

TCEQ, Chief Engineer's Office
Tax Relief for Pollution Control Property Advisory Committee
April 12, 2010
10:00A.M. – 3:00P.M.
TCEQ, Austin Campus,
Building E, Room 201S

Minutes

I. Opening Remarks..... Bob Adair, Chair

A. Call to order and introduction of committee meeting for the record

Mr. Bob Adair called the meeting to order at 10:02 a. m. with eleven members present. Mr. Robert Castor and the Honorable Eddie Arnold were absent.

B. Public comments policy discussion

Mr. Adair re-stated the public comment policy. No action was taken.

C. General comments from committee members and staff

No action was taken.

II. Approval or Revisions of March 26 Committee Minutes..... Bob Adair

[Minutes](#) from the March 26, 2010, meeting were presented to the committee and discussed. Mr. Don Lee suggested that the actual language from presentations be included within the minutes. Staff explained that once the minutes are posted on the Web, all attachments are provided as links. Minutes were approved.

III. Possible Revisions to Committee Bylaws Bob Adair

Mr. Adair presented proposed changes to the [bylaws](#). After discussion the changes were adopted.

IV. Consider Revisions of RulesVarious

A. Cost Analysis Procedure (CAP) equation (TCEQ Staff)

Mr. Adair opened discussion of this issue. Mr. Robert Castor's [document](#) that was provided by email was discussed. It was pointed out that the issues raised in the document were related to the way the formula, [Methods for Calculation](#), was presented. Once the variable used in the formula was corrected the issues were cleared up.

Discussion was held on each of the equations variables. Concern was expressed that prime rate was not an appropriate interest rate. Actual interest rates vary by company and by industry. There was general agreement that this statement could apply to all of the variables. The committee requested that staff prepare an example of a Tier III calculation and present to the committee after lunch.

Dr. Emmanuel Wada, TCEQ staff, presented the calculation sheet from an actual Tier III application as an [example](#) of a typical application. The example and each variable were discussed. Several members stated either the CAP was broken or that it would be appropriate to have more than one method available for calculating partial use determinations. Mr. C. Wayne Frazell is to provide members with the data needed to use the three partial determination formulas. No action was taken.

B. Definition of Capital Cost Old (CCO) §17.2 and §17.17(a)

This item was taken up as part of the CAP discussion. Staff explained that current methods for determining the value of CCO are not always appropriate. The proposed rule change provided on the [issues table](#) would correct this issue. No action was taken.

C. Replace “byproduct” with “marketable product” in §17.2 and §17.17(a) (TCEQ staff)

Mr. Roland Bieber explained that some variables, such as byproduct, do not remain constant. When the value of the byproduct increases the use determination percentage decreases. Current practice is that once issued a use determination is final unless there is a change of use or a change of ownership. Mr. Bernardo Garcia, Harris County Appraisal District, agreed that this is an issue which needs to be addressed. Discussion was held on when a waste material becomes a marketable product. No action was taken.

D. Part B and Flowchart (§17.14(a) and Figure 30: TAC §17.15(a))

Mr. Mike Nasi opened the discussion about the Part B list by stating that the table presented in the last meeting was similar to the information provided on page 9 of the program guidelines document. Mr. Nasi requested that members look at the definitions provided and determine if changes were required. In addition, he suggested that three of the items be listed at 100% rather than variable determinations. Figure §17.15(a) was not discussed. No action was taken.

E. Other Rules

The new oil and gas Permit by Rule proposal was briefly discussed. Dr. Cyrus Reed asked if staff had evaluated the rule proposal to determine if it contained equipment which was not on the Equipment and Categories List (ECL). Mr. Chance Goodin, TCEQ staff, stated that he had attended the stakeholders meeting and that most if not all of the equipment discussed was already listed on the ECL.

V. Other Bob Adair

A. Old Business

Mr. Adair opened the discussion by asking staff to explain where the current rule proposal is within the rule process. Mr. Goodin explained that the proposal was under management review and is on track for the June agenda. No action was taken.

B. New Business

Mr. Adair opened the discussion on new business. Mr. Goodin reminded the members to turn in their travel forms on a timely basis. No action was taken.

C. Public Comments

Mr. Adair opened the meeting for public comment. No additional comment was received.

D. Future Meetings

Discussion was held about scheduling future meetings. The committee will determine the meeting date and contact staff.

VI. Adjourn

A motion to adjourn was made at 2:17 p. m.

VII. Action Items

- Members to review the Part B descriptions provided in the program guidelines document.
- Mr. Frazell to supply data to the committee.

Next Meeting Date

To Be Determined
TCEQ Austin Headquarters
12100 Park 35 Circle
Austin, Texas 78753

The TCEQ Tax Relief for Pollution Control Property Advisory Committee is not subject to provisions of the public meetings law. However, comments from the public relevant to the purview of the committee are welcome. A reasonable standard will be used by the committee chairman regarding the length of time for public comments, realizing the committee will need to manage time to allow adequate discussion of each agenda item.

Advisory Group/Committee Meeting Sign-in Sheet

TCEQ - Chief Engineer's Office

Advisory/Stakeholder Group Name: Tax Relief for Pollution Control Property Advisory Committee

Meeting Date: April 12, 2010

Meeting Time: 10:00 am

Meeting Location: Building E, Room 201

Note: By providing this E-mail address, I hereby authorize the TCEQ to make my E-mail address available to the public. If addressing the committee, please fill out TCEQ Public Participation Form.

Name	Represent	E-mail Address (Optional)	Do you wish to address the committee? (yes/no)
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Bob Adair	TXOGA	bobadair@conocophillips.com	member
Mike Nasi	JW - CCTFT	mnasi@jw.com	member
Paul Coon	Luminant Power	paul.coon@luminant.com	member
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