

AIR DERC_100542927-401240_
USE_20100415_Use_D2518

04/20/2010 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 401240 STATUS: C DISP CODE: _____
RECEIVED: 11/27/2006 PROJTYPE: BDIU ISSUED DT: 04/15/2010
SUP-DISP DATE: 04/15/2010

STAFF ASSIGNED TO PROJECT:
BANDA, DANIEL

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

CONTACT DATA

NAME: PERRY GALLOWAY TITLE: ENVIRONMENTAL SPECIALIST

STREET: 1301 MCKINNEY SUITE 2300 CITY/STATE, ZIP: HOUSTON, TX , 77010-0

FAX: 713-795-7431 ext 0

PHONE: 713-795-6211 ext 0

TRANSACTION DATA

TRANSACTION TYPE: DERC_INTEN

DATE ENTERED: 2006-12-12 00:00:00.0

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: NOX

TONS: 1284.80

DOLLARS: 0

ALLOWANCE0

CERTIFICATE NO.: D2201 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

CONTACT DATA**TRANSACTION DATA**

TRANSACTION TYPE: DERC_INTEN

DATE ENTERED: 2010-04-15 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 2096.00

DOLLARS: 0

CERTIFICATE NO.: D2410 COUNTY : LIMESTONE

TRANSACTION DATA

TRANSACTION TYPE: DERC_RET

DATE ENTERED: 2010-04-15 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 718.80

DOLLARS: 0

CERTIFICATE NO.: D2518 COUNTY : LIMESTONE

TRACKING ACTIVITESTR - ENGINEER RECEIVE
PROJECT :

03/25/2010

TR - SUP/MANGR
APP/RVW RQSTD :

04/15/2010 FA - PROJECT ISSUED : 04/15/2010

TR - PROJ TECH
COMPLETE :

04/15/2010

12/12/2006 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 401240 STATUS: P DISP CODE: _____
RECEIVED: 11/27/2006 PROJTYPE: BDIU ISSUED DT: _____
 SUP-DISP DATE: _____

STAFF ASSIGNED TO PROJECT:

SUN, STEVE

*Hutchinson, Perry**Address: [unclear]**Letter Daniel**Due 2/11/07*

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

CITY NAME: JEWETT

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

CONTACT DATA

NAME: PERRY GALLOWAY TITLE: ENVIRONMENTAL SPECIALIST
STREET: 1301 MCKINNEY SUITE 2300 CITY/STATE, ZIP: HOUSTON, TX , 77010-0
PHONE: 713-795-6211 ext 0
FAX: 713-795-7431 ext 0

TRANSACTION DATA

TRANSACTION TYPE: DERC_INTEN

DATE ENTERED: 2006-12-12 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE

DELETED DATE:

EFFECTIVE YEAR:

TONS: 0

DOLLARS: 0

CERTIFICATE NO.: 0 COUNTY : LIMESTONE

*07' INTENT**3,380.8 TONS*

TRACKING ACTIVITIES

TR - ENGINEER RECEIVE
PROJECT :

12/13/06

FA - PROJECT ISSUED :

TR - SUP/MANGR
APP/RVW RQSTD :

TR - PROJ TECH
COMPLETE :

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)

I. Company Identifying Information		
A. Company Name: NRG Texas LP		
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): 602755415		
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: (☒ Mr. ☐ Mrs. ☐ Ms. ☐ 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? ☐ YES ☒ 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>01/01/07</u>		Intended Use End Date <u>12/31/07</u>



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	1,524
LMS2	2	NOx	see attached	see attached	see attached	58,569,697 MMBtu	0.165 lb/mmBtu	4,832.0	1,385
								Total:	2,909



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

V. State and Federal Requirements

Applicable State and Federal requirements that the DERCs will be used for compliance:

