

Jon Niermann, *Chairman*  
Emily Lindley, *Commissioner*  
Bobby Janecka, *Commissioner*  
Kelly Keel, *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

February 5, 2024

CRAIG ECKBERG  
DIRECTOR, ENVIRONMENTAL SERVICES  
COTTONWOOD ENERGY COMPANY LP  
910 LOUISIANA STREET  
HOUSTON, TEXAS 77002  
Via email

Subject: Notice of Intent to Use Discrete Emission Credits  
Cottonwood Energy Company LP  
Cottonwood Energy Project  
Customer Number: CN602765687  
Regulated Entity Number: RN100226109  
EBT Portfolio Number: P3699  
Project Number: 418416

Dear Craig Eckberg:

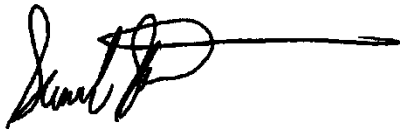
In response to your Notice of Intent to Use Discrete Emission Credits submitted on November 9, 2023, the Texas Commission on Environmental Quality (TCEQ) set-aside the following credits to exceed the annual emission limits in Permit Number 43890, as allowed under 30 Texas Administrative Code §101.376(b)(1)(B). A Notice of Use of Discrete Emission Credits application must be submitted within 90 days after the end of the use period.

Pollutant	Use Period	Set Aside Certificate	Amount Set Aside (tons)	Retained Certificate	Amount Retained (tons)
NO <sub>x</sub>	1/1/2024 - 12/31/2024	D3160	0.5	N/A	N/A
NO <sub>x</sub>	1/1/2024 - 12/31/2024	D3282	10.5	N/A	N/A

Craig Eckberg  
Page 2  
February 5, 2024

Additional information regarding this project and the site's portfolio is available online at [https://www2.tceq.texas.gov/airperm/index.cfm?fuseaction=ebt\\_dpa.start](https://www2.tceq.texas.gov/airperm/index.cfm?fuseaction=ebt_dpa.start). If you have questions concerning this project or the EBT program, please contact Natalie Namba at [Natalie.Namba@tceq.texas.gov](mailto:Natalie.Namba@tceq.texas.gov), or write to the TCEQ, Office of Air, Air Permits Division, MC-163, P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

A handwritten signature in black ink, appearing to read 'Samuel Short', followed by a long horizontal line extending to the right.

Samuel Short, Deputy Director  
Air Permits Division  
Office of Air  
Texas Commission on Environmental Quality

cc: James Gay, Senior Environmental Specialist, Cottonwood Energy Company LP

## Discrete Emission Reduction Credit (DERC) Intent to Use Technical Review

Project Number:	418416	Project Manager:	Natalie Namba
Customer Reference No.:	CN602765687	Company Name:	Cottonwood Energy Company LP
Regulated Entity Reference No.:	RN100226109	Site Name:	Cottonwood Energy Project
Portfolio Number:	P3699	County:	Newton

### Project Overview

Review	Explanation
Application Submitted Date:	11/9/2023
Intent Amount and Certificate(s):	11.0 tons from certificates D3160 and D3282
Pollutant:	NO <sub>x</sub>
Reason for Use:	Exceed the maximum allowable emission rate (MAERT) limits in Permit 43890 for facility identification numbers (FINs) CT1, CT2, CT3, and CT4, as allowed under §101.376(b)(1)(B).
Use period:	1/1/2024 - 12/31/2024
Retained Amount and Certificate(s):	N/A
Additional Information:	<p>This use is limited to one exceedance, up to 12 months within any 24-month period, per use strategy in accordance with 30 Texas Administrative Code §101.376(b)(1)(B). Zero DERCs were used during the 2023 use period (2023 DERC Use Project 418442).</p> <p>The previous No Adverse Impacts Modeling Demonstration was reviewed and deemed acceptable by a Technical Specialist in the Air Permits Division and can be found in DERC Intent to Use Project 409469 from 1/30/2015. There have been no recent changes to the NO<sub>x</sub> limits in the permit, so the previous demonstration is acceptable. A copy of the Maximum Allowable Emission Rates Table for the permit is included in the project file.</p>

### Calculation Methodology

The amount of DERCs needed to exceed a MAERT limit is calculated as follows.

