

08/30/2007 ----- EBTP IMS- PROJECT RECORD -----

AIR DERC_102205820-400431_
USE_20091216_Use_D1210PROJECT#: 400431
RECEIVED: 01/17/2006STATUS: P
PROJTYPE: BDIUDISP CODE: C
ISSUED DT:
SUP-DISP DATE: 12/16/09STAFF ASSIGNED TO PROJECT:
HUDDLESON, TODD

PROJECT TRANSACTIONS**COMPANY DATA**COMPANY NAME: INDUSTRIAL METAL FINISHING COMPANY INC
CUSTOMER REGISTRY ID: CN600257018**PORTFOLIO DATA**

NUMBER: P0365 NAME: INDUSTRIAL METAL FINISHERS HG0398E

SITE DATAACCOUNT:
HG0398E

REG ENTITY ID: RN102205820

SITE NAME: INDUSTRIAL METAL FINISHNG

COUNTY: HARRIS

NEAREST CITY: HOUSTON

LOCATION: 4200 PERRY STREET, HOUSTON, TX

CONTACT DATA

NAME: BRUCE LOESER

TITLE: VICE PRESIDENT

STREET: 4200 PERRY STREET CITY/STATE, ZIP: HOUSTON, TX , 77021-0

PHONE: 713-747-6700 ext 0

FAX: 713-747-7857 ext 0

TRANSACTION DATA

TRANSACTION TYPE: DERC_INTEN

DATE ENTERED: 2006-02-10 00:00:00.0

CONTAMINATE: HAP

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 0.90

DOLLARS:

CERTIFICATE NO.: D1210 COUNTY : HARRIS

TRANSACTION DATA

TRANSACTION TYPE: DERC_RET

DATE ENTERED: 2006-02-10 00:00:00.0

CONTAMINATE: HAP

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 2.50

DOLLARS: 0

CERTIFICATE NO.: D2223 COUNTY : HARRIS

TRACKING ACTIVITESTR - ENGINEER RECEIVE
PROJECT :

02/15/2006

TR - PROJ TECH
COMPLETE :

08/30/2007 FA - PROJECT ISSUED :

TR - DATE SUP/MNGR
REQ ADDL TR :TR - SUP/MANGR
APP/RVW RQSTD :

AUG 30 2007



Form DEC-2 (Page 1)
Notice of Intent To Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

AIR QUALITY
PLANNING

I. Company Identifying Information			
A. Company Name: INDUSTRIAL METAL FINISHING CO., INC.			
Mailing Address: 4200 PERRY STREET			
City: HOUSTON	State: TEXAS	Zip Code: 77021	
Telephone: 713-747-6700		Fax: 713-747-7857	
B. TCEQ Customer Number (CN): 600257018			
C. Site Name: SAME			
Street Address: (if no street address, give driving directions to site) SAME			
Nearest City: SAME	Zip Code: SAME	County: HARRIS	
D. TCEQ Regulated Entity Number (RN): 102205820			
E. TCEQ Air Account Number: (if applicable) HG-0398-E			
F. Primary SIC: 3471		Air Permit Number:	
II. Technical Contact Identifying Information			
A. Technical Contact Name: (<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.) BRUCE LOESER			
Technical Contact Title: VICE PRESIDENT			
Mailing Address: SAME			
City: SAME	State: SAME	Zip Code: SAME	
Telephone: SAME	Fax: SAME	E-mail: bruce@imf-co.com	
III. Mass Emission Cap and Trade Program (MECT)			
Is the DERC use for compliance with 30 TAC Chapter 101 Subchapter H, Division 3? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
Year DERC Generated: _____ Year of Use: _____ Ratio of DERC to Allowance: _____ to _____			
<i>Note: If DERC use is to comply with MECT then go to Section IX</i>			
IV. Intended Use Period			
Intended Use Start Date <u>1/ 1/ 06</u>		Intended Use End Date <u>12/31/ 06</u>	

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Form DEC-2 (Page 2)
Notice of Intent To Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

V. State and Federal Requirements

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

VI. Most Stringent Emission Rate

Describe basis for most stringent allowable emission rate:

☐ Permit _____ ☒ RACT §115 ☐ Other: _____

Notes:

Continue to Section VII (next page)



Form DEC-2 (Page 3)
Notice of Intent To Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

