

AIR DERC_100225945-61373_
CE_19980917_Certification_91-10131

07/20/2011 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 61373 STATUS: C DISP CODE: _____
RECEIVED: 09/11/1998 PROJTYPE: BDRC ISSUED DT: _____
SUP-DISP DATE: 09/17/1998

PROJECT TRANSACTIONS**COMPANY DATA**

COMPANY NAME: THE DOW CHEMICAL COMPANY
CUSTOMER REGISTRY ID: CN600356976

PORTFOLIO DATA

NUMBER: P0182 NAME: DOW TEXAS OPERATIONS FREEPORT - RN100225945

SITE DATA

ACCOUNT:
BL0082R

REG ENTITY ID: RN100225945

SITE NAME: DOW TEXAS OPERATIONS FREEPORT

COUNTY: BRAZORIA

NEAREST CITY: FREEPORT

LOCATION: 2301 N BRAZOSPORT BLVD, STE B1226,
FREEPORT (HWY 288)

CONTACT DATA

NAME: STEVE KILPATRICK

TITLE: EH&S REGULATORY AFFAIRS LEADER

STREET: 2301 N BRAZOSPORT BLVD CITY/STATE, ZIP: FREEPORT, TX , 77541-3257

PHONE: 512-999-9999 ext 9

TRANSACTION DATA

TRANSACTION TYPE: DERC_GEN

DATE ENTERED:

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: NOX

TONS: 10041.00

DOLLARS: 0

ALLOWANCE0

CERTIFICATE NO.: 91-10131 COUNTY : BRAZORIA

DERC Notice of Intent to Use Generation TECHNICAL REVIEW

Permit No: M	Generating Company: Dow Chemical Company	
Project Type: DERC	Use Company: Ford Motor Company	
Record No: 61373, 61407	City: Freeport	
Account No: BL-0082-R	County: Brazoria	

AUTHORIZATION CHECKLIST (any "Yes" requires signature by Executive Director):

Will a new policy/precedent be established?
 Was at least one public hearing request received?
 Is a state or local official opposed to the permit?
 Is waste or tire derived fuel involved?
 Are waste management facilities involved?

No
No
No
No
No

PROJECT OVERVIEW - Generation

Dow Chemical Company has registered discrete emission reduction credits (DERCs) for the emission reduction associated with the shutdown of 4 turbines: two Westinghouse 501 AA gas turbines, and two Westinghouse 501A gas turbines.

Dow has correctly calculated their baseline activity rate based on two years of actual throughput data for the years 1992 and 1993. The Baseline Activity (BA) in terms of MMBTU is 20,107,980 MMBTU per year. Baseline emissions of NOx were reduced for turbines GT-1, and GT-2 because the actual emissions exceeded the rate reported in the 1990 and 1993 emission inventories. The Baseline Emission Rate (BER) is based on test data for the turbines. A weighted average of 0.357 lbs/MMBTU was used as the BER. Because the production of steam shifted to new gas turbines, the amount of credit from the shutdown was reduced using the new turbines activity level and emission rates as the strategic activity (SA) and the strategic emission rate (SER). Strategic activities are provided for November 1, 1994 - December 31, 1997. The total DERCs calculated are 10,041 tons. See attached calculation for details.

DERC Serial Nos. 91-10131 were certified through this notice of generation.

Intent to Use

The Ford Motor company has purchased 200 tons of DERCs from the Dow Chemical Company to satisfy a consent decree whereby Ford has agreed to retire a total of 2,500 tons of NOx emissions. Pursuant to the decree, 170 tons will be retired from Texas.

The distribution of credits is:

D-1003:	The Dow Chemical Co.	7,841.0 tons	Nox	
D-1004:	Naturvae, L.L.C.	2,000.0 tons	Nox	
9932 - 10101:	Ford Motor Co.	170.0 tons	Nox	
10102 - 10101:	"	10.0 tons	Nox	
10112 - 10101:	"	20.0 tons	Nox	
		1 10,041 tons Nox		

New Source Analysis & Technical Review

DERC Intent to Use

Account No. HG-0398-E

Serial Numbers	Quantity (tons, NOx)	Use	Reference
9932 - 10101	170 tons	Available to satisfy Ford's consent decree	Notice of Intent to Use
10102 - 10111	10 tons	Reserved as compliance margin credits	30 TAC 101.29(d)(4)(E)(iv)
10112-10131	20 tons	Retired as environmental contribution	30 TAC 101.29(d)(4)(E)(iii)

Since the credits are not being used to satisfy any TNRCC regulation, no further review is required.

Reviewing Engineer Date

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Revised 02-11-98

Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
John M. Baker, *Commissioner*
Jeffrey A. Saitas, *Executive Director*



TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Protecting Texas by Reducing and Preventing Pollution

December 31, 2000

Mr. Christopher Mudd
Senior Commercial Manager
The Dow Chemical Company
P.O. Box 3387
Houston, Texas 77253

Re: Transfer of Discrete Emission Reduction
Credits to Natsource, LLC

Dear Mr. Mudd:

This letter is in response to a notice received from Dow Chemical Company dated November 22, 2000 regarding the transfer of Discrete Emission Reduction Credits (DERCs). We understand that Dow Chemical Company has transferred a total amount of 2,000 tons of nitrogen oxide (NO_x) DERCs to Natsource, LLC.

