STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Cynthia L. Karlic, Regional Environmental Manager
NRG Energy, Inc.
P.O. Box 1001
1866 River Road
Middletown, CT 06547

Re: Nitrogen Oxide ("NOx") Trading Agreements and Orders # 8300 and 8306

Dear Ms. Karlic:

Enclosed are copies of Trading Agreements and Orders (TA&Os) #8300 and 8306. The TA&Os are now enforceable by the State of Connecticut.

Over the next few months the Department will be taking steps to revise the annual reporting forms that you have become familiar with over the years to facilitate compliant submission of the reports required under the TA&Os. When these forms are complete, electronic versions of the forms and instruction will be provided for your use. Until then, NOx Trading Program participants may generate their own forms for the reports required under the TA&Os.

The terms of the new TA&Os need to be incorporated into the Title V Operating Permits for your facilities, if you have such. To do so, please kindly submit applications for minor permit modifications to your existing Title V Permits in accordance with Section 22a-174-2a of the Regulations of Connecticut State Agencies.

If your facilities are likely to violate the TA&Os due to an inability to acquire DERCs or Allowances, you should submit notice in accordance with the Notice of Noncompliance paragraph of this TA&Os. In such Notice, you should demonstrate that all reasonable efforts to procure DERCs and/or Allowances were exhausted prior to submission of the Notice.

Should you have any questions regarding this letter or the TA&O, please contact me at (860) 424-3462.

Sincerely,

Michael LaFleur
Air Pollution Control Engineer 3

STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION

State of Connecticut and NRG Energy, Inc., Middletown Power LLC, NRG Middletown Operations Inc., Montville Power LLC, NRG Montville Operations Inc., Norwalk Power LLC, NRG Norwalk Harbor Operations Inc.	)))))))))	Trading Agreement and Order No. 8306

WHEREAS, the Commissioner of Environmental Protection ("Commissioner") and NRG Energy, Inc., et al. ("Respondents") agree that the Commissioner may issue a permit or order to allow emissions trading in accordance with Section 22a-174-22(j) of the Regulations of Connecticut State Agencies ("Regulations") as a method of compliance with Section 22a-174-22 of the Regulations:

A. At the request and with the agreement of Respondents, the Commissioner finds the following:

1. This Trading Agreement and Order supersedes Trading Agreement and Orders 8213A, 8214A, 8215A, 8216A, 8217A, and 8218A and all subsequent modifications thereto.

2. Respondents own and operate electricity generation facilities in Connecticut ("facilities").

3. At the facilities, Respondents operate the emission units described in Table 1 below, which are subject to Section 22a-174-22 of the Regulations of Connecticut State Agencies ("Regulations") pertaining to the control of Nitrogen Oxide (NOx) emissions.

4. For the purposes of this Trading Agreement and Order, the following definitions shall apply:

   a. Allowable Emission Limit (AEL): the applicable NOx emission limit set forth in Section 22a-174-22(e) or Section 22a-174-22(f) of the Regulations corresponding to each emission unit described in Table 1 of this Trading Agreement and Order

   b. Allowance: CAIR NOx Ozone Season allowance originally allocated to a CAIR NOx Ozone Season unit, as defined in Section 22a-174-22c of the Regulations, located in the State of Connecticut or a NOx allowance designated specifically for compliance during Ozone Season control periods and allocated to a CAIR NOx Ozone Season unit located in the State of Connecticut after the date of issuance of this Trading Agreement and Order.

c. CAIR NOx Ozone Season unit: shall be as defined in Section 22a-174-22c of the Regulations

d. CEMS: Continuous Emissions Monitoring System

e. Discrete Emission Reduction Credit (DERC): a unit that was generated and approved by the Commissioner in accordance with a Trading Agreement and Order issued by the Commissioner or generated and approved by the Commissioner in accordance with a protocol submitted and approved pursuant to Section 22a-174-38 of the Regulations. Such unit is equivalent to 1 ton of NOx emissions and may be used for emissions trading in accordance with Section 22a-174-22(j) of the Regulations, subject to the provisions of Part B of this Trading Agreement and Order.

f. Non-Attainment Area: means the geographic area which has been designated as nonattainment pursuant to 40 CFR 81 in accordance with the provisions of 42 USC 7407 (Section 107 of the Act). Pursuant to 40 CFR 81.307, the designated ozone non-attainment areas in the State of Connecticut are : the Greater Connecticut, CT area and the New York-Northern New Jersey-Long Island, NY-NJ-CT area.