VII. Tons of DERCS Required									
Emission Point No.	FIN	Air Contaminant	Calculation of DERCs						
			Expected Activity (units)	Expected Emission Rate (units)	Expected Total Emissions (tons)	Regulated Activity (units)	Regulated Emission Rate (units)	Regulated Total Emissions (tons)	DERCs (tons)
PS-1	PS-1	VOC	2000 GAL	4.3#/GAL	4.3	2000 GAL	3.5#/GAL	3.5	.8
Total:								8	8

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 AUG 30 2007
 Page 3 of 5
 TCEQ

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AIR QUALITY
FILE



Form DEC-2 (Page 4)
Notice of Intent To Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

VIII. 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 PRIOR YEAR

IX. Total DERCs Required for Use (round up to the nearest tenth of a ton)

Tons of DERCs required (from Sect. VII.)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: <u>.8</u>
Offset Ratio (if required)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Environmental Contribution (+ 10%)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: <u>.1</u>
Compliance Margin (+ 5%) (If DERC use requires > 10 tons)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs	CO: _____	NO_x: _____	PM₁₀: _____	SO₂: _____	VOC: <u>.9</u>

X. DERC Information

Name of the DERC Generator: INTERCONTINENTAL TERMINALS

DERC Generator Regulated Entity Number: _____

Certificate number of the DERCs acquired or to be acquired: 1-10

Note: The certificate number is assigned by the TCEQ

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AIR QUALITY
PLU 3110

Form DEC-2 (Page 5)
Notice of Intent To Use Discrete Emission Reduction Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

XI. Purchase Date and PriceDate on which the DERCs were acquired or will be acquired: 8 / 1 / 98Price or expected price of the DERCs: \$ 3000 .00 per ton (Required)**XII. 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. I further state that to the best of my knowledge and belief the information in this certification is not in any way in violation of 30 TAC, Subchapter H, Division 4, §101.370-101.379 or any applicable air quality rule or regulation of the Texas Commission on Environmental Quality and that intentionally or knowingly making or causing to be made false material statements or representations in this certification is a CRIMINAL OFFENSE subject to criminal penalties. I hereby also waive the Federal statute of limitations defense in regards to the generation and use of discrete emission credits.

Signature _____

A handwritten signature in dark ink, appearing to read "Bruce Loeser", is written over a horizontal line.

Signature Date _____

8/27/07

Title _____

VICE PRESIDENT

Mail application to:
Emission Banking and Trading Program
TCEQ MC-206
PO BOX 13087
AUSTIN, TX 78711-3087

<<Prev Rule

Texas Administrative Code

Next Rule>>

TITLE 30**ENVIRONMENTAL QUALITY****PART 1****TEXAS COMMISSION ON ENVIRONMENTAL QUALITY****CHAPTER 115****CONTROL OF AIR POLLUTION FROM VOLATILE ORGANIC COMPOUNDS****SUBCHAPTER E****SOLVENT-USING PROCESSES****DIVISION 2****SURFACE COATING PROCESSES****RULE §115.421****Emission Specifications**

(a) No person in the Beaumont/Port Arthur, Dallas/Fort Worth, El Paso, and Houston/Galveston areas as defined in §115.10 of this title (relating to Definitions) may cause, suffer, allow, or permit volatile organic compound (VOC) emissions from the surface coating processes affected by paragraphs (1) - (15) of this subsection to exceed the specified emission limits. These limitations are based on the daily weighted average of all coatings delivered to each coating line, except for those in paragraph (10) of this subsection which are based on paneling surface area, and those in paragraph (14) of this subsection which, if using an averaging approach, must use one of the daily averaging equations within that paragraph. The owner or operator of a surface coating operation subject to paragraph (11) of the subsection may choose to comply by using the monthly weighted average option as defined in §115.420(b)(1)(XX) of this title (relating to Surface Coating Definitions).

(1) Large appliance coating. VOC emissions from the application, flashoff, and oven areas during the coating of large appliances (prime and topcoat, or single coat) shall not exceed 2.8 pounds per gallon of coating (minus water and exempt solvent) delivered to the application system (0.34 kg/liter).

(2) Metal furniture coating. VOC emissions from metal furniture coating lines (prime and topcoat, or single coat) shall not exceed 3.0 pounds per gallon of coating (minus water and exempt solvent) delivered to the application system (0.36 kg/liter).

(3) Coil coating. VOC emissions from the coating (prime and topcoat, or single coat) of metal coils shall not exceed 2.6 pounds per gallon of coating (minus water and exempt solvent) delivered to the application system (0.31 kg/liter).