30 TAC 117.135, 30 TAC 117.138

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

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>2,909</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>291</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Compliance Margin (+ 5%) (If DERC use requires >10 tons)	CO: _____	NO _x : <u>145</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs	CO: _____	NO_x: <u>3,345</u>	PM₁₀: _____	SO₂: _____	VOC: _____

X. DERC Information

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

DERC Generator Regulated Entity Number: RN100542927, RN100888312

Certificate number of the DERCs acquired or to be acquired: D-1207, D-1120

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)

XI. Purchase Date and Price

Date on which the DERCs were acquired or will be acquired: 05/6/03, 04/30/04

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

Signature Date 14 Nov 06

Title Manager, Air Resources

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

NRG Texas LP
Limestone Electric Generating Station
DERC Usage Calculations for January 1, 2007 - December 31, 2007
Based on 2006 CEMS NOx Tons Cumulative Report

TCEQ Account	Unit	NOx Control Method1	NOx Monitoring Method	Jan 1, 2006 thru December 31, 2006 Heat Input-(ALA) (MMBtu)2	Jan 1, 2006 thru December 31, 2006 EF-(AER) (NOx lb/MMBtu)	Emission Specification (RER) 117.135(1)(H)	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 tons/yr) (101.376(e)(2)(A))3	10% Environmental Contribution	Total DERCs Required
LI-0027-L	LMS 1	Comb, LNB, OFA	CEMS	66,886,828.0	0.2106	0.165	7,042.0	5,081.5	3,047,643.2	1,523.8	152.4	1,676.2
	LMS 2	Comb, LNB, OFA	CEMS	68,359,612.5	0.2055	0.165	7,024.2	4,831.5	2,769,119.3	1,384.6	138.5	1,523.0
Total:				135,246,440.5			14,066.2	9,913.0	5,816,762.5	2,908.4	290.8	3,199.2

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):

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

Where:

ALA = actual level of activity

AER = actual emission rate per unit activity

RER = regulatory emission rate per unit activity

**2006 Yearly NOx Emissions
CEMS 2006 Cumulative Report**

Month 2006	LMS1				LMS2				
	Heat Input (mmBtu/mo.)	NOx (tons)	NOx (lbs.)	NOx Rate (lb/mmBtu)	Heat Input (mmBtu/mo.)	NOx (tons)	NOx (lbs.)	NOx Rate (lb/mmBtu)	
January	5,998,750	646.7	1,293,400	0.216	5,861,688	607.6	1,215,200	0.207	Assumed max HI for 2006. Sub for Pre Uprate values
February	1,884,319	199.8	399,600	0.212	5,861,688	607.6	1,215,200	0.207	Assumed max HI for 2006. Sub for Pre Uprate values
March	5,974,929	584.9	1,169,800	0.196	5,861,688	607.6	1,215,200	0.207	Assumed max HI for 2006. Unit down for uprate outage
April	5,594,207	623.9	1,247,800	0.223	5,861,688	607.6	1,215,200	0.207	Assumed max HI for 2006. Unit down for uprate outage
May	5,957,478	603.8	1,207,600	0.203	5,861,688	607.6	1,215,200	0.207	
June	5,778,880	615.0	1,230,000	0.213	5,710,828	571.3	1,142,600	0.200	
July	5,995,082	641.7	1,283,400	0.214	5,108,651	541.0	1,082,000	0.212	
August	5,875,772	614.8	1,229,600	0.209	5,674,124	542.7	1,085,400	0.191	
September	5,897,892	620.4	1,240,800	0.210	5,392,596	537.5	1,075,000	0.199	
October	5,932,021	592.5	1,185,000	0.200	5,441,603	577.9	1,155,800	0.212	
November	5,998,750	646.7	1,293,400	0.216	5,861,688	607.6	1,215,200	0.207	Assumed max HI for 2006.
December	5,998,750	646.7	1,293,400	0.216	5,861,688	607.6	1,215,200	0.207	Assumed max HI for 2006.
Totals	66,886,828.00	7,036.9	14,073,800	0.21056	68,359,612.50	7,023.6	14,047,200	0.20551	

