

From: George Sturges [<mailto:gsturges@bestenergycorp.com>]
Sent: Friday, April 04, 2014 1:40 PM
To: Joe Thomas
Cc: Lindley Anderson
Subject: EBT Stakeholder Group and potential rule changes

Dear Mr. Thomas,

One area that appears not to have been specifically addressed during the initial promulgation of the Emission Banking and Trading regulations, including DECs and MDECs, is the generation of emission credits by reducing stationary and mobile emissions via the production and sales of fuels that reduce combustion emissions. The production of fuels that reduce combustion emissions beyond required emission levels are economically viable, the emission reductions are quantifiable via EPA and TCEQ approved test methods, and this type of strategy should meet with the intent of the rule.

Since there is an opportunity at this time to make changes to the referenced rule(s). It appears that it would make sense to review the rule(s) and make any necessary changes to the definitions, the rule itself, forms, etc., to ensure that the production of cleaner burning fuels can be used as a strategy for reducing emissions beyond required levels and generate emission credits. Because fuels do not generate emissions at the specific delivery facility, they should be recognized as reducing emission in multiple facilities or vehicles over their respective distribution area. In addition, flexibility should be incorporated regarding the business entity that becomes the generator of such emission credit, as the actual blending or distribution facility may or may not be the entity with the economic burden or responsibility for the production of such emissions reducing fuel. Essentially any business, including, but not limited to the technology provider, the refiner, or the final producer, could be the responsible party for generating such emission credit and should be able to be recognized as the generator of such emission credits (with the understanding that the regulation should include measures that prevent any double counting).

Sincerely,
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