

[Return to Sharenet](#)

03/20/2017 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 411499 STATUS: C DISP CODE: _____
RECEIVED: 11/14/2016 PROJTYPE: BDIU ISSUED DT: 03/20/2017
SUP-DISP DATE: 03/16/2017

STAFF ASSIGNED TO PROJECT:
MUSA, JOSEPH

PROJECT NOTES:
.USE PERIOD 1/1/2017 - 12/31/2017.
.PROJECT HOLD FOR 2016 DERC USE PROJECT 411636.

PROJECT TRANSACTIONS

COMPANY DATA

COMPANY NAME: COTTONWOOD ENERGY COMPANY LP
CUSTOMER REGISTRY ID: CN602765687

PORTFOLIO DATA

NUMBER: P3699 NAME: COTTONWOOD ENERGY - RN100226109

SITE DATA

ACCOUNT: NC0056N
REG ENTITY ID: RN100226109
SITE NAME: COTTONWOOD ENERGY PROJECT
COUNTY: NEWTON NEAREST CITY: DEWEYVILLE
LOCATION: 976 CR 4213 DEWEYVILLE, TX 77614

CONTACT DATA

NAME: CRAIG ECKBERG TITLE: Director, Environmental Services
STREET: 1201 FANNIN STREET CITY/STATE, ZIP: HOUSTON, TX , 77002-
Email: craig.eckberg@nrg.com

TRANSACTION DATA

TRANSACTION TYPE: DERC_INTEN
DATE ENTERED: 2016-12-29 00:00:00.0 DELETED DATE: EFFECTIVE YEAR:
CONTAMINATE: NOX TONS: 11.00 DOLLARS: 0
ALLOWANCE0 CERTIFICATE NO.: D3226 COUNTY : NEWTON

TRACKING ACTIVITES

PROJECT SUBMITTED : 11/10/2016 PM RECEIVED DATE : 12/30/2016
PROJECT HOLD : 12/30/2016 03/15/2017
PM REQUESTS TEAM LEAD REVIEW : 03/16/2017 03/16/2017 PROJECT COMPLETED : 03/20/2017

DISCRETE EMISSION CREDITS INTENT TO USE TECHNICAL REVIEW

Project No.:	411499	Customer Reference No.:	CN602765687
Project Type:	BDIU	Regulated Entity Reference No.:	RN100226109
Company:	Cottonwood Energy Company LP	Facility Name:	Cottonwood Energy Project
City:	Deweyville	County:	Newton
Project Manager:	Mr. Joseph Musa	Portfolio Number:	P3699

PROJECT OVERVIEW

Cottonwood Energy Company LP (Cottonwood) submitted a Notice of Intent to Use Discrete Emission Credits on November 10, 2016. The company intends to use nitrogen oxides (NO_x) discrete emission reduction credits (DERC) for potential NO_x emissions above the levels authorized in Permit Number 43890 for the Cottonwood Energy Project site. The use period is January 1, 2017 through December 31, 2017.

A similar use of DERCs for exceeding allowable limits during 2015 was approved in project number 409469. During review of the project, Cottonwood provided a demonstration of no adverse impacts, as required by 30 Texas Administrative Code §101.376(b)(1)(B). The demonstration was reviewed and deemed acceptable by Sean O'Brien with the Air Permits Division. Because there have been no recent changes to the NO_x limits in the permit, the demonstration is also accepted for this project. The last modification to the permit was in March 2014. A copy of the Maximum Allowable Emission Rate Table from the permit is appended to this project.

The company estimated that 11.0 tons of DERCs (including the 10% environmental contribution of 1.0 ton) may be needed for exceeding permit limits during the use period. The total amount of 11.0 tons of NO_x DERCs in certificate D-3226 has been set aside for this intent.

DISCRETE EMISSION CREDIT USE

The company requested that 11.0 tons of NO_x DERCs be set aside for the use period to cover any potential excess emissions above the limits in Permit Number 43890.

