

The State of Texas
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-1001



Number of Credits

2.0 TONS VOC-N

Discrete Emission Reduction Credit Certificate

This certifies that:
Industrial Metal Finishing Company
4200 Perry Street
Houston, Texas 77021

is the owner of 2.0 tons of non-ozone season volatile organic compound (VOC) discrete emission reduction credits established under the laws of the State of Texas, transferable only on the books of the Texas Commission on Environmental Quality, by the holder hereof in person or by duly authorized Attorney, upon surrender of this certificate.

The owner of this certificate is entitled to utilize the discrete emission credits evidenced herein for all purpose authorized by the laws and regulations of the State of Texas and is subject to all limitations prescribed by the laws and regulations of the State of Texas.

Discrete Emission Reduction Generation Period: December 31, 1995-December 31, 1997

Generator Account No.: HG-0403-N
County of Generation: Harris

Generator Certificate: N/A

USED

PURPOSE: compliance
DATE: 04/30/04

May 28, 2003

Date

Margaret Hoffman

Executive Director

Texas Commission on Environmental Quality

04/30/2004 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 300483 STATUS: P
RECEIVED: 04/02/2004 PROJTYPE: BUSE
PUB NOT REQ:

DISP CODE: C ✓
ISSUED DT: 5/5/04 ✓
SUP-DISP DATE: 4/30/04 ✓

STAFF ASSIGNED TO PROJECT:
HUTCHISON, PERRY

PROJECT TRANSACTIONS

TRANSACTION TYPE: DERC-USE

COMPANY DATA

COMPANY NAME: INDUSTRIAL METAL FINISHING COMPANY INC
CUSTOMER REGISTRY ID: CN600257018

SITE DATA

REGION: 12 ACCOUNT: REG ENTITY
 HG0398E ID:
 RN102205820

SITE NAME: INDUSTRIAL METAL FINISHNG
COUNTY: HARRIS
CITY: HOUSTON
LOCATION:

CONTACT DATA

NAME: MR BRUCE LOESER TITLE: VICE PRESIDENT
e-mail:
STREET: 4200 PERRY STREET CITY/STATE, ZIP: HOUSTON, TX , 77021-
FAX: 713-747-7857 ext
PHONE: 713-747-6700 ext

TRANSACTION DATA

DATE ENTERED: 2004-04-30 EFFECTIVE DATE: DELETED DATE:
DATE GENERATED: 1997-12-31 EXPIRATION DATE:
CONTAMINATE: VOC TONS: 2 DOLLARS:
ALLOWANCE CERTIFICATE NO.: D-1001 COUNTY : HARRIS

STREAM AND FUTURE TRADES DATA

TRACKING ACTIVITIES

FA - PROJECT ISSUED :
TR - ENGINEER RECEIVE PROJECT : 04/13/2004
TR - PROJ TECH COMPLETE : 04/16/2004
TR - SUP/MANGR APP/RVW RQSTD : 04/27/2004

PAH

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Margaret Hoffman, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 5, 2004

Mr. Bruce Loeser
Vice President
Industrial Metal Finishing Company, Inc.
4200 Perry Street
Houston, Texas 77021

Re: Use of Discrete Emission Credits
Industrial Metal Finishing
Houston, Harris County
Regulated Entity Number: RN102205820
Customer Reference Number: CN600257018

Dear Mr. Loeser:

This letter is in response to your Form DEC-3, entitled "Notice of Use of Discrete Emission Credits," dated February 2, 2001, regarding the use of 2.0 tons of volatile organic compounds (VOC) discrete emission credits for the purpose of compliance with Title 30 Texas Administrative Code § 115.421(a)(9)(A)(iii) [30 TAC § 115.421(a)(9)(A)(iii)] for the period of January 1, 2000, through December 31, 2000.

Upon review of the use of these credits, we agree that the use of 2.0 tons VOC discrete emission credits meet the requirements of 30 TAC § 115.421(a)(9)(A)(iii).

Please reference the regulated entity number (RN) and customer reference number (CN) noted in this document in all your future banking and trading correspondence. The RN replaces the former Texas Commission on Environmental Quality account number for the facility or site. The CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by this company or corporation.

Mr. Bruce Loeser

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May 5, 2004

Re: Use of Discrete Emission Credits

Thank you for your cooperation in this matter. If you have questions concerning this review or need further assistance regarding the banking program, please contact Mr. Aaron Hutchison at (512) 239-1709, or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,



Dale L. Beebe Farrow, P.E., Director
Air Permits Division
Office of Permitting, Remediation, and Registration
Texas Commission on Environmental Quality

DBF/PAH/bvg

cc: Mr. Arturo Blanco, Bureau Chief, Bureau of Air Quality Control, Health and Human
Services Department, City of Houston, Houston
Mr. Rob Barrett, Director, Harris County Public Health and Environmental Services,
Pollution Control Department, Pasadena
Ms. Karen Atkinson, Air Section Manager, Region 12 - Houston