*DERCs needed = Expected Total Emissions – Regulated Total Emissions*

*Expected Total Emissions = Annual Emission Rate (lb/MMBtu) \* Total Heat Input (MMBtu) \* 1 ton/2,000 lbs*

*Regulated Total Emissions = MAERT Limit (tons)*

The company requested that 10.0 tons of NO<sub>x</sub> DERCs be set aside for the potential exceedance of the MAERT limit for the four FINs with 1.0 ton for the 10% environmental contribution. Therefore, the total amount of DERCs requested by the company is 11.0 tons.

### Conclusion

The TCEQ is approving the request to set aside 11.0 tons of NO<sub>x</sub> DERCs from certificates D3160 (0.5 ton NO<sub>x</sub>) and D3282 (10.5 tons NO<sub>x</sub>) for compliance with §101.376(b)(1)(B) during the use period of 1/1/2024 - 12/31/2024.

02/05/2024 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 418416

STATUS: C

DISP CODE: \_\_\_\_\_

RECEIVED: 11/09/2023

PROJTYPE: BDIU

ISSUED DT: \_\_\_\_\_

SUP-DISP DATE: 02/05/2024

STAFF ASSIGNED TO PROJECT:  
NAMBA, NATALIE

PROJECT NOTES:

[.Attachments](#) from Steers  
[.Copy Of Record](#) from Steers  
.11/13/2023: THE COMPANY INTENDS TO USE DERCS TO EXCEED A PERMIT LIMIT. HOWEVER, §101.376(B)(1)(B) STATES THAT "THIS USE IS LIMITED TO ONE EXCEEDANCE, UP TO 12 MONTHS WITHIN ANY 24-MONTH PERIOD, PER USE STRATEGY." THEREFORE, THE 2024 REQUEST WILL ONLY BE APPROVED IF NO DERC USE OCCURS IN 2023.  
.1/09/2024: 2023 DERC USE APPLICATION SUBMITTED, ZERO TONS OF DERCS WERE USED IN THE 2023 USE PERIOD.

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  
LOCATION: 976 CR 4213 DEWEYVILLE, TX 77614

NEAREST CITY: DEWEYVILLE

CONTACT DATA

NAME: CRAIG ECKBERG  
ROLE: AAR  
STREET: 910 LOUISIANA STREET  
CITY/STATE, ZIP: HOUSTON, TX , 77002-  
PHONE: 713-537-2776 -  
EMAIL: CRAIG.ECKBERG@NRG.COM

TITLE: DIRECTOR, ENVIRONMENTAL SERVICES

NAME: JAMES GAY  
ROLE: TECHNICAL  
STREET:  
CITY/STATE, ZIP:  
PHONE: 281-433-2035 -  
EMAIL: JAMES.GAY@NRG.COM

TITLE: SENIOR ENVIRONMENTAL SPECIALIST

TRANSACTION DATA

TRANSACTION TYPE: DERC\_INTEN  
DATE ENTERED: 2023-11-09 00:00:00.0  
CONTAMINATE: NOX  
ALLOWANCE 0

DELETED DATE:  
TONS: 0.50  
CERTIFICATE NO.: D3160

EFFECTIVE YEAR:  
DOLLARS:  
COUNTY : NEWTON

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

ROLE: AAR

STREET: 910 LOUISIANA STREET

CITY/STATE, ZIP: HOUSTON, TX , 77002-

PHONE: 713-537-2776 -

EMAIL: CRAIG.ECKBERG@NRG.COM

NAME: JAMES GAY

TITLE: SENIOR ENVIRONMENTAL SPECIALIST

ROLE: TECHNICAL

STREET:

CITY/STATE, ZIP:

PHONE: 281-433-2035 -

EMAIL: JAMES.GAY@NRG.COM

**TRANSACTION DATA**

TRANSACTION TYPE: DERC\_INTEN

DATE ENTERED: 2023-11-09 00:00:00.0

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: **NOX**

TONS: **10.50**

DOLLARS:

ALLOWANCE0

CERTIFICATE NO.: **D3282** COUNTY : **NEWTON**

**TRACKING ACTIVITIES**

PROJECT SUBMITTED : 11/09/2023 PROJECT RECEIVED BY PM : 11/09/2023

TR - DEFICIENCY CYCLE : 11/20/2023 01/09/2024

TEAM LEAD REVIEW : 01/22/2024 SECTION MANAGER REVIEW : 01/29/2024

**Portfolio Detail**

**Portfolio Number:** P3699  
**Portfolio Name:** COTTONWOOD ENERGY - RN100226109  
**Company Name:** COTTONWOOD ENERGY COMPANY LP

**Actual Allowances for Pollutant NOX**

Balance/Year	2020	2021	2022	2023	2024	2025	2026
Penalty from last year	0	0	0	0	0	0	0
Certified Allocation	0	0	0	0	0	0	0
Allowances for Offsets	-0	-0	-0	-0	-0	-0	-0
Future Trade In	0	0	0	0	0	0	0
Future Trade Out	-0	-0	-0	-0	-0	-0	-0
Stream Traded In	0	0	0	0	0	0	0
Stream Traded Out	-0	-0	-0	-0	-0	-0	-0
Current Traded In	0	0	0	0	0	0	0
Current Traded Out	-0	-0	-0	-0	-0	-0	-0
Total Reported Emissions	0	0	0	0	0	0	0
Quantification Penalty	-0	-0	-0	-0	-0	-0	-0
Current Used for Compliance	-0	-0	-0	-0	-0	-0	-0
Vintage From Previous Year	0	0	0	0	0	0	0
Vintage Traded In	0	0	0	0	0	0	0
Vintage Traded Out	-0	-0	-0	-0	-0	-0	-0
Vintage Used for Compliance	-0	-0	-0	-0	-0	-0	-0
DERC Intent	0	0	0	0	0	0	0
DERC Use	0	0	0	0	0	0	0
ERC Converted to Allowances	0	0	0	0	0	0	0
 CURRENT ALLOWANCE BALANCE	 0	 0	 0	 0	 0	 0	 0
VINTAGE ALLOWANCE BALANCE	0	0	0	0	0	0	0

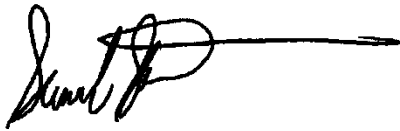
**Sb7 Allowances for Pollutant NOX**

Balance/Year	2020	2021	2022	2023	2024	2025	2026
Previous Year Deficit	0	0	0	0	0	0	0
Allowances Remaining from Previous Year	0	0	0	0	0	0	0
Allocation	0	0	0	0	0	0	0
Current Traded In	0	0	0	0	0	0	0
Current Traded Out	-0	-0	-0	-0	-0	-0	-0
Stream Traded In	0	0	0	0	0	0	0

Craig Eckberg  
Page 2  
February 5, 2024

Additional information regarding this project and the site's portfolio is available online at [https://www2.tceq.texas.gov/airperm/index.cfm?fuseaction=ebt\\_dpa.start](https://www2.tceq.texas.gov/airperm/index.cfm?fuseaction=ebt_dpa.start). If you have questions concerning this project or the EBT program, please contact Natalie Namba at [Natalie.Namba@tceq.texas.gov](mailto:Natalie.Namba@tceq.texas.gov), or write to the TCEQ, Office of Air, Air Permits Division, MC-163, P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

A handwritten signature in black ink, appearing to read 'Samuel Short', followed by a long horizontal line extending to the right.

Samuel Short, Deputy Director  
Air Permits Division  
Office of Air  
Texas Commission on Environmental Quality

cc: James Gay, Senior Environmental Specialist, Cottonwood Energy Company LP

<b>Stream Traded Out</b>	-0	-0	-0	-0	-0	-0	-0
<b>Total Reported Emissions</b>	-0	-0	-0	-0	-0	-0	-0
<b>Remaining Balance</b>	0	0	0	0	0	0	0

