

MINUTES

November 01, 2006

H-GAC, Conference Room C
3555 Timmons Lane, 2nd Floor
Houston, TX 77027

BOARD MEMBERS PRESENT

Bartosh, C. Patrick (Harris County); Fiesinger, Ed (Brazoria County); Kilpatrick, Steve (Brazoria County); Kush, John (Harris County); Naquin, Mary Jane (Harris County); Santos, Betin (Harris County); and Sun, Steve (TCEQ- Phone)

PROXY VOTES

Proxies given to the Chair (Ed Fiesinger) prior to the meeting were Hebert, John J. (Liberty County); Kuryla, Matt (Harris County); and Rash, Jeanette (Harris County)

NON-BOARD MEMBERS AND H-GAC STAFF PRESENT

DeCandis, Andrew (H-GAC); Prince, Dan (Phone); Lee, Stephanie (H-GAC); Lubertino, Graciela (H-GAC); Salinas, Jason (H-GAC); Smith, Christina (H-GAC); and Whitworth, Shelley (H-GAC)

CALL TO ORDER AND INTRODUCTIONS

Mr. Ed Fiesinger officially began the AERCO board meeting with naming attendees and proxy votes. Mr. Fiesinger welcomed all attendees. Each attendee introduced them selves.

ADMINISTRATIVE BUSINESS

APPROVAL OF AUGUST 02, 2006 MINUTES

AERCO board meeting minutes for August 02, 2006 was motioned, seconded, and approved.

DISCUSSION ITEM

CLEAN SCHOOL BUS PROJECT WITH ENVIRONMENTAL DEFENSE AND EL PASO –

Stephanie Lee

Ms. Stephanie Lee began her presentation by discussing the Clean School Bus Houston program. There have been meetings with El Paso Corporation regarding funding for the program. There will be a meeting with the Greater Houston Partnership next week to gain support for the program. Brief comments followed the presentation.

CLEAN VEHICLES UPDATE – Jason Salinas

Mr. Jason Salinas began his presentation by announcing most of the money has been spent. Galena Park's money is processing and the remaining \$25,000 may go to Kendelton ISD. Humble ISD is interested in doing up to 45 retrofit projects and receiving funds from AERCO. Brief comments followed the presentation.

SUPPLEMENTAL ENVIRONMENTAL PROJECT FUNDS-FEDERAL AND STATE – Shelley Whitworth

Ms. Shelley Whitworth began her presentation by informing the committee that they have received several State SEP funds to date and are tracking the amounts and times in which they must be spent. We are looking at receiving a large amount of Federal SEP funds and are working on the documents for the EPA to post on their website so that companies may select certain projects and donate their SEP money for those projects. There are no school bus or diesel projects allowed with Federal SEPs. Brief comments followed the presentation.

TCEQ REPORT – Steve Sun with TCEQ

The AERCO's charter was published in the TX Register on 10/20/06

Mr. Steve Sun began his presentation by stating Mobil Emissions credits for trading are accounted for in the SIP, they must be quantified by TCEQ and reviewed by EPA. The discussion included information regarding MDERCs-post generation, they do not have to be permanent—you put in the strategy, complete, and claim credit. MERCs- they are permanent and enforceable, you must agree to continue the strategy if you are going to claim credit. The discussion also included information regarding the use of natural gas and possible emissions trading and credits in Texas. Clean Energy is attempting to make a presence in the Houston market and is willing to work with emissions credits. They referenced the California program that currently exists. Brief comments followed the presentation.

STATUS REPORT ON AERCO DOLLARS UNDER CONTRACT – Jason Salinas

Mr. Jason Salinas stated the disbursement of funds: Galena Park received \$50,000.00, North Forest received \$50,000.00, Houston ISD received \$25,000.00, and Shelton ISD received \$25,000.00.

ACTION ITEM

POSSIBLE ACTION TO ACCEPT MOBILE CREDITS FOR EMISSIONS TRADING – Clean Energy/TCEQ/H-GAC

Subject moved to Other Business Section

OTHER BUSINESS

ITEM FOR DISCUSSION AT NEXT MEETING

- Update on current discussion items and funding.
- Ideas for Federal SEP Funds (FSF).
- Clean School Bus update.
- Discuss Annual Report.

PUBLIC COMMENT

- Inquiry regarding the opening of the HOV lanes to Toll Service. In response, we might see more discussion. The inflation of pricing is uncertain. The guidelines regarding the conversion of HOV to HOT needs to be worked out.

NEXT MEETING DATE

The next meeting is scheduled for Wednesday, February 07, 2007 at 2:00 p.m.

ADJOURN