(4) Paper coating. VOC emissions from the coating of paper (or specified tapes or films) shall not exceed 2.9 pounds per gallon of coating (minus water and exempt solvent) delivered to the application system (0.35 kg/liter).

(5) Fabric coating. VOC emissions from the coating of fabric shall not exceed 2.9 pounds per gallon of coating (minus water and exempt solvent) delivered to the application system (0.35 kg/liter).

(6) Vinyl coating. VOC emissions from the coating of vinyl fabrics or sheets shall not exceed 3.8 pounds per gallon of coating (minus water and exempt solvent) delivered to the application system (0.45 kg/liter). Plastisol coatings should not be included in calculations.

(7) Can coating. The following VOC emission limits shall be achieved, on the basis of solvent content per gallon of coating (minus water and exempt solvent) delivered to the application system:

Attached Graphic

(8) Vehicle coating.

(A) The following VOC emission limits shall be achieved for all automobile and light-duty truck manufacturing, on the basis of solvent content per gallon of coating (minus water and exempt solvents) delivered to the application system or for primer surfacer and top coat application, compliance may be demonstrated on the basis of VOC emissions per gallon of solids deposited as determined by §115.425 (3) of this title (relating to Testing Requirements).

Attached Graphic

(B) VOC emissions from the coatings or solvents used in vehicle refinishing (body shops) shall not exceed the following limits, as delivered to the application system:

(i) 5.0 pounds per gallon (0.60 kg/liter) of coating (minus water and exempt solvent) for primers or primer surfacers;

(ii) 5.5 pounds per gallon (0.66 kg/liter) of coating (minus water and exempt solvent) for precoat;

(iii) 6.5 pounds per gallon (0.78 kg/liter) of coating (minus water and exempt solvent) for pretreatment;

(iv) 5.0 pounds per gallon (0.60 kg/liter) of coating (minus water and exempt solvent) for single-stage topcoats;

(v) 5.0 pounds per gallon (0.60 kg/liter) of coating (minus water and exempt solvent) for basecoat/clearcoat systems;

(vi) 5.2 pounds per gallon (0.62 kg/liter) of coating (minus water and exempt solvent) for three-stage systems;

(vii) 7.0 pounds per gallon (0.84 kg/liter) of coating (minus water and exempt solvent) for specialty coatings;

(viii) 6.0 pounds per gallon (0.72 kg/liter) of coating (minus water and exempt solvent) for sealers; and

(ix) 1.4 pounds per gallon (0.17 kg/liter) of wipe-down solutions.

(C) Additional control requirements for vehicle refinishing (body shops) are referenced in §115.422 of this title (relating to Control Requirements).

(9) Miscellaneous metal parts and products (MMPP) coating.

(A) VOC emissions from the coating of MMPP shall not exceed the following limits for each surface coating type:

(i) 4.3 pounds per gallon (0.52 kg/liter) of coating (minus water and exempt solvent) delivered to the application system as a clear coat; or as an interior protective coating for pails and drums;

(ii) 3.5 pounds per gallon (0.42 kg/liter) of coating (minus water and exempt solvent) delivered to the application system as a low-bake coating; or that utilizes air or forced air driers;

(iii) 3.5 pounds per gallon (0.42 kg/liter) of coating (minus water and exempt solvent) delivered to the application system as an extreme performance coating, including chemical milling maskants; and

(iv) 3.0 pounds per gallon (0.36 kg/liter) of coating (minus water and exempt solvent) delivered to the application system for all other coating applications, including high-bake coatings, that pertain to MMPP.

(B) If more than one emission limitation in subparagraph (A) of this paragraph applies to a specific coating, then the least stringent emission limitation shall apply.

(C) All VOC emissions from non-exempt solvent washings shall be included in determination of compliance with the emission limitations in subparagraph (A) of this paragraph unless the solvent is directed into containers that prevent evaporation into the atmosphere.

(10) Factory surface coating of flat wood paneling. The following emission limits shall apply to each product category of factory-finished paneling (regardless of the number of coats applied):

Attached Graphic

(11) Aerospace coatings. The VOC content of coatings, including any VOC-containing materials added to the original coating supplied by the manufacturer, which are applied to aerospace vehicles or components shall not exceed the following limits (in grams of VOC per liter of coating, less water and exempt solvent). The following applications are exempt from the VOC content limits of this paragraph: manufacturing or re-work of space vehicles or antique aerospace vehicles or components of each; touchup; United States Department of Defense classified coatings; and separate coating formulations in volumes less than 50 gallons per year to a maximum of 200 gallons per year for all such formulations at an account.

