

HOUSTON-GALVESTON AREA EMISSION REDUCTION CREDIT ORGANIZATION

MEETING SUMMARY

Wednesday, August 10, 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)
Ed Fiesinger
John J. Hebert (Via Phone)

John Kush
Mary Jane Naquin (Via Phone)
Jeanette Rash
Julie Woodard (Via Phone)

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

Patrick Bartosh
Mark Bosma
Orval Rhoads

STAFF PRESENT:

Shantha Daniel (TCEQ) (Via Phone)
Christine Smith (H-GAC)
Crystal Thomas (H-GAC)

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

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

Edward Lewis
Malcolm Richards

CALL TO ORDER:

1. **Chairman Ed Fiesinger officially called the AERCO Board Meeting to order at 2:05 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 May 11, 2010 Meeting Summary**
 - a. The motion to accept the AERCO May 11, 2011 Meeting Summary was seconded and unanimously approved with amendments.
 - Discussion Items 2. G – MECT Stream Trades average ton per price increased from \$33,000.00 to \$53,000.00.
 - Action Items 1. A – The motion was unanimously approved.

DISCUSSION ITEMS:

1. **Clean Vehicles Update – Christine Smith, H-GAC**
(Please refer to handout.)
 - a. Waller ISD (CFI No. 2008-047-WALL) invoice is being processed for 35 retrofits and 3 replacements.
2. **TCEQ Report – Shantha Daniel, TCEQ**
 - a. The Banking and Trading Team has completed processing the Mass Emission Cap and Trade Program (MECT) and HRVOC Emission Cap and Trade Program (HECT) reports.

- b. TCEQ received a total of 354 MECT reports and 341 have been reviewed and processed. The total NO_x emission reduction from the completed projects is 29,941 tons.
 - c. TCEQ received a total of 49 HECT annual reports and 47 have been completed. The total emissions reduction from the completed projects for the 2010 control period is 1389.3 tons of HRVOC emissions.
 - d. The average price of MECT 2010 allowances was \$473/ton and the average price of MECT 2009 vintage allowances was \$270/ton.
 - e. The average price of average price of HECT 2009 vintage allowances was \$3,572
 - f. There was one Emission Reduction Credit (ERC) trade that was received in 2011 for the Houston-Galveston-Brazoria (HGB) area. The trade was for VOC ERCs at the price of \$4,500/ton.
 - g. There were three Discrete Emission Reduction Credit (DERC) trades that were received in 2011 for the HGB area. The trades were for NOX DERCs at the price of \$3,703/ton.
 - h. The Banking and Trading Team is currently focusing on completing ERC, DERC, and Senate Bill 7 Program projects.
 - i. TCEQ is reviewing EPA's new update on the Air Pollution Rule.
- 3. Update on AERCO Audit – Shelley Whitworth, H-GAC**
- a. TCEQ will not be auditing AERCO; therefore, AERCO's auditing expenditure will not be used. May 11, 2011 Action Item 3 will be excluded.
- 4. Status Update on AERCO Funds & SEP Renewal Application – Robert Veazie**
- a. TCEQ confirmed AERCO receiving SEP funds as of May 2011. TCEQ received AERCO's SEP renewal application on June 06, 2011.

ACTION ITEMS:

- 1. Acceptance of Financial Report**
(Please refer to handout.)
- a. The motion to accept the AERCO Second Quarterly Financial Report was seconded and unanimously approved.
- 2. Acceptance of Designation of Supplemental Environmental Project Funds**
(Please refer to handout.)
- a. The motion to accept the designation of \$95,000.00 for Friendswood ISD was seconded and unanimously approved.
 - b. The motion to accept the designation of \$100,000.00 for Galveston ISD was seconded and unanimously approved.

OTHER BUSINESS:

- 1. Announcements**
- a. H-GAC is currently scheduling a series of Clean Cities Workshops throughout the eight county region.

- b. H-GAC has distributed the Clean Fleet Technology Conference Save-the-Date notices. Event Date – October 19, 2011.
- 2. Items for Discussion at Next Meeting**
- a. Status Update on AERCO Funds and SEP Renewal
 - b. TCEQ Report
 - c. Clean Vehicle Update
 - d. Action Items
- 3. Public Comments**
- a. Jeanette Rash expressed the concern with the disconnection between elected officials and the public when it comes to regional issues, planning, growth and development.
- 4. Next Meeting Date**
- a. The next AERCO Board Meeting is scheduled for Wednesday, November 02, 2011 at 2:00 P.M.

ADJOURN:

- 1. Chairman Ed Fiesinger officially adjourned the AERCO Board Meeting at 2:28 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.