## DERC >

<b>Certificate Num</b>	<b>Cont Code</b>	<b>Avail Tons</b>	<b>Transaction Type</b>	<b>Inactive Date</b>	<b>Gen Start Date</b>	<b>Gen End Date</b>	<b>County</b>	<b>Parent Cert Num</b>
<a href="#">D3158</a>	NOX	11.50	DERC_BUY	02/13/2015	04/01/2000	03/31/2001	FORT BEND	D3157
<a href="#">D3160</a>	NOX	0.50	DERC_INTEN	12/30/3000	04/01/2000	03/31/2001	FORT BEND	D3158
<a href="#">D3226</a>	NOX	11.00	DERC_INTEN	12/30/3000	04/01/2000	03/31/2001	FORT BEND	D3158
<a href="#">D3282</a>	NOX	10.50	DERC_RET	12/30/3000	04/01/2001	03/31/2002	FORT BEND	D3270
<a href="#">D3160</a>	NOX	0.50	DERC_RET	12/30/3000	04/01/2000	03/31/2001	FORT BEND	D3158
<a href="#">D3226</a>	NOX	11.00	DERC_RET	12/30/3000	04/01/2000	03/31/2001	FORT BEND	D3158
<a href="#">D3282</a>	NOX	10.50	DERC_BUY	12/30/3000	04/01/2001	03/31/2002	FORT BEND	D3270
<a href="#">D3158</a>	NOX	11.50	DERC_INTEN	02/13/2015	04/01/2000	03/31/2001	FORT BEND	D3157
<a href="#">D3282</a>	NOX	10.50	DERC_INTEN	12/30/3000	04/01/2001	03/31/2002	FORT BEND	D3270

## Confirm Records to Send to TCEQ

**Portfolio Number:P3699**  
**Data current as of:11/09/2023**

### Project Information

**Project Number:** 418416  
**Portfolio Number:** P3699  
**Customer Name:** COTTONWOOD ENERGY COMPANY LP  
**Customer Reference Number:** CN602765687  
**Regulated Entity:** COTTONWOOD ENERGY PROJECT  
**Regulated Entity Reference Number:** RN100226109  
**Account Name:** NC0056N

### Certification and Submission

Certificate	Pollutant	End Date	Amount Available (tpy)	Amount to be Used (tpy)	Use Period Start Date	Use Period End Date	Reason for Use	Permit Number	Ratio	Compliance Year
D3160	NOX		0.50	0.50	01/01/2024	12/31/2024	EXCEEDING PERMIT ALLOWABLES	43890		
D3282	NOX		10.50	10.50	01/01/2024	12/31/2024	EXCEEDING PERMIT ALLOWABLES	43890		

### Supporting Documentation

1 file(s) attached.  
CWD 2024 Notice of Intent to Use DERCs.pdf

### Contact Information

**Primary Contact Name:** CRAIG ECKBERG  
**Address:** 910 LOUISIANA STREET HOUSTON, TX 77002  
**Phone:** 713-537-2776  
**Email:** CRAIG.ECKBERG@NRG.COM  
**Technical Contact Name:** JAMES GAY  
**Phone:** 281-433-2035  
**Email:** JAMES.GAY@NRG.COM

I certify that I have not violated any term in my TCEQ STEERS participation agreement and have no reason to believe that the confidentiality or use of my password has been compromised at any time. I understand that entering my password and pressing the "Confirm Submit" button constitutes an electronic signature legally equivalent to my written signature.

I certify that I am authorized to make this submission on behalf of the owners and operators of the site and facilities included in this submission. I certify that I have knowledge of the information in this submission and any attachments, and that, based on my knowledge and belief formed after reasonable inquiry, the information is true, accurate, and complete. I acknowledge that I have read and understand Texas Water Code (TWC) §§7.177-7.183, which define criminal offenses for certain violations, including intentionally or knowingly making or causing to be made false material statements or representations in this application, and TWC §7.187, pertaining to criminal penalties. Additionally, I understand that TWC §5.102 and Texas Health and Safety Code §382.002 authorize the TCEQ to carry out and enforce its rules and associated duties, including the duty to take enforcement actions if these rules are violated.

This document was signed by Craig Eckberg.