g. CAIR NATS: "CAIR NO_x Ozone Season Allowance Tracking System" as defined in 40 CFR 96.302.

h. Ozone Season: May 1 through September 30 of each calendar year or such period as defined by the U.S. Environmental Protection Agency, subsequent to the issuance of this Trading Agreement and Order.

i. Non-Ozone Season: the period of consecutive calendar months between two successive Ozone Seasons

j. ppmvd: parts per million, by volume, dry basis

Table 1
CAIR NOx Ozone Season Units –
Allowable Limits (lbs/MMBtu, unless otherwise noted)

UNIT- reg. or permit no.	Fuel	Heat Input (MMBtu)	Allowable Emission Limit (AEL)
Middletown Unit 2 R104-0098	No.6 No.2 Nat Gas	1,295	0.25 0.20 0.15 non-ozone season average , regardless of fuels burned

Table 1 CAIR NOx Ozone Season Units – Allowable Limits (lbs/MMBtu, unless otherwise noted)			
Middletown Unit 3 R104-0100	No.6 No.2 Nat Gas	2,370	0.43 0.43 0.15 non-ozone season average , regardless of fuels burned
Middletown Unit 4 P104-0003	No.6 No.2	4,684	0.25 0.15 non-ozone season average , regardless of fuels burned
Montville Unit 5 R107-0017	No.6 Nat Gas	995	0.25 0.20 0.15 non-ozone season average , regardless of fuels burned
Montville Unit 6 R107-0020	No.6 No.2	4,658	0.25 0.15 non-ozone season average , regardless of fuels burned
Norwalk Unit 1& 2 R137-0028 R137-0030	No.6 No.2	1,776 each	0.25 0.20 0.15 non-ozone season average , regardless of fuels burned

5. The Respondents agree that the actual NOx emissions rate from the emission units described in Table 1, at times, exceed the corresponding AELs.

6. The Respondents and the Commissioner agree that the actual 24-hour, block average NOx emission rate from the emissions units described in Table 1, at times, may be less than the corresponding AELs. At such times, the Respondents propose to generate DERCs.

7. Pursuant to Section 22a-174-22(j) of the Regulations, Respondents propose to comply with Section 22a-174-22(e - f) of the Regulations, when operating the emission units described in Table 1 by means of emissions trading in accordance with the provisions of this Trading Agreement and Order.

8. The Respondents propose to use the actual 24-hour average emissions rate measured by CEMS for the purposes of calculating Actual DERCs generated and/or Actual DERCs/Allowances Required for the emissions units described in Table 1.

The Commissioner, in accordance with Section 22a-174-22(j) of the Regulations hereby allows Respondents to comply with Section 22a-174-22 of the Regulations at the facilities through the use of emissions trading, subject to the provisions of this Trading Agreement and Order.

B. With the agreement of Respondents, the Commissioner, acting under Sections 22a-6, 22a-174, 22a-176, and 22a-177 of the Connecticut General Statutes, hereby orders Respondents as follows:

1. The Respondents may use emissions trading, subject to the provisions of this Trading Agreement and Order until the earlier of:

   a. May 31, 2014;

   b. The Commissioner issues written notice to the Respondents stating that the Respondents are no longer allowed to use emissions trading due to the Respondents' violation of any provision of this Trading Agreement and Order;

or

c. The Commissioner issues written notice to the Respondents notifying the Respondents that the Commissioner has determined the use of emissions trading as a compliance option has been further restricted, modified or nullified by:

(i) the promulgation of an Act, Statute, or Regulations; or
(ii) the issuance of a judgment or court order.

2. Control Technology Evaluation: Not more than 12 months from the date of issuance of this Trading Agreement and Order, the Respondents shall submit a control technology evaluation to reduce emissions of NOx from the emissions units described in Table 1 to, at a bare minimum, a rate or concentration that complies with the applicable limits of Section 22a-174-22 of the Regulations as may be amended, without using, tendering, or otherwise acquiring Allowances or DERCs. Such evaluation shall include but not be limited to the following:

a. A detailed description of all subject emissions units, currently installed emissions controls equipment and methods, all currently installed emissions monitoring systems;

b. A detailed description of any and all additional or alternative emissions control equipment and methods or, combinations thereof, that are capable of reducing NOx emissions from subject emissions units to, at a bare minimum, a rate or concentration that complies with the applicable limits of Section 22a-174-22 of the Regulations as may be amended, without using, tendering, or otherwise acquiring Allowances or DERCs;