Certificate.....D-3226
 Pollutant.....NO_x
 Amount.....11.0 tons
 Regulation.....§101.376(b)(1)(B)
 Use period.....1/1/2017 - 12/31/2017

DISCRETE EMISSION CREDIT USE CALCULATION METHOD

The company requested that 11.0 tons of NO_x DERCs (including the 10% environmental contribution of 1.0 ton) be set aside. No other calculations were involved in determining the use amount.

CONCLUSION

Cottonwood requested that 11.0 tons of DERCs be set aside under §101.376(b)(1)(B) to cover potential emissions in excess of the limits for NO_x in Permit Number 43890 during the use period of January 1, 2017 through December 31, 2017. Certificate D-3226 has been completely set aside for this intent.



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

411499

I. Company Identifying Information			
A. Company Name: Cottonwood Energy Company LP			
Mailing Address: 1201 Fannin Street			
City: Houston	State: TX	Zip Code: 77002	
Telephone: 832-357-5293		Fax:	
B. TCEQ Customer Number (CN): CN602765687			
C. Site Name: Cottonwood Energy Project			
Street Address (If no street address, give driving directions to site) 976 County Road 4213			
Nearest City: Deweyville	Zip Code: 77514	County: Newton	
D. TCEQ Regulated Entity Number (RN): RN100226109			
E. TCEQ Air Account Number: (if applicable) NC-0056-N			
F. Primary SIC: 4911	P3699	Air Permit Number: 43890	
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.) : Robert Andries			
Technical Contact Title: Senior Environmental Specialist			
Mailing Address: 1201 Fannin			
City: Houston	State: TX	Zip Code: 77002	
Telephone: 832-357-5292	Fax:	E-mail: Robert.Andries@nrg.com	
III. Company Contact Identifying Information (If different from Technical Contact)			
A. Company Contact Name: (<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.) : Craig Eckberg			
Company Contact Title: Director, Environmental Services			
Mailing Address: 1201 Fannin			
City: Houston	State: TX	Zip Code: 77002	
Telephone: 832-357-5291	Fax:	E-mail: Craig.Eckberg@nrg.com	
IV. 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>			
V. Intended Use Period			
Intended Use Start Date: <u>01/01/2017</u>		Intended Use End Date: <u>12/31/2017</u>	



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

VI. State and Federal Requirements
Applicable State and Federal requirements that the DERCs will be used for compliance: 30 TAC 101.376(b)(1)(A), 30 TAC 101.376(b)(1)(B), 30 TAC 116.115(b)(2)(F)
VII. Most Stringent Emission Rate
Describe basis for most stringent allowable emission rate: <input checked="" type="checkbox"/> Permit <u>43890</u> <input type="checkbox"/> RACT _____ <input type="checkbox"/> Other: _____
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

Continue to Section IX (next page)

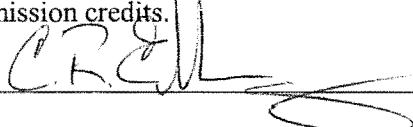


Form DEC-2 (Page 3)
 Notice of Intent to Use Discrete Emission Credits
 (Title 30 Texas Administrative Code § 101.370 - § 101.379)

IX. 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)
CWD (see attached)	CWD (see attached)	NO _x							10.0
								Total:	10.0



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

X. 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>10.0</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>1.0</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Compliance Margin (+ 5%) <i>(If DERC use requires >10 tons)</i>	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs	CO: _____	NO _x : <u>11.0</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
XI. DERC Information					
Name of the DERC Generator: <u>W.A. Parish Electric Generating Station</u>					
DERC Generator Regulated Entity Number: <u>RN100888312</u>					
Certificate number of the DERCs acquired or to be acquired: <u>D-3160 and D-3058* D3226</u>					
Date on which the DERCs were acquired or will be acquired: <u>2/13/2015 and 11/10/2016</u>					
<i>Note: The certificate number is assigned by the TCEQ</i>					
XII. Certification by Responsible Official					
I, <u>Craig Eckberg</u> , 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. 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. I hereby also waive the Federal statute of limitations defense in regards to the generation and use of discrete emission credits.					
Signature <u></u>			Signature Date <u>Nov. 10, 2016</u>		
Title <u>Director, Environmental Services</u>					

