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Chairman Kathleen White
Commissioner Larry Soward
Commissioner H.S. Buddy Garcia

AGENDA
Wednesday, May 23, 2007

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

9:30 A.M.
12100 Park 35 Circle
Room 201S, Bldg. E

The Commissioners may recess for a lunch break and may not meet in Open Session from 12:00 p.m. to 1:00 p.m. Unfinished items will be continued to the afternoon.

Item 1. [Docket No. 2006-1874-SIP](#). Consideration for adoption of a revision to the **Houston-Galveston-Brazoria (HGB) State Implementation Plan**. This SIP revision is the first step in addressing efforts to attain the eight-hour ozone standard in the HGB area. This revision includes the Houston-Galveston Area Council's commitment to implement Voluntary Mobile Source Emissions Reduction Programs (VMEP) to achieve reductions of 2.82 tons per day (tpd) of nitrogen oxide (NOX) by 2009. This revision also includes VOC and NOX reasonably available control technology (RACT) analysis, and the 2002 Houston-Galveston-Brazoria periodic emissions inventory. In addition, the revision describes the revisions to the rules in Chapter 114, related to the applicability of low emission diesel requirements for Certain Marine Fuels; Chapter 115, related to Control of Volatile Organic Compounds (VOC) Emissions from Storage Vessels and Degassing Operations; and Chapter 117, related to control of emissions from water heaters. (David C. Schanbacher, P. E., Susana M. Hildebrand, P. E.) (Rule Project No. 2006-027-SIP-NR)

Approve the adoption of a revision to the Houston-Galveston-Brazoria State Implementation Plan with the recommended changes proposed by the Executive Director at the public meeting. KW/BG; LS oppose.

Item 2. [Docket No. 2006-1892-SIP](#). Consideration for adoption of the **Houston-Galveston-Brazoria (HGB) Eight-Hour Ozone Nonattainment Area Reasonable Further Progress (RFP) State**

Implementation Plan (SIP). This SIP revision demonstrates a 15 percent emissions reduction requirement will be met for the analysis period of 2002 to 2008. The HGB RFP SIP revision establishes baseline emission levels, calculates reduction targets, identifies control strategies to meet emission target levels, and tracks actual emission reductions against established emissions growth and control budgets. This revision also includes motor vehicle emission budgets (MVEBs) for the milestone year 2008. No new on-road mobile source controls have been adopted as part of the plan. However, on-road mobile source emissions have been updated using the latest available data and the EPA's MOBILE6 inventory development tool. Therefore inventories have changed and the MVEBs are updated as part of this SIP revision. (Keith Mars, Terry Salem) (SIP Revision Project No. 2006-030-SIP-NR)

Approve adoption of the Houston-Galveston-Brazoria Eight-Hour Ozone Nonattainment Area Reasonable Further Progress State Implementation Plan with the recommended changes provided by the Executive Director at the public meeting. KW/BG; all agree.

Item 3. [Docket No. 2006-1891-SIP](#). Consideration for adoption of the **Dallas-Fort Worth (DFW) Eight-Hour Ozone Nonattainment Area Reasonable Further Progress (RFP) State Implementation Plan (SIP)**. This SIP revision demonstrates a 15 percent emissions reduction requirement will be met for the analysis period of 2002 to 2008. The DFW eight-hour ozone nonattainment area consists of two sets of counties: the original four nonattainment counties under the one-hour ozone standard, or four core counties, (Collin, Dallas, Denton, and Tarrant) and the five new nonattainment counties under the eight-hour ozone standard (Ellis, Johnson, Kaufman, Parker, and Rockwall). For the five new counties, the TCEQ must reduce VOC emissions by 15 percent between 2002 and 2008. For the four core counties, the TCEQ has chosen to reduce NOX emissions by 15 percent between 2002 and 2008. The DFW RFP SIP revision establishes baseline emission levels, calculates reduction targets, identifies control strategies to meet emission target levels, and tracks actual emission reductions against established emissions growth and control budgets. This revision also includes motor vehicle emission budgets (MVEBs) for the milestone year 2008. No new on-road mobile source controls have been adopted as part of the plan. However, on-road mobile source emissions have been updated using the latest available data and the EPA's MOBILE6 inventory development tool. Therefore inventories have changed and the MVEBs are updated as part of this SIP revision. (Keith Mars, Terry Salem) (SIP Revision Project No. 2006-031-SIP-NR)

Dallas RFP SIP - Adopted; KW/BG 2-0, LS present, but not voting.