c. An evaluation of capital costs, annual operating costs, and total annualized $/ton costs associated with the installation and operation of any and all additional or alternative emissions control equipment and methods, or combinations thereof, that are capable of reducing NOx emission from the subject units to, at a bare minimum, a rate or concentration that complies with the applicable limits of Section 22a-174-22 of the Regulations as may be amended, without using, tendering, or otherwise acquiring Allowances or DERCs;

d. An estimated schedule for the design, procurement, installation and operation of any additional or alternative emissions control equipment and methods, or combinations thereof, that are capable of reducing NOx emission from the subject units to, at a bare minimum, a rate or concentration that complies with the applicable limits of Section 22a-174-22 of the Regulations as may be amended, without using, tendering, or otherwise acquiring Allowances or DERCs;

e. A detailed description of any adjustments and/or modifications that must be made to the emissions monitoring systems for the subject emission units in order to demonstrate compliance with, at least, Section 22a-174-22 of the

Regulations as may be amended, without using, tendering, or otherwise acquiring Allowances or DERCs; and

f. A detailed description of any collateral environmental impacts that will result as a direct consequence of the Respondents' use of additional/alternative emissions control equipment and methods to reduce NOx emissions to, at a bare minimum, a rate or concentration that complies with the applicable limits of Section 22a-174-22 of the Regulations as may be amended, without using, tendering, or otherwise acquiring Allowances or DERCs;

3. While using emissions trading in accordance with this Trading Agreement and Order, the Respondents shall obtain and use sufficient DERCs and/or Allowances in such a manner as to comply with Paragraphs B.8 and B.10 of this Trading Agreement and Order. All Allowances used must come from an emission unit that is within the same ozone nonattainment area as the emission unit seeking to use the Allowances for compliance with this Trading Agreement and Order. Any Allowances used to comply with this Trading Agreement and Order must be allocated for the control period that occurs during the same year those allowances are used for compliance with this Trading Agreement and Order. All DERCs used during the Ozone Season for the emissions units described in Table 1, shall have been generated during an Ozone Season.

4. Prior to using Allowances to comply with this Trading Agreement and Order the Respondents shall obtain a General and/or Compliance Account in the CAIR NATS.

5. Vintage Restriction. For the purposes of compliance with Section 22a-174-22 of the Regulations and the provisions of this Trading Agreement and Order, DERCs shall only remain valid for five (5) calendar years from the year of the generation of such DERCs. DERCs older than five (5) calendar years from their creation are not valid for use for compliance with Section 22a-174-22 of the Regulations and the provisions of this Trading Agreement and Order

6. Ozone Season Fuel Use Restriction: Notwithstanding the provisions of Paragraph B.3 of this Trading Agreement and Order, when operating the emission units described in Table 1during the Ozone Season, the Respondents shall operate those units while firing or co-firing the lowest NOx emitting fuel type or combination of fuel types that the units are physically able to burn to achieve the units' rated electricity output, according to the Independent System Operator- New England (ISO NE), and that the Respondents are authorized to burn in accordance with Departmental permit, registration, or applicable regulation.

7. Notwithstanding Paragraph B. 6 of this Trading Agreement and Order, during the Ozone Season, the Respondents may operate the emission units described above on fuels that result in higher emissions of NOx, if either:

   a. the availability of fuel oil that complies with Paragraph B.6 is inadequate to meet the needs of residential, commercial and industrial users in this state and that such inadequate supply constitutes an emergency; or

b. the supply of gaseous fuels to the emission units is interrupted due to inadequate supply or in accordance with an interruptible supply agreement between the Respondents and the gaseous fuel supplier, or

c. the unit is operating in order to conduct testing required by any governmental agency or auditing/testing required to demonstrate the ability to satisfy commitments made to ISO NE in the Forward Capacity and/or Locational Forward Reserve Markets.

8. DERC/Allowance Use. On the first day of each calendar month, the Respondents shall possess a quantity of DERCs and/or Allowances that equals or exceeds the quantity of Actual DERCs Required and/or Actual Allowances Required in that month. Compliance with Paragraph B.8 of this Trading Agreement and Order shall be determined as follows:

a. Before the first day of each month, Respondents shall estimate DERCs and/or Allowances required for such calendar month for each emission unit identified in Table 1 as follows:

Estimated DERCs/Allowances Required =

{(Estimated fuel use in MMBtu) x ((estimated 24-hr average NOx emission rate lb/mmbtu) - (0.95 x AEL))} ÷2000 lbs/ton

b. No later than the twentieth day of each month, Respondents shall calculate actual DERCs and/or Allowances used in the preceding calendar month for each emission unit described in Table 1 as follows:

Actual DERCs/Allowances Required =

Σ{(Daily fuel use MMBtu) x ((actual 24-hr average emission rate lb/mmbtu) - (0.95 x AEL))} ÷ 2000 lbs/ton

For all days in the month where actual 24-hr average emissions rate > AEL

9. DERC Generation. No later than the twentieth day of each month, Respondents shall calculate actual DERCs generated in the preceding calendar month for each emission unit described in Table 1 as follows:

Actual DERCs Generated (during ozone season only)} =

Σ{(Daily fuel use MMBtu) x ((AEL) - actual 24-hr average NOx emission rate lb/mmbtu))} ÷ 2000 lbs/ton

For all days in the month where actual 24-hr average NOx emissions rate < AEL

For any day in the month where the actual 24-hr average NOx emissions rate is attributed to burning solely No. 2 fuel oil, AEL shall be 0.17 lb/mmbtu.

Where daily fuel use and actual 24-hr average emission rate determinations shall

exclude data substituted in accordance with any missing data substitution procedures, including those allowed under Section 22a-174-22c of the Regulations and 40 CFR Part 75. Notwithstanding Paragraph B.5, all DERCs generated by Table 1 emission units in accordance with this paragraph shall expire 1 calendar year after the date of generation and may only be used by CAIR NOx Ozone Season units.

10. Non-Ozone Season DERC/Allowance Use. In addition to the requirements of Paragraph B.9 of this Trading Agreement and Order, on the first day of each Non-Ozone Season, the Respondents shall possess a quantity of DERCs and/or Allowances that equals or exceeds the quantity of Non- Ozone Season Actual DERCs/Allowances Required for that Non-Ozone Season. Compliance with Paragraph B.10 of this Trading Agreement and Order shall be determined as follows:

a. Before the first day of each Non-Ozone Season, Respondents shall estimate DERCs and/or Allowances required for that Non- Ozone Season for each emission unit described in Table 1 based an emission limit of 0.15 lb/mmbtu as follows:

Estimated Non-Ozone Season DERCs/Allowances Required =

{(Estimated Non-Ozone Season fuel use in MMBtu) x ((estimated average NOx Emission Rate lb/mmbtu) - (0.95 x 0.15 lb/mmbtu))} ÷ 2000 lbs/ton

b. No later than thirty (30) days after the end of each Non-Ozone Season, the Respondents shall calculate Actual Non-Ozone Season DERCs and/or Allowances used during that Non-Ozone Season for each emission unit as follows:

Actual Non-Ozone Season DERCs/Allowances Required =

{(Actual Non-Ozone Season fuel use in MMBtu) x ((Non-Ozone Season Average Actual NOx Emission Rate lb/mmbtu) - (0.95 x 0.15 lb/mmbtu))} ÷2000 lbs/ton – Σ(DERCS and/or Allowances Required for all months of the Non-Ozone Season calculated pursuant to Paragraph B.8)

11. Non-Ozone Season DERC Generation. No later than thirty (30) days after the end of the Non-Ozone Season, Respondents shall calculate actual DERCs generated during the Non-Ozone Season from each emission unit described in Table 1 as follows:

Actual Non Ozone Season DERCs Generated =

{Non-Ozone Season fuel use (MMBtu) x [(0.15 lb/mmbtu) – Non-Ozone Season average emission rate (lb/mmbtu)]} ÷ 2000 lbs/ton

Where:
Non-Ozone Season Average Emission Rate < 0.15 lb/mmbtu; and

Where Non-Ozone Season fuel use and Non-Ozone Season Average Emission rate shall exclude missing data substituted in accordance with any missing data substitution

procedures, including those allowed under Section 22a-174-22c of the Regulations and 40 CFR Part 75.

12. The Respondents shall retire ten (10) percent of all DERCs (tons) generated by the emission units identified in Table 1, prior to use, and shall deduct them from any calculations of DERCs available and possessed by the Respondents to assure a benefit to the environment.

13. On or before January 31 of each calendar year, the Respondents shall deduct a quantity of DERCs from the current balance of DERCs possessed by the Respondents and/or transfer a quantity of Allowances from the Respondents' NOx General and/or Compliance Account to the CT State NOx Retirement Account (Account ID CT0000000300 in the CAIR NATS) such that the total is equal to the sum of (Actual DERCs/Allowances Required determined pursuant to Paragraph B. 8 for the preceding calendar year) – 0.9*(Actual DERCs Generated determined pursuant to Paragraph B.9 in the preceding calendar year) for all emissions units.

