

Houston-Galveston Area Emission Reduction Credit Organization (AERCO)

Summary from the AERCO Board of Directors Meeting

Wednesday, November 9, 2016 – 2:00 PM

Houston-Galveston Area Council (H-GAC)
3555 Timmons Lane, Conference Room A, Houston, Texas 77027

<http://www.H-GAC.com/agendas/emissions/default.aspx>

APPROVED

MEMBERS PRESENT:

(Met quorum with 8 in person or by phone and 2 proxies)

Jarod Davis, JD
Courtland Holman *
John Kush (Chair)
Eddie Lewis (Vice Chair) *
Mary Jane Naquin *
Malcolm Richards, JD *
B.J. Simon *
Fernando Zamarripa *

* Attended by teleconference

PROXY VOTES (sent before meeting):

Jo Anna Castilleja
Jeanette Rash (Secretary)

MEMBERS ABSENT (no proxy sent):

Lance LaCour
Patrick Passantino

H-GAC STAFF PRESENT:

Jim Mahood
Annette Olsen
Cameron Stawicki

GUESTS PRESENT:

Chad Cryer, TCEQ EBT (substitute for ex officio member, Deric C. Patton)

Chair John Kush conducted the Houston-Galveston Area Emission Reduction Credit Organization (AERCO) Board of Directors (Board) meeting.

Cameron Stawicki announced the following:

- Member Edward G. Fiesinger, PE passed away in October.
- Member Orval Rhoades, PE, RPLS retired as Waller County Engineer in July and has retroactively retired from the AERCO Board.
- B.J. Simon was nominated by Chambers County for another term on the Board, and the H-GAC Board subsequently approved his nomination on August 16.

The Board unanimously approved the August 10 meeting minutes. Next, as recommended by the 2016 Officer Nominations Committee (B.J. Simon, Mary Jane Naquin and Patrick Passantino), the Board unanimously approved the current officers for another one-year term: Chair John Kush, Vice Chair Eddie Lewis, and Secretary Jeanette Rash. No other nominations were received from the floor.

Next, the Board unanimously approved the third quarter TCEQ SEP and AERCO Financial Reports.

The Board unanimously approved designating \$210,000.00 in SEP funds for Brazosport Independent School District for six (6) new school buses.

Chad Cryer of the TCEQ's Emission Banking & Trading (EBT) program presented the following third quarter EBT Report for the Houston-Galveston-Brazoria nonattainment area:

AVAILABLE CREDITS IN THE BANK (NO_x AND VOX ONLY)

Type	Pollutant	Available Credits in Tons per Year
Emission Reduction Credit (ERC)	Nitrogen oxides (NO _x)	275.2
	Volatile organic compounds (VOC)	824.9
Discrete Emission Reduction Credit (DERC)	Carbon monoxide (CO)	15.1
	Hazardous air pollutant (HAP)	771.4
	NO _x	29,106.8
	VOC	1,030.4
Mobile DERC (MDERC)	NO _x	242.1

AVERAGE CREDIT TRADE PRICES FOR PREVIOUS 12 MONTHS

Type	Pollutant	Per Ton per Year
ERC	VOC	\$198,565.00
	NO _x	\$120,187.00
DERC	VOC	\$4,500.00
	NO _x	\$5,750.00

**AVERAGE ALLOWANCE TRADE PRICES FOR PREVIOUS 12 MONTHS
 (Per Ton in Perpetuity)**

Program	Current	Vintage	Stream
Highly Reactive Volatile Organic Compound Emissions Cap and Trade (HECT)	\$1,500.00		
Mass Emissions Cap and Trade (MECT)	\$534.00	\$180.00	\$82,116.00

PENDING PROJECTS FOR EBT STAFF

Project Type	Total Pending
Compliance Report	215
DERC Generation	2
DERC Intent to Use	11
DERC Use	6
ERC Generation	75
ERC Intent to Use	10
ERC Re-Review	1

Project Type	Total Pending
Legal Name Change	1
Miscellaneous	2
Revision	1
Transfer	31

The members agreed to hold a private luncheon at 12:30 PM on February 8, 2017, preceding the 2:00 PM public board meeting at H-GAC. This would allow members to meet each other in person and to have a refresher on the AERCO program. Staff will send the updated board member handbook to the members electronically and at the luncheon will review the highlights and answer questions. Upcoming board business may *not* be discussed at the informal meeting.

During public comments, member Jarod Davis submitted his resignation effective December 31, 2016, since he has received a promotion and transfer to a different office and department. There were no other public comments.

The next AERCO Board meeting was scheduled for Wednesday, February 8, 2017, at 2:00 PM at H-GAC. Chair Kush formally adjourned this AERCO Board of Directors meeting at 2:45 PM.