Item 4. [Docket No. 2006-1900-SIP](#). Consideration for adoption of the **Dallas-Forth Worth (DFW) Attainment Demonstration (AD) State Implementation Plan (SIP)** to meet the eight-hour ozone National Ambient Air Quality Standard (NAAQS). This SIP revision includes requirements for the following sources: major industrial, commercial, and institutional sources, minor sources, electric generating facilities, cement kilns, and East Texas combustion sources. All of the proposed requirements apply to the nine-county DFW area except for the East Texas Combustion requirements, which apply in specific counties located in northeast Texas. In addition, the North Central Texas Council of Governments (NCTCOG) has committed to implementing local-level controls that will further reduce NOX emissions by 4.16 tpd by ozone season 2009. This revision also includes a motor vehicle emissions budget (MVEB), VOC and NOX reasonably available control technology analyses, reasonably available control measures

analysis, contingency measures, and emissions inventories. (Mary Ann Cook, Terry Salem)
(Rule Project No. 2006-013-SIP-NR)

Dallas AD SIP – Adopted, with directions to staff to supplement the Weight of Evidence arguments, as appropriate, to provide additional information on legislative measures adopted by the 80th Legislative Session of the Texas Legislature and any local control measures adopted; KW/BG 2-0, LS present, but not voting.

Item 5. [Docket No. 2006-1796-RUL](#). Consideration of the adoption of amendments to **30 TAC Chapter 114**, Control of Air Pollution from Motor Vehicles, Subchapter A, Definitions, Section 114.6, and Subchapter H, Low Emission Fuels, Division 2, Low Emission Diesel, Section 114.319 and corresponding revisions to the state implementation plan (SIP). The adoption amends Chapter 114 to include marine distillate fuels commonly know as Marine Distillate fuel X (DMX), Marine Distillate fuel A (DMA), and Marine Gas Oil (MGO), into the definition of diesel fuels and requires them to be Low Emission Diesel (LED) compliant in the Houston-Galveston-Brazoria (HGB) nonattainment area. The adoption also adds a compliance schedule for the introduction of the LED-compliant marine distillate fuels in the HGB nonattainment area. The proposed rules were published in the December 29, 2006, issue of the *Texas Register* (31 TexReg 10521). (Morris Brown, John Minter) (Rule Project No. 2006-036-114-EN)

Adopt the amendments to 30 TAC Chapter 114 and corresponding revisions to the state implementation plan with the recommended changes provided by the Executive Director at the public meeting. KW/BG; all agree.

Item 6. [Docket No. 2006-1804-RUL](#). Consideration of the adoption of new Section 115.110 and amendments to Sections 115.112 - 115.117, 115.119, 115.541 - 115.547, and 115.549 of **30 TAC Chapter 115**, Control of Air Pollution from Volatile Organic Compounds, and corresponding revisions to the state implementation plan. The adoption would reduce emissions of volatile organic compounds (VOC) from VOC storage and degassing operations by establishing more stringent controls for fittings on floating roof storage vessels, establishing control requirements or operational limitations on landing floating roofs, establishing control requirements for flash emissions from crude oil and condensate storage tanks, and establishing more stringent control requirements for degassing and cleaning of storage, transport, and marine vessels. The proposed rules were published in the December 29, 2006, issue of the *Texas Register* (31 TexReg 10525). (Teresa Hurley, P.E., Brad Patterson) (Rule Project No. 2006-038-115-EN)

Adopt new Section 115.110 and amendments to Sections 115.112 - 115.117, 115.119, 115.541 - 115.547, and 115.549 of 30 TAC Chapter 115 and corresponding revisions to the state implementation plan with the recommended changes provided by the Executive Director at the public meeting. KW/BG; all agree.

Item 7. [Docket No. 2006-1512-RUL](#). Consideration of the adoption of the repealed and new sections of **30 TAC Chapter 117**, Control of Air Pollution from Nitrogen Compounds and corresponding revisions to the state implementation plan (SIP). The new sections of Chapter 117 will be submitted to the United States Environmental Protection Agency (EPA) as a revision to the SIP, except for the following: Sections 117.110(c), 117.125, 117.210(c), 117.225, 117.310(c), 117.325, 117.410(d), 117.425, 117.1010(b), 117.1025, 117.1110(b), 117.1125, 117.1210(b),

117.1225, 117.1310(b), 117.1325, 117.2010(i), 117.2025, 117.2110(h), 117.2125, 117.3010(e), 117.3025, 117.3123(f), 117.3125, 117.3310(e), and 117.3325. The rulemaking adoption is necessary to accommodate new rules for the Dallas-Fort Worth eight-hour ozone attainment demonstration and to provide for future potential rulemaking, as well as improve organization of existing requirements. The rulemaking adoption would: 1) provide an overall reorganization into different subchapters and divisions by regions of the state and control strategies, which would retain current one-hour ozone requirements for all ozone attainment and nonattainment areas of the state and would remove or consolidate redundant and superfluous provisions; 2) establish new emission control requirements for major industrial, commercial, and institutional sources of nitrogen oxides (NOX) in the Dallas-Fort Worth eight-hour ozone nonattainment area in Subchapter B, Division 4, Dallas-Fort Worth Eight-Hour Ozone Nonattainment Area Major Sources; 3) establish new requirements for utility electric generation sources in the Dallas-Fort Worth eight-hour ozone nonattainment area in new Subchapter C, Division 4, Dallas-Fort Worth Eight-Hour Ozone Nonattainment Area Utility Electric Generation Sources; 4) establish new requirements for minor stationary sources of NOX in the Dallas-Fort Worth eight-hour ozone nonattainment area in new Subchapter D, Division 2, Dallas-Fort Worth Eight-Hour Ozone Nonattainment Area Minor Sources; 5) establish a new Subchapter E, Multi-Region Combustion Control, Division 2, Cement Kilns, that incorporates existing requirements for cement kilns as well as new emission specifications and other requirements to reduce NOX emissions in the Dallas-Fort Worth eight-hour ozone nonattainment area; 6) establish new emission control requirements in new Subchapter E, Division 4, East Texas Combustion, for stationary gas-fired reciprocating internal combustion engines located in specified counties in northeast Texas; 7) incorporate changes from House Bill 965, 79th Legislature, Regular Session, 2005, relating to revisions to the residential water heater rule, including proposed deletion of the requirement that Type 0 water heaters meet the 10 nanogram per Joule NOX standard; and 8) improve readability, correct citations and cross-references, and make other changes specified in the preamble. The proposed rules were published in the December 29, 2006, issue of the *Texas Register* (31 TexReg 10538). (Vincent Meiller, Janis Hudson) (Rule Project No. 2006-034-117-EN)

