

HOUSTON-GALVESTON AREA EMISSION REDUCTION CREDIT ORGANIZATION

MEETING SUMMARY

Wednesday, May 11, 2011 – 2:00 P.M.
Houston-Galveston Area Council of Governments
3555 Timmons Lane, 2nd Floor, Room C, Houston, Texas 77027

MEMBERS PRESENT

Adrian Araiza (Via Phone)	Edward Lewis (Via Phone)
Patrick Bartosh	Mary Jane Naquin (Via Phone)
Brandon Buell (Via Phone)	Malcolm Richards
Ed Fiesinger	Orval Rhoads (Via Phone)
John J. Hebert (Via Phone)	

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

Mark Bosma	Jeanette Rash
John Kush	Julie Woodard

STAFF PRESENT:

Brandon Greulich (TCEQ) (Via Phone)	Robert Veazie (H-GAC)
Christine Smith (H-GAC)	Shelley Whitworth (H-GAC)
Crystal Thomas (H-GAC)	

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

Steve Cernak

CALL TO ORDER:

- 1. Chairman Ed Fiesinger officially called the AERCO Board Meeting to order at 2:03 P.M.**
- 2. Chairman Ed Fiesinger Introduction**
 - 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 November 03, 2010 Meeting Summary**
 - The motion to accept the AERCO February 02, 2011 Meeting Summary was seconded and unanimously approved with no amendment.

DISCUSSION ITEMS:

- 1. Clean Vehicles Update – Christine Smith, H-GAC**

(Please refer to handout.)

 - AERCO's SEP funds are diminishing and the distribution of funds are corresponding to the decrease.
 - The AERCO Active Project Report represents the current projects.
 - AERCO recently received permission from TCEQ to un-designate the counties, and dispense the available funds totaling \$70,327.87.
- 2. TCEQ Report – Brandon Greulich, TCEQ**
 - The Sunset Legislation can be followed on TCEQ's website and it is updated daily. On May 03, 2011, the Senate Natural Resource Committee reported on the Senate Version House Bill 2694. The Sunset Advisory Commission decision discusses their findings, issues, and recommendations.

- b. The Banking and Trading Program team is currently reviewing compliance with the Mass Emission Cap and Trade Program (MECT) and HRVOC Emission Cap and Trade Program (HECT) which will directly impact the Houston area. The completion of TCEQ's compliance report is due by July 01, 2011.
- c. Emission Reduction Credits Trade Program (ERC) pricing is reporting the same as last quarter. There is a significant price increase for VOC ERCs because of a very limited supply in the Houston area.
- d. Discreet Emission Reduction Credits Trade Program (DERC) average NO_x price is \$4,260.00 per ton.
- e. HRVOC Emission Cap and Trade Program (HECT) allowance pricing decreased from \$4,200.00 to \$3,600.00 average per ton.
- f. The Mass Emission Cap and Trade Program (MECT) annual trade pricing was steady.
- g. MECT Street Trades average ton per price increased from \$33,000.00 to \$53,000.00.

ACTION ITEM:

1. Acceptance of Financial Report

(Please refer to handout.)

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

2. Acceptance of Supplemental Environmental Project Funds

(Please refer to handout.)

- a. The motion to accept the expenditure of \$144,968.00 for Waller ISD was seconded and unanimously approved.
- b. The motion to accept the expenditure of \$40,000.00 for Santa Fe ISD was seconded and unanimously approved.

3. Acceptance of Auditing Expenditure - \$12,000.00

- a. The motion to approve setting aside the auditing expenditure of \$12,000.00 was seconded and unanimously approved with the following acceptance.

Once the decision is made to spend the auditing expenditure, the committee will be given a 72-hour notice to convey in person or via phone to approve the expenditure of the funds.

4. Submission of SEP Renewal Agreement

- a. The motion to accept the submission of SEP Renewal Agreement will be approved by email ballot, and the deadline is forthcoming.

OTHER BUSINESS:

1. Announcements

- a. H-GAC is currently working on the SEP application submittal for TCEQ to un-designate counties, and the submittal deadline is the end of May 2011.

- b. The Clean Vehicle Program and Drayage Loan Program will submit a request of approval for \$3 million dollars at the upcoming H-GAC Board to fund several trucks and school district activities.
- c. H-GAC Board is sending out membership nomination forms. If your term is soon to expire, please contact the elected official that appointed you.

2. Items for Discussion at Next Meeting

- a. Clean Vehicle Update
- b. TCEQ Report
- c. Update on Auditing Issues.
- d. Status Report on SEP Renewal Agreement

3. Public Comments

- a. No public comments given.

4. Next Meeting Date

- a. The next AERCO Board Meeting is scheduled for Wednesday, August 10, 2011 at 2:00 P.M.

ADJOURN:

- 1. Chairman Ed Fiesinger officially adjourned the AERCO Board Meeting at 2:41 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.