The TNRCC Discrete Emission Reduction Credit Registry now reflects Natsource, LLC as owner of 2,000 tons of NO_x DERCs with Dow Chemical retaining ownership of 7,841 tons of NO_x DERC credits. These credits may be transferred or sold to another owner located within any county designated as attainment for ozone or within the Houston/Galveston nonattainment area. However, a completed and signed D-4, Application for Transfer of Discrete Emission Reduction Credits, must be submitted to the TNRCC Emissions Credit Bank when ownership of the credits changes.

Thank you for your cooperation in this matter. If you have questions concerning this transaction, call Mr. Cory Chism at (512) 239-0539. If you need further assistance regarding the banking program or future transactions, please call me at (512) 239-1091 or write to me at Texas Natural Resource Conservation Commission, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-162), P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

A handwritten signature in black ink, appearing to read "MB", followed by a horizontal line.

Matthew R. Baker
Emission Credit Trading Coordinator
Air Permits Division

MB/RC/jo

cc: Mr. Arturo Blanco, Air Program Manager, Region 12 - Houston

RCC

Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
John M. Baker, *Commissioner*
Jeffrey A. Saitas, *Executive Director*



TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Protecting Texas by Reducing and Preventing Pollution

December 31, 2000

Mr. David Oppenheimer
Natsource, LLC
140 Broadway, 30th Floor
New York, New York 10005

Re: Transfer of Discrete Emission Reduction
Credits from Dow Chemical Company

Dear Mr. Oppenheimer:

This letter is in response to a notice received from Dow Chemical Company dated November 22, 2000 regarding the transfer of Discrete Emission Reduction Credits (DERCs). We understand that Dow Chemical Company has transferred a total amount of 2,000 tons of nitrogen oxide (NO_x) DERCs to Natsource, LLC.

Natsource, LLC is now registered as owner of 2,000 tons of certified NO_x DERCs in the TNRCC Discrete Emission Reduction Credit Registry. These credits may be transferred or sold to another owner located within any county designated as attainment for ozone or within the Houston/Galveston nonattainment area. However, a completed and signed D-4, Application for Transfer of Discrete Emission Reduction Credits, must be submitted to the TNRCC Emissions Credit Bank when ownership of the credits changes.

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Matthew R. Baker
Emission Credit Trading Coordinator
Air Permits Division

MB/RC/jo

cc: Mr. Arturo Blanco, Air Program Manager, Region 12 - Houston



November 22, 2000

The Dow Chemical Company
400 West Sam Houston Pkwy. S
Houston, Texas 77042-1299

Chism

Mr. Cory Chisholm
Emission Credit Trading Coordinator
Office of Permitting, Remediation and Registration (MC-162)
Texas Natural Resource Conservation Commission
P.O. Box 13087
Austin, TX 78711-3087

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PAR SECTION

Dear Mr. Chisholm:

Per the attached Form D-4 "Application for Transfer of Discrete Emission Reduction Credits", the Dow Chemical Company hereby transfers to Natsource LLC, as agent for undisclosed buyer the quantity of 2,000 tons Discrete Emission Reduction Credits (DERCs) of oxides of nitrogen (NOx), log number 91 to 2090, as approved in a letter of the Texas Natural Resource Conservation Commission dated June 8, 2000. Please confirm receipt of this request and transfer of the credits.

Sincerely,

Chris Mudd

Christopher J. Mudd *tc*
Sr. Commercial Manager
(713) 978-3681

DEC 14 2000
AIR PERMITTING SECTION

cc: David Oppenheimer
James Davenport
Charles Sewell
Sandra Wehner

Natsource, LLC
Dow Chemical
Dow Chemical
Dow Chemical



Dow Hydrocarbons and Resources Inc.

P.O. Box 3387
Houston, Texas 77253-3387
400 West Sam Houston Pkwy. S
Houston, Texas 77042-1299

TELEFAX

cc: David Oppenheimer
NATSource
212-232-5353

PLEASE DELIVER TO THE FOLLOWING TO:

NAME: Cory ChisholmCOMPANY: TNRCCTELEFAX #: 512-239-1300FROM: Sandra Wehner, Contract AdministratorTotal # of pages including coversheet: 5DATE: 12-22-00 TIME: _____

If you do not receive all pages, or if transmission is not clear, please call:

Sandra Wehner
(713) 978-3667
swehner@dow.com

Telefax number is (713) 978-3690

We are transmitting this request that
we understand was not received in your
office. Please confirm receipt.

