

FEDERAL OPERATING PERMIT

A FEDERAL OPERATING PERMIT IS HEREBY ISSUED TO

Eastman Cogeneration L.P.

AUTHORIZING THE OPERATION OF

U5 Eastman Cogeneration Facility
Electric and Other Services Combined

LOCATED AT

Harrison County, Texas

Latitude 32° 26' 50" Longitude 94° 41' 27"

Regulated Entity Number: RN100542695

This permit is issued in accordance with and subject to the Texas Clean Air Act (TCAA), Chapter 382 of the Texas Health and Safety Code and Title 30 Texas Administrative Code Chapter 122 (30 TAC Chapter 122), Federal Operating Permits. Under 30 TAC Chapter 122, this permit constitutes the permit holder's authority to operate the site, emission units and affected source listed in this permit. Operations of the site, emission units and affected source listed in this permit are subject to all additional rules or amended rules and orders of the Commission pursuant to the TCAA.

This permit does not relieve the permit holder from the responsibility of obtaining New Source Review authorization for new, modified, or existing facilities in accordance with 30 TAC Chapter 116, Control of Air Pollution by Permits for New Construction or Modification.

The site, emission units and affected source authorized by this permit shall be operated in accordance with 30 TAC Chapter 122, the general terms and conditions, special terms and conditions, and attachments contained herein.

This permit shall expire five years from the date of issuance. The renewal requirements specified in 30 TAC § 122.241 must be satisfied in order to renew the authorization to operate the site, emission units and affected source.

Permit No: O2082 Issuance Date: _____

For the Commission

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General Terms and Conditions

The permit holder shall comply with all terms and conditions contained in 30 TAC § 122.143 (General Terms and Conditions), 30 TAC § 122.144 (Recordkeeping Terms and Conditions), 30 TAC § 122.145 (Reporting Terms and Conditions), and 30 TAC § 122.146 (Compliance Certification Terms and Conditions).

In accordance with 30 TAC § 122.144(1), records of required monitoring data and support information required by this permit, or any applicable requirement codified in this permit, are required to be maintained for a period of five years from the date of the monitoring report, sample, or application unless a longer data retention period is specified in an applicable requirement. The five year record retention period supersedes any less stringent retention requirement that may be specified in a condition of a permit identified in the New Source Review Authorization attachment.

If the permit holder chooses to demonstrate that this permit is no longer required, a written request to void this permit shall be submitted to the Texas Commission on Environmental Quality (TCEQ) by the Responsible Official in accordance with 30 TAC § 122.161(e). The permit holder shall comply with the permit's requirements, including compliance certification and deviation reporting, until notified by the TCEQ that this permit is voided.

The permit holder shall comply with 30 TAC Chapter 116 by obtaining a New Source Review authorization prior to new construction or modification of emission units located in the area covered by this permit.

All reports required by this permit must include in the submittal a cover letter which identifies the following information: company name, TCEQ regulated entity number, air account number (if assigned), site name, area name (if applicable), and Air Permits Division permit number(s).

Special Terms and Conditions: Emission Limitations and Standards, Monitoring and Testing, and Recordkeeping and Reporting

1. Permit holder shall comply with the following requirements:
 - A. Emission units (including groups and processes) in the Applicable Requirements Summary attachment shall meet the limitations, standards, equipment specifications, monitoring, recordkeeping, reporting, testing, and other requirements listed in the Applicable Requirements Summary attachment to assure compliance with the permit.
 - B. The textual description in the column titled "Textual Description" in the Applicable Requirements Summary attachment is not enforceable and is not deemed as a substitute for the actual regulatory language. The Textual Description is provided for information purposes only.

- C. A citation listed on the Applicable Requirements Summary attachment, which has a notation [G] listed before it, shall include the referenced section and subsection for all commission rules, or paragraphs for all federal and state regulations and all subordinate paragraphs, subparagraphs and clauses, subclauses, and items contained within the referenced citation as applicable requirements.
 - D. When a grouped citation, notated with a [G] in the Applicable Requirements Summary, contains multiple compliance options, the permit holder must keep records of when each compliance option was used.
2. The permit holder shall comply with the following sections of 30 TAC Chapter 101 (General Air Quality Rules):
- A. Title 30 TAC § 101.1 (relating to Definitions), insofar as the terms defined in this section are used to define the terms used in other applicable requirements
 - B. Title 30 TAC § 101.3 (relating to Circumvention)
 - C. Title 30 TAC § 101.8 (relating to Sampling), if such action has been requested by the TCEQ
 - D. Title 30 TAC § 101.9 (relating to Sampling Ports), if such action has been requested by the TCEQ
 - E. Title 30 TAC § 101.10 (relating to Emissions Inventory Requirements)
 - F. Title 30 TAC § 101.201 (relating to Emission Event Reporting and Recordkeeping Requirements)
 - G. Title 30 TAC § 101.211 (relating to Scheduled Maintenance, Start-up, and Shutdown Reporting and Recordkeeping Requirements)
 - H. Title 30 TAC § 101.221 (relating to Operational Requirements)
 - I. Title 30 TAC § 101.222 (relating to Demonstrations)
 - J. Title 30 TAC § 101.223 (relating to Actions to Reduce Excessive Emissions)
3. Permit holder shall comply with the following requirements of 30 TAC Chapter 111:
- A. Visible emissions from stationary vents with a flow rate of less than 100,000 actual cubic feet per minute and constructed after January 31, 1972 that are not listed in the Applicable Requirements Summary attachment for 30 TAC Chapter 111, Subchapter A, Division 1 , shall not

exceed 20% opacity averaged over a six-minute period. The permit holder shall comply with the following requirements for stationary vents at the site subject to this standard:

- (i) Title 30 TAC § 111.111(a)(1)(B) (relating to Requirements for Specified Sources)
- (ii) Title 30 TAC § 111.111(a)(1)(E)
- (iii) Title 30 TAC § 111.111(a)(1)(F)(i), (ii), (iii), or (iv)
- (iv) For emission units with vent emissions subject to 30 TAC § 111.111(a)(1)(B), complying with 30 TAC § 111.111(a)(1)(F)(ii), (iii), or (iv), and capable of producing visible emissions from, but not limited to, particulate matter, acid gases and NO_x, the permit holder shall also comply with the following periodic monitoring requirements for the purpose of annual compliance certification under 30 TAC § 122.146. These periodic monitoring requirements do not apply to vents that are not capable of producing visible emissions such as vents that emit only colorless VOCs; vents from non-fuming liquids; vents that provide passive ventilation, such as plumbing vents; or vent emissions from any other source that does not obstruct the transmission of light. Vents, as specified in the “Applicable Requirements Summary” attachment, that are subject to the emission limitation of 30 TAC § 111.111(a)(1)(B) are not subject to the following periodic monitoring requirements:
 - (1) An observation of stationary vents from emission units in operation shall be conducted at least once during each calendar quarter unless the emission unit is not operating for the entire quarter.
 - (2) For stationary vents from a combustion source, if an alternative to the normally fired fuel is fired for a period greater than or equal to 24 consecutive hours, the permit holder shall conduct an observation of the stationary vent for each such period to determine if visible emissions are present. If such period is greater than 3 months, observations shall be conducted once during each quarter. Supplementing the normally fired fuel with natural gas or fuel gas to increase the net heating value to the minimum required value does not constitute creation of an alternative fuel.
 - (3) Records of all observations shall be maintained.
 - (4) Visible emissions observations of emission units operated during daylight hours shall be conducted no earlier than one

hour after sunrise and no later than one hour before sunset. Visible emissions observations of emission units operated only at night must be made with additional lighting and the temporary installation of contrasting backgrounds. Visible emissions observations shall be made during times when the activities described in 30 TAC § 111.111(a)(1)(E) are not taking place. Visible emissions shall be determined with each stationary vent in clear view of the observer. The observer shall be at least 15 feet, but not more than 0.25 mile, away from each stationary vent during the observation. For outdoor locations, the observer shall select a position where the sun is not directly in the observer's eyes. When condensed water vapor is present within the plume, as it emerges from the emissions outlet, observations must be made beyond the point in the plume at which condensed water vapor is no longer visible. When water vapor within the plume condenses and becomes visible at a distance from the emissions outlet, the observation shall be evaluated at the outlet prior to condensation of water vapor. A certified opacity reader is not required for visible emissions observations.

(5) Compliance Certification:

- (a) If visible emissions are not present during the observation, the RO may certify that the source is in compliance with the applicable opacity requirement in 30 TAC § 111.111(a)(1) and (a)(1)(B).
- (b) However, if visible emissions are present during the observation, the permit holder shall either list this occurrence as a deviation on the next deviation report as required under 30 TAC § 122.145(2) or conduct the appropriate opacity test specified in 30 TAC § 111.111(a)(1)(F) to determine if the source is in compliance with the opacity requirements. If an opacity test is performed and the source is determined to be in compliance, the RO may certify that the source is in compliance with the applicable opacity requirement. However, if an opacity test is performed and the source is determined to be out of compliance, the permit holder shall list this occurrence as a deviation on the next deviation report as required under 30 TAC § 122.145(2). The opacity test must be performed by a certified opacity reader.
- (c) Some vents may be subject to multiple visible emission or monitoring requirements. All credible

data must be considered when certifying compliance with this requirement even if the observation or monitoring was performed to demonstrate compliance with a different requirement.

- B. For visible emissions from all other sources not specified in 30 TAC § 111.111(a)(1), (4), or (7); the permit holder shall comply with the following requirements:
- (i) Title 30 TAC § 111.111(a)(8)(A) (relating to Requirements for Specified Sources)
 - (ii) Title 30 TAC § 111.111(a)(8)(B)(i) or (ii)
 - (iii) For a source subject to 30 TAC § 111.111(a)(8)(A), complying with 30 TAC § 111.111(a)(8)(B)(i) or (ii), and capable of producing visible emissions from, but not limited to, particulate matter, acid gases and NO_x, the permit holder shall also comply with the following periodic monitoring requirements for the purpose of annual compliance certification under 30 TAC § 122.146:
 - (1) An observation of visible emissions from a source which is required to comply with 30 TAC § 111.111(a)(8)(A) shall be conducted at least once during each calendar quarter unless the source is not operating for the entire quarter.
 - (2) Records of all observations shall be maintained.
 - (3) Visible emissions observations of sources operated during daylight hours shall be conducted no earlier than one hour after sunrise and no later than one hour before sunset. Visible emissions observations of sources operated only at night must be made with additional lighting and the temporary installation of contrasting backgrounds. Visible emissions shall be determined with each source in clear view of the observer. The observer shall be at least 15 feet, but not more than 0.25 mile, away from each source during the observation. For outdoor locations, the observer shall select a position where the sun is not directly in the observer's eyes. When condensed water vapor is present within the plume, as it emerges from the emissions outlet, observations must be made beyond the point in the plume at which condensed water vapor is no longer visible. When water vapor within the plume condenses and becomes visible at a distance from the emissions outlet, the observation shall be evaluated at the outlet prior to condensation of water vapor. A certified opacity reader is not required for visible emissions observations.