Signature Hash: 95206620A1AE34AE93F6A16C17F74AD78724C3F2A98377CC00EB6EF410756A4F

The following is additional information contained in your Copy of Record:

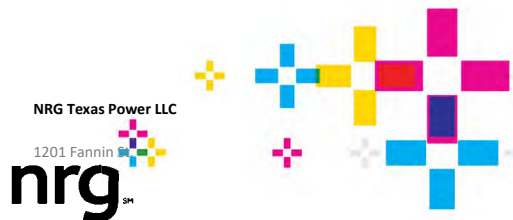
Submission IP address: 149.19.42.26

Submission date and time: 11/09/2023

Submission STEERS Version: 6.70

Submission Confirmation Number: 16001

Submission Data Hash Code: 5701B8EDB9F0B6DAF9758ED4041681F7DD08597B288D2992F3AB4248D4A39FEF



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

**Signed electronically and submitted via STEERS**

November 9, 2023

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

**RE: 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. Ruano:

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

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 DERC certificate D-3282 and D-3160 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<sub>x</sub> 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<sub>x</sub> emissions for the Cottonwood Energy Project.

If you have any questions, please contact me at (713) 537-2776 or by email at [craig.eckberg@nrg.com](mailto:craig.eckberg@nrg.com).

Sincerely,

signed electronically and submitted via STEERS

Craig Eckberg  
Senior Director, Environmental Services

### **Calculation Description**

The Notice of Intent to Use DERCs is requesting the use of up to 10 DERCs (plus the additional 10 percent environmental contribution) for the period beginning January 1, 2024 through December 31, 2024.

### **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.

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

## NRG Texas Power LLC - Emission Point Nos. and FINs

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



**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: Cottonwood Energy Company LP

Mailing Address: 910 Louisiana Street

City: Houston

State: TX

Zip Code: 77002

Telephone: 713-537-2776

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

Air Permit Number: 43890

**II. Technical Contact Identifying Information**

A. Technical Contact Name: (☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.) : James Gay

Technical Contact Title: Senior Environmental Specialist

Mailing Address: 910 Louisiana Street

City: Houston

State: TX

Zip Code: 77002

Telephone: 281-433-2035

Fax:

E-mail: james.gay@nrg.com

**III. Company Contact Identifying Information (If different from Technical Contact)**

A. Company Contact Name: (☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.) : Craig Eckberg

Company Contact Title: Senior Director, Environmental Services

Mailing Address: 910 Louisiana Street

City: Houston

State: TX

Zip Code: 77002

Telephone: 713-537-2776

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? ☐ 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

**V. Intended Use Period**

Intended Use Start Date: 01 / 01 / 2024

Intended Use End Date: 12 / 31 / 2024



**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:

☒ Permit 43890      ☐ RACT \_\_\_\_\_      ☐ 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 <sub>x</sub>							10.0
								<b>Total:</b>	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 <sub>x</sub> : <u>10.0</u>	PM <sub>10</sub> : _____	SO <sub>2</sub> : _____	VOC: _____
Offset Ratio (if required)	CO: _____	NO <sub>x</sub> : _____	PM <sub>10</sub> : _____	SO <sub>2</sub> : _____	VOC: _____
Environmental Contribution (+ 10%)	CO: _____	NO <sub>x</sub> : <u>1.0</u>	PM <sub>10</sub> : _____	SO <sub>2</sub> : _____	VOC: _____
Compliance Margin (+ 5%) (If DERC use requires > 10 tons)	CO: _____	NO <sub>x</sub> : _____	PM <sub>10</sub> : _____	SO <sub>2</sub> : _____	VOC: _____
<b>Total DERCs</b>	<b>CO: _____</b>	<b>NO<sub>x</sub>: <u>11.0</u></b>	<b>PM<sub>10</sub>: _____</b>	<b>SO<sub>2</sub>: _____</b>	<b>VOC: _____</b>

**XI. 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-3160 and D-3282

**Date on which the DERCs were acquired or will be acquired:** 3/31/2002

*Note: The certificate number is assigned by the TCEQ*

**XII. Certification by Responsible Official**

I, Craig 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. 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 signed electronically and submitted via STEERS Signature Date \_\_\_\_\_

Title Senior Director, Environmental Services

[PORTFOLIO SEARCH](#)

[PROJECT SEARCH](#)

[CREDIT AND ALLOWANCE SEARCH](#)

Certificate Details

Certificate Details

Certificate Number: D3160

Pollutant: NOX

Portfolio: P3699

Certificate Status: ACTIVE

Previous Certificate: D3158

Original Certificate: D1033

County of Generation: FORT BEND

Generation Period: 04/01/2000-03/31/2001

Source: POINT

Ton Quantity: 0.50

Generator Project

Certificates Issued From D3160

No Certificates were issued.

