

HOUSTON-GALVESTON AREA EMISSION REDUCTION CREDIT ORGANIZATION

MEETING SUMMARY

Wednesday, February 02, 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)
Brandon Buell (Via Phone)
Catarina Gonzales-Cron
Ed Fiesinger
John Kush

Edward Lewis (Via Phone)
Mary Jane Naquin
Malcolm Richards (Via Phone)
Julie Woodard

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

John J. Hebert
Steve Cernak

STAFF PRESENT:

Brandon Greulich (TCEQ) (Via Phone)
Christine Smith (H-GAC)
Crystal Spencer (H-GAC)

Robert Veazie (H-GAC)
Shelley Whitworth (H-GAC)

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

Patrick Bartosh
Mark Bosma
Ke Chen

Jeanette Rash
Orval Rhoads

CALL TO ORDER:

1. **Chairman Ed Fiesinger officially called the AERCO Board Meeting to order at 2:06 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 November 03, 2010 Meeting Summary**
 - The motion to accept the AERCO November 03, 2010 Meeting Summary was seconded and unanimously approved with an amendment (Other Business: b. January 13, 2011 – Air and Waste Management Gulf Cost Chapter).

DISCUSSION ITEMS:

1. **Clean Vehicles Update – Christine Smith, H-GAC**
(Please refer to handout.)
 - a. The AERCO funded projects are evolving. Several projects from school districts were submitted to H-GAC Board over the past few months, and Waller ISD will be submitted in the upcoming month.
 - b. The Clean Vehicles Program consist of following phases:
 - Application Phase
 - Implementation Phase
 - Compliance Phase

2. TCEQ Report – Brandon Greulich, TCEQ

- a. The Banking and Trading Program is currently working on trades received by both the Mass Emission Cap and Trade Program (MECT) and HRVOC Emission Cap and Trade Program (HECT); all trades were due by January 31, 2011.
- b. The 2009 Annual Compliance Reports are completed.
- c. The MECT Program 2009 cap values were 43,697.4 tons of NO_x and 28,430.90 tons of NO_x for 2009 emissions from MECT. The MECT Program had average prices for 2008 vintage allowances and 2009 current compliances. 2008 vintage allowances average price is \$620.10 per ton of NO_x. 2009 current allowances average price is \$793.57 per ton of NO_x. For compliance in 2010, the 2009 vintage allowances average trade price is \$215.26 per ton of NO_x.
- d. For compliance in 2009 The HECT Program average trade prices are: 2008 vintage allowances trade price are \$4,717.00 per ton of HRVOC and 2009 current allowances are \$2,300.00 per ton on HRVOC. For compliance in 2010, 2009 vintage allowances are \$4,189.00 per ton of HRVOC. Allocation allowances are posted on TCEQ website.
- e. The Emission Reduction Credits Trade Program (ERC) average prices for projects received after January 01, 2010 are \$31,434.00 per ton of NO_x and VOC ERCs are \$3,690.00 per ton of VOC.
- f. Discreet Emission Reduction Credits Trade Program (DERC) average NO_x price is \$4,304.00 per ton of NO_x.

ACTION ITEM:

1. Acceptance of Financial Report

(Please refer to handout.)

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

2. Acceptance of AERCO Annual Report

(Please refer to handout.)

- a. The motion to accept the AERCO Annual Report was seconded and unanimously approved.

3. Acceptance of Supplemental Environmental Project Funds

(Please refer to handout.)

- a. The motion to accept the expenditure of \$1,058,123.00 for Clear Creek ISD was seconded and unanimously approved.
- b. The motion to accept the expenditure of \$51,509.00 for Dickinson ISD was seconded and unanimously approved.
- c. The motion to accept the expenditure of \$93,487.00 for Pasadena ISD was seconded and unanimously approved.
- d. The motion to accept the expenditure of \$480,000.00 for Humble ISD was seconded and unanimously approved.

- e. The motion to accept the expenditure of \$69,000.00 for Barbers Hill ISD was seconded and unanimously approved.

OTHER BUSINESS:

1. Announcements

- a. January 2011 – Coalition Organized a Natural Gas Workshop at Clear Creek ISD
- b. January 2011 – Hot Air Conference
- c. February 25, 2011 – Propane Workshop
- d. March 2011 – Vendor Workshop for Clean Vehicles and School Buses
- e. April 08, 2011 – Fresh Air Friday at Jones Plaza
- f. TBD – School Bus Workshop for Clean Vehicles and School Buses

2. Items for Discussion at Next Meeting

- a. TCEQ Information on Sunset Review

3. Public Comments

- a. No public comments given.

4. Next Meeting Date

- a. The next AERCO Board Meeting is scheduled for Wednesday, May 11, 2011 at 2:00 P.M.

ADJOURN:

- 1. Chairman Ed Fiesinger officially adjourned the AERCO Board Meeting at 2:47 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.