(A) For the broad categories of primers, topcoats, and chemical milling maskants (Type I/II) which are not specialty coatings as listed in subparagraph (B) of this paragraph:

(i) primer, 350;

(ii) topcoats (including self-priming topcoats), 420; and

(iii) chemical milling maskants:

(I) Type I, 622; and

(II) Type II, 160.

(B) For specialty coatings:

Attached Graphic

(12) Surface coating of mirror backing.

(A) VOC emissions from the coating of mirror backing shall not exceed the following limits for each surface coating application method:

(i) 4.2 pounds per gallon (0.50 kg/liter) of coating (minus water and exempt solvent) delivered to a curtain coating application system; and

(ii) 3.6 pounds per gallon (0.43 kg/liter) of coating (minus water and exempt solvent) delivered to a roll coating application system.

(B) All VOC emissions from solvent washings shall be included in determination of compliance with the emission limitations in subparagraph (A) of this paragraph, unless the solvent is directed into containers that prevent evaporation into the atmosphere.

(13) Surface coating of wood parts and products.

(A) In the Dallas/Fort Worth, El Paso, and Houston/Galveston areas, VOC emissions from the coating of wood parts and products shall not exceed the following limits, as delivered to the application system, for each surface coating type:

(i) 5.9 pounds per gallon (0.71 kg/liter) of coating (minus water and exempt solvent) for clear topcoats;

(ii) 6.5 pounds per gallon (0.78 kg/liter) of coating (minus water and exempt solvent) for wash coats;

(iii) 6.0 pounds per gallon (0.72 kg/liter) of coating (minus water and exempt solvent) for final repair coats;

(iv) 6.6 pounds per gallon (0.79 kg/liter) of coating (minus water and exempt solvent) for semitransparent wiping and glazing stains;

(v) 6.9 pounds per gallon (0.83 kg/liter) of coating (minus water and exempt solvent) for semitransparent spray stains and toners;

(vi) 5.5 pounds per gallon (0.66 kg/liter) of coating (minus water and exempt solvent) for opaque ground coats and enamels;

(vii) 6.2 pounds per gallon (0.74 kg/liter) of coating (minus water and exempt solvent) for clear sealers;

(viii) for shellac:

(I) 5.4 pounds per gallon (0.65 kg/liter) of coating (minus water and exempt solvent) for clear shellac; and

(II) 5.0 pounds per gallon (0.60 kg/liter) of coating (minus water and exempt solvent) for opaque shellac;

(ix) 5.0 pounds per gallon (0.60 kg/liter) of coating (minus water and exempt solvent) for varnish;

and

(x) 7.0 pounds per gallon (0.84 kg/liter) of coating (minus water and exempt solvent) for all other coatings.

(B) All VOC emissions from solvent washings shall be included in determination of compliance with the emission limitations in subparagraph (A) of this paragraph, unless the solvent is directed into containers that prevent evaporation into the atmosphere.

(C) The requirements of §115.423(3) of this title (relating to Alternate Control Requirements) do not apply at wood parts and products coating facilities if:

(i) a vapor control system is used to control emissions from wood parts and products coating operations; and

(ii) all wood parts and products coatings comply with the emission limitations in subparagraph (A) of this paragraph.

(14) Surface coating at wood furniture manufacturing facilities. The following requirements apply to wood furniture manufacturing facilities in the Beaumont/Port Arthur, Dallas/Fort Worth, El Paso, and Houston/Galveston areas. For facilities which are subject to this paragraph, adhesives are not considered to be coatings or finishing materials.