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Certificate Details

Certificate Details

Certificate Number: D3282

Pollutant: NOX

Portfolio: P3699

Certificate Status: ACTIVE

Previous Certificate: D3270

Original Certificate: D1049

County of Generation: FORT BEND

Generation Period: 04/01/2001-03/31/2002

Source: POINT

Ton Quantity: 10.50

Generator Project

Certificates Issued From D3282

No Certificates were issued.

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## 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)
Stack 1, Stack 2, Stack 3 and Stack 4 (6)	DLN and SCR, Without HRSG Duct Burner Operation	NO <sub>x</sub>	37.8	---
		CO	33.6	---
		VOC	3.2	---
		PM	20.3	--
		PM <sub>10</sub>	20.3	---
		PM <sub>2.5</sub>	20.3	--
		SO <sub>2</sub>	4.5	---
		NH <sub>3</sub>	19.6	---
		NO <sub>x</sub> (10)	235.00	---
		CO (10)	2000.00	---
Stack 1, Stack 2, Stack 3 and Stack 4 (6)	DLN and SCR, Each with Natural Gas-Fired 610 MMBtu/hr HRSG Duct Burners in Operation	NO <sub>x</sub>	48.5	---
		CO	99.0	---
		VOC	16.4	---
		PM	27.1	---
		PM <sub>10</sub>	27.1	---
		PM <sub>2.5</sub>	27.1	---
		SO <sub>2</sub>	6.0	---
		NH <sub>3</sub>	25.8	---
		NO <sub>x</sub> (10)	235.00	---
		CO (10)	2000.00	---

Emission Sources - Maximum Allowable Emission Rates

Stack 1, Stack 2, Stack 3 and Stack 4 (6)	DLN and SCR Technology, with Natural Gas-Fired 610 MMBtu/hr HRSG	NO <sub>x</sub> (8)	---	166.5
		CO (8)	---	296.8
		VOC (8)	---	45.6
		PM (8)	---	105.4
		PM <sub>10</sub> (8)	---	105.4
		PM <sub>2.5</sub> (8)	---	105.4
		SO <sub>2</sub> (8)	---	22.1
		NH <sub>3</sub>	---	95.8
COOL1	Cooling Tower 1	PM	2.55	4.45
		PM <sub>2.5</sub>	2.55	4.45
		PM <sub>10</sub>	2.55	4.45
COOL2	Cooling Tower 2	PM	2.55	4.45
		PM <sub>2.5</sub>	2.55	4.45
		PM <sub>10</sub>	2.55	4.45
COOL3	Cooling Tower 3	PM	2.55	4.45
		PM <sub>2.5</sub>	2.55	4.45
		PM <sub>10</sub>	2.55	4.45
COOL4	Cooling Tower 4	PM	2.55	4.45
		PM <sub>2.5</sub>	2.55	4.45
		PM <sub>10</sub>	2.55	4.45
FWDTANK1	Fire Water Diesel Tank	VOC	0.02	<0.01
COAGRID	Coagulant Aid Tank	VOC	0.11	<0.01
TANKEDG	Emergency Diesel Tank	VOC	0.03	<0.01

