TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 17, 2004

Mr. Gerald R. Johnson
Generation Environmental Manager
TXU Generation Company, L.P.
Energy Plaza 1601 Bryan Street
Dallas, Texas 75201

Re: Permit Renewal
Permit Number: 19225
Comanche Peak Steam Electric Station
Glen Rose, Somervell County
Regulated Entity Number: RN103044053
Customer Reference Number: CN600135511

Dear Mr. Johnson:

This is in response to your renewal, Form PI-1R entitled "General Application for Air Permit Renewals" concerning the proposed renewal of Permit Number 19225.

As indicated in Title 30 Texas Administrative Code § 116.314(a), and based on our review, your permit is hereby renewed. Enclosed is a permit for your facility. Also enclosed are new conditions and a maximum allowable emission rates table. We appreciate your careful review of the conditions of the permit and assuring that all requirements are consistently met. This permit will be in effect for ten years from the date of approval.

Please reference the regulated entity number (RN), customer reference number (CN), and permit number noted in this document in all your future correspondence for the referenced facility or site. The RN replaces the former Texas Commission on Environmental Quality account number for the facility (if portable) or site (if permanent). The CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by this company or corporation.

Re: Permit Number: 19225

Thank you for your cooperation in sending us the information necessary to evaluate your operations and for your commitment to air pollution control. If you need further information or have any questions, please contact Ms. Veronica Padilla at (512) 239-1583 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

for Glenn Shankle
Acting Executive Director
Texas Commission on Environmental Quality

GS/NXR/pll

Enclosures

cc: Mr. Tony L. Walker, Air Section Manager, Region 4 - Fort Worth

Project Number: 104859

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
AIR QUALITY PERMIT

A PERMIT IS HEREBY ISSUED TO
TXU Generation Company, L.P.
AUTHORIZING THE CONTINUED OPERATION OF
Comanche Peak Steam Electric Station
LOCATED AT
Glen Rose, Somervell County, Texas
LATITUDE 32° 17′ 52″ LONGITUDE 097° 47′ 15″

1. **Facilities** covered by this permit shall be constructed and operated as specified in the application for the permit. All representations regarding construction plans and operation procedures contained in the permit application shall be conditions upon which the permit is issued. Variations from these representations shall be unlawful unless the permit holder first makes application to the Texas Commission on Environmental Quality (commission) Executive Director to amend this permit in that regard and such amendment is approved. [Title 30 Texas Administrative Code § 116.116 (30 TAC § 116.116)]

2. **Voiding of Permit.** A permit or permit amendment is automatically void if the holder fails to begin construction within 18 months of date of issuance, discontinues construction for more than 18 consecutive months prior to completion, or fails to complete construction within a reasonable time. Upon request, the executive director may grant a onetime 18-month extension of the date to begin construction. [30 TAC § 116.120(a)]

3. **Construction Progress.** Start of construction, construction interruptions exceeding 45 days, and completion of construction shall be reported to the appropriate regional office of the commission not later than 15 working days after occurrence of the event. [30 TAC § 116.115(b)(2)(B)]

4. **Start-up Notification.** The appropriate air program regional office shall be notified prior to the commencement of operations of the facilities authorized by the permit in such a manner that a representative of the commission may be present. The permit holder shall provide a separate notification for the commencement of operations for each unit of phased construction, which may involve a series of units commencing operations at different times. Prior to operation of the facilities authorized by the permit, the permit holder shall identify to the Office of Permitting, Remediation, and Registration the source or sources of allowances to be utilized for compliance with Chapter 101, Subchapter H, Division 3 of this title (relating to Mass Emissions Cap and Trade Program). [30 TAC § 116.115(b)(2)(c)]

5. **Sampling Requirements.** If sampling is required, the permit holder shall contact the commission's Office of Compliance and Enforcement prior to sampling to obtain the proper data forms and procedures. All sampling and testing procedures must be approved by the executive director and coordinated with the regional representatives of the commission. The permit holder is also responsible for providing sampling facilities and conducting the sampling operations or contracting with an independent sampling consultant. [30 TAC § 116.115(b)(2)(D)]

6. **Equivalency of Methods.** The permit holder must demonstrate or otherwise justify the equivalency of emission control methods, sampling or other emission testing methods, and monitoring methods proposed as alternatives to methods indicated in the conditions of the permit. Alternative methods shall be applied for in writing and must be reviewed and approved by the executive director prior to their use in fulfilling any requirements of the permit. [30 TAC § 116.115(b)(2)(E)]

