

Below are responses to questions that were raised at the February/March 2017 presentation on the proposed rule revisions to the emissions banking and trading (EBT) rules.

Will the emissions from marine vessels and locomotives that use a capture and control system be required to include the emissions from the marine vessel or locomotive in their site permit?

1. The emissions and pass-through emissions from the marine vessel or locomotive would not be required to be authorized as part of the site.
2. Any additional facility or new emissions generated from the operation of the capture and control system would need to be authorized. (This does not include any pass-through emissions from the marine vessel or locomotive.) This may involve additional emissions limit and testing requirements in the site's authorization or EBT-CERT.
3. While this general guidance can be provided in advance of reviewing a particular project, each individual project would need to be assessed based on its unique characteristics to make a final determination regarding the authorizations and other mechanisms, such as the EBT-CERT, that would be required to meet the EBT rule criteria for enforceability.

Will an area source be allowed to generate emissions credits as a single source? Will an area source be able to aggregate emissions of multiple facilities at a site in order to generate 0.1 ton of credit?

1. Both area and point sources are stationary sources comprised of facilities. The primary distinction between area and point sources is the amount of yearly emissions, which dictates which category a site falls into. The current rules already require that emissions credits be generated by facilities (rather than sites) for both area and point sources. The rule revision is to handle the implementation issues that were identified with generating emission credits for area and mobile sources.
2. The *Draft Strategy for Area and Mobile Source Emission Credit Generation*, developed to guide this rulemaking effort in early 2016 by the Texas Commission on Environmental Quality (TCEQ) with interested stakeholders and the United States Environmental Protection Agency, indicated that emission credits would not be issued to individual facilities that did not operate during the year used to represent its emissions in the applicable SIP revision or to individual facilities that cannot generate at least 0.1 ton of credit after all discounts are applied. Both of these requirements exist in the current rule. Following the precedent in place for point sources, in which fugitive emissions are classified under one facility in their permit, the proposed rule allows that, in certain circumstances, the control of fugitive emissions at area sources may be aggregated as one facility.
3. The term "source" was used in the July 2016 stakeholder presentation regarding how credits would be quantified. Use of the word "facility" in these sections of the presentation would have been more precise. However, the TCEQ has repeatedly noted that the intent of this rulemaking was to draft the proposed rule revisions based on the core quantification procedures in place under the current rules and the *Draft Strategy for Area and Mobile Source Emission Credit Generation*, developed in conjunction with interested stakeholders.