↗
.211

↗
.206

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 NO_x Continuous Emission Monitor (CEM), which provides hourly NO_x rates on a lb/MMBtu basis, in accordance with the requirements of 40 CFR 75.10(a)(2). The annual baseline NO_x 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 NO_x 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)

$$\begin{aligned} \text{LMS1} &= (66,886,828.0 \text{ MMBtu}) \times (0.2106 \text{ lb/MMBtu} - 0.165 \text{ lb/MMBtu}) \\ &= (66,886,828.0 \text{ MMBtu}) \times (0.0456 \text{ lb/MMBtu}) \\ &= 3,047,643.2 / 2000 \text{ lbs./ton} \\ &= 1,524 \text{ tons} \end{aligned}$$

$$\begin{aligned} \text{LMS2} &= (68,359,612.5 \text{ MMBtu}) \times (0.2055 \text{ lb/MMBtu} - 0.165 \text{ lb/MMBtu}) \\ &= (68,359,612.5 \text{ MMBtu}) \times (0.0405 \text{ lb/MMBtu}) \\ &= 2,769,119.3 \text{ lbs.} / 2000 \text{ lbs./ton} \\ &= 1,385 \text{ tons} \end{aligned}$$

$$\begin{aligned} \text{LMS1} + \text{LMS2} &= 1,524 \text{ tons} + 1,385 \text{ tons} \\ &= 2,909 \text{ tons} \end{aligned}$$

1538.4

+ 1401.4
2,939.8

2939.8
x 0.1
294.0

2,939.8
294.0
+ 147.0
3,380.8

2939.8
x 0.05
147.0



CERTIFIED MAIL—RETURN RECEIPT REQUESTED

November 14, 2006

Mr. Richard C. "Cory" Chism
Texas Commission on Environmental Quality
Emission Banking and Trading Program, MC162
P.O. Box 13087
Austin, TX 78711-3087

RECEIVED
NOV 27 2006
AIR QUALITY
PLANNING

RE: Notice of Intent to Use Discrete Emission Credits (Form DEC-2)
Limestone Electric Generating Station
Customer Reference No.: CN602755415
Regulated Entity No.: RN100542927

Dear Mr. Chism:

NRG Texas LP (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 Certificates (D-1207 & D-1120) with the letter of approved generation from the TCEQ are attached.

D2201 D2118 - used on a diff project.
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 3,345 discrete emission credits will be required for 2007 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. Salal Tahiri, TCEQ Region 9, Air Section Manager
Mr. John Smith, TCEQ Central Office, Austin, TX

RECEIVED
NOV 21 2006
AIR PERMITS DIVISION

From: "Galloway, Perry" <Perry.Galloway@nrgenergy.com>
To: Daniel Banda <DaBanda@tceq.state.tx.us>
Date: 4/26/2010 7:34 AM
Subject: RE: DERC Certificate D-1120 and D-2410

Mr. Banda,

I have reviewed the subject filings and authorize the TCEQ to use Certificate D2410 for the 2007 LMS Intent to Use. Should you have any questions or need any additional information, don't hesitate to contact me.

Thanks.

Perry M. Galloway
NRG Texas Power LLC
Sr. Environmental Specialist
Office: 713-795-6211
Cell: 713-824-9109
Fax: 713-795-7431
perry.galloway@nrgenergy.com

-----Original Message-----

From: Daniel Banda [mailto:DaBanda@tceq.state.tx.us]
Sent: Thursday, April 22, 2010 2:06 PM
To: Galloway, Perry
Subject: RE: DERC Certificate D-1120 and D-2410

Great. I'll be in the office all day tomorrow. Thanks for the update.

