

FEDERAL OPERATING PERMIT

A FEDERAL OPERATING PERMIT IS HEREBY ISSUED TO
RPC Merchant LLC

AUTHORIZING THE OPERATION OF
Faulkner Facility
Fossil Fuel Electric Power Generation

LOCATED AT
Reeves County, Texas
Latitude 31° 16' 6" Longitude 103° 47' 11"
Regulated Entity Number: RN112022306

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 and emission units listed in this permit. Operations of the site and emission units 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 and emission units 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 and emission units.

Permit No: O4703 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.

- E. Emission units subject to 40 CFR Part 63, Subpart ZZZZ as identified in the attached Applicable Requirements Summary table are subject to 30 TAC Chapter 113, Subchapter C, § 113.1090 which incorporates the 40 CFR Part 63 Subpart by reference.
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) as soon as practicable, but no later than 24 hours after observing visible emissions 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. 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.
- C. 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)

5. The permit holder shall comply with the requirements of 30 TAC Chapter 113, Subchapter C, § 113.100 for units subject to any subpart of 40 CFR Part 63, unless otherwise stated in the applicable subpart.
6. The permit holder shall comply with certified registrations submitted to the TCEQ for purposes of establishing federally enforceable emission limits. A copy of the certified registration shall be maintained with the permit. Records sufficient to demonstrate compliance with the established limits shall be maintained. The certified registration and records demonstrating compliance shall be provided, on request, to representatives of the appropriate TCEQ regional office and any local air pollution control agency having jurisdiction over the site. The permit holder shall submit updated certified registrations when changes at the site require establishment of new emission limits. If changes result in emissions that do not remain below major source thresholds, the permit holder shall submit a revision application to codify the appropriate requirements in the permit.

New Source Review Authorization Requirements

7. 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
8. 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.
9. 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, safety data sheets (SDS), 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. 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).
10. The permit holder shall comply with the following requirements for Air Quality Standard Permits:
 - A. Registration requirements listed in 30 TAC § 116.611, unless otherwise provided for in an Air Quality Standard Permit
 - B. General Conditions listed in 30 TAC § 116.615, unless otherwise provided for in an Air Quality Standard Permit

- C. Requirements of the Electric Generating Unit Standard Permit for facilities located in the West Texas region based on the information contained in the registration application.

Compliance Requirements

11. 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.
12. 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
 - (v) Title 30 TAC § 101.375 (relating to Emission Reductions Achieved Outside the United States)

Permit Location

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

Acid Rain Unit Exemptions

14. As reference only information, the following units EUG1, EUG2, EUG3, and EUG4 have received acid rain unit exemptions and are not incorporated into an Acid Rain Permit.

Attachments

Applicable Requirements Summary

New Source Review Authorization References

Applicable Requirements Summary

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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
GRP-EGU	SRIC ENGINES	EGU1, EGU2, EGU3, EGU4	60JJJJ	40 CFR Part 60, Subpart JJJJ	No changing attributes.
GRP-EGU	SRIC ENGINES	EGU1, EGU2, EGU3, EGU4	63ZZZZ	40 CFR Part 63, Subpart ZZZZ	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)
GRP-EGU	EU	60JJJJ	CO	40 CFR Part 60, Subpart JJJJ	§ 60.4233(e)-Table 1 § 60.4234 § 60.4243(b) § 60.4243(b)(1) § 60.4243(e) § 60.4243(g)	Owners and operators of stationary non-emergency natural gas engines with a maximum engine power greater than or equal to 500 HP and were manufactured on or after 07/01/2010 must comply with a CO emission limit of 2.0 g/HP-hr, as listed in Table 1 to this subpart.	§ 60.4243(e)	§ 60.4243(a)(1) § 60.4243(e) § 60.4245(a) § 60.4245(a)(2) § 60.4245(a)(3)	None
GRP-EGU	EU	60JJJJ	NO _x	40 CFR Part 60, Subpart JJJJ	§ 60.4233(e)-Table 1 § 60.4234 § 60.4243(b) § 60.4243(b)(1) § 60.4243(e) § 60.4243(g)	Owners and operators of stationary non-emergency natural gas engines with a maximum engine power greater than or equal to 500 HP and were manufactured on or after 07/01/2010 must comply with a NO _x emission limit of 1.0 g/HP-hr, as listed in Table 1 to this subpart.	§ 60.4243(e)	§ 60.4243(a)(1) § 60.4243(e) § 60.4245(a) § 60.4245(a)(2) § 60.4245(a)(3)	None
GRP-EGU	EU	60JJJJ	VOC	40 CFR Part 60, Subpart JJJJ	§ 60.4233(e)-Table 1 § 60.4234 § 60.4243(b) § 60.4243(b)(1) § 60.4243(e) § 60.4243(g)	Owners and operators of stationary non-emergency natural gas engines with a maximum engine power greater than or equal to 500 HP and were manufactured on or after 07/01/2010 must comply with a VOC emission limit of 0.7 g/HP-hr, as listed in Table 1 to this subpart.	§ 60.4243(e)	§ 60.4243(a)(1) § 60.4243(e) § 60.4245(a) § 60.4245(a)(2) § 60.4245(a)(3)	None
GRP-EGU	EU	63ZZZZ	112(B) HAPS	40 CFR Part 63, Subpart ZZZZ	§ 63.6590(c)	Stationary RICE subject to Regulations under 40 CFR Part 60. An affected source that meets any of the criteria in paragraphs (c)(1) through (7) of this section must meet the requirements	None	None	None

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)
						of this part by meeting the requirements of 40 CFR part 60 subpart IIII, for compression ignition engines or 40 CFR part 60 subpart JJJJ, for spark ignition engines as applicable. No further requirements apply for such engines under this part.			

New Source Review Authorization References

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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.

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.: 177130	Issuance Date: 10/22/2024

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
EGU1	ELECTRIC GENERATING UNIT 1	177130
EGU2	ELECTRIC GENERATING UNIT 2	177130
EGU3	ELECTRIC GENERATING UNIT 3	177130
EGU4	ELECTRIC GENERATING UNIT 4	177130

Appendix A

Acronym List 16

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
CEMS	continuous emissions monitoring system
CFR	Code of Federal Regulations
COMS	continuous opacity monitoring system
CVS	closed vent system
D/FW	Dallas/Fort Worth (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
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
MACT	Maximum Achievable Control Technology (40 CFR Part 63)
MMBtu/hr	Million British thermal units per hour
NA	nonattainment
N/A	not applicable
NADB	National Allowance Data Base
NESHAP	National Emission Standards for Hazardous Air Pollutants (40 CFR Part 61)
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
PEMS	predictive emissions monitoring system
PM	particulate matter
ppmv	parts per million by volume
PRO	process unit
PSD	prevention of significant deterioration
psia	pounds per square inch absolute
SIP	state implementation plan
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