(4) Compliance Certification:

- (a) If visible emissions are not present during the observation, the RO may certify that the source is in compliance with the applicable opacity requirement in 30 TAC § 111.111(a)(8) and (a)(8)(A)
 - (b) However, if visible emissions are present during the observation, the permit holder shall either list this occurrence as a deviation on the next deviation report as required under 30 TAC § 122.145(2) or conduct the appropriate opacity test specified in 30 TAC § 111.111(a)(8)(B) to determine if the source is in compliance with the opacity requirements. If an opacity test is performed and the source is determined to be in compliance, the RO may certify that the source is in compliance with the applicable opacity requirement. However, if an opacity test is performed and the source is determined to be out of compliance, the permit holder shall list this occurrence as a deviation on the next deviation report as required under 30 TAC § 122.145(2). The opacity test must be performed by a certified opacity reader.
- C. Certification of opacity readers determining opacities under Method 9 (as outlined in 40 CFR Part 60, Appendix A) to comply with opacity monitoring requirements shall be accomplished by completing the Visible Emissions Evaluators Course, or approved agency equivalent, no more than 180 days before the opacity reading.
- D. For emission units with contributions from uncombined water, the permit holder shall comply with the requirements of 30 TAC § 111.111(b).
- E. Emission limits on nonagricultural processes, except for the steam generators specified in 30 TAC § 111.153, shall comply with the following requirements:
- (i) Emissions of PM from any source may not exceed the allowable rates as required in 30 TAC § 111.151(a) (relating to Allowable Emissions Limits)
 - (ii) Sources with an effective stack height (h_e) less than the standard effective stack height (H_e), must reduce the allowable emission level by multiplying it by $[h_e/H_e]^2$ as required in 30 TAC § 111.151(b)
 - (iii) Effective stack height shall be calculated by the equation specified in 30 TAC § 111.151(c)

4. The permit holder shall comply with the following requirements for units subject to any subpart of 40 CFR Part 60, unless otherwise stated in the applicable subpart:
 - A. Title 40 CFR § 60.7 (relating to Notification and Recordkeeping)
 - B. Title 40 CFR § 60.8 (relating to Performance Tests)
 - C. Title 40 CFR § 60.11 (relating to Compliance with Standards and Maintenance Requirements)
 - D. Title 40 CFR § 60.12 (relating to Circumvention)
 - E. Title 40 CFR § 60.13 (relating to Monitoring Requirements)
 - F. Title 40 CFR § 60.14 (relating to Modification)
 - G. Title 40 CFR § 60.15 (relating to Reconstruction)
 - H. Title 40 CFR § 60.19 (relating to General Notification and Reporting Requirements)

Additional Monitoring Requirements

5. The permit holder shall comply with the periodic monitoring requirements as specified in the attached “Periodic Monitoring Summary” upon issuance of the permit. Except for, as applicable, monitoring malfunctions, associated repairs, and required quality assurance or control activities (including, as applicable, calibration checks and required zero and span adjustments), the permit holder shall conduct all monitoring in continuous operation (or shall collect data at all required intervals) at all times that the pollutant-specific emissions unit is operating. The permit holder may elect to collect monitoring data on a more frequent basis and average the data, consistent with the averaging time specified in the “Periodic Monitoring Summary,” for purposes of determining whether a deviation has occurred. However, the additional data points must be collected on a regular basis. In no event shall data be collected and used in particular instances to avoid reporting deviations. Deviations shall be reported according to 30 TAC § 122.145 (Reporting Terms and Conditions).

New Source Review Authorization Requirements

6. Permit holder shall comply with the requirements of New Source Review authorizations issued or claimed by the permit holder for the permitted area, including permits, permits by rule, standard permits, flexible permits, special permits, permits for existing facilities including Voluntary Emissions Reduction Permits and Electric Generating Facility Permits issued under 30 TAC Chapter 116, Subchapter I, or special exemptions referenced in the New Source Review Authorization References attachment. These requirements:

- A. Are incorporated by reference into this permit as applicable requirements
 - B. Shall be located with this operating permit
 - C. Are not eligible for a permit shield
7. The permit holder shall comply with the general requirements of 30 TAC Chapter 106, Subchapter A or the general requirements, if any, in effect at the time of the claim of any PBR.
8. The permit holder shall maintain records to demonstrate compliance with any emission limitation or standard that is specified in a permit by rule (PBR) or Standard Permit listed in the New Source Review Authorizations attachment. The records shall yield reliable data from the relevant time period that are representative of the emission unit's compliance with the PBR or Standard Permit. These records may include, but are not limited to, production capacity and throughput, hours of operation, material safety data sheets (MSDS), chemical composition of raw materials, speciation of air contaminant data, engineering calculations, maintenance records, fugitive data, performance tests, capture/control device efficiencies, direct pollutant monitoring (CEMS, COMS, or PEMS), or control device parametric monitoring. These records shall be made readily accessible and available as required by 30 TAC § 122.144.
- A. If applicable, monitoring of control device performance or general work practice standards shall be made in accordance with the TCEQ Periodic Monitoring Guidance document.
 - B. Any monitoring or recordkeeping data indicating noncompliance with the PBR or Standard Permit shall be considered and reported as a deviation according to 30 TAC § 122.145 (Reporting Terms and Conditions).

Compliance Requirements

9. The permit holder shall certify compliance in accordance with 30 TAC § 122.146. The permit holder shall comply with 30 TAC § 122.146 using at a minimum, but not limited to, the continuous or intermittent compliance method data from monitoring, recordkeeping, reporting, or testing required by the permit and any other credible evidence or information. The certification period may not exceed 12 months and the certification must be submitted within 30 days after the end of the period being certified.
10. Use of Discrete Emission Credits to comply with the applicable requirements:
- A. Unless otherwise prohibited, the permit holder may use discrete emission credits to comply with the following applicable requirements listed elsewhere in this permit:
 - (i) Title 30 TAC Chapter 115

- (ii) Title 30 TAC Chapter 117
 - (iii) If applicable, offsets for Title 30 TAC Chapter 116
 - (iv) Temporarily exceed state NSR permit allowables
- B. The permit holder shall comply with the following requirements in order to use the credit to comply with the applicable requirements:
- (i) The permit holder must notify the TCEQ according to 30 TAC § 101.376(d)
 - (ii) The discrete emission credits to be used must meet all the geographic, timeliness, applicable pollutant type, and availability requirements listed in 30 TAC Chapter 101, Subchapter H, Division 4
 - (iii) The executive director has approved the use of the discrete emission credits according to 30 TAC § 101.376(d)(1)(A)
 - (iv) The permit holder keeps records of the use of credits towards compliance with the applicable requirements in accordance with 30 TAC § 101.372(h) and 30 TAC Chapter 122

Risk Management Plan

11. For processes subject to 40 CFR Part 68 and specified in 40 CFR § 68.10, the permit holder shall comply with the requirements of the Accidental Release Prevention Provisions in 40 CFR Part 68. The permit holder shall submit to the appropriate agency either a compliance schedule for meeting the requirements of 40 CFR Part 68 by the date provided in 40 CFR § 68.10(a), or as part of the compliance certification submitted under this permit, a certification statement that the source is in compliance with all requirements of 40 CFR Part 68, including the registration and submission of a risk management plan.

Permit Location

12. The permit holder shall maintain a copy of this permit and records related to requirements listed in this permit on site.

Permit Shield (30 TAC § 122.148)

13. A permit shield is granted for the emission units, groups, or processes specified in the attached “Permit Shield.” Compliance with the conditions of the permit shall be deemed compliance with the specified potentially applicable requirements or specified potentially applicable state-only requirements listed in the attachment “Permit Shield.” Permit shield provisions shall not be modified by the executive director until notification is provided to the permit holder. No later than 90 days after notification of a change in a determination made by the

executive director, the permit holder shall apply for the appropriate permit revision to reflect the new determination. Provisional terms are not eligible for this permit shield. Any term or condition, under a permit shield, shall not be protected by the permit shield if it is replaced by a provisional term or condition or the basis of the term and condition changes.

Acid Rain Permit Requirements

14. For units GT1, GT2, HRSG1 and HRSG2 (identified in the Certificate of Representation as units (GEN1, GEN2 and GEN3 (steam turbine associated with both HRSG1 and HRSG2)), located at the affected source identified by ORIS/Facility code 55176, the designated representative and the owner or operator, as applicable, shall comply with the following Acid Rain Permit requirements.
 - A. General Requirements
 - (i) Under 30 TAC § 122.12(1) and 40 CFR Part 72, the Acid Rain Permit requirements contained here are a separable portion of the Federal Operating Permit (FOP) and have an independent public comment process which may be separate from, or combined with the FOP.
 - (ii) The owner and operator shall comply with the requirements of 40 CFR Part 72 and 40 CFR Part 76. Any noncompliance with the Acid Rain Permit will be considered noncompliance with the FOP and may be subject to enforcement action.
 - (iii) The owners and operators of the affected source shall operate the source and the unit in compliance with the requirements of this Acid Rain Permit and all other applicable State and federal requirements.
 - (iv) The owners and operators of the affected source shall comply with the General Terms and Conditions of the FOP that incorporates this Acid Rain Permit.
 - (v) The term for the Acid Rain permit shall commence with the issuance of the FOP that incorporates the Acid Rain permit and shall be run concurrent with the remainder of the term of the FOP. Renewal of the Acid Rain permit shall coincide with the renewal of the FOP that incorporates the Acid Rain permit and subsequent terms shall be no more than five years from the date of renewal of the FOP and run concurrent with the permit term of the FOP.
 - B. Monitoring Requirements

- (i) The owners and operators, and the designated representative, of the affected source and each affected unit at the source shall comply with the monitoring requirements contained 40 CFR Part 75.
- (ii) The emissions measurements recorded and reported in accordance with 40 CFR Part 75 and any other credible evidence shall be used to determine compliance by the affected source with the acid rain emissions limitations and emissions reduction requirements for SO₂ and NO_x under the ARP.
- (iii) The requirements of 40 CFR Part 75 shall not affect the responsibility of the owners and operators to monitor emission of other pollutants or other emissions characteristics at the unit under other applicable requirements of the FCAA Amendments (42 U.S.C. 7401, as amended November 15, 1990) and other terms and conditions of the operating permit for the source.

C. SO₂ emissions requirements

- (i) The owners and operators of each source and each affected unit at the source shall comply with the applicable acid rain emissions limitations for SO₂.
- (ii) As of the allowance transfer deadline the owners and operators of the affected source and each affected unit at the source shall hold, in the unit's compliance subaccount, allowances in an amount not less than the total annual emissions of SO₂ for the previous calendar year.
- (iii) Each ton of SO₂ emitted in excess of the acid rain emissions limitations for SO₂ shall constitute a separate violation of the FCAA amendments.
- (iv) An affected unit shall be subject to the requirements under (i) and (ii) of the SO₂ emissions requirements as follows:
 - (1) Starting January 1, 2000, an affected unit under 40 CFR § 72.6(a)(2); or
 - (2) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR Part 75, an affected unit under 40 CFR § 72.6(a)(3).
- (v) Allowances shall be held in, deducted from, or transferred into or among Allowance Tracking System accounts in accordance with the requirements of the ARP.

- (vi) An allowance shall not be deducted, for compliance with the requirements of this permit, in a calendar year before the year for which the allowance was allocated.
- (vii) An allowance allocated by the EPA Administrator or under the ARP is a limited authorization to emit SO₂ in accordance with the ARP. No provision of the ARP, Acid Rain permit application, this Acid Rain Permit, or an exemption under 40 CFR §§ 72.7 or 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (viii) An allowance allocated by the EPA Administrator under the ARP does not constitute a property right.

