



717 TEXAS AVENUE, SUITE 1000
HOUSTON, TX 77002

CALPINE CORPORATION

NYSE:CPN

July 11, 2016

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TCEQ
CENTRAL FILE ROOM



Mr. Mike Wilson
Air Permits Division
Texas Commission on Environmental Quality
Mail Code 161, 12100 Park 35 Circle, Building C, Third Floor, Room 300W
Austin, TX 78753

Re: Operational Flexibility for Title V Federal Operating Permit O-2084
Channel Energy Center, LLC
Pasadena, Harris County, Texas
Customer Reference Number: CN601549132
Regulated Entity Number: RN100213107
Account No.: HX-2690-V

Proj. 24943
D. 2084
SOS. SOP. DEC
CT

Dear Mr. Wilson:

On behalf of Channel Energy Center, LLC, Calpine Corporation submits this enclosed Operational Flexibility Notification for Title V Federal Operating Permit O-2084. Recently, an alteration to NSR Permit 42179/PSD-TX-955M1/N021M1 was approved by the TCEQ. This alteration expands the combustion turbine operating scenarios that are subject to the Maintenance/Startup/Shutdown (MSS) emission limits. This will allow for automatic or operator initiated combustion turbine load reductions (runbacks) during specified conditions as an alternative to shutting down and restarting the turbine, which in turn will reduce annual emissions due to the reduction in annual turbine startup and shutdown times. In addition, other clarifying changes were made to the Special Conditions and MAERT of the permit. Because the alteration to the permit conditions meets the requirements of §122.222, operation of the facility qualifies for Operational Flexibility.

Accordingly, a completed TCEQ "Notification of Off-Permit/Operational Flexibility Action", Form OP-NOTIFY, is attached. The notification is certified by a Duly Authorized Representative on the attached Form OP-CRO1.

If you require any additional information or have any questions, please contact me at (713) 830 8717 or Mr. Larry Moon, P.E. of Zephyr Environmental Corporation at (512) 879-6619.

Sincerely,
Calpine Corporation

Patrick Blanchard
Director, Environmental Services



Attachments: Form OP-NOTIFY
Form OP-CRO1

cc: Mr. Andy Goodridge, Air Section Manager, TCEQ Region 12, Houston, w/attachments
Ms. Jan Stavinoha, P.E., Manager, Environmental Services – Central Region, Calpine
Mr. Robert Duchamp, Operations Manager, Channel Energy Center
Mr. Larry Moon, P.E., Principal, Zephyr Environmental Corporation, w/attachments
Mr. Bob Allen, Director, Harris County Pollution Control Services Department,
w/attachments
Mr. Arturo J. Blanco, Bureau Chief of Pollution Control & Prevention, Environmental
Health Division, City of Houston, w/attachments
Ms. Kathy Perez-Ashton, Chief Health Inspector, Health Department, City of Pasadena,
w/attachments
EPA, Region 6 (via email)



**Texas Commission on Environmental Quality
Federal Operating Permit Program
Notification of Off-Permit/Operational Flexibility Action
Form OP-NOTIFY**

Date: 07/11/2016	Company Name: Channel Energy Center, LLC
Site Name: Channel Energy Center	Permit No.: O-2084

Action Type	Date of Change	Emission Units Affected	Description of Change (Include deletions/additions in: amount of emissions, types of pollutants emitted, and/or applicable requirements)
OPFLEX	07/18/2016 OK	GRPHRSG	Channel Energy Center, LLC recently altered NSR Permit No. 42179/PSD-TX-955M1/N021M1 as represented in the permit alteration submitted on 02/08/2016 and subsequently altered on 04/13/2016. This alteration expands the combustion turbine operating scenarios that are subject to the Maintenance/Startup/Shutdown (MSS) emission limits. This will allow for automatic or operator initiated combustion turbine load reductions (runbacks) during specified conditions as an alternative to shutting down and restarting the turbine, which in turn will reduce annual emissions due to the reduction in annual turbine startup and shutdown times. In addition, other clarifying changes were made to the Special Conditions and MAERT of the permit. The permit holder adopts the changes to the NSR Permit as provisional terms and conditions of the FOP. NSR ALT. # 42179 -> 4/13/16 ✓



Form OP-CRO1
Certification by Responsible Official
Federal Operating Permit Program

JUL 12 2016
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All initial permit application, revision, renewal, and reopening submittals requiring certification must be addressed using this form. Updates to site operating permit (SOP) and temporary operating permit (TOP) applications, other than public notice verification materials, must be certified prior to authorization of public notice or start of public announcement. Updates to general operating permit (GOP) applications must be certified prior to receiving an authorization to operate under a GOP.

I. IDENTIFYING INFORMATION					
RN: RN100213107		CN: CN601549132		Account No.: HX-2690-V	
Permit No.: O-2084			Project No.:		
Area Name: Channel Energy Center, LLC			Company Name: Channel Energy Center, LLC		
II. CERTIFICATION TYPE <i>(Please mark the appropriate box)</i>					
☐ Responsible Official			☒ Duly Authorized Representative		
III. SUBMITTAL TYPE <i>(Please mark the appropriate box) (Only one response can be accepted per form)</i>					
☐ SOP/TOP Initial Permit Application		☐ Update to Permit Application			
☐ GOP Initial Permit Application		☐ Permit Revision, Renewal, or Reopening			
☒ Other: <u>Operational Flexibility</u>					
IV. CERTIFICATION OF TRUTH					
This certification does not extend to information which is designated by the TCEQ as information for reference only.					
I, <u>Patrick Blanchard</u> certify that I am the <u>DAR</u> <i>(Certifier Name printed or typed)</i> <i>(RO or DAR)</i>					
and that, based on information and belief formed after reasonable inquiry, the statements and information dated during the time period or on the specific date(s) below, are true, accurate, and complete:					
<i>Note: Enter EITHER a Time Period OR Specific Date(s) for each certification. This section must be completed. The certification is not valid without documentation date(s).</i>					
Time Period: From _____ to _____ Start DateEnd Date					
Specific Dates: <u>07/11/2016</u> _____ Date 1Date 2Date 3Date 4Date 5Date 6					
Signature: <u><i>Patrick Blanchard</i></u> Signature Date: <u>7-11-16</u>					
Title: <u>Director, Environmental Services</u>					