Daniel A. Banda
TCEQ
Emissions Banking and Trading Program
Air Quality Division
Phone: 512-239-4701
Fax: 512-239-5687

>>> "Galloway, Perry" <Perry.Galloway@nrgenergy.com> 4/22/2010 2:04 PM
>>> >>>

Mr. Banda,

I am out of the office today, onsite at one of our facilities. I do not have access to my paperwork on the filings. If possible, I would like to review the submittals tomorrow and will give you a call at that time.

Thank you.

Perry M. Galloway
NRG Texas Power LLC
Sr. Environmental Specialist
Office: 713-795-6211
Cell: 713-824-9109
Fax: 713-795-7431
perry.galloway@nrgenergy.com

-----Original Message-----

From: Daniel Banda [mailto:DaBanda@tceq.state.tx.us]
Sent: Thursday, April 22, 2010 1:59 PM
To: Galloway, Perry
Subject: DERC Certificate D-1120 and D-2410

Mr. Galloway,

NRG Texas Power, L.L.C., submitted an intent to use Discrete Emission Reduction Credits (DERCs) Form DEC-2, for the Limestone Electric Generating Station. This intent was received on November 11, 2006. In the attached letter, NRG indicated that certificate D-1120 would be used for compliance for the 2007 intent. However, while verifying the availability of the credits from certificate D-1120, it was found that they had already been used in an intent for NRG Texas Power, L.L.C., WA Parish Generating

Station.

After reviewing the available certificates for NRG, it was discovered that certificate D-2410 has sufficient credits to cover the intent amount for the 2007 control period. Certificate D-2410 was retained from the 2006 intent (project number 400845) and is currently in the Limestone portfolio, P3185.

Can you authorize the use of certificate D-2410 for the 2007 intent for the Limestone Electric Generating Facility. Let me know if you have any questions. Thank you.

All the best,

Daniel A. Banda
TCEQ
Emissions Banking and Trading Program
Air Quality Division
Phone: 512-239-4701
Fax: 512-239-5687

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



Certificate Number:

Number of Credits:

USED D-2410

2814.8 tons NOx

PURPOSE:

117.3012 Compliance

DATE:

5/12/2012

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 2814.8 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, 2002 to December 31, 2002

Generator Regulated Entity No.: RN100542927

Generator Certificate: D-1062

County of Generation: Limestone

2009

Date

Signature

Max Vile

For the Commission

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

D-2518



Number of Credits:

718.8 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 718.8 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, 2002 to December 31, 2002

Generator Regulated Entity No.: RN100542927

Generator Certificate: D-1062

County of Generation: Limestone

May 4, 2010

Date

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

For the Commission

04/20/2010 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 401663 STATUS: C DISP CODE: _____
RECEIVED: 04/05/2007 PROJTYPE: BUSE ISSUED DT: 04/15/2010
SUP-DISP DATE: 04/15/2010

STAFF ASSIGNED TO PROJECT:
BANDA, DANIEL

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_USE

DATE ENTERED: 2010-04-07 00:00:00.0

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: NOX

TONS: 2437.00

DOLLARS: 0

ALLOWANCE0

CERTIFICATE NO.: D2515 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_USE

DATE ENTERED: 2010-04-15 00:00:00.0

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: NOX

TONS: 185.10

DOLLARS: 0

ALLOWANCE0

CERTIFICATE NO.: D2516 COUNTY : LIMESTONE

TRANSACTION DATA

TRANSACTION TYPE: DERC_RET

DATE ENTERED: 2010-04-15 00:00:00.0

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: NOX

TONS: 1085.00

DOLLARS: 0

ALLOWANCE

CERTIFICATE NO.: D2517 COUNTY : LIMESTONE

TRACKING ACTIVITIES

TR - ENGINEER RECEIVE PROJECT :	03/25/2010	TR - SUP/MANGR APP/RVW RQSTD :	04/15/2010	FA - PROJECT ISSUED :	04/15/2010
TR - PROJ TECH COMPLETE :	04/15/2010				