(A) VOC emissions from finishing operations shall be limited by:

(i) using topcoats with a VOC content no greater than 0.8 kilograms of VOC per kilogram of solids (0.8 pounds of VOC per pound of solids), as delivered to the application system; or

(ii) using a finishing system of sealers with a VOC content no greater than 1.9 kilograms of VOC per kilogram of solids (1.9 pounds of VOC per pound of solids), as applied, and topcoats with a VOC content no greater than 1.8 kilograms of VOC per kilogram of solids (1.8 pounds of VOC per pound of solids), as delivered to the application system; or

(iii) for wood furniture manufacturing facilities using acid-cured alkyd amino vinyl sealers or acid-cured alkyd amino conversion varnish topcoats, using sealers and topcoats which meet the following criteria:

(I) if the wood furniture manufacturing facility uses acid-cured alkyd amino vinyl sealers and acid-cured alkyd amino conversion varnish topcoats, the sealer shall contain no more than 2.3 kilograms of VOC per kilogram of solids (2.3 pounds of VOC per pound of solids), as applied, and the topcoat shall contain no more than 2.0 kilograms of VOC per kilogram of solids (2.0 pounds of VOC per pound of solids), as delivered to the application system; or

(II) if the wood furniture manufacturing facility uses a sealer other than an acid-cured alkyd amino vinyl sealer and acid-cured alkyd amino conversion varnish topcoats, the sealer shall contain no more than 1.9 kilograms of VOC per kilogram of solids (1.9 pounds of VOC per pound of solids), as applied, and the topcoat shall contain no more than 2.0 kilograms of VOC per kilogram of solids (2.0 pounds of VOC per pound of solids), as delivered to the application system; or

(III) if the wood furniture manufacturing facility uses an acid-cured alkyd amino vinyl sealer and a

topcoat other than an acid-cured alkyd amino conversion varnish topcoat, the sealer shall contain no more than 2.3 kilograms of VOC per kilogram of solids (2.3 pounds of VOC per pound of solids), as applied, and the topcoat shall contain no more than 1.8 kilograms of VOC per kilogram of solids (1.8 pounds of VOC per pound of solids), as delivered to the application system; or

(iv) using an averaging approach and demonstrating that actual daily emissions from the wood furniture manufacturing facility are less than or equal to the lower of the actual versus allowable emissions using one of the following inequalities:

Attached Graphic

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List of Titles

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Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 17, 2009

Mr. Bruce Loeser
Vice President
Industrial Metal Finishing Company, Inc.
6620 Cypresswood Drive, Suite 200
Spring, Texas 77379

Re: Notice of Intent to Use Discrete Emission Credits
Industrial Metal Finishing
Houston, Harris County
Regulated Entity Number: RN102205820
Customer Reference Number: CN600257018
Account Number: HG-0398-E

Dear Mr. Loeser:

This letter is in response to your Form DEC-2 (Notice of Intent to Use Discrete Emission Credits), dated December 30, 2005, for compliance with Title 30 Texas Administrative Code Chapter 115 (30 TAC Chapter 115). We understand you plan to use 0.9 ton of hazardous air pollutant (HAP) discrete emission credits for the purposes of compliance with volatile organic compounds content limits of 30 TAC § 115.421(a)(9)(A)(iii).

We have reviewed your application and have found that the notice and the credits to be used meets the requirements of 30 TAC §§ 101.370 - 101.379. A Form DEC-3, entitled "Notice of Use of Discrete Emission Credits," must be submitted within 90 days of the end of the use period.

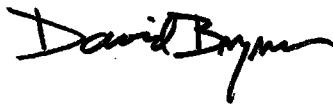
Enclosed is a copy of Discrete Emissions Reduction Credits (DERC) Certificate Number D-2224 issued to Industrial Metal Finishing, for the remaining 1.6 tons of HAP discrete emission credits from DERC Certificate Number D-2223. This certificate has been deposited into the Texas Commission on Environmental Quality (TCEQ) Discrete Emission Credits Registry. This certificate may be transferred or sold to another owner per the requirements of 30 TAC §§ 101.370 through 101.379.

Mr. Bruce Loeser
Page 2
December 17, 2009

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. Todd Huddleson at (512) 239-1105, or write to the Texas Commission on Environmental Quality, Chief Engineer's Office, Air Quality Division (MC-206), P.O. Box 13087, Austin, Texas 78711-3087.

This action is taken under authority delegated by the Executive Director of the TCEQ.

Sincerely,

A handwritten signature in black ink, appearing to read "David Brymer". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Brymer".

