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P.O. Box 148  
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February 9, 2005

BUREAU OF AIR REGULATION

Trina L. Vielhauer, Chief  
Bureau of Air Regulation  
Florida Department of Environmental Protection  
Twin Towers Office Building  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

Re: **Notification of Intent to Temporarily Idle an Electric Generating Unit  
Osceola Electric Generating Station  
Facility ID No. 0970071  
Unit No. 1**

Dear Ms. Vielhauer:

Reliant Energy, Inc. (Reliant) recently announced its intent to put into temporary cold storage, or "lay up," Unit No. 1 at the Osceola Generating Station. This letter is to provide you with formal notice of the temporary action and to provide additional information on this unit, including the expected duration of storage and the steps Reliant will take to preserve this unit and bring it back on line.

Reliant owns and operates electric power generating facilities in 12 states in the United States. These electric generating facilities are of many vintages and use various fuel types. Consequently, Reliant continually evaluates these generating facilities to determine their competitiveness in the markets in which they are located. Occasionally, market conditions are such that these units cannot economically operate. Such market conditions currently exist and are projected to persist for the foreseeable future. For that reason, to avoid uneconomic operation Reliant has decided to temporarily lay up Unit No. 1 at Osceola.

Our analysis of the wholesale electric market indicates future market conditions will allow economical operation of this unit. Our current expectation of the period of time this unit will be in cold storage is approximately three years, with a return to service scheduled for June of 2008. The actual duration of the lay up could be longer or shorter, depending on wholesale electric market conditions.

During the period when the unit is in cold storage, Reliant will continue to perform maintenance necessary to keep the unit prepared for a timely return to active service. Such maintenance will be performed in accordance with a detailed lay up and return to service plan that has been developed for this unit to maintain operability and to ensure readiness to quickly generate electricity when market conditions demand.

Ms. Trina Vielhauer  
February 9, 2005  
Page 2

Certain components of the continuous emission monitoring systems (CEMS) will also be powered down during the cold storage period. Power will be maintained to the CEMS data acquisition and handling system to verify and record the inactivity of the unit. Daily calibrations, quarterly linearity tests and cylinder gas audits, and annual relative accuracy test audits will be suspended for the duration of the mothballing period. Reliant will continue to provide all required reports (e.g., Electronic Data Reports and Part 60 Quarterly Reports), pay any appropriate fees, ensure compliance with all permit conditions, and make the unit available for inspection upon request.

Reliant will make notice to FDEP prior to restarting any of the combustion units at this facility. Should you have any questions, please contact Mr. Joe Araiza at 713.488.7167.

Sincerely,



J. Derek Furstenwerth  
Manager, Air Resources Division  
Environmental Department

cc: Bob Rosen, US EPA Region IV, Atlanta  
Lynn Haynes, US EPA Region IV, Atlanta  
Errin B. Pichard, Emissions Monitoring Section, FDEP, Tallahassee  
Leonard T. Kozlov, Air Program Administrator, FDEP, Orlando  
Manuel J. Oliva, Clean Air Markets Division, USEPA, Washington D.C.