04/09/2007 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 401663 STATUS: P DISP CODE: _____
RECEIVED: 04/05/2007 PROJTYPE: BUSE ISSUED DT: _____
SUP-DISP DATE: _____

STAFF ASSIGNED TO PROJECT:~~SUN, STEVE~~*Daniel, Steve, Bob, Lita, Daniel***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

CONTACT DATA

NAME: PERRY GALLOWAY TITLE: ENVIRONMENTAL SPECIALIST
STREET: 1301 MCKINNEY SUITE 2300 CITY/STATE, ZIP: HOUSTON, TX , 77010-0
PHONE: 713-795-6211 ext 0
FAX: 713-795-7431 ext 0

TRANSACTION DATA

TRANSACTION TYPE: DERC_USE
DATE ENTERED: 2007-04-09 00:00:00.0
CONTAMINATE: NOX
ALLOWANCE

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

06' USE
2622.7
[Handwritten signatures and marks]

TRACKING ACTIVITES

TR - ENGINEER RECEIVE
PROJECT :

FA - PROJECT ISSUED :

TR - SUP/MANGR
APP/RVW RQSTD :

TR - PROJ TECH
COMPLETE :

TR - DATE SUP/MNGR
REQ ADDL TR :



Form DEC-3 (Page 1)
Notice of Use of Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

RECEIVED

APR 05 2007

AIR QUALITY
PLANNING

I. Company Identifying Information			
A. Company Name: NRG Texas LP			
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): CN602755415			
C. Site Name: Limestone Electric Generating Station			
Street Address: (if no street address, give driving directions to site) 9 miles north of Jewitt, TX on FM 39			
Nearest City: Jewett	Zip Code: 75846	County: Limestone	
D. TCEQ Regulated Entity Number (RN): RN100542927			
E. Primary SIC: 4911		Air Permit Number: O-00075/PSD-TX-371M4	
II. Technical Contact Identifying Information			
A. Technical Contact Name: (☒ Mr. ☐ Mrs. ☐ Ms. ☐ 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? ☐ Yes ☒ No			
Year DERC Generated: _____ Year of use: _____ Ratio of DERC to Allowance: _____ to _____			
Note: If DERC use is to comply with MECT then go to Section IX			
IV. Use Period			
Use Start Date: 1/1/2006		Use End Date: 12/31/2006	
V. State and Federal Requirements			
Applicable State and Federal requirements that the DERCs were used for compliance:			
30 TAC 117, 30 TAC 376			
VI. Most Stringent Emission Rate			
Describe basis for most stringent allowable emission rate: ☐ Permit _____ ☐ RACT _____ ☒ Other: 0.165 lb/mmBtu			
Notes:			



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

VII. Tons of Deres Used									
Emission Point No.	FIN	Air Contaminant	Calculation of DERCS						
			Actual Activity (units)	Actual Emission Rate (units)	Actual Total Emissions (tons)	Regulated Activity (units)	Regulated Emission Rate (units)	Regulated Total Emissions (tons)	DERCs Used (tons)
LMS1	1	NOx	66,009,705 MMBtu	0.207 lb/MMBtu	6,822.0		0.165 lb/MMBtu		1,376
LMS2	2	NOx	53,909,457 MMBtu	0.201 lb/MMBtu	5,412.0		0.165 lb/MMBtu		965
				.202					
								Total:	2,341



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

VIII. Protocol

Protocol used to calculate DERC: **CEMS Data (see Attached)**

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

IX. Total DERCs Used (round up to the nearest tenth of a ton)

Tons of DERCs required (from Sect. VI.)	CO: _____	NO _x : <u>2,341</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Offset Ratio (if required)	CO: _____	NO _x : <u>n/a</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Environmental Contribution (+ 10%)	CO: _____	NO _x : <u>234</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs Used	CO: _____	NO _x : <u>2,575</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____

X. DERC Information

Name of the DERC Generator: Texas Genco LP

DERC Generator Regulated Entity Number: RN100542927

Certificate number of the DERCs used: D-1062, D-2049

Note: The certificate number is assigned by the TCEQ

XI. Purchase Dates and Prices

Date on which the DERCs were acquired or registered: 5/6/2003, 1/9/2006

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

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 use strategy claimed on this notice has met the requirements of all applicable state and federal rules and regulations.