D. NO_x Emission Requirements

- (i) The owners and operators of the source and each affected unit at the source shall comply with the applicable acid rain emissions limitations for NO_x under 40 CFR Part 76.

E. Excess emissions requirements for SO₂ and NO_x.

- (i) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR Part 77.
- (ii) If an affected source has excess emissions in any calendar year shall, as required by 40 CFR Part 77:
 - (1) Pay, without demand, the penalty required and pay, upon demand, the interest on that penalty.
 - (2) Comply with the terms of an approved offset plan.

F. Recordkeeping and Reporting Requirements

- (i) Unless otherwise provided, the owners and operators of the affected source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time before the end of 5 years, in writing by the permitting authority or the EPA Administrator.
 - (1) The certificate of representation for the designated representative for the source and each affected unit and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR § 72.24; provided that the certificate and documents shall be

retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative.

- (2) All emissions monitoring information, in accordance with 40 CFR Part 75, provided that to the extent that 40 CFR Part 75 provides for a 3-year period for recordkeeping (rather than a five-year period cited in 30 TAC § 122.144), the 3-year period shall apply.
 - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the ARP or relied upon for compliance certification.
 - (4) Copies of all documents used to complete an acid rain permit application and any other submission under the ARP or to demonstrate compliance with the requirements of the ARP.
- (ii) The designated representative of an affected source and each affected unit at the source shall submit the reports required under the ARP including those under 40 CFR Part 72, Subpart I and 40 CFR Part 75.

G. Liability

- (i) Any person who knowingly violates any requirement or prohibition of the ARP, a complete acid rain permit application, an acid rain permit, or a written exemption under 40 CFR §§ 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to FCAA § 113(c).
- (ii) Any person who knowingly makes a false, material statement in any record, submission, or report under the ARP shall be subject to criminal enforcement pursuant to FCAA § 113(c) and 18 U.S.C. 1001.
- (iii) No permit revision shall excuse any violation of the requirements of the ARP that occurs prior to the date that the revision takes effect.
- (iv) The affected source and each affected unit shall meet the requirements of the ARP contained in 40 CFR Parts 72 through 78.
- (v) Any provision of the ARP that applies to an affected source or the designated representative of an affected source shall also apply to the owners and operators of such source and of the affected units at the source.

- (vi) Any provision of the ARP that applies to an affected unit (including a provision applicable to the DR of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR § 72.44 (Phase II repowering extension plans) and 40 CFR § 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR Part 75 (including 40 CFR §§ 75.16, 75.17, and 75.18), the owners and operators and the DR of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the DR and that is located at a source of which they are not owners or operators or the DR.
 - (vii) Each violation of a provision of 40 CFR Parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or DR of such source or unit, shall be a separate violation of the FCAA Amendments.
- H. Effect on other authorities. No provision of the ARP, an acid rain permit application, an acid rain permit, or an exemption under 40 CFR §§ 72.7 or 72.8 shall be construed as:
- (i) Except as expressly provided in Title IV of the FCAA Amendments, exempting or excluding the owners and operators and, to the extent applicable, the DR of an affected source or affected unit from compliance with any other provision of the FCAA Amendments, including the provisions of Title I of the FCAA Amendments relating to applicable National Ambient Air Quality Standards or State Implementation Plans.
 - (ii) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the FCAA Amendments.
 - (iii) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law.
 - (iv) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
 - (v) Interfering with or impairing any program for competitive bidding for power supply in a state in which such program is established.
- I. The number of SO₂ allowances allocated by the EPA in 40 CFR Part 73 is enforceable only by the EPA Administrator.

Clean Air Interstate Rule Permit Requirements

15. For units GT1, GT2, HRSG1 and HRSG2 (identified in the Certificate of Representation as units GEN1, GEN2 and GEN3 (steam turbine associated with both HRSG1 and HRSG2)), located at the site identified by ORIS/Facility code 55176, the designated representative and the owner or operator, as applicable, shall comply with the following Clean Air Interstate Rule (CAIR) Permit requirements. Until approval of the Texas CAIR SIP by EPA, the permit holder shall comply with the equivalent requirements of 40 CFR Part 97 in place of the referenced 40 CFR Part 96 requirements in the Texas CAIR permit and 30 TAC Chapter 122 requirements.
 - A. General Requirements
 - (i) Under 30 TAC § 122.420(b) and 40 CFR §§ 96.120(b) and 96.220(b) the CAIR Permit requirements contained here are a separable portion of the Federal Operating Permit (FOP).
 - (ii) The owners and operators of the CAIR NO_x and the CAIR SO₂ source shall operate the source and the unit in compliance with the requirements of this CAIR permit and all other applicable State and federal requirements.
 - (iii) The owners and operators of the CAIR NO_x and the CAIR SO₂ source shall comply with the General Terms and Conditions of the FOP that incorporates this CAIR Permit.
 - (iv) The term for the initial CAIR permit shall commence with the issuance of the revision containing the CAIR permit and shall be the remaining term for the FOP that incorporates the CAIR permit. Renewal of the initial CAIR permit shall coincide with the renewal of the FOP that incorporates the CAIR permit and subsequent terms shall be no more than five years from the date of renewal of the FOP and run concurrent with the permit term of the FOP.
 - B. Monitoring and Reporting Requirements
 - (i) The owners and operators, and the CAIR designated representative, of the CAIR NO_x source and each CAIR NO_x unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements contained 40 CFR Part 96, Subpart HH.
 - (ii) The owners and operators, and the CAIR designated representative, of the CAIR SO₂ source and each CAIR SO₂ unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements contained 40 CFR Part 96, Subpart HHH.

- (iii) The emissions measurements recorded and reported in accordance with 40 CFR Part 96, Subpart HH and any other credible evidence shall be used to determine compliance by the CAIR NO_x source with the CAIR NO_x emissions limitation.
- (iv) The emissions measurements recorded and reported in accordance with 40 CFR Part 96, Subpart HHH and any other credible evidence shall be used to determine compliance by the CAIR SO₂ source with the CAIR SO₂ emissions limitation.

C. NO_x emissions requirements

- (i) As of the allowance transfer deadline for a control period, the owners and operators of the CAIR NO_x source and each CAIR NO_x unit at the source shall hold, in the source's compliance account, CAIR NO_x allowances available for compliance deductions for the control period under 40 CFR § 96.154(a) in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO_x units at the source, as determined in accordance with the requirements of 40 CFR Part 96, Subpart HH.
- (ii) A CAIR NO_x unit shall be subject to the requirements of paragraph C.(i) of this CAIR Permit starting on the later of January 1, 2009, or the deadline for meeting the unit's monitor certification requirements under 40 CFR § 96.170(b)(1), (2), or (5).
- (iii) A CAIR NO_x allowance shall not be deducted, for compliance with the requirements of this permit, for a control period in a calendar year before the year for which the CAIR NO_x allowance was allocated.
- (iv) CAIR NO_x allowances shall be held in, deducted from or transferred into or among CAIR NO_x Allowance Tracking System accounts in accordance with the requirements of 40 CFR Part 96, Subpart FF or Subpart GG.
- (v) A CAIR NO_x allowance is a limited authorization to emit one ton of nitrogen oxides in accordance with the CAIR NO_x Annual Trading Program. No provision of the CAIR NO_x Annual Trading Program, the CAIR permit application, the CAIR permit, or an exemption under 40 CFR § 96.105 and no provision of law shall be construed to limit the authority of the State or the United States to terminate or limit such authorization.
- (vi) A CAIR NO_x allowance does not constitute a property right.
- (vii) Upon recordation by the Administrator under 40 CFR Part 96, Subpart FF or Subpart GG, every allocation, transfer, or deduction

of a CAIR NO_x allowance to or from a CAIR NO_x unit's compliance account is incorporated automatically in this CAIR permit.

D. NO_x excess emissions requirement

- (i) If a CAIR NO_x source emits nitrogen oxides during any control period in excess of the CAIR NO_x emissions limitation, the owners and operators of the source and each CAIR NO_x unit at the source shall surrender the CAIR NO_x allowances required for deduction under 40 CFR § 96.154(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law.
- (ii) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of 40 CFR Part 96, Subpart AA, the Clean Air Act, and applicable State law.

E. SO₂ emissions requirements

- (i) As of the allowance transfer deadline for a control period, the owners and operators of the CAIR SO₂ source and each CAIR SO₂ unit at the source shall hold, in the source's compliance account, CAIR SO₂ allowances available for compliance deductions for the control period under 40 CFR § 96.254(a) and (b) in an amount not less than the tons of total sulfur dioxides emissions for the control period from all CAIR SO₂ units at the source, as determined in accordance with the requirements of 40 CFR Part 96, Subpart HHH.
- (ii) A CAIR SO₂ unit shall be subject to the requirements of paragraph E.(i) of this CAIR Permit starting on the later of January 1, 2010, or the deadline for meeting the unit's monitor certification requirements under 40 CFR § 96.270(b)(1), (2), or (5).
- (iii) A CAIR SO₂ allowance shall not be deducted, for compliance with the requirements of this permit, for a control period in a calendar year before the year for which the CAIR SO₂ allowance was allocated.
- (iv) CAIR SO₂ allowances shall be held in, deducted from, or transferred into or among CAIR SO₂ Allowance Tracking System accounts in accordance with the requirements of 40 CFR Part 96, Subpart FFF or Subpart GGG.
- (v) A CAIR SO₂ allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO₂ Trading Program. No provision of the CAIR SO₂ Trading Program, the CAIR permit application, the CAIR permit, or an exemption under

40 CFR § 96.205 and no provision of law shall be construed to limit the authority of the State or the United States to terminate or limit such authorization.

- (vi) A CAIR SO₂ allowance does not constitute a property right.
- (vii) Upon recordation by the Administrator under 40 CFR Part 96, Subpart FFF or Subpart GGG, every allocation, transfer, or deduction of a CAIR SO₂ allowance to or from a CAIR SO₂ unit's compliance account is incorporated automatically in this CAIR permit.

F. SO₂ excess emissions requirements

- (i) If a CAIR SO₂ source emits sulfur dioxides during any control period in excess of the CAIR SO₂ emissions limitation, the owners and operators of the source and each CAIR SO₂ unit at the source shall surrender the CAIR SO₂ allowances required for deduction under 40 CFR § 96.254(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law.
- (ii) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of 40 CFR Part 96, Subpart AAA, the Clean Air Act, and applicable State law.

G. Recordkeeping and Reporting Requirements

- (i) Unless otherwise provided, the owners and operators of the CAIR NO_x source and each CAIR NO_x unit at the source and the CAIR SO₂ source and each CAIR SO₂ unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time before the end of 5 years, in writing by the permitting authority or the Administrator.
 - (1) The certificate of representation under 40 CFR §§ 96.113 and 96.213 for the CAIR NO_x designated representative for the source and each CAIR NO_x unit and the CAIR SO₂ designated representative for the source and each CAIR SO₂ unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5 year period until such documents are superseded because of the submission of a new certificate of representation under 40 CFR §§ 96.113 and 96.213 changing the CAIR designated representative.

