

AERCO

Minutes from the Board of Directors Meeting

Wednesday, August 14, 2019 – 2:00 PM

Houston-Galveston Area Council (H-GAC)
3555 Timmons Lane, Conference Room 2-A, Houston TX 77027

MEMBERS PRESENT (quorum of 11):

John A. Kush (Chair)
Jo Anna Castilleja *
Michelle Gutermuth *
Denae King, PhD (proxy)
Eddie Lewis, JD (Vice Chair) *
Blake Meaux *
Mary Jane Naquin *
Will Nipper *
Patrick Passantino *
Walt Sass, RPLS *
B.J. Simon *

H-GAC STAFF PRESENT:

Jim Mahood
Cassandra Marshall
Cameron Stawicki

OTHERS PRESENT:

Ann Miller (Dayton Community
Development Corp.)
Jacob Morrison *
(Texas Commission on Environmental Quality [TCEQ]
Emissions Banking & Trading Program [EBT])

* Attended by teleconference

Chair John Kush conducted the proceedings, calling the meeting to order at 2:02 PM. He confirmed that quorum was made and then introduced those attending in person and by phone.

Chair John Kush welcomed New Ex Officio Member, Jacob Morrison, from Texas Commission on Environmental Quality (TCEQ) Emissions Banking and Trading Program (EBT).

Cameron Stawicki announced that Jo Anna Castilleja and Annette Olsen is leaving AERCO. He also introduced Cassandra Marshall as a replacement for Annette Olsen.

Cameron Stawicki gave an update on the status of AERCO Nominations and Renominations. They have been looking to fill vacancies, Commissioner Garcia and Judge Hidalgo of Harris County have been contacted regarding getting those positions filled. At this time, they are actively working on filling the vacancies.

Cassandra Marshall updated the AERCO Board of Directory by adding ex-officio Jacob Morrison.

As the first action item, the AERCO Board unanimously approved the meeting minutes from May 8, 2019.

Next, Chairman John Kush reviewed the 2020 meeting dates which were unanimously approved.

The AERCO Board of Directors approved who will serve as the officer nominating committee:

1. John Kush
2. Mary Jane Naquin
3. Will Nipper

Also, Chairman John Kush announced that he will serve for one more year as chair.

Next, Mr. Stawicki reviewed the following 2019 Q2 financial reports:

1. AERCO Balance Sheet and Income Statement
2. Texas Commissions on Environmental Quality (TCEQ) Third-Party Administrator Supplemental Environmental Project (SEP) Report (also for First Quarter)
3. AERCO Financial Report and Funding History

The members unanimously approved these reports.

Next, Mr. Stawicki reported on designation of SEP Funds:

- | | |
|---|-------------|
| 1. Brazosport Independent School District (1 bus) | \$81,531.00 |
| 2. Port of Houston Authority (2 vehicles and 2 charging stations) | \$72,438.00 |

The members unanimously approved the use of funds for the two projects.

Next, Jacob Morrison reviewed the 2019 Q2 EBT Program report, as of June 30, 2019:

Available Credits in the Bank

Type	Pollutant	Available Credits in Tons per Year	
		2019 Q1	2019 Q2
Emission Reduction Credits (ERCs)	Nitrogen oxides (NOx)	150.7	120.7
	Volatile organic compounds (VOCs)	556.0	533.1
Discrete Emission Reduction Credits (DERCs)	Carbon monoxide (CO)	4.8	0.0
	Hazardous air pollutant (HAP)	771.4	771.4
	NOx	30,094.5	30,866.9
	VOCs	982.9	981.7
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	
		2019 Q1	2019 Q2
ERCs	VOCs	\$103,935	\$118,498
	NOx	\$85,886	\$114,198

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)	\$1,173.00	\$1,020.00	\$180,000.00
Mass Emissions Cap and Trade (MECT)	\$630	\$125	\$90,638

EBT Staff Project Status

Project Type	Total Pending	Total Hold	Total Suspended
Allowance Certification	1	0	0
Compliance Report (HECT and MECT)	125	21	0
DERC Intent to Use	3	0	0
DERC Use	6	0	0
ERC Generation	7	10	52
ERC Intent to Use	6	0	5
ERC Re-Review	0	0	0
Legal Name Change	1	0	0
Miscellaneous	5	0	0
Revision	2	0	0
Transfer	24	1	0

* Projects that have been waiting more than thirty (30) days for requested documentation.

There were no public comments.

The next public AERCO Board meeting is scheduled for Wednesday, November 13, at 2:00 PM.

Mr. Kush formally adjourned the AERCO Board of Directors meeting at 2:34 PM.