Signature C.R. Eckberg Signature Date 28 Mar 07

Title Manager, Environmental Air Operations

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

NRG Texas LP
Limestone Electric Generating Station
DERC Usage Calculations for January 1, 2006 - December 31, 2006
Based on 2006 CEMS NOx Tons Cumulative Report

TCEQ Account	Unit	NOx Control Method1	NOx Monitoring Method	Jan 1, 2006 thru December 31, 2006 Heat Input-(ALA) (MMBtu)2	Jan 1, 2006 thru December 31, 2006 EF-(AER) (NOx lb/MMBtu)	Emission Specification (RER) 117.135(1)(H)	Actual Emissions (NOx tons/yr)	Credits Used to meet Compliance (NOx lbs/yr) (101.376(e)(2)(A))3	Credits Used to meet Compliance (NOx tons/yr) (101.376(e)(2)(A))3	10% Environmental Contribution	Total DERCs Required
LI-0027-L	LMS 1	Comb, LNB, OFA	CEMS	66,009,704.9	0.207	0.165	6,822.0	2,752,398.7	1,376.2	137.6	1,513.8
	LMS 2	Comb, LNB, OFA	CEMS	53,909,456.6	0.201	0.165	5,412.0	1,928,939.7	964.5	96.4	1,060.9
Total:				119,919,161.5	0.202		12,234.0	4,681,338.4	2,340.7	234.1	2,574.7

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

DERCs used to meet compliance

$$\frac{(66,009,705) \times (0.207 - 0.165)}{2000} = 1386.2 \times 0.1 = 138.7$$

$$\frac{(53,909,457) \times (0.201 - 0.165)}{2000} = 997.4 \times 0.1 = 99.7$$

$$\begin{array}{r} 138.7 \\ + 99.7 \\ \hline 238.4 \end{array}$$

$$\begin{array}{r} 111 \\ 1524.9 \\ 1097.2 \\ \hline 2622.1 \end{array}$$

**2006 Yearly NOx Emissions
CEMS 2006 Cumulative Report**

Month 2006	LMS1				LMS2			
	Heat Input (mmBtu/mo.)	NOx (tons)	NOx (lbs.)	NOx Rate (lb/mmBtu)	Heat Input (mmBtu/mo.)	NOx (tons)	NOx (lbs.)	NOx Rate (lb/mmBtu)
January	5,998,752	655.8	1,311,600	0.219	4,977,180	424.7	849,400	0.171
February	1,884,319	202.6	405,200	0.215	3,352,421	265.0	530,000	0.158
March	5,974,930	593.1	1,186,200	0.199	Unit did not operate			
April	5,593,800	632.6	1,265,200	0.226	1,672,085	209.8	419,600	0.251
May	5,957,478	612.3	1,224,600	0.206	5,861,689	617.4	1,234,800	0.211
June	5,778,880	623.7	1,247,400	0.216	5,710,827	580.5	1,161,000	0.203
July	5,995,081	650.6	1,301,200	0.217	5,108,652	549.6	1,099,200	0.215
August	5,875,771	623.4	1,246,800	0.212	5,674,126	551.5	1,103,000	0.194
September	5,897,891	629.0	1,258,000	0.213	5,392,312	546.0	1,092,000	0.203
October	5,929,530	603.6	1,207,200	0.204	5,441,603	575.7	1,151,400	0.212
November	5,973,610	561.7	1,123,400	0.188	5,455,462	606.8	1,213,600	0.222
December	5,149,664	433.6	867,200	0.168	5,263,102	485.0	970,000	0.184
Totals	66,009,705	6,822.0	13,644,000	0.207	53,909,457	5,412.0	10,824,000	0.202