*** An appropriate amount of DERCs are being transferred from this Certificate from Portfolio P3140 under this same cover.**

NRG Texas Power LLC - Emission Point Nos. and FINs

Facility	EPN	FIN
Cottonwood (NC-0056-N)	STACK1	CT1
	STACK2	CT2
	STACK3	CT3
	STACK4	CT4

Calculation Description

The Notice of Intent to Use DERs is requesting the use of up to 10 DERs (plus the additional 10 percent environmental contribution) for the period beginning January 1, 2017 through December 31, 2017.

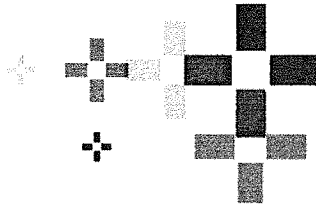
Facility Information

The following provides the TCEQ Account Number, RN, CN, and Title V and NSR Permit Numbers for the facility affected by this notification.

Site Name	TCEQ Account No.	Regulated Entity No.	TCEQ Customer No.	Title V Permit #	NSR Permit #
Cottonwood Energy Project	NC-0056-N	RN100226109	CN602765687	O-02338	43890

The following provides the TCEQ Account Number and RN for the facilities associated with the NRG Texas Power LLC – HGB System Cap portfolio (P3140) under CN603207218.

Site Name	TCEQ Account No.	Regulated Entity No.
Cedar Bayou / Cedar Bayou 4 Electric Generating Stations	CI-0012-D	RN100825371
Greens Bayou Electric Generating Station	HG-0353-D	RN100542851
P. H. Robinson Electric Generating Station	GB-0037-T	RN101062826
San Jacinto Electric Generating Station	HG-4955-K	RN100542901
S. R. Bertron Electric Generating Station	HG-0358-Q	RN100825389
T.H. Wharton Electric Generating Station	HG-0357-S	RN100542885
W. A. Parish Electric Generating Station / Carbon Capture Plant	FG-0020-V	RN100888312



Cottonwood Energy Company, LP
976 County Road 4213
PO Box 289
Deweyville, Texas 77614

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

November 10, 2016

Ms. Lindley Anderson
Texas Commission on Environmental Quality
Emission Banking and Trading Program, MC-206
P.O. Box 13087
Austin, TX 78711-3087

**RE: Application for Transfer of Discrete Emission Credits (Form DEC-4)
Notice of Intent to Use Discrete Emission Credits (Form DEC-2)
Cottonwood Energy Project
Cottonwood Energy Company LP
Customer Reference No.: CN602765687
Regulated Entity No.: RN100226109**

Dear Ms. Anderson:

On behalf of Cottonwood Energy Company, LP, NRG Texas Power LLC (NRG Texas) provides the enclosed information providing application for transfer of Discrete Emission Credits (DERCs) and notice of intent to use DERCs for the Cottonwood Energy Project.

NRG Texas would like to transfer 10.5 DERC certificates that are part of the HGB System Cap portfolio (P3140) to the Cottonwood Energy Project portfolio (P3699). Additionally, NRG Texas would like to use the flexibility provided in 30 TAC 101.376(b)(1)(A) and 30 TAC 101.376(b)(1)(B) to set aside 10 tons from the DERC certificate issued from the trade requested for use pursuant to 30 TAC 116.115(b)(2)(F).

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.

The potential use of the additional 10 tons of NO_x credits to cover any unexpected events would have no adverse impacts on the environment as the total increase would be less than 1% of the total annual NO_x emissions for the Cottonwood Energy Project.

If you have any questions, please contact Mr. Robert Andries at (832) 357-5292 or by email at Robert.Andries@nrg.com.

