



NOLTEX

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April 3, 2014

Joe Thomas
TCEQ Emissions Banking and Trading Programs
MC-206
P.O. Box 13087
Austin, Texas 78711-3087

Re: EBT Stakeholder Group

Dear Mr. Thomas,

Thank you for the opportunity to comment on the upcoming changes proposed for the emissions Banking and Trading Program. Noltex had the opportunity to attend a public session on March 3rd and in the public presentation, TCEQ stated a desire to **“Revise the HECT and MECT rules to provide a mechanism for facilities and sites to stop participating in the programs once exempt from the underlying rules in 30 TAC Chapters 115 and 117”**. During the question and answer session it was explained that “closing the facility” was the option being proposed. Our comments specifically pertain to the HRVOC Emissions Cap and Trade Program (HECT).

Noltex believes there should be other ways to opt out of HECT other than closing a facility. Removing the current “once in, always in” stipulation would provide a partial incentive to implement voluntary reductions of HRVOC. The Houston-Galveston area is in a period of unprecedented growth in the areas of Natural Gas Liquids, Midstream Processing, and Chemical Plant expansion. This growth is impeded by the inability to obtain HECT and other credits. This area is the most economical place in the United States to place a chemical facility due to available infrastructure. However, we are at the tipping point of this growth because of the current constriction of air credits required to get a permit. There simply are not enough credits available to continue growth. “Closing facilities” is not the answer. There are many different chemical processes that lend themselves to upgrading control technology (i.e. flare to thermal oxidizer). The impact of these upgrades would be impressive. For flare technology, a destruction efficiency of 99% produces 1% of unburned material going to atmosphere. Thermal oxidizers have a destruction efficiency of at least 99.99% therefore only 0.01% goes to the atmosphere, a significant reduction. Installing better technology would process emissions credits which could be sold, but even with the high current value of credits, this does not off-set the cost of upgrades. Noltex would like to request that TCEQ review incentive options that would benefit both industry and the surrounding communities.

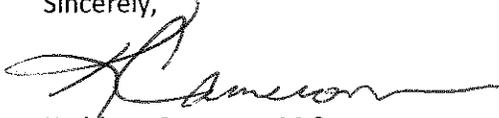
Another issue TCEQ wishes to address is to **“Clarify HECT reporting for emission events to show which events are HECT-applicable”**. Noltex believes emissions events should **not** be HECT applicable. By definition set forth in 101.1, an emission event is an “upset or *unscheduled* maintenance, start up, or shutdown activity”. This is in direct contradiction to the definition of Potential to Emit (PTE) which, under 116.10 states that this is the “maximum capacity of a stationary source to emit a pollutant under its physical and operational design”. Emissions events are not part of any plant design since they are not routine and not predictable.

TCEQ would also **“Consider adding PM2.5 to the list of applicable pollutants”**. Noltex believes this listing is pre-mature since many sources have not yet been tested for PM2.5 and the historical data is

not available. Many design engineering calculations for older designs are rough estimates because PM2.5 testing protocols have just recently been refined to obtain accurate results.

Thank you in advance for an opportunity to comment on upcoming rulemaking. If you have questions, please feel free to contact me at 281-842-5065.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Cameron', written over a horizontal line.

Kathleen Cameron, M.S.
Safety, Health, and Environmental Manager
Noltex, L.L.C
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LaPorte, TX 77571

Cc:

Hector Rivero, Texas Chemical Council
Craig Beskid, East Harris County Manufacturers Association