- (2) All emissions monitoring information, in accordance with 40 CFR Part 96, Subpart HH and Subpart HHH, provided that to the extent that these subparts provide for a 3-year period for recordkeeping, the 3-year period shall apply.
 - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR NO_x Annual Trading Program and CAIR SO₂ Trading Program or relied upon for compliance determinations.
 - (4) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR NO_x Annual Trading Program and CAIR SO₂ Trading Program or to demonstrate compliance with the requirements of the CAIR NO_x Annual Trading Program and CAIR SO₂ Trading Program.
 - (ii) The CAIR designated representative of a CAIR NO_x source and each CAIR NO_x unit at the source and a CAIR SO₂ source and each CAIR SO₂ unit at the source shall submit the reports required under the CAIR NO_x Annual Trading Program and the CAIR SO₂ Trading Program including those under 40 CFR Part 96, Subpart HH and Subpart HHH.
- H. The CAIR NO_x source and each CAIR NO_x unit shall meet the requirements of the CAIR NO_x Annual Trading Program contained in 40 CFR Part 96, Subparts AA through II.
- I. The CAIR SO₂ source and each CAIR SO₂ unit shall meet the requirements of the CAIR SO₂ Trading Program contained in 40 CFR Part 96, Subparts AAA through III.
- J. Any provision of the CAIR NO_x Annual Trading Program and the CAIR SO₂ Trading Program that applies to a CAIR NO_x source or CAIR SO₂ source or the CAIR designated representative of a CAIR NO_x source or CAIR SO₂ source shall also apply to the owners and operators of such source and the units at the source.
- K. Any provision of the CAIR NO_x Annual Trading Program and the CAIR SO₂ Trading Program that applies to a CAIR NO_x unit or CAIR SO₂ unit or the CAIR designated representative of a CAIR NO_x unit or CAIR SO₂ unit shall also apply to the owners and operators of such unit.
- L. No provision of the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, a CAIR permit application, a CAIR permit, or an exemption under 40 CFR §§ 96.105 or 96.205 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR NO_x source or CAIR NO_x unit or a

CAIR SO₂ source or CAIR SO₂ unit from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act.

Attachments

Applicable Requirements Summary

Additional Monitoring Requirements

Permit Shield

New Source Review Authorization References

Applicable Requirements Summary

Unit Summary 23

Applicable Requirements Summary 24

Note: A “none” entry may be noted for some emission sources in this permit’s “Applicable Requirements Summary” under the heading of “Monitoring and Testing Requirements” and/or “Recordkeeping Requirements” and/or “Reporting Requirements.” Such a notation indicates that there are no requirements for the indicated emission source as identified under the respective column heading(s) for the stated portion of the regulation when the emission source is operating under the conditions of the specified SOP Index Number. However, other relevant requirements pursuant to 30 TAC Chapter 122 including Recordkeeping Terms and Conditions (30 TAC § 122.144), Reporting Terms and Conditions (30 TAC § 122.145), and Compliance Certification Terms and Conditions (30 TAC § 122.146) continue to apply.

Unit Summary

Unit/Group/ Process ID No.	Unit Type	Group/Inclusive Units	SOP Index No.	Regulation	Requirement Driver
HRSG1	BOILERS/STEAM GENERATORS/STEAM GENERATING UNITS	N/A	60Da-1A	40 CFR Part 60, Subpart Da	D-SERIES FUEL TYPE = Natural gas and other gaseous fossil fuel.
HRSG1	BOILERS/STEAM GENERATORS/STEAM GENERATING UNITS	N/A	60Da-1B	40 CFR Part 60, Subpart Da	D-SERIES FUEL TYPE = Natural gas.
HRSG2	BOILERS/STEAM GENERATORS/STEAM GENERATING UNITS	N/A	60Da-1A	40 CFR Part 60, Subpart Da	D-SERIES FUEL TYPE = Natural gas and other gaseous fossil fuel.
HRSG2	BOILERS/STEAM GENERATORS/STEAM GENERATING UNITS	N/A	60Da-1B	40 CFR Part 60, Subpart Da	D-SERIES FUEL TYPE = Natural Gas.
S1	EMISSION POINTS/STATIONARY VENTS/PROCESS VENTS	N/A	111-1	30 TAC Chapter 111, Visible Emissions	No changing attributes.
S2	EMISSION POINTS/STATIONARY VENTS/PROCESS VENTS	N/A	111-1	30 TAC Chapter 111, Visible Emissions	No changing attributes.
GT1	STATIONARY TURBINES	N/A	60GG-1	40 CFR Part 60, Subpart GG	No changing attributes.
GT2	STATIONARY TURBINES	N/A	60GG-1	40 CFR Part 60, Subpart GG	No changing attributes.

Applicable Requirements Summary

Unit Group Process ID No.	Unit Group Process Type	SOP Index No.	Pollutant	State Rule or Federal Regulation Name	Emission Limitation, Standard or Equipment Specification Citation	Textual Description (See Special Term and Condition 1.B.)	Monitoring And Testing Requirements	Recordkeeping Requirements (30 TAC § 122.144)	Reporting Requirements (30 TAC § 122.145)
HRSG1	EU	60Da-1A	PM (OPACITY)	40 CFR Part 60, Subpart Da	§ 60.42Da(b) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases which exhibit greater than 20 percent opacity (6-minute average), except for one 6-minute period per hour of not more than 27 percent opacity. Owners and operators that elect to install, calibrate, maintain and operate a CEMS for measuring PM emissions are exempt from the opacity standard.	§ 60.48Da(q) [G]§ 60.49Da(a)(3) § 60.50Da(a) § 60.50Da(b)(3)	[G]§ 60.51Da(d) [G]§ 60.52Da(b)	§ 60.51Da(a) § 60.51Da(d) [G]§ 60.51Da(h) § 60.51Da(i) § 60.51Da(j) § 60.51Da(k)
HRSG1	EU	60Da-1A	NOX	40 CFR Part 60, Subpart Da	§ 60.44Da(d)(1) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases that contain NOx (expressed as NO2) in excess of 200 ng/J (1.6 lb/MWh) gross energy output, based on a 30-day rolling average basis.	§ 60.48Da(h) [G]§ 60.48Da(k)(2) [G]§ 60.48Da(k)(3) § 60.49Da(c)(2) § 60.49Da(e) § 60.49Da(f)(1) § 60.49Da(h) § 60.49Da(h)(2) § 60.49Da(h)(4) § 60.49Da(j)(2) § 60.49Da(j)(3) § 60.49Da(j)(4) § 60.49Da(o) [G]§ 60.49Da(s) [G]§ 60.49Da(w) § 60.50Da(a) [G]§ 60.50Da(d) [G]§ 60.50Da(e) § 60.50Da(f)	[G]§ 60.49Da(s) [G]§ 60.49Da(w)	[G]§ 60.49Da(s) [G]§ 60.49Da(w) § 60.51Da(a) § 60.51Da(b) § 60.51Da(b)(1) § 60.51Da(b)(2) § 60.51Da(b)(4) § 60.51Da(b)(5) § 60.51Da(b)(6) § 60.51Da(b)(7) § 60.51Da(b)(8) § 60.51Da(b)(9) [G]§ 60.51Da(c) § 60.51Da(f) [G]§ 60.51Da(h) § 60.51Da(j) § 60.51Da(k)
HRSG1	EU	60Da-1A	SO2	40 CFR Part 60, Subpart Da	§ 60.43Da(b)(2) § 60.43Da(g) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases that contain sulfur dioxide in excess of 100 percent of the potential combustion concentration (zero percent	§ 60.50Da(a) [G]§ 60.50Da(c) [G]§ 60.50Da(e) § 60.50Da(f) ** See Periodic Monitoring	None	§ 60.51Da(a) § 60.51Da(b) § 60.51Da(b)(1) § 60.51Da(b)(2) § 60.51Da(b)(3) § 60.51Da(b)(4)

Applicable Requirements Summary

Unit Group Process ID No.	Unit Group Process Type	SOP Index No.	Pollutant	State Rule or Federal Regulation Name	Emission Limitation, Standard or Equipment Specification Citation	Textual Description (See Special Term and Condition 1.B.)	Monitoring And Testing Requirements	Recordkeeping Requirements (30 TAC § 122.144)	Reporting Requirements (30 TAC § 122.145)
						reduction) when emissions are less than 86 ng/J (0.20 lb/MMBtu) heat input.	Summary		§ 60.51Da(b)(5) § 60.51Da(b)(6) § 60.51Da(b)(7) [G]§ 60.51Da(c) [G]§ 60.51Da(e) § 60.51Da(f) [G]§ 60.51Da(h) § 60.51Da(j) § 60.51Da(k)
HRSG1	EU	60Da-1B	NOX	40 CFR Part 60, Subpart Da	§ 60.44Da(d)(1) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases that contain NOx (expressed as NO2) in excess of 200 ng/J (1.6 lb/MWh) gross energy output, based on a 30-day rolling average basis.	§ 60.48Da(h) [G]§ 60.48Da(k)(2) [G]§ 60.48Da(k)(3) § 60.49Da(c)(2) § 60.49Da(e) § 60.49Da(f)(1) § 60.49Da(h) § 60.49Da(h)(2) § 60.49Da(h)(4) § 60.49Da(j)(2) § 60.49Da(j)(3) § 60.49Da(j)(4) § 60.49Da(o) [G]§ 60.49Da(s) [G]§ 60.49Da(w) § 60.50Da(a) [G]§ 60.50Da(d) [G]§ 60.50Da(e) § 60.50Da(f)	[G]§ 60.49Da(s) [G]§ 60.49Da(w)	[G]§ 60.49Da(s) [G]§ 60.49Da(w) § 60.51Da(a) § 60.51Da(b) § 60.51Da(b)(1) § 60.51Da(b)(2) § 60.51Da(b)(4) § 60.51Da(b)(5) § 60.51Da(b)(6) § 60.51Da(b)(7) § 60.51Da(b)(8) § 60.51Da(b)(9) [G]§ 60.51Da(c) § 60.51Da(f) [G]§ 60.51Da(h) § 60.51Da(j) § 60.51Da(k)
HRSG1	EU	60Da-1B	SO2	40 CFR Part 60, Subpart Da	§ 60.43Da(b)(2) § 60.43Da(g) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases that contain sulfur dioxide in excess of 100 percent of the potential combustion concentration (zero percent reduction) when emissions are less than 86 ng/J (0.20 lb/MMBtu) heat input.	§ 60.50Da(a) [G]§ 60.50Da(c) [G]§ 60.50Da(e) § 60.50Da(f) ** See Periodic Monitoring Summary	None	§ 60.51Da(a) § 60.51Da(b) § 60.51Da(b)(1) § 60.51Da(b)(2) § 60.51Da(b)(3) § 60.51Da(b)(4) § 60.51Da(b)(5) § 60.51Da(b)(6) § 60.51Da(b)(7) [G]§ 60.51Da(c)