Sincerely,

Craig Eckberg
Director, Environmental Services

cc: Ms. Sarah Kirksey, Air Section Manager, TCEQ Region 10, Beaumont (w/ attachments)
Austin Field Operations Support Central Office, MC174, Austin (w/ attachments)

Emission Sources - Maximum Allowable Emission Rates

Permit Number 43890 and PSDTX965

This table lists the maximum allowable emission rates and all sources of air contaminants on the applicant's property covered by this permit. The emission rates shown are those derived from information submitted as part of the application for permit and are the maximum rates allowed for these facilities, sources, and related activities. Any proposed increase in emission rates may require an application for a modification of the facilities covered by this permit.

Air Contaminants Data

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates	
			lbs/hour (5)	TPY (4)
Hourly Allowables (6) for each of four GE 7FA Turbines and Duct Burners Stack 1, Stack 2, Stack 3 and Stack 4	DLN and SCR, Without HRSG Duct Burner Operation	NO _x	37.8	---
		CO	33.6	---
		VOC	3.2	---
		PM ₁₀	20.3	---
		SO ₂	4.5	---
		NH ₃	19.6	---
		NO _x (10)	235.00	---
		CO(10)	2000.00	---
Hourly Allowables (6) for each of four GE 7FA Turbines and Duct Burners Stack 1, Stack 2, Stack 3 and Stack 4	DLN and SCR, Each with Natural Gas-Fired 610 MMBtu/hr HRSG Duct Burners in Operation	NO _x	48.5	---
		CO	99.0	---
		VOC	16.4	---
		PM ₁₀	27.1	---
		SO ₂	6.0	---
		NH ₃	25.8	---
		NO _x (10)	235.00	---
		CO(10)	2000.00	---
Annual Allowables (6) for each of four GE 7FA Turbines and Duct Burners Stack 1, Stack 2, Stack 3 and Stack 4	DLN and SCR Technology, with Natural Gas-Fired 610 MMBtu/hr HRSG	NO _x (8)	---	166.5
		CO(8)	---	296.8
		VOC(8)	---	45.6
		PM ₁₀ (8)	---	105.4
		SO ₂ (8)	---	22.1

Emission Sources - Maximum Allowable Emission Rates

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates	
			lbs/hour (5)	TPY (4)
		NH ₃		95.8
COOL1	Cooling Tower 1	PM ₁₀	2.55	4.45
COOL2	Cooling Tower 2	PM ₁₀	2.55	4.45
COOL3	Cooling Tower 3	PM ₁₀	2.55	4.45
COOL4	Cooling Tower 4	PM ₁₀	2.55	4.45
AUXBOIL	Auxiliary Boiler	NO _x	6.98	15.69
		CO	6.51	14.65
		VOC	0.70	1.57
		PM ₁₀	0.49	1.11
		SO ₂	0.22	0.50
FWDTANK1	Fire Water Diesel Tank	VOC	0.02	0.01
COAGRID	Coagulant Aid Tank	VOC	0.12	0.01
TANKEDG	Emergency Diesel Tank	VOC	0.07	0.01
FWP	Fire Water Pump	NO _x	10.39	2.60
		CO	2.24	0.56
		VOC	0.84	0.21
		PM ₁₀	0.74	0.18
		SO ₂	0.69	0.17
EMGEN	Emergency Diesel Engine Generator	NO _x	12.40	3.10
		CO	2.67	0.67
		VOC	1.01	0.25
		PM ₁₀	0.88	0.22

Emission Sources - Maximum Allowable Emission Rates

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates	
			lbs/hour (5)	TPY (4)
		SO ₂	0.82	0.21
Fugitives A	Ammonia Handling	NH ₃	0.21	0.90
Fugitives B	Natural Gas Handling	VOC	0.23	1.02
MSSFUG	Miscellaneous Maintenance Activities	NO _x	<0.01	<0.01
		CO	<0.01	<0.01
		PM	1.04	0.39
		PM ₁₀	1.04	0.39
		PM _{2.5}	1.04	0.39
		VOC	5.59	2.23
		NH ₃	4.52	<0.01

