

Texas Commission on Environmental Quality (TCEQ)
Office of Air
Tax Relief for Pollution Control Property Advisory Committee
December 15, 2014
10:00 A.M. – 11:32 A.M.

Minutes

Opening Remarks

1. Mr. Bob Adair called the meeting to order at 10:00 A.M.
2. All committee members were present.
3. Mr. Adair re-stated the public comment policy. No action was taken.
4. No general comments were received from committee members or staff.

Report from TCEQ regarding Tax Relief Training Seminars

Mr. Ron Hatlett of TCEQ staff stated TCEQ conducted seminars in Austin, Houston, and Fort Worth. The seminars covered how to complete an application and respond to a notice of deficiency. The presentation slides were distributed at the meeting and are available in larger format on the tax relief webpage. There were 57 people registered and in attendance at the seminars. Additional people attended without registering. The registered attendees work for or represent as consultants companies that have filed 54% of the applications submitted within the last three years; therefore, the training largely reached the intended target audience.

Review of Advisory Committee Annual Report

Mr. Bob Adair will prepare the annual report and route it for review to the committee members.

Implications of United States Environmental Protection Agency (EPA) approval of the Texas State Implementation Plan (SIP) for greenhouse gases

This topic was deferred until the new business portion of the meeting.

Discussion of “meet or exceed” in TAC §11.31(b)

Mr. Mike Nasi prepared and distributed the attachment entitled “[Recommended Adjustments to the TCEQ Pollution Control Property Tax Exemption Program](#).” Discussion covered pollution control equipment 1) used to assist in achieving a goal or general standard such as water conservation; 2) used to meet an environmental standard that does not apply to the applicant’s facility due to the timing of the equipment installation relative to rule adoption; 3) used to maintain emission rates below a threshold that would trigger the rule requirements cited in the application (including Title V permitting requirements); 4) used to comply with a proposed rule yet to be adopted; 5) used for carbon capture utilization and storage (CCUS); and 6) used to meet or exceed an environmental rule that is withdrawn or impacted by judicial action after installation of the equipment. Prior to the next meeting, Mr. Nasi will distribute a proposed letter to the commissioners addressing the concerns discussed today. The letter will include examples of the scenarios discussed. The letter will be voted on before it is sent to the commissioners. Some committee members are seeking clarification through either rulemaking or guidance regarding the meaning of meets or exceeds an environmental law, rule, or regulation.

Other

1. Election of chair for 2015

Mr. Bob Adair was elected as chair for 2015.

2. Old Business

None

3. *New Business*

Dr. Cyrus Reed asked if additional items should be added to the Tier I Table in light of new regulations concerning oil and gas production. TCEQ staff responded that most of the pertinent equipment is add-on equipment and already on the Tier I Table. Agency staff is to confirm that there is no compelling evidence to add items to the Tier I Table as a consequence of those new regulations.

Mr. Don Lee noted that a TCEQ commissioner had recently testified before the House Committee on Environmental Regulation that there might be a need for revisions to the Prop 2 rules based on EPA carbon rules. Mr. Minor Hibbs of TCEQ staff commented that there are broad implications associated with EPA's proposed greenhouse gas regulations contained in the Clean Air Act §111(d) rulemaking.

4. *Other General Comments from the Public*

None

Action Items

Mr. Nasi will prepare a letter for the commissioners discussing committee concerns regarding the requirement to cite an environmental law, rule, or regulation that the applicant meets or exceeds as a result of installing application pollution control equipment. Committee members will provide input of specific examples for this letter, and the letter will be voted on prior to sending.

TCEQ staff will confirm that there is no compelling evidence supporting adding equipment to the Tier I Table used to comply with new oil and gas regulations.

Adjourn

The meeting adjourned at 11:32 A.M.