Thank you

Sandra Wehner

DOW

November 22, 2000

The Dow Chemical Company
400 West Sam Houston Pkwy. S
Houston, Texas 77042-1299

Mr. Cory Chisholm
Emission Credit Trading Coordinator
Office of Permitting, Remediation and Registration (MC-162)
Texas Natural Resource Conservation Commission
P.O. Box 13087
Austin, TX 78711-3087

Dear Mr. Chisholm:

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Sincerely,



Christopher J. Mudd
Sr. Commercial Manager
(713) 978-3681

cc: David Oppenheimer
James Davenport
Charles Sewell
Sandra Wehner

Natsource, LLC
Dow Chemical
Dow Chemical
Dow Chemical

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PERMITS PROGRAM



Form D-4 (Page 1)
Application for Transfer of Discrete Emission Reduction Credits
(Title 30 Texas Administrative Code § 101.29)

I. SELLER'S COMPANY IDENTIFYING INFORMATION

A. Company Name: THE DOW CHEMICAL COMPANY
 B. Owner or Operator of Generator Source: THE DOW CHEMICAL COMPANY
 C. Plant/Site Name: TEXAS OPERATIONS FACILITY / FREEPORT, TEXAS
 D. Street Address: 2301 BRAZOSPORT
 E. Nearest City: FREEPORT F. Zip Code: 77541
 G. County: BRAZORIA
 H. TNRCC Account No.: BL-0082-R
 I. Telephone: (713) 978-3681
 J. Mailing Address: P.O. BOX 3387 BIN 4C4
 K. City: HOUSTON State: TX Zip Code: 77253-3387

II. SELLER'S TECHNICAL CONTACT IDENTIFYING INFORMATION

A. Technical Contact Name: (☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.) JAMES DAVENPORT
 B. Technical Contact Title: EHS DELIVERY LEADER
 C. Telephone: (979) 238-7877 D. Fax: (979) 238-4903
 E. Mailing Address: TEXAS OPERATIONS 2301 BRAZOSPORT
 F. City: FREEPORT State: TX Zip Code: 77541

III. SELLER'S CONTACT FOR SALE OF CERTIFICATE

A. Contact Name: (☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.) CHRISTOPHER J. MUDD
 B. Sale Contact Title: SR. COMMERCIAL MANAGER
 C. Telephone: (713) 978-3681 D. Fax: (713) 978-3690
 E. Mailing Address: P.O. BOX 3387 BIN 4C4 DOW CHEMICAL
 F. City: HOUSTON State: TX Zip Code: 77253

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PERMITS PROGRAM



Form D-4 (Page 2)

Application for Transfer of Discrete Emission Reduction Credits
(Title 30 Texas Administrative Code § 101.29)

IV. BUYER'S COMPANY IDENTIFYING INFORMATION		
A. Company Name: <u>NATSOURCE LLC, AS AGENT FOR UNDISCLOSED BUYER</u>		
B. Owner or Operator of Generator Source:		
C. Plant/Site Name:		
D. Street Address: <u>140 BROADWAY 30TH FLOOR</u>		
E. Nearest City: <u>NYC</u>	F. Zip Code: <u>10005</u>	
G. County:		
H. TNRCC Account No.:		
I. Telephone:		
J. Mailing Address:		
K. City:	State:	Zip Code:
V. BUYER'S TECHNICAL CONTACT IDENTIFYING INFORMATION		
A. Technical Contact Name: (<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.)		
B. Technical Contact Title:		
C. Telephone:	D. Fax:	
E. Mailing Address:		
F. City:	State:	Zip Code:
VI. BUYER'S CONTACT FOR SALE OF CERTIFICATE		
A. Contact Name: (<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.) <u>DAVID OPPENHEIMER</u>		
B. Sale Contact Title:		
C. Telephone: <u>(212) 232-5305</u>	D. Fax: <u>(212) 232-5353</u>	
E. Mailing Address: <u>140 BROADWAY 30TH FLOOR</u>		
F. City: <u>NEW YORK</u>	State: <u>NY</u>	Zip Code: <u>10005</u>

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DEC 22 2001
PERMITS PROGRAM



Form D-4 (Page 3)

Application for Transfer of Discrete Emission Reduction Credits
(Title 30 Texas Administrative Code § 101.29)

VII. DERCs TO BE TRANSFERRED			
DERC Serial Numbers	Pollutant (NO _x , VOC, N, VOC, O ₃ , HAP, N, HAP, O ₃ , CO, SO ₂ , PM ₁₀)	Transferred Amount (tons)	Retained Amount (tons)
91-2090	NO _x	2,000	7,841

XI. PURCHASE DATES AND PRICES	
Date on which the DERCs were acquired or will be acquired:	11/13/00
Price of the DERCs acquired or the expected price of the DERCs to be acquired:	\$1,050.00 PER TON

XII. CERTIFICATION BY RESPONSIBLE OFFICIAL	
I, <u>CHRISTOPHER J. MJO</u> , hereby certify as owner of the above listed emission reduction credits, these credits may be transferred to the listed buyer and that the information entered in this application is correct to the best of my knowledge and belief.	
Signature <u>Christopher J. MJO</u>	Signature Date <u>11/22/00</u>
Title <u>SR. COMMERCIAL MANAGER</u>	

Mail application to:

Emission Banking and Trading Program

TNRCC MC 162

PO BOX 13087

AUSTIN, TX 78711-3087

