actual level of activity

AER = actual emission rate per unit activity

RER = regulatory emission rate per unit activity

FIN LMS1:

$$[(23,995,000 \text{ MMBtu/yr}) \times (0.216 \text{ lbs/MMBtu} - 0.165 \text{ lbs/MMBtu})] \div 2000 \text{ lbs/ton} = 611.87 \text{ tons}$$

$$\text{Total DERCs needed} = 611.9 \text{ tons}$$

(rounded up to a tenth of a ton)

$$+ 10\% \text{ Environmental Contribution} = 61.2 \text{ tons}$$

(rounded up to a tenth of a ton)

$$+ 5\% \text{ Compliance Margin}^* = 30.6 \text{ tons}$$

(rounded up to a tenth of a ton)

$$\text{Total DERCs used} = 703.7 \text{ tons.}$$

* The 5% compliance margin is only used with intent to use projects when DERC intent is > 10 tons

Conclusion:

NRG Texas Power L.L.C., has submitted all required documentation for DERC intents/uses to be in compliance with 30 TAC §117.3010 for the 2006-2010 compliance periods.

Del B... 5/12/2010

Account Manager

Date

Brand L... 6/12/2012

Team Leader/Section Manager/Backup

Date