

# HOUSTON-GALVESTON AREA EMISSION REDUCTION CREDIT ORGANIZATION

## MEETING SUMMARY

Wednesday, November 03, 2010 – 2:00 P.M.  
Houston-Galveston Area Council of Governments  
3555 Timmons Lane, 2<sup>nd</sup> Floor, Room C, Houston, Texas 77027

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### **MEMBERS PRESENT:**

Catarina Cron	Jeanette Rash (Via Phone)
Ed Fiesinger	Orval Rhoads
John J. Hebert (Via Phone)	Julie Woodard

### **PROXY VOTES:** *(given to Chairman Ed Fiesinger prior to the meeting)*

Adrian Araiza  
Patrick Bartosh  
Mark Bosma  
Mary Jane Naquin  
Malcolm Richards

### **STAFF PRESENT:**

Shantha Daniel (TCEQ) (Via Phone)  
Christine Smith (H-GAC)  
Crystal Spencer (H-GAC)  
Robert Veazie (H-GAC)  
Shelley Whitworth (H-GAC)  
Nicholas Williams (H-GAC)

### **MEMBERS NOT PRESENT:** *(not represented by a proxy)*

Brandon Buell  
Steve Cernak  
Ke Chen  
John Kush  
Edward Lewis  
Betin Santos

### **CALL TO ORDER:**

- 1. Chairman Ed Fiesinger officially called the AERCO Board Meeting to order at 2:07 P.M.**
- 2. Chairman Ed Fiesinger Introduction**
  - a. A welcome was presented to all in attendance. The AERCO Board Members present and proxies were announced. Guests and staff present introduced themselves.
- 3. Approval of the August 04, 2010 Meeting Summary**
  - a. The motion to accept the AERCO August 04, 2010 Meeting Summary was seconded and unanimously approved with no amendment.

### **DISCUSSION ITEMS:**

- 1. Clean Vehicles Update – *Christine Smith, H-GAC***  
(Please refer to handout.)
  - a. H-GAC received several new applications; including submittals from Barbers Hill ISD, Clear Creek ISD, Dickenson ISD, Pasadena ISD, Humble ISD, Waller ISD, North Forest ISD, and Crosby ISD. An amended report disclosing all new applicants will be distributed to the AERCO Board Members.

- b. H-GAC confirmed all of the \$3.6 million settlement received early in 2010 is allocated to school districts. Also, most of the TCEQ SEP funds are allocated or under contract.
  - c. H-GAC confirmed Galveston ISD withdrew their application due to the amount of funds allowed was not sufficient for their purpose.
  - d. H-GAC confirmed neither Houston ISD nor Aldine ISD have submitted an application.
- 2. Clean Air Action Leadership Awards Luncheon – *Nicholas Williams, H-GAC***
- a. The annual Clean Air Action Leadership Awards Luncheon was held on August 19, 2010 and Congressman Gene Green was the keynote speaker.
  - b. Governments, companies, and organizations were recognized for their participation with contributing to cleaner air. In addition, Clean Air Champions and Commute Champions were recognized. Methodist Hospital received the Best Vanpool Program Award. Continental Airlines received the Best NuRide Program Award. Hewlett Packard received the Best Telework Program Award. TREK received the Outstanding TDM Leadership Award. Fred Wells received the METRO Rodger Stone STAR Vanpool Leadership Award. Damon ISD and Spring ISD received the Clean School Bus Award. Latigo Transportation received the Clean Fleet Award. Port of Houston received the Best All-A-Round Clean Air Leadership Award.
- 3. Clean Air Forum – *Nicholas Williams, H-GAC (Sponsored by Greater Houston Partnership)***
- a. The 2010 Clean Air Forum: Partnering for Clean Air will be held Thursday, November 04, 2010 from 10:30 A.M. to 5:00 P.M. at the University of Houston Hilton Hotel.
  - b. Interactive Technical Sessions on Critical Air Quality Issues includes the following:
    - i. Houston Area Air Quality Update – Susana Hildebrand, P.E., TCEQ
    - ii. Perspectives on Air Pollutants: Health Effects Research Update
    - iii. Effectively Communicating Risk – Dr. Vincent Covello, Center for Risk Com.
    - iv. Keynote Luncheon Address by Dr. Bryan Shaw, Chairman, TCEQ
  - c. Evening Public Session includes the following:
    - i. Keynote Evening Address by Commissioner Garcia
    - ii. Interactive Panel, Booths, and Inputs Opportunities
- 4. TCEQ Report – *Shantha Daniel, TCEQ***
- a. The Banking and Trading Program is primarily focusing on processing the application related to the Emission Reduction Credit Program (ERC) and Discrete Emission Reduction Credit (DERC) program.
  - b. The Mass Emission Cap and Trade Program (MECT) has completed 88.9% of the 2009 annual compliance reports. TCEQ received six NOx allowance stream trades (Permanent ownership transfer) requests. \$57,619 per ton trade is the average price for NOx allowances. TCEQ received 232 allowance trade requests in 2010. Ten of these requests were received after the March 31, 2010 deadline for submission of MECT Annual Reports. All ten requests were for trades of 2009 vintage allowances. Based on those ten requests the average price for vintage 2009 allowances is \$525 per ton.
  - c. The HRVOC Emissions Cap and Trade (HECT) Program has completed all 2009 compliance reports. The HECT reallocation of HRVOC allowance was completed and a

table with the allowance allocations for the participating regulated entities is available on TCEQ webpage.

- d. The Emission Reduction Credits (ERC) Trade Program received seven trade requests in 2010 in the Houston-Galveston region. The average price of NOx credit is \$47,500 per ton and a VOC credit average price per ton is at \$6,521.

**ACTION ITEM:**

**1. Acceptance of Financial Report**

(Please refer to handout.)

- a. The motion to accept the AERCO Third Quarterly Financial Report was seconded and unanimously approved.

**2. Acceptance of Supplemental Environmental Project Funds**

(Please refer to handout.)

- a. The motion to accept the expenditure of \$633,071.00 for Goose Creek ISD was seconded and unanimously approved.
- b. The motion to accept the expenditure of \$567,000.00 for Sheldon ISD was seconded and unanimously approved.
- c. The motion to accept the expenditure of \$65,000.00 for Liberty ISD was seconded and unanimously approved.
- d. The motion to accept the expenditure of \$79,371.00 for Angleton ISD was seconded and unanimously approved.
- e. The motion to accept the expenditure of \$239,145.00 for Pearland ISD was seconded and unanimously approved.

**3. Acceptance of Opening New Bank Account for Federal SEPs/Settlements if required by TCEQ**

- a. The motion to accept opening a separate bank account for Federal SEP funds was seconded and unanimously approved.

**OTHER BUSINESS:**

**1. Announcements**

- a. December 31, 2010 – EPA Announcement  
New Ozone Standard will be announced
- b. January 13, 2011 – Air & Waste Management Gulf Coast Chapter  
Annual Hot Air Topics Conference will be held at Brady's Landing

**2. Items for Discussion at Next Meeting**

- a. No items for discussion were given.

**3. Public Comments**

- a. No public comments were given.

**4. Next Meeting Date**

- a. The next AERCO Board Meeting is scheduled for Wednesday, February 02, 2011 at 2:00 P.M.

**ADJOURN:**

- 1. Chairman Ed Fiesinger officially adjourned the AERCO Board Meeting at 2:43 P.M.**

If you have an item you wish to be added to the agenda for a future meeting, please e-mail Mr. Robert Veazie at [robert.veazie@h-gac.com](mailto:robert.veazie@h-gac.com).