

TNRCC, Air Permits Division
Emission Reduction Credit Stakeholder Group
March 13, 2002
2:00pm - 4:00pm
TNRCC, Building B, Room 201A
Austin, TX

Minutes

I Opening Remarks Cory Chism

The purpose of these meetings is to communicate with the stakeholder groups the proposed changes to certain sections within 30 TAC 117. Some important dates for the completion of these proposed changes are as follows:

May 22- proposal

Early June - comment period

July - public hearings

October - adoption

II Background or Update Information Cory Chism

As discussed in the first stakeholder meeting held on February 27, 2002, changes are being proposed to 30 TAC 117 Division 1, 3 and 4. Comment from the stakeholders is vital to the success of these rule changes. Contact Cory Chism or Steve Sun with recommendations or comments.

III Discussion Topics Cory Chism

A. Division 3 - MECT Cory Chism

The changes to this division will address three aspects.

1. Insertion of the definition of **uncontrolled** design capacity. This will serve to clarify applicability.
2. 117.206 concerning applicability. Any site that meets the definition of a major source and emits NOx shall be subject to 30 TAC 101 Subchapter H Division 3.

B. Division 1 - ERCs and MERCs Cory Chism

The main reasons for revisions are to restructure and clarify the existing rule. A new section will be added to address credit generation procedures. The calculation procedures will also be clarified. Subsection (c) will address ERC certification. 30 TAC 101.304 will be a section that segregates MERCs from ERCs and will address MERC generation, reduction calculations, and certification. 30 TAC 101.306 will address the use of ERCs and includes calculation equations, system cap equations and the language concerning the NOI to use ERCs. Section 309 will consolidate language from previous sections concerning the banking and trading of ERCs. The definition for **SIP** was discussed and could be included in this proposal. EPA approved protocol was also further discussed. The EPA would like to see a list of each generation protocol by facility type where as the TNRCC is pointing to 30 TAC 117 and 115 as containing accepted protocols which could possibly be used in this proposal.

C. Division 4 - DERCs and MDERCs Steve Sun

Again, the reasons for the changes to this rule are to reformat for better readability and understanding. In 30 TAC 101.370 the definition of **facility** will replace stationary **source** and the **SIP** definition will be added. Section 371 will be reorganized to include subsection(d) containing the protocols, a new subsection(e) will be added to address DERC credit certification. DERCs will now receive certificates. Subsection(f)(4), addressing geographic scope, will clarify that credits to be used in East Texas will only be credits generated in East Texas. The selling price of DERCs will be made public information was also

discussed. Section 373 will change its context and address generation and certification procedures for stationary facilities. Further clarification will include language that states that reductions made through state funded programs will not be certifiable credits for the purposes of this program. Subsection 373(b) will address DEC. calculations. Section 374 will be a new section that separates MERC generation, calculation and certification from DERC sections. Section 376 will be a new section addressing DEC. use and will redefine calculation used for system and source cap credit generation. Section 378 will be a new section that will combine language contained in previous sections concerning the banking and trading of DERCs.

IV Closing Remarks/Action Items Cory Chism

To reiterate, the goal of these meetings are to generate ideas and comments for further improvement of the changes being made. Please notify Mr. Chism or Mr. Sun with comments or questions. Suggestions for improvement from the informal sessions can be worked into the draft rule up until the proposal date.

V Next Meeting Date

There has not been another stakeholder meeting scheduled at this time. If interest and concern deems that one is necessary, then a subsequent meeting would be scheduled.

MEETING ATTENDEES

TNRCC, Air Permits Division
Emission Reduction Credit Stakeholder Group
March 13, 2002
2:00 pm
TNRCC, Bldg. B, Rm 201A
Sign-In Sheet

Attendee Name
(Please Print Legibly)

DAVID P. DUNCAN
ERICH BIRCH
CHARLES L. NUNU
Adrian Martinez
Carlos Zubizarreta