Applicable Requirements Summary

Unit Group Process ID No.	Unit Group Process Type	SOP Index No.	Pollutant	State Rule or Federal Regulation Name	Emission Limitation, Standard or Equipment Specification Citation	Textual Description (See Special Term and Condition 1.B.)	Monitoring And Testing Requirements	Recordkeeping Requirements (30 TAC § 122.144)	Reporting Requirements (30 TAC § 122.145)
									[G]§ 60.51Da(e) § 60.51Da(f) [G]§ 60.51Da(h) § 60.51Da(j) § 60.51Da(k)
HRSG2	EU	60Da-1A	PM [OPACITY]	40 CFR Part 60, Subpart Da	§ 60.42Da(b) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases which exhibit greater than 20 percent opacity (6-minute average), except for one 6-minute period per hour of not more than 27 percent opacity. Owners and operators that elect to install, calibrate, maintain and operate a CEMS for measuring PM emissions are exempt from the opacity standard.	§ 60.48Da(q) [G]§ 60.49Da(a)(3) § 60.50Da(a) § 60.50Da(b)(3)	[G]§ 60.51Da(d) [G]§ 60.52Da(b)	§ 60.51Da(a) § 60.51Da(d) [G]§ 60.51Da(h) § 60.51Da(i) § 60.51Da(j) § 60.51Da(k)
HRSG2	EU	60Da-1A	NOX	40 CFR Part 60, Subpart Da	§ 60.44Da(d)(1) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases that contain NOx (expressed as NO2) in excess of 200 ng/J (1.6 lb/MWh) gross energy output, based on a 30-day rolling average basis.	§ 60.48Da(h) [G]§ 60.48Da(k)(2) [G]§ 60.48Da(k)(3) § 60.49Da(c)(2) § 60.49Da(e) § 60.49Da(f)(1) § 60.49Da(h) § 60.49Da(h)(2) § 60.49Da(h)(4) § 60.49Da(j)(2) § 60.49Da(j)(3) § 60.49Da(j)(4) § 60.49Da(o) [G]§ 60.49Da(s) [G]§ 60.49Da(w) § 60.50Da(a) [G]§ 60.50Da(d) [G]§ 60.50Da(e) § 60.50Da(f)	[G]§ 60.49Da(s) [G]§ 60.49Da(w)	[G]§ 60.49Da(s) [G]§ 60.49Da(w) § 60.51Da(a) § 60.51Da(b) § 60.51Da(b)(1) § 60.51Da(b)(2) § 60.51Da(b)(4) § 60.51Da(b)(5) § 60.51Da(b)(6) § 60.51Da(b)(7) § 60.51Da(b)(8) § 60.51Da(b)(9) [G]§ 60.51Da(c) § 60.51Da(f) [G]§ 60.51Da(h) § 60.51Da(j) § 60.51Da(k)

Applicable Requirements Summary

Unit Group Process ID No.	Unit Group Process Type	SOP Index No.	Pollutant	State Rule or Federal Regulation Name	Emission Limitation, Standard or Equipment Specification Citation	Textual Description (See Special Term and Condition 1.B.)	Monitoring And Testing Requirements	Recordkeeping Requirements (30 TAC § 122.144)	Reporting Requirements (30 TAC § 122.145)
HRSG2	EU	60Da-1A	SO2	40 CFR Part 60, Subpart Da	§ 60.43Da(b)(2) § 60.43Da(g) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases that contain sulfur dioxide in excess of 100 percent of the potential combustion concentration (zero percent reduction) when emissions are less than 86 ng/J (0.20 lb/MMBtu) heat input.	§ 60.50Da(a) [G]§ 60.50Da(c) [G]§ 60.50Da(e) § 60.50Da(f) ** See Periodic Monitoring Summary	None	§ 60.51Da(a) § 60.51Da(b) § 60.51Da(b)(1) § 60.51Da(b)(2) § 60.51Da(b)(3) § 60.51Da(b)(4) § 60.51Da(b)(5) § 60.51Da(b)(6) § 60.51Da(b)(7) [G]§ 60.51Da(c) [G]§ 60.51Da(e) § 60.51Da(f) [G]§ 60.51Da(h) § 60.51Da(j) § 60.51Da(k)
HRSG2	EU	60Da-1B	NOX	40 CFR Part 60, Subpart Da	§ 60.44Da(d)(1) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases that contain NOx (expressed as NO2) in excess of 200 ng/J (1.6 lb/MWh) gross energy output, based on a 30-day rolling average basis.	§ 60.48Da(h) [G]§ 60.48Da(k)(2) [G]§ 60.48Da(k)(3) § 60.49Da(c)(2) § 60.49Da(e) § 60.49Da(f)(1) § 60.49Da(h) § 60.49Da(h)(2) § 60.49Da(h)(4) § 60.49Da(j)(2) § 60.49Da(j)(3) § 60.49Da(j)(4) § 60.49Da(o) [G]§ 60.49Da(s) [G]§ 60.49Da(w) § 60.50Da(a) [G]§ 60.50Da(d) [G]§ 60.50Da(e) § 60.50Da(f)	[G]§ 60.49Da(s) [G]§ 60.49Da(w)	[G]§ 60.49Da(s) [G]§ 60.49Da(w) § 60.51Da(a) § 60.51Da(b) § 60.51Da(b)(1) § 60.51Da(b)(2) § 60.51Da(b)(4) § 60.51Da(b)(5) § 60.51Da(b)(6) § 60.51Da(b)(7) § 60.51Da(b)(8) § 60.51Da(b)(9) [G]§ 60.51Da(c) § 60.51Da(f) [G]§ 60.51Da(h) § 60.51Da(j) § 60.51Da(k)
HRSG2	EU	60Da-1B	SO2	40 CFR Part 60, Subpart Da	§ 60.43Da(b)(2) § 60.43Da(g) § 60.48Da(a) [G]§ 60.48Da(s)	No owner or operator shall discharge any gases that contain sulfur dioxide in excess of 100 percent of the	§ 60.50Da(a) [G]§ 60.50Da(c) [G]§ 60.50Da(e) § 60.50Da(f)	None	§ 60.51Da(a) § 60.51Da(b) § 60.51Da(b)(1) § 60.51Da(b)(2)

Applicable Requirements Summary

Unit Group Process ID No.	Unit Group Process Type	SOP Index No.	Pollutant	State Rule or Federal Regulation Name	Emission Limitation, Standard or Equipment Specification Citation	Textual Description (See Special Term and Condition 1.B.)	Monitoring And Testing Requirements	Recordkeeping Requirements (30 TAC § 122.144)	Reporting Requirements (30 TAC § 122.145)
						potential combustion concentration (zero percent reduction) when emissions are less than 86 ng/J (0.20 lb/MMBtu) heat input.	** See Periodic Monitoring Summary		§ 60.51Da(b)(3) § 60.51Da(b)(4) § 60.51Da(b)(5) § 60.51Da(b)(6) § 60.51Da(b)(7) [G]§ 60.51Da(c) [G]§ 60.51Da(e) § 60.51Da(f) [G]§ 60.51Da(h) § 60.51Da(j) § 60.51Da(k)
S1	EP	111-1	OPACITY	30 TAC Chapter 111, Visible Emissions	§ 111.111(a)(1)(C) § 111.111(a)(1)(E)	Visible emissions from any stationary vent shall not exceed an opacity of 15% averaged over a six minute period for any source with a total flow rate of at least 100,000 acfm unless a CEMS is installed.	[G]§ 111.111(a)(1)(F) ** See Periodic Monitoring Summary	None	None
S2	EP	111-1	OPACITY	30 TAC Chapter 111, Visible Emissions	§ 111.111(a)(1)(C) § 111.111(a)(1)(E)	Visible emissions from any stationary vent shall not exceed an opacity of 15% averaged over a six minute period for any source with a total flow rate of at least 100,000 acfm unless a CEMS is installed.	[G]§ 111.111(a)(1)(F) ** See Periodic Monitoring Summary	None	None
GT1	EU	60GG-1	SO2	40 CFR Part 60, Subpart GG	§ 60.333(b)	No stationary gas turbine shall burn any fuel which contains sulfur in excess of 0.8% by weight.	§ 60.334(h) [G]§ 60.334(h)(3)	None	None
GT2	EU	60GG-1	SO2	40 CFR Part 60, Subpart GG	§ 60.333(b)	No stationary gas turbine shall burn any fuel which contains sulfur in excess of 0.8% by weight.	§ 60.334(h) [G]§ 60.334(h)(3)	None	None

Additional Monitoring Requirements

Periodic Monitoring Summary.....30

Periodic Monitoring Summary

Unit/Group/Process Information	
ID No.: HRSG1	
Control Device ID No.: N/A	Control Device Type: N/A
Applicable Regulatory Requirement	
Name: 40 CFR Part 60, Subpart Da	SOP Index No.: 60Da-1A
Pollutant: SO ₂	Main Standard: § 60.43Da(b)(2)
Monitoring Information	
Indicator: Sulfur concentration of fuel	
Minimum Frequency: Semiannual	
Averaging Period: N/A	
Deviation Limit: It shall be considered a deviation if the semiannual total sulfur sampling and analysis for fuels is not performed and recorded. Based on sulfur concentration of fuel, maximum SO ₂ emissions must not exceed 0.06 lb/MMBtu.	
Periodic Monitoring Text: Measure and record the sulfur content of the natural gas and other gaseous fuels. SO ₂ emissions shall be calculated (based on the sulfur concentration) in units of the underlying applicable emission limitations (lb/MMBtu). Any monitoring data calculated to be above the maximum emission limit shall be considered a deviation.	

Periodic Monitoring Summary

Unit/Group/Process Information	
ID No.: HRSG1	
Control Device ID No.: N/A	Control Device Type: N/A
Applicable Regulatory Requirement	
Name: 40 CFR Part 60, Subpart Da	SOP Index No.: 60Da-1B
Pollutant: SO ₂	Main Standard: § 60.43Da(b)(2)
Monitoring Information	
Indicator: Sulfur concentration of fuel	
Minimum Frequency: Semiannual	
Averaging Period: N/A	
Deviation Limit: It shall be considered a deviation if the semiannual total sulfur sampling and analysis for fuels is not performed and recorded. Based on sulfur concentration of fuel, maximum SO ₂ emissions must not exceed 0.06 lb/MMBtu.	
Periodic Monitoring Text: Measure and record the sulfur content of the natural gas and other gaseous fuels. SO ₂ emissions shall be calculated (based on the sulfur concentration) in units of the underlying applicable emission limitations (lb/MMBtu). Any monitoring data calculated to be above the maximum emission limit shall be considered a deviation.	

Periodic Monitoring Summary

Unit/Group/Process Information	
ID No.: HRSG2	
Control Device ID No.: N/A	Control Device Type: N/A
Applicable Regulatory Requirement	
Name: 40 CFR Part 60, Subpart Da	SOP Index No.: 60Da-1A
Pollutant: SO ₂	Main Standard: § 60.43Da(b)(2)
Monitoring Information	
Indicator: Sulfur concentration of fuel	
Minimum Frequency: Semiannual	
Averaging Period: N/A	
Deviation Limit: It shall be considered a deviation if the semiannual total sulfur sampling and analysis for fuels is not performed and recorded. Based on sulfur concentration of fuel, maximum SO ₂ emissions must not exceed 0.06 lb/MMBtu.	
Periodic Monitoring Text: Measure and record the sulfur content of the natural gas and other gaseous fuels. SO ₂ emissions shall be calculated (based on the sulfur concentration) in units of the underlying applicable emission limitations (lb/MMBtu). Any monitoring data calculated to be above the maximum emission limit shall be considered a deviation.	