Emission Sources - Maximum Allowable Emission Rates

FWP	Fire Water Pump	NO <sub>x</sub>	10.39	2.60
		CO	2.24	0.56
		VOC	0.84	0.21
		PM	0.74	0.18
		PM <sub>10</sub>	0.74	0.18
		PM <sub>2.5</sub>	0.74	0.18
		SO <sub>2</sub>	0.69	0.17
EMGEN	Emergency Diesel Engine Generator	NO <sub>x</sub>	12.40	3.10
		CO	2.67	0.67
		VOC	1.01	0.25
		PM	0.88	0.22
		PM <sub>10</sub>	0.88	0.22
		PM <sub>2.5</sub>	0.88	0.22
		SO <sub>2</sub>	0.82	0.21
Fugitives A	Ammonia Handling	NH <sub>3</sub>	0.21	0.90
Fugitives B	Natural Gas Handling	VOC	0.23	1.02
MSSFUG	Miscellaneous Maintenance Activities	NO <sub>x</sub>	<0.01	<0.01
		CO	<0.01	<0.01
		PM	1.04	0.39
		PM <sub>10</sub>	1.04	0.39
		PM <sub>2.5</sub>	1.04	0.39
		VOC	5.59	2.23
		NH <sub>3</sub>	4.52	<0.01

- (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<sub>x</sub> total oxides of nitrogen  
SO<sub>2</sub> - sulfur dioxide

Emission Sources - Maximum Allowable Emission Rates

PM	total particulate matter, including PM <sub>10</sub> and PM <sub>2.5</sub> as represented
PM <sub>10</sub>	- total particulate matter equal to or less than 10 microns in diameter, including PM <sub>2.5</sub> , as represented
PM <sub>2.5</sub>	total particulate matter equal to or less than 2.5 microns in diameter
CO	- carbon monoxide
NH <sub>3</sub>	- 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. Allowable rates are for each of the four (4) GE 7FA Turbines and Duct Burners.
- (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.
- (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: July 22, 2021

**RE: No Action Required until after December 31, 2023 but no later than March 31, 2024:  
Notice of Deficiency for Cottonwood Energy Project's DERC Intent to Use for 2024**

Gay, James <JAMES.GAY@NRG.COM>

Wed 11/22/2023 2:29 PM

To: Natalie Namba <Natalie.Namba@tceq.texas.gov>; Eckberg, Craig <Craig.Eckberg@nrg.com>

Hello Natalie,

Thank you for the email. Cottonwood Energy will submit the DERC Use application for the control period 2023 in January 2024.

Please let us know if you require any additional information at this time.

Thank you and have a great remainder of your 2023.

Regards,



**James Gay**  
Senior Environmental Specialist  
NRG Energy  
910 Louisiana  
Houston, TX 77002  
(281)433-2035 Cell

**From:** Natalie Namba <Natalie.Namba@tceq.texas.gov>

**Sent:** Monday, November 20, 2023 10:44 AM

**To:** Eckberg, Craig <CRAIG.ECKBERG@NRG.COM>

**Cc:** Gay, James <JAMES.GAY@NRG.COM>

**Subject:** No Action Required until after December 31, 2023 but no later than March 31, 2024: Notice of Deficiency for Cottonwood Energy Project's DERC Intent to Use for 2024

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Craig Eckberg:

This e-mail is in response to the DERC Intent to Use application (Form DEC-2) for the 2024 use period submitted to the Texas Commission on Environmental Quality (TCEQ) on 11/9/2023 (EBT Project Number 418416).

The following information is required to proceed with the review of your project:

1. The DERC Use application (Form DEC-3) for the 2023 use period is required to proceed with the review of your document. Please provide the DERC Use application (Form DEC-3) for the 2023 use period after December 31, 2023 but no later than March 31, 2024.

Please contact me if you have any questions.

Sincerely,



Natalie Namba  
Natural Resource Specialist II  
Air Permits Division, Office of Air, TCEQ  
(512) 239-2583  
[Natalie.Namba@tceq.texas.gov](mailto:Natalie.Namba@tceq.texas.gov)


## TCEQ EBT Documents - DERC Intent to Use - Cottonwood Energy Project

Natalie Namba <Natalie.Namba@tceq.texas.gov>

Mon 2/5/2024 9:51 AM

To:Eckberg, Craig <CRAIG.ECKBERG@NRG.COM>

Cc:Gay, James <JAMES.GAY@NRG.COM>

 1 attachments (141 KB)

418416 DERC Intent Letter.pdf;

Please see the attached EBT document(s) for project number **418416**. If you have any questions, please see the contact information in the last paragraph of the attached letter.