Permit by rule (PBR) sources incorporated by reference. Sources remain authorized by the PBR(s) as listed below:

71264	Oil Demister	VOC	0.0105	0.046
-------	--------------	-----	--------	-------

- (1) Emission point identification - either specific equipment designation or emission point number from plot plan.
- (2) Specific point source name. For fugitive sources, use area name or fugitive source name.
- (3) VOC volatile organic compounds as defined in Title 30 Texas Administrative Code § 101.1
 NO_x total oxides of nitrogen
 SO₂ - sulfur dioxide
 PM total particulate matter, including PM₁₀ and PM_{2.5} as represented
 PM₁₀ - total particulate matter equal to or less than 10 microns in diameter, including PM_{2.5}, as represented
 PM_{2.5} total particulate matter equal to or less than 2.5 microns in diameter
 CO - carbon monoxide
 NH₃ - ammonia
- (4) Compliance with annual emission limits (tons per year) is based on a 12 month rolling period.
- (5) Except for planned MSS activities, the concentration limits for the gas turbines listed in the permit conditions apply and may be a more stringent requirement than the mass emission rate limits listed in this table.
- (6) These emissions are permitted under PSD.
- (7) For each pollutant whose emissions during planned MSS activities are measured using a CEMS, during any clock hour that includes one or more minutes of planned MSS activities, the pollutant's hourly emission limits that apply during planned MSS activities shall apply during that clock hour.

Emission Sources - Maximum Allowable Emission Rates

- (8) The tpy emission limit specified in the MAERT for this facility includes emissions from the facility during both normal operations and planned MSS activities.
- (9) Unless otherwise stated, the lb/hr emission limit specified in the MAERT for this facility includes emissions from the facility during both normal operations and planned MSS activities.
- (10) This short term emission rate applies during planned MSS activities.

Date: August 20, 2012

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 20, 2017

Craig R. Eckberg
Director, Environmental Services
Cottonwood Energy Company LP
1201 Fannin Street
Houston, Texas 77002

Re: Notice of Intent to Use Discrete Emission Credits
Cottonwood Energy Project
Deweyville, Newton County
Regulated Entity Reference Number: RN100226109
Customer Reference Number: CN602765687
Portfolio Number: P3699

Dear Craig R. Eckberg:

This letter is in response to Cottonwood Energy Company LP's Notice of Intent to Use Discrete Emission Credits (Form DEC-2) submitted on November 10, 2016 regarding the use of discrete emission reduction credits (DERC) under 30 Texas Administrative Code (TAC) §101.376(b)(1)(B) for exceeding the nitrogen oxides (NO_x) emission limits in Permit Number 43890 for the period of January 1, 2017 through December 31, 2017.

Upon review, we find that the notice and the credits to be used meet the requirements of 30 TAC §§101.370 through 101.378. For the above purpose in the use period, the use of up to 11.0 tons of NO_x DERCs (including the required 10% environmental contribution of 1.0 ton) has been approved and set aside from certificate D-3226.

A Notice of Use of Discrete Emission Credits (Form DEC-3) must be submitted within 90 days of the end of the use period.

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 Joseph Musa at (512) 239-3328 or write to the Texas Commission on Environmental Quality, Office of Air, Air Quality Division (MC-206), PO Box 13087, Austin, Texas 78711-3087.

This action is taken under authority delegated by the executive director of the TCEQ.

Sincerely,

A handwritten signature in black ink that reads "David Brymer".

David Brymer, Director
Air Quality Division

DH/JM/mr

Craig R. Eckberg
Page 2
March 20, 2017

cc: Air Section Manager, Region 10 - Beaumont
Robert Andries, Senior Environmental Specialist, Cottonwood Energy Company LP, Houston

Project Number: 411499