Periodic Monitoring Summary

Unit/Group/Process Information	
ID No.: HRSG2	
Control Device ID No.: N/A	Control Device Type: N/A
Applicable Regulatory Requirement	
Name: 40 CFR Part 60, Subpart Da	SOP Index No.: 60Da-1B
Pollutant: SO ₂	Main Standard: § 60.43Da(b)(2)
Monitoring Information	
Indicator: Sulfur concentration of fuel	
Minimum Frequency: Semiannual	
Averaging Period: N/A	
Deviation Limit: It shall be considered a deviation if the semiannual total sulfur sampling and analysis for fuels is not performed and recorded. Based on sulfur concentration of fuel, maximum SO ₂ emissions must not exceed 0.06 lb/MMBtu.	
Periodic Monitoring Text: Measure and record the sulfur content of the natural gas and other gaseous fuels. SO ₂ emissions shall be calculated (based on the sulfur concentration) in units of the underlying applicable emission limitations (lb/MMBtu). Any monitoring data calculated to be above the maximum emission limit shall be considered a deviation.	

Periodic Monitoring Summary

Unit/Group/Process Information	
ID No.: S1	
Control Device ID No.: N/A	Control Device Type: N/A
Applicable Regulatory Requirement	
Name: 30 TAC Chapter 111, Visible Emissions	SOP Index No.: 111-1
Pollutant: OPACITY	Main Standard: § 111.111(a)(1)(C)
Monitoring Information	
Indicator: Visible Emissions	
Minimum Frequency: once per week	
Averaging Period: n/a	
<p>Deviation Limit: There shall be no visible emissions. If visible emissions are observed, the permit holder shall either report a deviation or perform Test Method 9 within 24 hours and opacity shall not exceed 15%.</p>	
<p>Periodic Monitoring Text: Visible emissions observations shall be made and recorded. Note that to properly determine the presence of visible emissions, all sources must be in clear view of the observer. The observer shall be at least 15 feet, but not more than 0.25 miles, away from the emission source during the observation. The observer shall select a position where the sun is not directly in the observer's eyes. If the observations cannot be conducted due to weather conditions, the date, time, and specific weather conditions shall be recorded. When condensed water vapor is present within the plume, as it emerges from the emissions outlet, observations must be made beyond the point in the plume at which condensed water vapor is no longer visible. When water vapor within the plume condenses and becomes visible at a distance from the emissions outlet, the observation shall be evaluated at the outlet prior to condensation of water vapor.</p> <p>If visible emissions are observed, the permit holder shall report a deviation. As an alternative, the permit holder may determine the opacity consistent with Test Method 9, as soon as practicable, but no later than 24 hours after observing visible emissions. If the result of the Test Method 9 is opacity above the opacity limit in the applicable requirement, the permit holder shall report a deviation.</p>	

Periodic Monitoring Summary

Unit/Group/Process Information	
ID No.: S2	
Control Device ID No.: N/A	Control Device Type: N/A
Applicable Regulatory Requirement	
Name: 30 TAC Chapter 111, Visible Emissions	SOP Index No.: 111-1
Pollutant: OPACITY	Main Standard: § 111.111(a)(1)(C)
Monitoring Information	
Indicator: Visible Emissions	
Minimum Frequency: once per week	
Averaging Period: n/a	
<p>Deviation Limit: There shall be no visible emissions. If visible emissions are observed, the permit holder shall either report a deviation or perform Test Method 9 within 24 hours and opacity shall not exceed 15%.</p>	
<p>Periodic Monitoring Text: Visible emissions observations shall be made and recorded. Note that to properly determine the presence of visible emissions, all sources must be in clear view of the observer. The observer shall be at least 15 feet, but not more than 0.25 miles, away from the emission source during the observation. The observer shall select a position where the sun is not directly in the observer's eyes. If the observations cannot be conducted due to weather conditions, the date, time, and specific weather conditions shall be recorded. When condensed water vapor is present within the plume, as it emerges from the emissions outlet, observations must be made beyond the point in the plume at which condensed water vapor is no longer visible. When water vapor within the plume condenses and becomes visible at a distance from the emissions outlet, the observation shall be evaluated at the outlet prior to condensation of water vapor.</p> <p>If visible emissions are observed, the permit holder shall report a deviation. As an alternative, the permit holder may determine the opacity consistent with Test Method 9, as soon as practicable, but no later than 24 hours after observing visible emissions. If the result of the Test Method 9 is opacity above the opacity limit in the applicable requirement, the permit holder shall report a deviation.</p>	

Permit Shield

Permit Shield 37

Permit Shield

The Executive Director of the TCEQ has determined that the permit holder is not required to comply with the specific regulation(s) identified for each emission unit, group, or process in this table.

Unit/Group/Process		Regulation	Basis of Determination
ID No.	Group/ Inclusive Units		
HRSG1	N/A	30 TAC Chapter 117, Utility Electric Division 2	Unit was placed into service after Dec. 31, 1995.
HRSG1	N/A	40 CFR Part 60, Subpart D	Steam generating unit subject to 40 CFR Part 60, Subpart Da is not subject to Subpart D.
HRSG1	N/A	40 CFR Part 60, Subpart Db	Steam generating unit subject to 40 CFR Part 60, Subpart Da is not subject to Subpart Db.
HRSG1	N/A	40 CFR Part 60, Subpart Dc	Heat Input is > 100 MMBtu/hr.
HRSG1	N/A	40 CFR Part 63, Subpart DDDDD	Unit is a waste heat boiler which is excluded from the definition of a boiler in §63.7575 of Subpart DDDDD.
HRSG2	N/A	30 TAC Chapter 117, Utility Electric Division 2	Unit was placed into service after Dec. 31, 1995.
HRSG2	N/A	40 CFR Part 60, Subpart D	Steam generating unit subject to 40 CFR Part 60, Subpart Da is not subject to Subpart D.
HRSG2	N/A	40 CFR Part 60, Subpart Db	Steam generating unit subject to 40 CFR Part 60, Subpart Da is not subject to Subpart Db.
HRSG2	N/A	40 CFR Part 60, Subpart Dc	Heat Input is > 100 MMBtu/hr.
HRSG2	N/A	40 CFR Part 63, Subpart DDDDD	Unit is a waste heat boiler which is excluded from the definition of a boiler in §63.7575 of Subpart DDDDD.
CTOWER	N/A	40 CFR Part 63, Subpart Q	Unit has not operated with chromium-based water treatment chemicals on or after September 8, 1994.
GT1	N/A	30 TAC Chapter 117, Utility Electric Division 2	Unit was placed into service after Dec. 31, 1995.

Permit Shield

The Executive Director of the TCEQ has determined that the permit holder is not required to comply with the specific regulation(s) identified for each emission unit, group, or process in this table.

Unit/Group/Process		Regulation	Basis of Determination
ID No.	Group/ Inclusive Units		
GT1	N/A	40 CFR Part 60, Subpart KKKK	Unit not constructed, modified, or reconstructed after February 18, 2005.
GT1	N/A	40 CFR Part 63, Subpart YYYY	Gas-fired unit not constructed or reconstructed after January 14, 2003.
GT2	N/A	30 TAC Chapter 117, Utility Electric Division 2	Unit was placed into service after Dec. 31, 1995.
GT2	N/A	40 CFR Part 60, Subpart KKKK	Unit not constructed, modified, or reconstructed after February 18, 2005.
GT2	N/A	40 CFR Part 63, Subpart YYYY	Gas-fired unit not constructed or reconstructed after January 14, 2003.

New Source Review Authorization References

New Source Review Authorization References40

New Source Review Authorization References by Emission Unit..... 41

New Source Review Authorization References

The New Source Review authorizations listed in the table below are applicable requirements under 30 TAC Chapter 122 and enforceable under this operating permit.

Prevention of Significant Deterioration (PSD) Permits	
PSD Permit No.: PSDTX919	Issuance Date: 08/17/2009
Title 30 TAC Chapter 116 Permits, Special Permits, and Other Authorizations (Other Than Permits By Rule, PSD Permits, or NA Permits) for the Application Area.	
Authorization No.: 39842	Issuance Date: 08/17/2009
Permits By Rule (30 TAC Chapter 106) for the Application Area	
Number: 106.122	Version No./Date: 09/04/2000
Number: 106.227	Version No./Date: 09/04/2000
Number: 106.263	Version No./Date: 11/01/2001
Number: 106.355	Version No./Date: 09/04/2000
Number: 106.371	Version No./Date: 09/04/2000
Number: 106.373	Version No./Date: 09/04/2000
Number: 106.454	Version No./Date: 09/04/2000
Number: 106.472	Version No./Date: 09/04/2000
Number: 106.473	Version No./Date: 09/04/2000
Number: 106.532	Version No./Date: 09/04/2000

New Source Review Authorization References by Emissions Unit

The following is a list of New Source Review (NSR) authorizations for emission units listed elsewhere in this operating permit. The NSR authorizations are applicable requirements under 30 TAC Chapter 122 and enforceable under this operating permit.

Unit/Group/Process ID No.	Emission Unit Name/Description	New Source Review Authorization
CTOWER	COOLING TOWER	106.371/09/04/2000
GT1	UNIT 1 COMBUSTION TURBINE	39842, PSDTX919
GT2	UNIT 2 COMBUSTION TURBINE	39842, PSDTX919
HRSG1	UNIT 1 HEAT RECOVERY STEAM GENERATOR	39842, PSDTX919
HRSG2	UNIT 2 HEAT RECOVERY STEAM GENERATOR	39842, PSDTX919
S1	STACK 1	39842, PSDTX919
S2	STACK 2	39842, PSDTX919

Appendix A

Acronym List 43

Acronym List

The following abbreviations or acronyms may be used in this permit:

ACFM	.....	actual cubic feet per minute
AMOC	.....	alternate means of control
ARP	.....	Acid Rain Program
ASTM	.....	American Society of Testing and Materials
B/PA	.....	Beaumont/Port Arthur (nonattainment area)
CAM	.....	Compliance Assurance Monitoring
CD	.....	control device
COMS	.....	continuous opacity monitoring system
CVS	.....	closed-vent system
D/FW	.....	Dallas/Fort Worth (nonattainment area)
DR	.....	Designated Representative
EIP	.....	El Paso (nonattainment area)
EP	.....	emission point
EPA	.....	U.S. Environmental Protection Agency
EU	.....	emission unit
FCAA Amendments	.....	Federal Clean Air Act Amendments
FOP	.....	federal operating permit
GF	.....	grandfathered
gr/100 scf	.....	grains per 100 standard cubic feet
HAP	.....	hazardous air pollutant
H/G/B	.....	Houston/Galveston/Brazoria (nonattainment area)
H ₂ S	.....	hydrogen sulfide
ID No.	.....	identification number
lb/hr	.....	pound(s) per hour
MMBtu/hr	.....	Million British thermal units per hour
MRRT	.....	monitoring, recordkeeping, reporting, and testing
NA	.....	nonattainment
N/A	.....	not applicable
NADB	.....	National Allowance Data Base
NO _x	.....	nitrogen oxides
NSPS	.....	New Source Performance Standard (40 CFR Part 60)
NSR	.....	New Source Review
ORIS	.....	Office of Regulatory Information Systems
Pb	.....	lead
PBR	.....	Permit By Rule
PM	.....	particulate matter
ppmv	.....	parts per million by volume
PSD	.....	prevention of significant deterioration
RO	.....	Responsible Official
SO ₂	.....	sulfur dioxide
TCEQ	.....	Texas Commission on Environmental Quality
TSP	.....	total suspended particulate
TVP	.....	true vapor pressure
U.S.C.	.....	United States Code
VOC	.....	volatile organic compound