Texas Commission on Environmental Quality

EBT Programs

[ebt@tceq.texas.gov](mailto:ebt@tceq.texas.gov)

Sign up to receive e-mail updates about EBT programs on the [TCEQ GovDelivery subscription page](#). Select *Emissions Banking and Trading (EBT) Program* under the *Air Quality* heading.

## RE: For Review and Approval by 2/1/2024: DERC Intent to Use 418416

Rebecca Partee <rebecca.partee@tceq.texas.gov>

Fri 2/2/2024 2:39 PM

To: PSSMGR <PSSMGR@tceq.texas.gov>

Cc: EBTTL <EBTTL@tceq.texas.gov>; Natalie Namba <Natalie.Namba@tceq.texas.gov>

Approved

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**From:** PSSMGR <PSSMGR@tceq.texas.gov>

**Sent:** Tuesday, January 30, 2024 12:50 PM

**To:** Rebecca Partee <rebecca.partee@tceq.texas.gov>

**Cc:** EBTTL <EBTTL@tceq.texas.gov>; Natalie Namba <Natalie.Namba@tceq.texas.gov>

**Subject:** FW: For Review and Approval by 2/1/2024: DERC Intent to Use 418416

Please see the attached documents for DERC Intent to Use 418416.

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**From:** EBTTL <[EBTTL@tceq.texas.gov](mailto:EBTTL@tceq.texas.gov)>

**Sent:** Monday, January 29, 2024 9:57 AM

**To:** PSSMGR <[PSSMGR@tceq.texas.gov](mailto:PSSMGR@tceq.texas.gov)>

**Cc:** Natalie Namba <[Natalie.Namba@tceq.texas.gov](mailto:Natalie.Namba@tceq.texas.gov)>

**Subject:** For Review and Approval by 2/1/2024: DERC Intent to Use 418416

Hi Daniel,

Please see the attached documents for DERC Intent to Use 418416. This project was submitted in November; however, it was put on-hold until the company submitted their Use for the 2023 control period to ensure that they did not use DERCs within the past 24 months. Zero DERCs were used in 2022 and in 2023.

To receive approval for their use, the company completed an adverse impacts demonstration in 2015. Attached is the documentation from the 2015 demonstration, starting on Page 14. If you have concerns, please let us know.

Let us know if you have any questions.

Thank you,  
Melissa

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**From:** EBTTL

**Sent:** Monday, January 29, 2024 9:41 AM

**To:** Natalie Namba <[Natalie.Namba@tceq.texas.gov](mailto:Natalie.Namba@tceq.texas.gov)>

**Subject:** DERC Intent to Use 418416

**Importance:** High

Hi Natalie,

Thank you for submitting this project. Please note that, in the letter, I updated the letterhead to remove "interim" from Kelly Keel's title.

In your email below, you indicated that this site is located in the DFW area. I checked the project and the site appears to be in Newton county, which does not appear to be in DFW. In addition, your technical review references §101.376(b)(1)(B) as the DERC rule that the company is using DERCs under. This rule relates to use of DERCs at permitted facilities in counties or portions of counties designated as attainment, attainment/unclassifiable, or unclassifiable. Based on this, I don't believe that the information that you provided

below pertaining to DFW is applicable, but I wanted to double check. Please take a look and let me know what you think.

Thank you,  
Melissa

**From:** Natalie Namba <[Natalie.Namba@tceq.texas.gov](mailto:Natalie.Namba@tceq.texas.gov)>  
**Sent:** Monday, January 22, 2024 3:04 PM  
**To:** EBTTTL <[EBTTTL@tceq.texas.gov](mailto:EBTTTL@tceq.texas.gov)>  
**Subject:** For Review and Approval by 1/25/24: DERC Intent to Use 418416

Hi Melissa,

Please see the attached documents for DERC Intent to Use project 418416. Since the DERCs are intended to be used to exceed a permit limit, the previous period must have zero DERCs used to be able to process this project. The 2023 DERC Use application was received on 1/9/2024 and reported that there were zero DERCs used. Therefore, we are able to process this project. The site is located in the DFW area and is subject to the 17.0 tpd NOx DERC use limit which will not be exceeded.

Thank you,  
Natalie