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CERTIFIED MAIL: RETURN RECEIPT REQUESTED

March 28, 2007

Mr. Cory Chism
Office of Permitting, Remediation, and Registration
Emission Banking and Trading Program, MC 162
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

SUBJECT: Notice of Use Discrete Emission Reduction Credits
Limestone Electric Generating Station
Jewett, Limestone County
Account #: LI-0027-L
RN100542927

Dear Mr. Chism:

NRG Texas LP (NRG Texas) is providing the enclosed DEC-3 Form and supporting documentation to demonstrate compliance with the requirements of Title 30 Texas Administrative Code (TAC), Chapter 117 and Chapter 101.376 regarding the Notice of Use of Discrete Emission Reduction Credits (DERCs) for the Limestone Electric Generating Station.

NRG Texas filed two notices of intent to use DERCs to comply with the emission requirements of this plan. The DERC distribution and use for the period of January 1, 2006 to December 31, 2006 is summarized in the following table.

DERC DISTRIBUTION	AMOUNT (tons)
Intended for Use (11/15/2005)	2,437
Intended for Use (9/11/2006)	1,271
Actual Use in 2006	2,341
10% Environmental Contribution	234
Total DERCs Used	2,575
Excess Credits Remaining	1,133

If you have any questions or require additional information, please do not hesitate to contact me at 713-795-6208 or craig.eckberg@nrgenergy.com.

Sincerely,


Craig R. Eckberg
Manager, Air Resources
Environmental Operations

Enclosure(s): Form DEC-3

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

D-2515



Number of Credits:

2437.0 Tons NOx

USED

PURPOSE: 173010 on *Discrete*
DATE: 5/12/2010

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 2437.0 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, 2002 to December 31, 2002

Generator Regulated Entity No.: RN100542927

Generator Certificate: D-1062

County of Generation: Limestone

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.

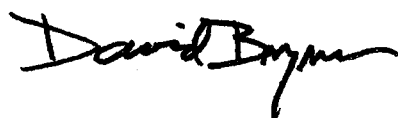
Please refer to the table on the following page for a list of NRG certificates that have been retained or cancelled.

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 DERs 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 DERs 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 DERs, 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 DERs set aside by project 401196 from certificate D-2202 is less than the needed amount for the 2006 use. Therefore the remaining DERs 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 DERs 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 DERs 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 DERs were set aside from certificate D-2201 (parent D-1207, original D-1123) and 2,096.0 tons of NO_x DERs were set aside from certificate D-2410 (parent D-2198, original D-1062) for a total of 3,380.8 tons of NO_x DERs. 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 DERs needed for the 2007 intent is less than the total value of D-2410. Therefore, the remaining DERs will be transferred to certificate D-2518 and issued to NRG with a value of 718.8 tons of NO_x DERs 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 DERs 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 DERs 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 DERs, 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 DERs set aside by project 401240 from certificate D-2410 is less than the needed amount for the 2007 use. Therefore, the remaining DERs 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 DERs 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 DERs 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 DERs were set aside from certificate D-2199 (parent D-1063) and 1,204.9 tons of NO_x DERs from certificate D-2525 (parent D-2323, original D-1029) for a total of 2,574.4 tons of NO_x DERs. 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 DERs 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% Environmental Contribution

$$\text{(rounded up to a tenth of a ton)} = 61.2 \text{ tons}$$

+ 5% Compliance Margin *

$$\text{(rounded up to a tenth of a ton)} = 30.6 \text{ tons}$$

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

* 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.

 5/12/2010

Account Manager

Date

 6/12/2010

Team Leader/Section Manager/Backup

Date