Project Number: 300483

**DISCRETE EMISSION CREDITS/EMISSION CREDIT USE
TECHNICAL REVIEW**

Project No.:	300483	Customer Reference No.:	CN600257018
Project Type:	BUSE	Regulated Entity No.:	RN102205820
Company:	Industrial Metal Finishing Co. Inc.	Facility Name:	Industrial Metal Finishing
City:	Houston	County:	Harris
Project Reviewer:	Mr. Aaron Hutchison	Portfolio Name:	Default Portfolio Name

Project Overview

Industrial Metal Finishing Company (IMF) submitted a Form DEC-3, Notice of Use of Discrete Emission Credits, dated February 2, 2001. IMF had submitted the Form DEC-2 for the use period of 1/1/00 to 12/31/00 on December 30, 1999. The intent to use requested the use of DERCs for compliance with 30 TAC §115.421(a)(9)(A)(iii). The company intended to use 2 tons of DERCs, serial numbers 3 and 4, to compensate for an excess emission rate for the extreme performance coatings used by the facility.

Although the DEC-3 for calendar year 2000 was never logged in at the TCEQ, IMF did send the application within 90 days after the use period, as required by 30 TAC §101.376(e)(3)(A). Therefore, the application will be processed now with no penalty. When DERCs were shifted from serial numbers to individual certificates, IMF's serial numbers 3 and 4 were converted to DERC certificate D-1001. Since serial numbers 3 and 4 were listed on the intent to use for 2000, certificate D-1001 will now be used and retired.

Discrete Emission Credit / Emission Reduction Credit Use

Certificate(s) to be used	D-1001
Pollutant	VOC
Amount	2.0 tons
Regulation	30 TAC §115.421(a)(9)(A)(iii)
Use period/Use Date	January 1, 2000 through December 31, 2000

Emission Reduction Credit Re-review

DERCs are not subject to devaluation.

Credit Use Calculation Methods

Industrial Metal Finishing submitted yearly usage, in gallons, and the emission rate, in lbs/gallon, for each coating. DERC use was calculated by taking the difference between the actual emissions and the regulatory limit emissions. 2051 gallons of coating were used, with a weighted emission rate of 4.36 lbs/gallon.

$$\begin{aligned}\text{DERC use} &= (2051 \text{ gal} \times 4.36 \text{ lb/gal}) - (2051 \text{ gal} \times 3.50 \text{ lb/gal}) \\ \text{DERC use} &= 1763.9 \text{ lbs VOC} = 0.88 \text{ tons VOC} = 1.0 \text{ tons VOC}\end{aligned}$$



The DERC use was rounded up to the nearest ton, with a 10% environmental contribution of 0.09 tons rounded up to 1 ton, bringing a total DERC use requirement of 2 tons.

**DISCRETE EMISSION CREDITS/EMISSION CREDIT USE
TECHNICAL REVIEW**

Regulated Entity Number: NA
Page 2

Conclusion:

Industrial Metal Finishing Company Inc. has satisfied the requirements of 30 TAC Chapter 101, Subchapter H, Division 4. Industrial Metal Finishing used 2.0 tons of VOC DERCs in compliance with 30 TAC §115.421(a)(9)(A)(iii), as was previously authorized by submitting a Form DEC-2. DERC Certificate D-1001 has been used and is now retired.

 _____ Project Reviewer	<u>4/27/04</u> _____ Date	 _____ Team Leader/Section Manager/Backup	<u>4/30/04</u> _____ Date
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Industrial Metal Finishing Co.

4200 Perry St. • Houston, Texas 77021 • (713) 747-6700 • Fax (713) 747-7857
Toll Free (888) 747-6700

March 30, 2004

Aaron Hutchinson
TCEQ
Air Permits Division (MC-163)
P.O. Box 13087
Austin, TX 78711-3087

RECEIVED

APR 02 2004

AIR PERMITS DIVISION

Re: DERC Certificate #D-1001

Dear Sir:

Enclosed is the certificate issued to us last year. Please process and use as needed for year 2003 and return to us the remainder. As we discussed, we purchased four (4) additional tons of DERC's that you should be receiving. I assume that a certificate will be sent to us and as we use them, we will send you the certificate each year and the remainder certificate will be issued back to us.

Thank you for your help in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bruce Loeser', is written over the typed name.

Bruce Loeser
Vice President
IMFCO

Note: Enclosed is a copy of a letter sent to you in 2001.



Industrial Metal Finishing Co.

