

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

NRG STERLINGTON POWER LLC

AI # 93588

PROCEEDINGS UNDER THE LOUISIANA  
ENVIRONMENTAL QUALITY ACT  
LA. R.S. 30:2001, ET SEQ.

\* Settlement Tracking No.  
\* SA-AE-13-0084  
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\* Enforcement Tracking No.  
\* AE-CN-09-0592  
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SETTLEMENT

The following Settlement is hereby agreed to between NRG Sterlington Power LLC (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a Limited Liability Corporation that owns and/or operates an electric power generating facility located in Ouachita Parish, Louisiana (“the Facility”).

II

On February 25, 2011, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-09-0592, which was based upon the following findings of fact:

The Respondent owns and/or operates Sterlington Power Plant (the facility), an electric power generating facility located at 6310 Horseshoe Lake Road in Sterlington, Ouachita Parish, Louisiana. The facility previously operated under Title V Air Permit No. 2160-00104-V2, issued on August 13, 2008. The facility currently operates under Title V Air Permit No. 2160-00104-V3, issued on November 13, 2009.

On or about February 11, 2011, a file review of the Respondent's facility was conducted to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the file review:

- A. The facility conducted a stack test for Turbine Unit No. 7 (EQT0006) on October 16, 2008 and the Department received the facility's stack test report dated December 17, 2008. According to this report, Turbine Unit No. 7 was found to be operating above the maximum 23.14 pounds per hour (lb/hr) permitted emission limit for nitrogen oxides (NO<sub>x</sub>). Specifically, the turbine was operating at an emission rate of 35.008 lb/hr of NO<sub>x</sub>. The exceedance of the permitted emission limit of NO<sub>x</sub> is a violation of Title V Air Permit No. 2160-00104-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. The facility conducted a stack test for Turbine Unit No. 7 (EQT0006) on October 16, 2008 and the Department received the facility's stack test report dated December 17, 2008. According to this report, the Respondent failed to conduct the stack test of Turbine Unit No. 7 at greater than 80 percent of the permitted maximum capacity, as required by Specific Requirement No. 18 of Title V Air Permit No. 2160-00104-V2. Specifically, the Respondent tested the turbine at 75 percent of its maximum permitted capacity. This is a violation of Specific Requirement No. 18 of Title V Air Permit No. 2160-00104-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- C. The facility conducted a stack test for Turbine Unit No. 10 (EQT0009) on October 16, 2008 and the Department received the facility's stack test report dated December 17, 2008. According to this report, Turbine Unit No. 10 was found to be operating above the maximum 18.38 lb/hr permitted emission limit for carbon monoxide (CO). Specifically, the turbine was operating at an emission rate of 23.426 lb/hr of CO. The exceedance of the permitted emission limit of CO is a violation of Air Permit No. 2160-00104-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- D. The facility conducted a stack test for Turbine Unit No. 2 (EQT0002) on October 14, 2008, Turbine Unit No. 3 (EQT0003) on October 22, 2008, and Turbine Unit No. 7 (EQT0006) on October 16, 2008. The Department received the facility's stack test report dated December 17, 2008. According to this report, Turbine Units No. 2, 3, and 7 were tested below 95 percent of the permitted maximum capacity as shown in the following table:

Turbine Unit No.	Permitted Limit (avg/max)	Test Results (avg/max)	Actual Percentage of Permitted Max Capacity
2	25 MW	21.28 MW	85.12%
3	25 MW	23.62 MW	94.48%
7	25 MW	18.75 MW	75%

\*MW: MegaWatts

According to Specific Requirement No. 21 of Title V Air Permit No. 2160-00104-V2, "Units tested at less than 95% of permitted maximum capacity shall provide documentation to support compliance at 100% of the permitted maximum capacity." As of February 11, 2011, the Department has not received the required documentation for any of the referenced turbine units. Each incident of the Respondent's failure to provide the required documentation for each of the turbine units is a violation of Specific Requirement No. 21 of Title V Air Permit No. 2160-00104-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- E. The Department received the Respondent's 2009 Second Quarter Deviation Report dated September 25, 2009. According to the report, high opacity was observed for approximately nine (9) minutes during the start-up of Diesel Generator No. 9 (EQT00017) on April 30, 2009. This is a violation of Specific Requirement No. 23 of Title V Air Permit No. 2160-00104-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

### III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

### IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of THREE THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS (\$3,800.00), of which Four Hundred Seventy-Six and 07/100 Dollars (\$476.07) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement.

V

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order & Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Ouachita Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an

original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

#### IX

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

#### X

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

#### XI

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

**NRG STERLINGTON POWER LLC**

BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed)

TITLE: \_\_\_\_\_

THUS DONE AND SIGNED in duplicate original before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, at \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC (ID # \_\_\_\_\_)

\_\_\_\_\_  
(stamped or printed)

**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
Peggy M. Hatch, Secretary

BY: \_\_\_\_\_  
Cheryl Sonnier Nolan, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, at Baton Rouge, Louisiana.

\_\_\_\_\_  
NOTARY PUBLIC (ID # \_\_\_\_\_)

\_\_\_\_\_  
(stamped or printed)

Approved:   
Cheryl Sonnier Nolan, Assistant Secretary