



Area Emission Reduction Credit Organization

## **Minutes from the Board of Directors Meeting**

Wednesday, May 11, 2022 – 2:00 PM

Houston-Galveston Area Council (H-GAC)

Virtual Teleconference Meeting

### **MEMBERS PRESENT**

Walt Sass (Chair)  
Michelle Gutermuth\*  
B.J. Simon\*  
Siddharth Rajmohan\*  
Jennifer Cornejo\*  
Stephany Mgbadigha\*  
Mary Jane Naquin\*  
Blake Meaux\*

### **H-GAC STAFF PRESENT:**

Jim Mahood  
Cassandra Marshall\*  
Gilbert Washington  
Maria-Theresa Servillon Sigua  
Carlos Lugo

### **OTHERS PRESENT:**

Jacob Morrison\*  
Texas Commission on Environmental Quality (TCEQ)  
Emissions Banking & Trading Program (EBT)

\* Attended via teleconference

### **CALL TO ORDER**

Chair Walt Sass conducted the proceedings, calling the meeting to order at 2:02 PM. Jim Mahood introduced those attending in person and by phone then confirmed that a quorum was met.

No public comments.

### **ADMINISTRATION**

Mr. Jim Mahood announced the AERCO Board of Directors vacancy nominations for the following counties:

1. Representative for Harris County nomination
2. Representative for Harris County nomination
3. Representative for Harris County nomination
4. Representative for Harris County nomination
5. Representative for Galveston County nomination

## **ACTION ITEMS**

Meeting minutes for November 10, 2021 & February 9, 2022 were approved.

Next, Mr. Shaun Downie reviewed the following 2021 Q1 financial reports:

1. Emission Reduction Credit Organization Income Statement
2. Balance Sheet and Income Statement
3. Project Funding History
4. TCEQ Third-Party Administrator Supplemental Environmental Project SEP

Mr. Downie gave an update to the Board on how much SEP funding is available, and what is happening with the funds on a day-to-day basis for incoming revenue and outgoing expenses.

Financial reports for Q1 were approved.

Next, Mr. Mahood notified the members there will be some additions to the project funding history sheet. Discussion continued with a review of the SEP funds allocated to the outstanding projects that need to be approved in order to move forward. The following projects were applied on February 11, 2022 and approved by the H-GAC Board on April 19, 2022. A motion was made to approve the following outstanding projects:

1. Danbury ISD-(2) buses
2. Lamar CISD-(2) buses

Motion was made and approved by the AERCO Board for outstanding projects.

## **DISCUSSION ITEMS**

### **A. TCEQ Report**

Jacob Morrison reviewed the 2022 Q1 TCEQ Emission Banking and Trading (EBT) Program report, as of April 04, 2022.

#### **Available Credits in the Bank**

Type	Pollutant	Available Credits (Tons per Year)	
		2021 Q4	2022 Q1
Emission Reduction Credits	Nitrogen oxides (NOx)	122.6	111.8.
(ERCs)	Volatile organic compounds (VOCs)	379.7	374.3
Discrete Emission Reduction Credits (DERCs)	Carbon monoxide (CO)	8.0	1.1
	Hazardous air pollutant (HAP)	771.4	771.4
	NOx	29,059.4.	29,621.1
	VOCs	926.1	930.1
Mobile DERCs (MDERCs)	NOx	230.4	230.4

**Average Credit Trade Prices for the Previous 12 Months**

Type	Pollutant	Average Credit Trade Price in Tons per Year	
		2021Q4	2022Q1
ERCs	VOCs	\$84,850	\$84,498
	NOx	\$58,699	\$58,098

**Average Allowance Trade Prices for the Previous 12 Months (per ton in perpetuity)**

Program	Current In Tons	Vintage In Tons	Stream In Tons per Year
Highly Reactive Volatile Organic Compound Emissions Cap and Trade (HECT)	\$587	\$459	\$0
Mass Emissions Cap and Trade (MECT)	\$145	\$148	\$93,927

Project Type	Total Pending
Allowance Certification	1
Compliance Report (HECT and MECT)	252
DERC Intent to Use	4
DERC Use	4
ERC Generation	12
ERC Intent to Use	4
ERC Re-Review	1
Legal Name Change	0
Miscellaneous	3
Revision	1
Transfer	6

**OTHER BUSINESS**

Recommendations were made to board members to provide more materials to grant recipients and to reach out to other school districts, to make them aware of the bus program for those that have not participated. It was further discussed that Blake Meaux would like to know the process for being approved for buses specifically for Magnolia ISD. Jim Mahood commented with specifics on how to apply for grants, which could be allocated through SEP or CMAQ for Magnolia ISD and explained the differences for each.

The next AERCO Board meeting is scheduled for Wednesday, September 14, 2022, at 2:00 P.M.

**ADJOURN**

Chair Sass formally adjourned the AERCO Board of Directors meeting at 3:01 P.M.