14. Not more than ninety (90) days after the completion of the Non-Ozone Season, the Respondents shall deduct a quantity of DERCs from the current balance of DERCs possessed by the Respondents and/or transfer a quantity of Allowances from the Respondents' NOx General and/or Compliance Account to the CT State NOx Retirement Account (Account ID CT0000000300 in the CAIR NATS) such that the total is equal to 0 or the total of (Actual Non-Ozone Season DERCs/Allowances Required for the most recently completed Non-Ozone Season) – 0.9*(Actual Non-Ozone Season DERCs Generated in the most recently completed Non-Ozone Season) for all emissions units described in Table 1, whichever is greater. Notwithstanding the control period limitations of Paragraph B.3 of this Trading Agreement and Order, Allowances used to comply with this Paragraph for a Non-Ozone Season must have been originally allocated for the control periods that correspond to the same calendar years within that Non-Ozone Season.

15. Doubling: If the Actual DERCs/Allowances Required for any month, determined in accordance with Paragraph B.8, exceeds the quantity of DERCs and/or Allowances in the Respondents' possession on the first day of that month, then in addition to the deduction or transfer specified in Paragraphs B.13, the Respondents shall also deduct a quantity of DERCs from the current balance of DERCs possessed by the Respondents and/or transfer a quantity of Allowances from the Respondents' NOx General and/or Compliance Account to the CT State NOx Retirement Account (Account ID CT0000000300 in the CAIR NATS) such that the total is equal to 0 or the total of (Actual DERCs/Allowances Required for that month) – 0.9*(Actual DERCs Generated in that month) for all emission units, whichever is greater. Such additional DERC deduction or Allowance transfer shall be performed at the same time as any DERC deduction or Allowance transfer specified in Paragraph B.13 of this Trading Agreement and Order.

    If the Actual Non-Ozone Season DERCs/Allowances Required for any Non-Ozone Season, determined in accordance with Paragraph B.10, exceeds the quantity of DERCs and/or Allowances in the Respondents' possession on the first day of the Non-Ozone Season, then in addition to the deduction or transfer specified in Paragraphs B.14, the Respondents shall also deduct a quantity of DERCs from the current balance of DERCs possessed by the Respondents and/or transfer a quantity of Allowances from the Respondents' NOx General and/or Compliance Account to the CT State NOx Retirement Account (Account ID

CT0000000300 in the CAIR NATS) such that the total is equal to 0 or the total of (Actual Non-Ozone Season DERCs/Allowances Required for the most recently completed Non-Ozone Season) – 0.9*(Actual Non- Ozone Season DERCs Generated in the most recently completed Non-Ozone Season) for Table 1 emissions units, whichever is greater. Such additional DERC deduction or Allowance transfer shall be performed at the same time as any DERC deduction or Allowance transfer specified in Paragraph B.14 of this Trading Agreement and Order.

Notwithstanding the provisions of Paragraph B.15 of this Trading Agreement and Order, any violation of Paragraphs B.8 and B.10 of this Trading Agreement and Order may be subject to additional enforcement action as may be deemed appropriate by the Commissioner in accordance with the Department's enforcement response policy.

16. At the end of each calendar year, the Respondent shall demonstrate that any Allowances used for compliance with this Trading Agreement and Order during the year satisfy the requirements of Paragraph B.3 and are surplus, quantifiable, enforceable and permanent. This shall be determined for the emissions units in each Non-Attainment Area by demonstrating that the actual, aggregate NOx emissions during the most recent control period, as reported to the United States Environmental Protection Agency, from the emission unit(s) to which the Allowances were originally allocated were equal to or less than the aggregate amount of Allowances allocated to such unit(s) by the State of Connecticut minus the aggregate amount of Allowances transferred or used for compliance with this and any other Trading Agreement and Order.

    The Respondents shall also demonstrate that any DERCs generated and/or used in accordance with this Trading Agreement and Order are:

    Real because they will result in a reduction of actual emissions released into the air, net of any consequential increase in actual emissions resulting from shifting demand. The emission reductions will be properly measured, recorded and reported.

    Surplus because they are not required by any Connecticut statute or regulation mandated by a current State Implementation Plan ("SIP"), and are not currently relied upon in any applicable attainment plan, any reasonable further progress plan or milestone demonstration.

    Permanent because NOx controls are in place and operating, and an appropriate tracking system is in place to monitor all data required to verify and quantify the creation of DERCs.