7. **Recordkeeping.** The permit holder shall maintain a copy of the permit along with records containing the information and data sufficient to demonstrate compliance with the permit, including production records and operating hours; keep all required records in a file at the plant site. If, however, the facility normally operates unattended, records shall be maintained at the nearest staffed location within Texas specified in the application; make the records available at the request of personnel from the commission or any air pollution control program having jurisdiction; comply with any additional recordkeeping requirements specified in special conditions attached to the permit; and retain information in the file for at least two years following the date that the information or data is obtained. [30 TAC § 116.115(b)(2)(F)]

8. **Maximum Allowable Emission Rates.** The total emissions of air contaminants from any of the sources of emissions must not exceed the values stated on the table attached to the permit entitled "Emission Sources–Maximum Allowable Emission Rates." [30 TAC § 116.115(b)(2)(G)]

9. **Maintenance of Emission Control.** The permitted facilities shall not be operated unless all air pollution emission capture and abatement equipment is maintained in good working order and operating properly during normal facility operations. The permit holder shall provide notification for upsets and maintenance in accordance with § §101.201, 101.211, and 101.221 of this title (relating to Emissions Event Reporting and Recordkeeping Requirements; Scheduled Maintenance, Startup and Shutdown Reporting and Recordkeeping Requirements; and Operational Requirements). [30 TAC § 116.115(b)(2)(H)]

10. **Compliance with Rules.** Acceptance of a permit by an applicant constitutes an acknowledgment and agreement that the permit holder will comply with all rules, regulations, and orders of the commission issued in conformity with the TCAA and the conditions precedent to the granting of the permit. If more than one state or federal rule or regulation or permit condition are applicable, the most stringent limit or condition shall govern and be the standard by which compliance shall be demonstrated. Acceptance includes consent to the entrance of commission employees and agents into the permitted premises at reasonable times to investigate conditions relating to the emission or concentration of air contaminants, including compliance with the permit. [30 TAC § 116.115(b)(2)(I)]

11. This permit may be appealed pursuant to 30 TAC § 50.139.

12. This permit may not be transferred, assigned, or conveyed by the holder except as provided by rule. [30 TAC § 116.110(e)]

13. There may be additional special conditions attached to a permit upon issuance or modification of the permit. Such conditions in a permit may be more restrictive than the requirements of Title 30 of the Texas Administrative Code. [30 TAC § 116.115(c)]

14. **Emissions** from this facility must not cause or contribute to a condition of "air pollution" as defined in TCAA § 382.003(3) or violate TCAA § 382.085, as codified in the Texas Health and Safety Code. If the executive director determines that such a condition or violation occurs, the holder shall implement additional abatement measures as necessary to control or prevent the condition or violation.

PERMIT 19225

Date: June 17, 2004

Glenn Shankle
Acting Executive Director
Texas Commission on Environmental Quality

SPECIAL CONDITIONS

Permit Number 19225

EMISSION STANDARDS AND OPERATING LIMITS

1. Emissions of nitrogen oxides from the Auxiliary Boiler (Emission Point No. [EPN] CP-AB1S) shall not exceed 0.16 pound per million BTU heat input.

2. Fuel fired in the auxiliary boiler, the six emergency diesel generators, and the two emergency fire pumps shall be limited to No. 2 fuel oil containing no more than 0.50 percent by weight sulfur. The fuel oil shall be refinery grade, first-run oil, and shall not consist of a blend containing waste oils or solvents. Use of any other fuel will require modification of this permit. Upon request, the holder of this permit shall provide a sample of the fuel oil utilized in the facility or shall allow any air pollution control agency having jurisdiction to obtain a sample for analysis.

3. Opacity of emissions from the auxiliary boiler must not exceed 20 percent averaged over a six-minute period, except for those periods described in Title 30 Texas Administrative Code § 111.111.

4. Emergency Diesel Generators (EPNs CP-EDG1S, CP-EDG2S, CP-EDG3S, and CP-EDG4S) are limited to a combined total of 600 hours of operation per year.

5. Emergency Diesel Generators (EPNs CP-EDG5S and CP-EDG6S) are each limited to a total of 250 hours of operation per year.

6. Diesel Fire Pumps (EPNs CP-DFP1S and CP-DFP2S) shall each be limited to a combined total of 200 hours of operation per year.