117 rules – Adopted (KW/BG, 2-0, LS present, but not voting), with the following changes: (1) in §117.403(a)(4), added an exemption for dryers, heaters, and ovens with a maximum capacity of 5.0 MMBtu/hr or less (KW/LS, 3-0); (2) in §117.410(b)(13)(B), established a 0.15 lb/MMBtu NOx emission specification for spray dryers used in ceramic tile manufacturing processes (KW/LS, 3-0); (3) in §117.410(b)(7)(B)(i), established a 40% reduction from the daily NOx emissions reported in the 2000 Emissions Inventory for brick and ceramic kilns (KW/LS, 3-0); (4) in §117.410(b)(7)(B)(iii), established a new NOx emission standard for ceramic tile kilns of 0.27 lb/ton of product (KW/LS, 3-0); (5) in § 117.3123(b), revised the source cap calculation for Ellis County cement kilns to include one standard deviation in the average actual production for 2003-2005 (KW/BG, 3-0); and (6) in §117.403(a)(16), added an exemption for space heaters used exclusively for providing comfort heat to areas designed for human occupancy under the industrial gas-fired heater, dryer, and oven major source NOx requirements (KW/LS, 3-0).

EXECUTIVE SESSION

Item 8. **Docket No. 2007-0001-EXE.** The Commission will meet in closed session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the Commission's Executive Director and General Counsel, as permitted by Section 551.074 of the

Texas Open Meetings Act, Chapter 551 of the Government Code. The Commission may also meet in open session to take action on this matter as required by Section 551.102 of the Texas Open Meetings Act, Chapter 551 of the Government Code.

- Item 9. **Docket No. 2007-0002-EXE.** The Commission will conduct a closed meeting to receive legal advice and will discuss pending or contemplated litigation, settlement offers, and/or the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of specific Commission employees, as permitted by Sections 551.071 and 551.074, the Open Meetings Act, codified as Chapter 551 of the Government Code. The Commission may also meet in open session to take action on a legal or personnel matters considered in the closed meeting as required by Section 551.102 of the Texas Open Meetings Act, Chapter 551 of the Government Code.
- Item 10. **Docket No. 2007-0003-EXE.** The Commission will conduct a closed session to discuss their duties, roles, and responsibilities as Commissioners of the TCEQ pursuant to Section 551.074 of the Open Meetings Act, Codified as Chapter 551 of the Government Code. The Commission may also meet in open session to take action on this matter as required by Section 551.102 of the Texas Open Meetings Act, Chapter 551 of the Government Code.

(PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THE TCEQ AGENDA AND WHO MAY NEED AUXILIARY AIDS OR SERVICES SUCH AS INTERPRETERS FOR PERSONS WHO ARE DEAF OR HEARING IMPAIRED, READERS, LARGE PRINT, OR BRAILLE ARE REQUESTED TO CONTACT OFFICE OF THE CHIEF CLERK AT (512) 239-3300 AT LEAST TWO (2) WORK DAYS PRIOR TO THE AGENDA, SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE. PERSONS WHO DESIRE THE ASSISTANCE OF AN INTERPRETER IN CONJUNCTION WITH THEIR ORAL PRESENTATION AT THIS TCEQ AGENDA ARE REQUESTED TO CONTACT THE OFFICE OF THE CHIEF CLERK AT (512) 239-3300 AT LEAST FIVE (5) WORK DAYS PRIOR TO THE AGENDA SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.)

REGISTRATION FOR AGENDA STARTS AT 8:45 A.M. UNTIL 9:30 A.M. PLEASE REGISTER BETWEEN THESE TIMES. LATE REGISTRATION COULD RESULT IN YOUR MISSING THE OPPORTUNITY TO COMMENT ON YOUR ITEM.

THE PUBLIC CAN VIEW LIVE AND ARCHIVED TCEQ MEETINGS ON THE INTERNET AT NO COST, AT: [HTTP://WWW.TEXASADMIN.COM/cgi-bin/tnrec.cgi](http://www.texasadmin.com/cgi-bin/tnrec.cgi)

/s/ Elaine Lucas
Assistant General Counsel,
Elaine Lucas

10-11-2007
Date