Appendix B

Major NSR Summary Table..... 45

EASTMAN COGENERATION L.P.
Major NSR Summary Table

Permit Number: 39842/PSDTX919		Issuance Date: August 17, 2009					
Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates*		Monitoring and Testing Requirements	Recordkeeping Requirements	Reporting Requirements
			lb/hr	TPY	Spec. Cond.	Spec. Cond.	Spec. Cond.
GT-HRSG No. 1	Turbine and Duct Burner During Normal Operation Turbine/HRSG No. 1 (168 MWe GE 7241 FA Turbine with 500 MM Btu/hr Duct Burner)	NOx	154.0	---	2, 10, 11, 12	2, 10, 11, 12, 14, 15	2, 10, 11, 16, 18
		CO	80.9	---	10, 11, 12	10, 11, 12, 14, 15	10, 11, 16, 18
		PM10	28.0	---	2, 7, 10, 12	2, 10, 12, 14, 15	2, 10
		VOC	1.6	---	10, 12	10, 12, 14, 15	10
		SO2	34.4	---	2, 6, 10, 12, 13	2, 10, 12, 14, 15	2, 10
		H2SO4	2.6	---	6, 12, 13	12, 14, 15	
GT-HRSG No. 2	Turbine and Duct Burner During Normal Operation Turbine/HRSG No. 1 (168 MWe GE 7241 FA Turbine with 500 MM Btu/hr Duct Burner)	NOx	154.0	---	2, 10, 11, 12	2, 10, 11, 12, 14, 15	2, 10, 11, 16, 18
		CO	80.9	---	10, 11, 12	10, 11, 12, 14, 15	10, 11, 16, 18
		PM10	28.0	---	2, 7, 10, 12	2, 10, 12, 14, 15	2, 10
		VOC	1.6	---	10, 12	10, 12, 14, 15	10
		SO2	34.4	---	2, 6, 10, 12, 13	2, 10, 12, 14, 15	2, 10
		H2SO4	2.6	---	6, 12, 13	12, 14, 15	

EASTMAN COGENERATION L.P.
Major NSR Summary Table

Major NSR Summary Table Permit Number: 39842/PSDTX919					Issuance Date: August 17, 2009		
Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates*		Monitoring and Testing Requirements	Recordkeeping Requirements	Reporting Requirements
			lb/hr	TPY	Spec. Cond.	Spec. Cond.	Spec. Cond.
GT-HRSG No. 1	Turbine and Duct Burner During Startup, Shutdown, and Maintenance Turbine/HRSG No. 1 (168 MWe GE 7241 FA Turbine with 500 MM Btu/hr Duct Burner)	NOx	250.0	---	2, 10, 11, 12	2, 10, 11, 12, 14, 15	2, 10, 11, 16, 18
		CO	600.0	---	10, 11, 12	10, 11, 12, 14, 15	10, 11, 16, 18
		PM10	28.0	---	2, 7, 10, 12	2, 10, 12, 14, 15	2, 10
		VOC	1.6	---	10, 12	10, 12, 14, 15	10
		SO2	34.4	---	2, 6, 10, 12, 13	2, 10, 12, 14, 15	2, 10
		H2SO4	2.6	---	6, 12, 13	12, 14, 15	
GT-HRSG No. 2	Turbine and Duct Burner During Startup, Shutdown, and Maintenance Turbine/HRSG No. 1 (168 MWe GE 7241 FA Turbine with 500 MM Btu/hr Duct Burner)	NOx	250.0	---	2, 10, 11, 12	2, 10, 11, 12, 14, 15	2, 10, 11, 16, 18
		CO	600.0	---	10, 11, 12	10, 11, 12, 14, 15	10, 11, 16, 18
		PM10	28.0	---	2, 7, 10, 12	2, 10, 12, 14, 15	2, 10
		VOC	1.6	---	10, 12	10, 12, 14, 15	10
		SO2	34.4	---	2, 6, 10, 12, 13	2, 10, 12, 14, 15	2, 10
		H2SO4	2.6	---	6, 12, 13	12, 14, 15	

EASTMAN COGENERATION L.P.
Major NSR Summary Table

Permit Number: 39842/PSDTX919		Issuance Date: August 17, 2009					
Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates*		Monitoring and Testing Requirements	Recordkeeping Requirements	Reporting Requirements
			lb/hr	TPY	Spec. Cond.	Spec. Cond.	Spec. Cond.
GT-HRSG Nos. 1 and 2	Turbines and Duct Burners Turbine/HRSG Nos. 1 and 2 (GE 7241 FA Turbine with 500 MM Btu/hr Duct Burner)	NOx	---	767.0	2, 10, 11, 12	2, 10, 11, 12, 14, 15	2, 10, 11, 16, 18
		CO	---	597.9	10, 11, 12	10, 11, 12, 14, 15	10, 11, 16, 18
		PM10	---	233.9	2, 7, 10, 12	2, 10, 12, 14, 15	2, 10
		VOC	---	13.6	10, 12	10, 12, 14, 15	10
		SO2	---	13.6	2, 6, 10, 12, 13	2, 10, 12, 14, 15	2, 10
		H2SO4	---	2.25	6, 12, 13	12, 14, 15	
FUG	Fugitive Emissions	VOC	0.1	0.42			

(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) NOx – Total Oxides of Nitrogen

CO – Carbon Monoxide

PM10 – Particulate Matter (PM) equal to or less than 10 microns in diameter. Where PM is not listed, it shall be assumed that no PM less than 10 microns is not emitted

VOC – Volatile Organic Compounds as defined in Title 30 Texas Administrative Code §101.1

SO2 - Sulfur Dioxide

H2SO4 – Sulfuric Acid

* Emission rates are based on and the facilities limited by the following maximum operating schedule: Hours/year 8,760

A PERMIT IS HEREBY ISSUED TO

Eastex Cogeneration Limited Partnership
AUTHORIZING THE CONSTRUCTION AND OPERATION OF THE

Eastex Cogeneration Facility

LOCATED AT

Longview, Harrison County, Texas

LATITUDE 32° 26' 50" *LONGITUDE* 094° 41' 30"

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SCOPE AND FEDERAL APPLICABILITY

1. This permit covers only those sources of emissions listed in the attached table entitled "Emission Sources - Maximum Allowable Emission Rates," and those sources are limited to the emission limits and other conditions specified in that attached table. Compliance with the annual emission limits and operating schedules is based on a rolling 12-month period (i.e., updated monthly) rather than the calendar year.
2. The facilities operated under this permit shall comply with applicable requirements of the U.S. Environmental Protection Agency (EPA) regulations on Standards of Performance for New Stationary Sources, Title 40 Code of Federal Regulations (40 CFR) Part 60, Subpart A, General Conditions, and the following:
 - A. Subpart Da, Electric Utility Steam Generating Units.
 - B. Subpart GG, Stationary Gas Turbines.

If any condition of this permit is more stringent than the regulations so incorporated, then for the purposes of complying with this permit, the permit shall govern and be the standard by which compliance shall be demonstrated.

EMISSION STANDARDS, PLANT DESIGN, OPERATION PRACTICES, AND FUEL SPECIFICATIONS

3. The two heat recovery steam generating unit (HRSG) duct burners are each limited to a maximum heat input capacity of 500 MMBtu/hr based on the higher heating value of natural gas and the high hydrogen fuel.
4. The gas turbines shall be limited to firing pipeline-quality, sweet natural gas containing no more than 5.0 grains total sulfur and 0.25 grain of hydrogen sulfide per 100 dry standard cubic feet.
5. The duct burners in the HRSG shall be limited to firing the following fuels:
 - A. Natural gas described in the Special Condition No. 4.

- B. Off-gas/hydrogen gas received from a HCC-4 unit (Texas Eastman).
 - C. Mixtures of pipeline-quality natural gas and off-gas/hydrogen gas received from the HCC-4 unit located at the Texas Eastman Cogeneration Facility that meet the limitations of Special Condition Nos. 4 and 5.
 - D. Firing of any other fuel will require authorization from the permitting authority.
6. Upon request by the Executive Director of the Texas Commission on Environmental Quality (TCEQ) or any local air pollution control program having jurisdiction, the holder of this permit shall provide a sample and/or an analysis of the fuels fired in the gas turbines and duct burners.
 7. During normal operations opacity of emissions from Emission Point No. (EPN) GT-HRSG Nos. 1 and 2 shall not exceed 5 percent averaged over a six-minute period. Opacity shall be determined by EPA Reference Method No. 9. During periods of start-up, shutdown, or maintenance, EPN GT-HRSG Nos. 1 and 2 are subject to Title 30 Texas Administrative Code (30 TAC) Chapter 111. **(09/04)**

ADDITIONAL CONTROLS

8. The holder of this permit shall leave appropriate clearances in and around each HRSG and stack to allow for the future installation of additional controls in the event that additional control technology is required by the Executive Director of the TCEQ as a result of future modifications to the permit.

INITIAL DETERMINATION OF COMPLIANCE

9. Sampling ports and platforms shall be incorporated into the design of all two exhaust stacks according to the specifications set forth in the attachment entitled “Chapter 2, Stack Sampling Facilities.” Alternate sampling facility designs may be submitted for approval by the TCEQ Regional Director or the TCEQ Compliance Support Division in Austin.
10. The holder of this permit shall perform stack sampling and other testing as required to establish the actual quantities of air contaminants being emitted into the atmosphere from EPN GT-HRSG Nos. 1 and 2. Sampling shall be conducted in accordance with the appropriate procedures of the TCEQ Sampling Procedures Manual and in accordance with the appropriate EPA Reference Methods with final method approval to be determined at the pretest meeting.

Fuel sampling using the methods and procedures of 40 CFR § 60.335(d) may be conducted in

SPECIAL CONDITIONS

Permit Numbers 39842 and PSD-TX-919

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lieu of stack sampling for sulfur dioxide (SO₂). If fuel sampling is used, compliance with New Source Performance Standards (NSPS), Subpart GG, SO₂ limits shall be based on 100 percent conversion of the sulfur in the fuel to SO₂. Any deviations from those procedures must be approved by the Executive Director of the TCEQ prior to sampling. The TCEQ Executive Director or his designated representative shall be afforded the opportunity to observe all such sampling.

The holder of this permit is responsible for providing sampling and testing facilities and conducting the sampling and testing operations at his expense.

- A. The TCEQ Tyler Regional Office shall be contacted as soon as testing is scheduled but not less than 45 days prior to sampling to schedule a pretest meeting.

The notice shall include:

- (1) Date for pretest meeting.
- (2) Date sampling will occur.
- (3) Name of firm conducting sampling.
- (4) Type of sampling equipment to be used.
- (5) Method or procedure to be used in sampling.
- (6) Procedure used to determine turbine loads during and after the sampling period.

The purpose of the pretest meeting is to review the necessary sampling and testing procedures, to provide the proper data forms for recording pertinent data, and to review the format procedures for submitting the test reports. A written proposed description of any deviation from sampling procedures specified in permit conditions or TCEQ or EPA sampling procedures shall be made available to the TCEQ prior to the pretest meeting. The TCEQ Regional Director or the TCEQ Compliance Support Division shall approve or disapprove of any deviation from specified sampling procedures. Requests to waive testing for any pollutant specified in this condition shall be submitted to the TCEQ Compliance Support Division. Test waivers and alternate/equivalent procedure proposals for NSPS testing which must have the EPA approval shall be submitted to the TCEQ Compliance Support Division in Austin.