7. Auxiliary Boiler (EPN CP-AB1S) shall be limited to a total of 500 hours of operation per year.

RECORDKEEPING AND DOCUMENTATION OF COMPLIANCE

8. Records of all fuel additions shall be made and maintained and shall indicate the date of delivery, the quantity stored, and the grade of oil. All oil stored must meet the requirements of Special Condition No. 2.

9. Records shall be maintained to verify compliance with Special Condition Nos. 4, 5, 6, and 7.

Dated June 17, 2004

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

Permit Number 19225

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
Case I: Auxiliary Boiler				
CP-AB1S	Auxiliary Boiler	VOC	0.5	<1.0
		NO_x	14.8	3.7
		SO_2	51.2	12.8
		PM	8.3	2.1
		CO	14.8	3.7
Case II: Emergency Generators (4)(5)				
CP-EDG1S	Emergency Generator No. 1	VOC	1.3	<1.0
		NO_x	278.5	20.9
		SO_2	36.2	2.8
		PM	4.3	<1.0
		CO	23.6	1.8
CP-EDG2S	Emergency Generator No. 2	VOC	1.3	<1.0
		NO_x	278.5	20.9
		SO_2	36.2	2.8
		PM	4.3	<1.0
		CO	23.6	1.8
CP-EDG3S	Emergency Generator No. 3	VOC	1.3	<1.0
		NO_x	278.5	20.9
		SO_2	36.2	2.8
		PM	4.3	<1.0
		CO	23.6	1.8
CP-EDG4S	Emergency Generator No. 4	VOC	1.3	<1.0
		NO_x	278.5	20.9
		SO_2	36.2	2.8
		PM	4.3	<1.0
		CO	23.6	1.8

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
Case III: Emergency Generators (4)				
CP-EDG5S	Emergency Generator No. 5	VOC	0.1	<1.0
		NO_x	9.1	1.2
		SO_2	2.7	<1.0
		PM	0.6	<1.0
		CO	2.1	<1.0
CP-EDG6S	Emergency Generator No. 6	VOC	0.4	<1.0
		NO_x	5.2	<1.0
		SO_2	0.8	<1.0
		PM	0.4	<1.0
		CO	1.2	<1.0
Case IV: Emergency Fire Pumps (4)(6)				
CP-DFP1S	Diesel Fire Pump No. 1	VOC	1.6	<1.0
		NO_x	19.1	1.0
		SO_2	3.0	<1.0
		PM	1.4	<1.0
		CO	4.2	<1.0
CP-DFP2S	Diesel Fire Pump No. 2	VOC	1.6	<1.0
		NO_x	19.1	1.0
		SO_2	3.0	<1.0
		PM	1.4	<1.0
		CO	4.2	<1.0

(1) Emission point identification - either specific equipment designation or emission point number from a plot plan.
(2) Specific point source names. For fugitive sources use area name or fugitive source name.
(3) VOC - volatile organic compounds as defined in Title 30 Texas Administrative Code § 101.1
NO_x - total oxides of nitrogen
SO_2 - sulfur dioxide
PM - particulate matter, suspended in the atmosphere, including PM_{10}
PM_{10} - particulate matter equal to or less than 10 microns in diameter. Where PM is not listed, it shall be assumed that no particulate matter greater than 10 microns is emitted.
CO - carbon monoxide

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

(4) These emergency generators are exempt under Texas Commission on Environmental Quality Standard Exemption 5. Inclusion of these emissions sources is to establish federally enforceable limitations on hours of operation and to document that emission levels are below significance levels for prevention of significant deterioration.

(5) The four Emergency Generators (EPNs CP-EDG1S, CP-EDG2S, CP-EDG3S, and CP-EDG4S) will operate no more than a combined total of 600 hours per year. Annual emissions shown for each of the subject emergency generators are based upon 150 hours of operation per year, but could vary according to load distribution.

(6) The two Diesel Fire Pumps (EPNs CP-DFP1S and CP-DFP2S) will operate not more than a combined total of 200 hours per year. Annual emissions shown for each of the subject fire pumps are based on 100 hours of operation per year, but could vary.

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

Case I:
__ Hrs/day __ Days/week __Weeks/year or _500_ Hrs/year

Case II:
__ Hrs/day __ Days/week __Weeks/year or _600_ Hrs/year (combined total for four units)

Case III:
__ Hrs/day __ Days/week __ Weeks/year or _250_ Hrs/year

Case IV:
__ Hrs/day __ Days/week __Weeks/year or _200_ Hrs/year (combined total for two units)

Dated June 17, 2004