    Enforceable because the DERCs were generated in accordance with the provisions of this or a prior Trading Agreement and Order issued by the Commissioner

17. Maintenance and Tune-up. Not more than 2 years from the date of issuance of this Trading Agreement and Order, the Respondents shall perform maintenance and inspection of each emission unit listed in Table 1. Such maintenance and inspection shall include, but not be limited to, the following:

    a. Inspect the combustion system, and clean or replace any components of the combustion system as necessary, in accordance with manufacturer's specification or current good engineering practice;

b. Inspect the system controlling the air-to-fuel ratio, and ensure that it is calibrated and functioning in accordance with the manufacturer's specifications or current good engineering practice;

c. Measure the operating parameters of the emission unit used to determine that the emission unit is operating in accordance with manufacturer's specification or current good engineering practice prior to and after any adjustments are made during maintenance, tune-up, or inspection activity; and

d. Make and keep records including, but not limited to, the following:

i. Demonstration that any maintenance, tune-up, and/or inspection activity performed on the emission units described in Table 1 in accordance with Paragraph B.17 of this Trading Agreement and Order has been performed in accordance with the manufacturer's specifications or current good engineering practice,

ii. The date and a description of any maintenance, tune-up, and/or inspection activity performed on the emission units described in Table 1 in accordance with Paragraph B.17 of this Trading Agreement and Order,

iii. The name, title and affiliation of the person conducting any maintenance, tune-up, and/or inspection activity performed on the emission units described in Table 1 in accordance with Paragraph B.17 of this Trading Agreement and Order,

iv. The operating parameters of the emission unit used to determine that the emission unit is operating in accordance with manufacturer's specification or current good engineering practice prior to and after any adjustments are made during maintenance, tune-up, or inspection activity performed in accordance with Paragraph B.17 of this Trading Agreement and Order.

18. Record Keeping:

a. By the close of each calendar day, the Respondents shall record the actual 24-hour average NOx emission rate for any emission unit equipped with an approved CEMS, the actual fuel type and the actual quantity of each type of fuel in units of volume per day or MMbtu per day for each fuel used on the preceding day in an emission unit described in this Trading Agreement and Order,

b. On or before the first day of each calendar month, the Respondents shall record the number of DERCs and corresponding serial numbers and vintages for all DERCs in its possession on the first calendar day of that calendar month,

c. On or before the first day of each calendar month, the Respondents shall record the number of Allowances and corresponding identification numbers and allocation control periods for all Allowances in its possession on the first calendar day of that calendar month,

d. On or before the first day of each calendar month, the Respondents shall record the number of DERCs and corresponding serial numbers, vintages, purchase/sales dates, and seller/buyer for all DERCs purchased or sold during the preceding calendar month,

e. On or before the first day of each calendar month, the Respondents shall record the number of Allowances and corresponding identification numbers, purchase/sales dates, allocation years, and seller/buyer for all Allowances purchased or sold during the preceding calendar month (Transaction reports generated from the CAIR NATs shall suffice for the purposes of this subparagraph),

f. On or before the first day of each calendar month, the Respondents shall record the Estimated DERCs/Allowances Required for that calendar month determined in accordance with Paragraph B.8 of this Trading Agreement and Order,

g. On or before the twentieth calendar day of each calendar month, the Respondents shall record the Actual DERCs/Allowances Required for the preceding calendar month determined in accordance with Paragraph B.8 of this Trading Agreement and Order,

h. On or before the twentieth calendar day of each calendar month, the Respondents shall record the Actual DERCs Generated for the preceding calendar month determined in accordance with Paragraph B.9 of this Trading Agreement and Order and DERCs retired for environmental benefit in accordance with Paragraph B.12 of this Trading Agreement and Order,

i. On or before January 31 of each calendar year, the Respondents shall record the quantity of DERCs deducted in accordance with Paragraphs B.13 and B.15 of this Trading Agreement and Order for the preceding month. Such records shall include the serial number and vintage of each DERC deducted from the Respondents' current balance pursuant to Paragraphs B.13 and B.15 of this Trading Agreement and Order,

j. On or before January 31 of each calendar year, the Respondents shall record the quantity of Allowances transferred in accordance with Paragraphs B.13 and B.15 of this Trading Agreement and Order. Such records shall include the identification number and allocation control period of each Allowance transferred pursuant to Paragraphs B.13 and B.15 of this Trading Agreement and Order,

k. Not more than thirty (30) days after the completion of each Non-Ozone Season, the Respondents shall record the Non-Ozone Season Average NOx emission rate for all emissions units described in Table 1, the quantity of DERCs and/or allowances possessed on the first day of the Non-Ozone Season, the quantity of DERCs deducted and/or Allowances transferred in