David Brymer, Director
Air Quality Division
Texas Commission on Environmental Quality

DB/TH/rj

cc: Air Section Managers, Region 12 - Houston
Director, Harris County Public Health & Environmental Services, Pollution Control
Department, Pasadena
Mr. Arturo Blanco, Bureau Chief, Bureau of Air Quality Control, Health and Human
Services Department, City of Houston

Project Number: 401264

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

D-2224



Number of Credits:

1.6 tons HAP

Discrete Emission Reduction Credit Certificate

This certifies that

*Industrial Metal Finishing Company, Inc.
6620 Cypresswood Dr., Ste 200
Spring, Texas 77379*

is the owner of 1.6 tons of hazardous air pollutant (HAP) 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: January 31, 1995 to December 31, 1997

Generator Regulated Entity No.: RN100210806

Generator Certificate: D-1124

County of Generation: Harris

December 17, 2009

Date

A handwritten signature in black ink, appearing to read "Mark V. Vitek".

For the Commission

DISCRETE EMISSION CREDITS/EMISSION CREDIT USE TECHNICAL REVIEW

Project No.:	400431	Customer Reference No.:	CN600257018
Project Type:	BDIU	Regulated Entity No.:	RN102205820
Company:	Industrial Metal Finishing Company Inc	Facility Name:	Industrial Metal Finishing
City:	Houston	County:	Harris
Project Reviewer:	Todd Huddleson	Portfolio Name:	Industrial Metal Finishers Hg0398e

Project Overview

Industrial Metal Finishing (IMF) Company has submitted a Form DEC-2, "Notice of Intent to Use Discrete Emission Credits," dated December 30, 2005. This intent is a continuation of DERC use at this site. IMF has on file DERC certificate number D-1210, valued at 3.4 tons of VOC-HAP, which has been identified to support this intent to use.

Discrete Emission Credit / Emission Reduction Credit Use

Discuss reason for use.

IMF uses coating products which exceed the VOC limits imposed in 30 TAC § 115.421(a)(9)(A)(iii), which refers to coatings used within the miscellaneous metal parts and products (MMPP) industry. In order to comply with this regulation, IMF has used DERCs to cover the difference between the VOC content to IMF's coatings and the regulatory VOC content.

For the year 2006, IMF intends to use 2,000 gallons of coatings with a VOC content of 3.5 lb/gal. When subtracted from the regulatory rate, IMF intends to use 0.8 ton of DERCs for compliance. An environmental contribution of 10%, or 0.08 tons, is also required for this intent. Therefore, a total of 0.9 ton of DERCs will be held under this intent.

IMF has submitted DERC certificate number D-1210, valued at 3.4 tons of VOC-HAP DERCs. A remainder of 2.5 tons of VOC-HAP DERCs will be reissued to IMF under DERC certificate number D-2223.

Certificate(s) to be used	D-1210
Pollutant	VOC-HAP
Amount	0.9 ton
Regulation	115.421(a)(9)(A)(iii)
Use period/Use Date	January 1, 2006 - December 31, 2006

Credit Use Calculation Methods

Discuss calculation method for use

The amount of DERCs required to meet compliance with a regulatory rate can be found in 30 TAC § 101.376(d)(2)(B), and is as follows:

$$\text{DERC} = \text{ELA} \times (\text{EER} - \text{RER})$$

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

Regulated Entity Number: RN102205820

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where ELA is the expected level of activity, EER is the expected emission rate, and RER is the regulatory emission rate. In this case, the expected level of activity is 2,000 gallons, the expected emission rate is 4.3 lb/gal, and the regulatory emission rate from 30 TAC § 115.421(a)(9)(A)(iii) is 3.5 lb/gal. Therefore:

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. 2000 gallons of coating were used, with a weighted emission rate of 4.3 lbs/gallon.


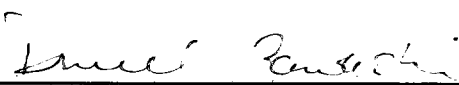
$$\text{DERC use} = 2000 \text{ gal} \times (4.3 \text{ lb/gal} - 3.5 \text{ lb/gal})$$

$$\text{DERC use} = 1,600 \text{ lbs VOC} = 0.8 \text{ tons VOC}$$

A 10% environmental contribution rounded up to 0.1 ton, bringing a total DERC use requirement of 0.9 ton.

Conclusion:

Industrial Metal Finishing Co. has accurately estimated the required DERCs for compliance with 30 TAC § 115.421 for the 2005 calendar year. The 0.9 ton of VOC-HAP DERCs will be held under this intent. The remainder of 2.5 tons will be retained by Industrial Metal Finishing, and reissued under DERC Certificate Number D-2223.

	<u>12/9/09</u>		
Project Reviewer	Date	Team Leader/Section Manager/Backup	Date