4200 Perry St. • Houston, Texas 77021 • (713) 747-6700 • Fax (713) 747-7857
Toll Free (888) 747-6700

February 2, 2001

Mr. Jeffery Saitas, P.E.
Executive Director
TNRCC
P. O. Box 13087
Austin, Texas 78711-3087

Re: Account HG-0398-E – DERC Report for 2000

Dear Sir,

Industrial Metal Finishing files this report to comply with 30 TAC § 101.29. In calendar year 2000 a total of 2051 gallons of coating were sprayed. Breakdown as follows:

	<u>Gallons</u>	<u>Voc #/gal</u>	<u>Voc lbs</u>
Water Borne	1260	3.3	4158
Teflon/Xylan (PTFE Type)	471	5.9	2779
Moly (Dry Film Lube)	131	6.8	891
Epoxy/Polyurethane	104	5.3	551
Misc. Paints/Mil. Spec.	<u>85</u>	<u>6.7</u>	<u>570</u>
Totals	2051 gallons		8949 lbs

Weighted Average 4.36 #/gal.

DERC calculation

2051 gallons X 4.36 VOC = 8949 # Total VOC.

2051 gallons X 3.5 # = 7178 # Allowed VOC.

DERC use = 1771 #

Rounded up to Tons 1 Ton
Environmental Contribution 1 Ton
2 Tons

Please use number 3 and 4 from our bank.

Sincerely,

Bruce Loeser

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APR 02 2004

AIR PERMITS DIVISION



Form DEC-3 (Page 1)
Notice of Use of Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.374)

UPDATE: The TNRCC is now requiring all applications to be accompanied by the new TNRCC CORE Data Form located at: <http://www.tnrcc.state.tx.us/permitting/projects/cr/index.html>.

A notice of use must be submitted to the Texas Natural Resource Conservation Commission (TNRCC) DERC Registry in accordance with the following requirements:

I. COMPANY IDENTIFYING INFORMATION

A. Company Name: INDUSTRIAL METAL FINISHING CO INC

B. Owner or Operator of User Source: SAME

C. Plant/Site Name:

D. Street Address: 4200 PERRY ST.

E. Nearest City: HOUSTON

F. Zip Code: 77021

G. County: HARRIS

H. Primary SIC: 3471

I. TNRCC Account No.: 31514

J. Air Permit No.: HIG-0398-E

K. Telephone: (713) 747-6700

L. Fax: (713) 747-7857

M. Mailing Address: SAME

City:

State:

Zip Code:

II. TECHNICAL CONTACT IDENTIFYING INFORMATION

A. Technical Contact Name: (☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.) BRUCE LOESER

B. Technical Contact Title: VICE PRESIDENT

C. Telephone: X 22

D. Fax:

E. E-Mail:

F. Mailing Address:

G. City:

State:

Zip Code:

III. STATE AND FEDERAL REQUIREMENTS

Applicable State and Federal requirements that the DERCs were used for compliance:

30 TAC §115.421 (a) (9) (A) (111)

IV. USE PERIOD

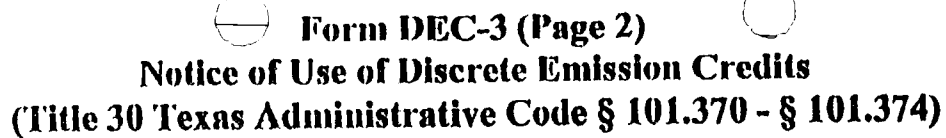
Use Start Date 01/01/2000

Use End Date 12 / 31 / 2000

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[illegible]

APR 02 2004

AIR PERMITS DIVISION



Form DEC-3 (Page 3)
Notice of Use of Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.374)

VI. MOST STRINGENT EMISSION RATE

Describe basis for most stringent allowable emission rate: G Permit _____ G RACT _____ G Other: _____

Notes:

3.5 #/GAL VOC

VII. PROTOCOL

Protocol used to calculate DERC:

Note: Attach the actual calculations that were used to determine the amounts of DERCs needed to this form

SEE ATTACHED

VIII. TOTAL DERCs USED (round up to the nearest ton)

Tons of DERCs required (from Sect. VI.)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: <u>1</u>
Environmental Contribution (+ 10%)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: <u>1</u>
Compliance Margin (+ 5%) (If DERCs requires > 10 tons)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Offset Ratio (if required)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs Used	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: <u>2</u>

RECEIVED

APR 02 2004

AIR PERMITS DIVISION



Form DEC-3 (Page 4)
Notice of Use of Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.374)

IX. DERC INFORMATION

Name of the DERC Generator: _____
DERC Generator Account Number: _____
Serial numbers of the DERCs used: 3 AND 4 FROM OUR BANK

Note: The serial numbers are assigned by the TNRCC


X. PURCHASE DATES AND PRICES

Date on which the DERCs were acquired or registered: 1 / 1

Price of the DERCs acquired: \$3000.00 per ton (Required)

XI. CERTIFICATION BY RESPONSIBLE OFFICIAL

I, BRUCE LOESER, hereby certify, to the best of my knowledge and belief, that this application is correct and the use strategy claimed on this notice has met the requirements of all applicable state and federal rules and regulations.

Signature  Signature Date 2/2/01

Title VICE PRESIDENT

Mail application to:
Emission Banking and Trading Program
TNRCC MC 162
PO BOX 13087
AUSTIN, TX 78711-3087