accordance with Paragraph B.14 of this Trading Agreement and Order, the quantity of DERCs generated during the Non-Ozone Season in accordance with Paragraph B.11 of this Trading Agreement and Order, and the quantity of Non-Ozone Season DERCs generated during the Non-Ozone Season and retired for environmental benefit in accordance with Paragraph B.12 of this Trading Agreement and Order,

l. For each month of the Ozone season, the Respondents shall maintain records attesting to the fact that any DERCs deducted from its balance in accordance with Paragraphs B.13 and B.15 of this Trading Agreement and Order satisfy the requirements of Paragraph B.3. Generator certification of this fact shall be sufficient, and

m. On each day during the ozone season that the Respondents operate in accordance with Paragraph B.7 of this Trading Agreement and Order, the Respondents shall make and keep Records of all emission unit operation in accordance with Paragraph B.7 of this Trading Agreement and Order, including copies of any written correspondence from the Respondents' fuel supplier detailing the duration and circumstances of the inadequate fuel oil supply or interruption of gaseous fuel supply to the emission units.

19. Respondents shall retain records and supporting documentation required by this Trading Agreement and Order for a minimum of five years, commencing on the date such records were created. Respondents shall provide the records specified above to the Commissioner within thirty (30) days of receipt of a written request from the Commissioner. All records shall be maintained in accordance with Sections 22a-174-4 and 22a-174-22 of the Regulations.

20. Reporting: No later than March 1 of every year after issuance of this Trading Agreement and Order, the Respondents shall submit to the Commissioner a written report containing copies of all of the records required pursuant to Paragraphs B.18.a. – B.18.j, B.18.l and B.18.m of this Trading Agreement and Order. Not later than July 30 of each calendar year, the Respondents shall submit a written report containing copies of all records required pursuant to Paragraph B.18.k of this Trading Agreement and Order. The Commissioner may prescribe the forms to be used for the submission of these reports. The Respondents shall submit these reports on such forms, if prescribed by the Commissioner.

21. Full compliance. Respondents shall not be considered in full compliance with this Trading Agreement and Order until all actions required by this Trading Agreement and Order have been completed as approved and to the Commissioner's satisfaction.

22. Approvals. Respondents shall use best efforts to submit to the Commissioner all documents required by this Trading Agreement and Order in a complete and approvable form. If the Commissioner notifies Respondents that any document or other action is deficient, and does not approve it with conditions or modifications, it is deemed disapproved, and Respondents shall correct the deficiencies and resubmit it within the time specified by the Commissioner or, if no time is specified by the Commissioner, within 30 days of the Commissioner's notice of deficiencies. In approving any document or other action under this Trading Agreement and Order, the Commissioner may approve the document or other action as submitted or performed or with such conditions or modifications as the Commissioner deems necessary to carry out the purposes of this Trading Agreement and Order. Nothing in this paragraph shall excuse noncompliance or delay.

23. Definitions. As used in this Trading Agreement and Order "Commissioner" means the Commissioner or a representative of the Commissioner; The date of "issuance" of this Trading Agreement and Order is the date the Trading Agreement and Order is deposited in the U.S. mail or personally delivered, whichever is earlier.

24. Dates. The date of submission to the Commissioner of any document required by this Trading Agreement and Order shall be the date such document is received by the Commissioner. The date of any notice by the Commissioner under Trading Agreement and Order, including but not limited to notice of approval or disapproval of any document or other action, shall be the date such notice is deposited in the U.S. mail or is personally delivered, whichever is earlier. Except as otherwise specified in this Trading Agreement and Order, the word "day" as used in this Trading Agreement and Order means calendar day. Any document or action which is required by this Trading Agreement and Order to be submitted or performed by a date which falls on a Saturday, Sunday or a Connecticut or federal holiday shall be submitted or performed by the next day which is not a Saturday, Sunday or Connecticut or federal holiday.

25. Certification of documents. Any document, including but not limited to any notice, which is required to be submitted to the Commissioner under this Trading Agreement and Order shall be signed by an individual, employed by the Respondents, who satisfies the criteria set forth in Section 22a-174-2a(a)(1) of the Regulations of Connecticut State Agencies and by the individual(s) responsible for actually preparing such document. Each individual who signs documents in accordance with this Paragraph shall certify in writing as follows:

> "I have personally examined and am familiar with the information submitted in this document and all attachments thereto, and I certify, based on reasonable investigation, including my inquiry of those individuals responsible for obtaining the information, that the submitted information is true, accurate and complete to the best of my knowledge and belief. I understand that any false statement made in the submitted information may be punishable as a criminal offense under Section 53a-157b of the Connecticut General Statutes and any other applicable law."