- B. Air emissions to be tested for at full CTG load include (but are not limited to) nitrogen oxide (NO_x), oxygen (O₂), carbon monoxide (CO), volatile organic compounds

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(VOC), particulate matter equal to or less than 10 microns in diameter (PM₁₀), and opacity.

The testing will be used to demonstrate initial compliance with Special Condition No. 10E and the maximum allowable emission rates table (MAERT).

- C. Air emissions of NO_x, CO, and VOC from each CTG (duct burners off) shall be tested while firing at three partial load conditions in the normal operating range of the gas turbine, including the minimum point in the range. The normal operating range of the turbine is defined as turbine loads ranging between 70 percent of base load and base load.
- D. Air emissions of NO_x, O₂, CO, and PM₁₀, from the HRSG duct burners shall be tested while firing at maximum rated heat capacity. The HRSG duct burner emissions shall be calculated as the remainder of emissions when subtracting the CTG emissions with the duct burners out of service from the GT-HRSG stack emissions with the duct burners in service, tested as described in Special Condition No. 8. The CTG must be operating at a maximum rate for the ambient conditions and shall be fired with natural gas.
- E. The holder of this permit shall demonstrate during the initial compliance testing that the best available control technology has been selected by demonstrating that the concentrations of NO_x and CO from the gas turbine and the HRSG duct burners shall not exceed the following limits:
 - (1) CTG Emission Limits expressed as parts per million by volume dry basis (ppmvd) when corrected to 15 percent O₂, without correction to International Standards Organization conditions. The NO_x shall not exceed 9 ppmvd and CO shall not exceed 7.0 ppmvd.
 - (2) HRSG Duct Burner Emission Limits expressed in lb/MMBtu. Emissions of NO_x shall not exceed 0.08 lb/MMBtu. The CO emissions shall not exceed 0.08 lb/MMBtu.
- F. Sampling of each gas turbine and duct burner shall occur within 60 days after achieving the maximum production rate at which each gas turbine and duct burner will be operated but no later than 180 days after initial start-up of each unit. Additional sampling shall occur as may be required by the TCEQ or EPA.
- G. Within 60 days after the completion of the testing and sampling required herein, three copies of the sampling reports shall be distributed as follows:

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One copy to the TCEQ Tyler Regional Office.

One copy to the TCEQ Austin Office of Permitting, Remediation, and Registration,
Air Permits Division.

One copy to the EPA Region 6 Office, Dallas.

CONTINUOUS DETERMINATION OF COMPLIANCE FOR CO and NO_x

11. The holder of this permit shall install, calibrate, maintain, and operate a continuous emission monitoring system (CEMS) to measure and record the concentrations of NO_x, CO, and O₂ from each GT-HRSG Stack (EPN GT-HRSG Nos. 1 and 2). The initial certification and relative accuracy test audit (RATA) shall be conducted prior to or during the sampling required by Special Condition No. 10.
 - A. The CEMS shall meet the applicable quality-assurance requirements specified in 40 CFR Part 60, Appendix F, Procedure 1. Relative accuracy exceedances, as specified in 40 CFR Part 60, Appendix F, § 5.2.3 and any CEMS downtime, shall be reported to the appropriate TCEQ Regional Director, and necessary corrective action shall be taken. Supplemental stack concentration measurements may be required at the discretion of the appropriate TCEQ Regional Director.
 - B. The monitoring data shall be reduced to hourly average values at least once everyday, using a minimum of four equally-spaced data points from each one-hour period. Two valid data points shall be generated during the hourly period in which zero and span is performed. Monitored NO_x and CO concentrations shall be corrected and reported in dimensional units corresponding to the MAERT limitations.
 - C. All monitoring data and quality-assurance data shall be maintained by the source for a period of two years and shall be made available to the TCEQ Executive Director or his designated representative upon request. The data from the CEMS may, at the discretion of the TCEQ, be used to determine compliance with the conditions of this permit. Hourly average concentrations from EPN GT-HRSG Nos. 1 and 2 shall be summed to tons per year and used to determine compliance with the annual emission limits in the MAERT.

SPECIAL CONDITIONS

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- D. The appropriate TCEQ Regional Office shall be notified at least 30 days prior to any required RATA in order to provide them the opportunity to observe the testing.
 - E. If applicable, the CEMS will be required to meet the design and performance specifications, pass the field tests, and meet the installation requirements and data analysis and reporting requirements specified in the applicable performance specifications in 40 CFR Part 75, Appendix A.
12. The holder of this permit shall additionally install, calibrate, maintain, and operate continuous monitoring systems to monitor and record the average hourly natural gas and off-gas/hydrogen gas consumption for the gas turbines and the duct burners. The systems shall be accurate to ± 5.0 percent of the units maximum flow.
13. The holder of this permit shall monitor the fuels fired in the equipment authorized by this permit for fuel-bound sulfur as specified in 40 CFR § 60.334(b). Any request for a custom monitoring schedule shall be made in writing and directed to the Executive Director of the TCEQ, although authority for granting such custom schedules remains with the EPA. Any custom schedule approved by the EPA pursuant to 40 CFR § 60.334(b) will be recognized as enforceable conditions of this permit provided that the holder of this permit demonstrates that the conditions of such custom schedule will be adequate to demonstrate continuous compliance with Special Condition No. 11.

RECORDKEEPING REQUIREMENTS

14. The following records shall be kept at the plant for the life of the permit. All records required in this permit shall be made available at the request of personnel from the TCEQ, EPA, or any air pollution control agency with jurisdiction.
- A. A copy of this permit.
 - B. Permit application dated November 5, 1998, and subsequent representations submitted to the TCEQ.

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- C. A complete copy of the testing reports and records of the initial performance testing completed pursuant to Special Condition No. 10 to demonstrate initial compliance.
 - D. Stack sampling results or other testing (other than CEMS data) that may be conducted on units authorized under this permit after the date of issuance of this permit.
15. The following information shall be maintained by the holder of this permit in a form suitable for inspection for a period of two years after collection and shall be made immediately available upon request to representatives of the TCEQ, EPA, or any local air pollution control program having jurisdiction:
- A. The CEMS data of NO_x, CO, and O₂ emissions from EPN GT-HRSG Nos. 1 and 2 to demonstrate compliance with the MAERT.
 - B. Raw data files of all CEMS data including calibration checks, adjustments, and maintenance performed on these systems in a permanent form suitable for inspection.
 - C. Records of the hours of operation and average daily quantity of fuel-fired in the CTGs, with clear differentiation made between hours firing natural gas and hours firing off-gas/hydrogen gas fuel.
 - D. Records of the hours of operation and average daily quantity of natural gas and off-gas/hydrogen gas fuel-fired in the HRSG duct burners.

REPORTING

16. The holder of this permit shall submit to the TCEQ Tyler Regional Office, TCEQ Compliance Support Division in Austin, and the Air Enforcement Branch of EPA in Dallas reports as described in 40 CFR § 60.7. Such reports are required for each emission unit which is required to be continuously monitored pursuant to this permit. In addition to the information specified in 40 CFR § 60.7(c), each report shall contain the hours of operation of the equipment authorized by this permit and a report summary of the periods of noncomplying emissions and CEMS downtimes by cause.

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17. For the purposes of reporting pursuant to Special Condition No. 16, noncomplying emissions from equipment authorized by this permit shall be defined as follows:
 - A. Noncomplying annual emissions shall be defined as a consecutive 12-month period during which the 12-month cumulative emissions exceeds the annual limits specified in the MAERT of this permit.
 - B. Noncomplying emissions of SO₂ shall be defined as emissions resulting from firing fuel which is found to contain sulfur in excess of the limits of Special Condition No. 4 or which indicates accedence of the SO₂ limitation specified in the MAERT based on 100 percent conversion of the sulfur in the fuel to SO₂.
18. If the average NO_x or CO stack outlet emission rate exceeds the maximum allowable emissions rate for more than one hour, the holder of this permit shall investigate and determine the reason for the exceedance and, if needed, make necessary repairs and/or adjustments as soon as possible.

If the NO_x or CO emission rate exceeds the emission rate in the MAERT for more than 24 hours, the permit holder shall notify the TCEQ Regional Office either verbally or with a written report detailing the cause of the increase in emissions and all efforts being made to correct the problem.

19. For the purpose of measuring and recording emissions, periods of start-up or shutdown shall not exceed three consecutive hours. Emissions during start-up, shutdown, maintenance, and malfunction shall be counted in the annual (tons per year) emission as limited by the MAERT.
(03/05)

Dated _____ April 15, 2005

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

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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. 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 *	
			lb/hr	TPY

Turbine and Duct Burner During Normal Operation

GT-HRSG No. 1	Turbine/HRSG No. 1 (168 MWe GE 7241 FA Turbine with 500 MMBtu/hr Duct Burner)	NO _x	154.0	---
		CO	80.9	---
		PM ₁₀	28.0	---
		VOC	1.6	---
		SO ₂	34.4	---
		H ₂ SO ₄	2.6	---

GT-HRSG No. 2	Turbine/HRSG No. 2 (168 MWe GE 7241 FA Turbine with 500 MMBtu/hr Duct Burner)	NO _x	154.0	---
		CO	80.9	---
		PM ₁₀	28.0	---
		VOC	1.6	---
		SO ₂	34.4	---
		H ₂ SO ₄	2.6	---

Turbine and Duct Burner During Startup, Shutdown, and Maintenance

GT-HRSG No. 1	Turbine/HRSG No. 1 (GE 7241 FA Turbine with 500 MMBtu/hr Duct Burner)	NO _x	250.0	---
		CO	600.0	---
		PM ₁₀	28.0	---
		VOC	1.6	---
		SO ₂	34.4	---
		H ₂ SO ₄	2.6	---

GT-HRSG No. 2	Turbine/HRSG No. 2 (GE 7241 FA Turbine with	NO _x	250.0	---
		CO	600.0	---

500 MMBtu/hr Duct Burner)	PM ₁₀	28.0	---
	VOC	1.6	---
	SO ₂	34.4	---
	H ₂ SO ₄	2.6	---

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates *	
			lb/hr	TPY
Turbines and Duct Burners				
GT-HRSG Nos. 1 and 2	Turbine/HRSG Nos. 1 and 2 (GE 7241 FA Turbine with 500 MMBtu/hr Duct Burner)	NO _x	---	767.0
		CO	---	597.9
		PM ₁₀	---	233.9
		VOC	---	13.6
		SO ₂	---	13.6
		H ₂ SO ₄	---	2.25

Fugitives

FUG	Piping Fugitives	VOC	0.1	0.42
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- (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) NO_x - total oxides of nitrogen
 CO - carbon monoxide
 PM₁₀ - particulate matter (PM) equal to or less than 10 microns in diameter. Where PM is not listed, it shall be assumed that no PM than 10 microns is emitted.
 VOC - volatile organic compounds as defined in Title 30 Texas Administrative Code § 101.1.
 SO₂ - sulfur dioxide
 H₂SO₄ - sulfuric acid

* Emission rates are based on and the facilities are limited by the following maximum operating schedule:

8,760 Hrs/year

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

<u>Emission Point No. (1)</u>	<u>Source Name (2)</u>	<u>Air Contaminant Name (3)</u>	<u>Emission Rates *</u>	
			<u>lb/hr</u>	<u>TPY</u>

Dated April 15, 2005