26. Noncompliance. This Trading Agreement and Order is a final order of the Commissioner with respect to the matters addressed herein, and is nonappealable and immediately enforceable. Failure to comply with this Trading Agreement and Order may subject Respondents to an injunction and penalties.

27. False statements. Any false statement in any information submitted pursuant to this Trading Agreement and Order may be punishable as a criminal offense under Section 53a-157b of the Connecticut General Statutes and any other applicable law.

28. Notice of transfer; liability of Respondents. Until Respondents have fully complied with this Trading Agreement and Order, Respondents shall notify the Commissioner in writing no later than 15 days after transferring all or any portion of the facility, the operations, the site or the business which is the subject of this Trading Agreement and Order or after obtaining a new mailing or location address. Respondents' obligations under this Trading Agreement and Order shall not be affected by the passage of title to any property to any other person or municipality.

29. Commissioner's powers. Nothing in this Trading Agreement and Order shall affect the Commissioner's authority to institute any proceeding or take any other action to prevent or abate violations of law, prevent or abate pollution, recover costs and natural resource damages, and to impose penalties for past, present, or future violations of law. If at any time the Commissioner determines that the actions taken by Respondents pursuant to this Trading Agreement and Order have not successfully corrected all violations, fully characterized the extent or degree of any pollution, or successfully abated or prevented pollution, the Commissioner may institute any proceeding to require Respondents to undertake further investigation or further action to prevent or abate violations or pollution.

30. Respondents' obligations under law. Nothing in this Trading Agreement and Order shall relieve Respondents of other obligations under applicable federal, state and local law.

31. No assurance by Commissioner. No provision of this Trading Agreement and Order and no action or inaction by the Commissioner shall be construed to constitute an assurance by the Commissioner that the actions taken by Respondents pursuant to this Trading Agreement and Order will result in compliance or prevent or abate pollution.

32. Access to premises. Any representative of the Department of Environmental Protection may enter the without prior notice for the purposes of monitoring and enforcing the actions required or allowed by this Trading Agreement and Order.

33. No effect on rights of other persons. This Trading Agreement and Order neither creates nor affects any rights of persons or municipalities that are not parties to this Trading Agreement and Order.

34. No Creation of Property Rights. This Consent Order does not create any property rights with respect to these DERCs or Allowances.

35. Notice to Commissioner of changes. Within 15 days of the date Respondents become aware of a change in any information submitted to the Commissioner under this Trading Agreement and Order, or that any such information was inaccurate or misleading or that any relevant information was omitted, Respondents shall submit the correct or omitted information to the Commissioner.

36. Notification of noncompliance. In the event that Respondents become aware that they did not or may not comply, or did not or may not comply on time, with any requirement of this Trading Agreement and Order or of any document required hereunder, Respondents shall immediately notify by telephone the section identified in the next paragraph and shall take all reasonable steps to ensure that any noncompliance or delay is avoided or, if unavoidable, is minimized to the greatest extent possible. Within five (5) days of the initial notice, Respondents shall submit in writing the date, time, and duration of the noncompliance and the reasons for the noncompliance or delay and propose, for the review and written approval of the Commissioner, dates by which compliance will be achieved, and Respondents shall comply with any dates which may be approved in writing by the Commissioner. Notification by Respondents shall not excuse noncompliance or delay, and the Commissioner's approval of any compliance dates proposed shall not excuse noncompliance or delay unless specifically so stated by the Commissioner in writing.

37. Submission of documents. Any document required to be submitted to the Commissioner under this Trading Agreement and Order shall, unless otherwise specified in this Trading Agreement and Order or in writing by the Commissioner, be directed to:

Supervisor
Administrative Enforcement Group
Engineering and Enforcement Division
Bureau of Air Management
Department of Environmental Protection
79 Elm Street, 5th Floor
Hartford, Connecticut 06106
(860) 424-3702

Respondents consent to the issuance of this Trading Agreement and Order without further notice. The undersigned certifies that he/she is fully authorized to enter into this Trading Agreement and Order and to legally bind Respondents to the terms and conditions of the Trading Agreement and Order.

Respondents

Signature: Judith Lagano

Type Name: Judith E. Lagano

Type Title: Director, Asset Manggement - New England

Date: April 22, 2010

Issued as a final consent order of the Commissioner of the Department of Environmental Protection.

Amey Marrella
Amey Marrella
Commissioner

4/26/10
Date

TOWN OF _____
MAILED CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Certified Document