

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



D 2056

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

January 11, 2006

AIR DERC\_100224815-300909\_  
USE\_20060110\_Use\_D2056

Mrs. Christina Harris  
Project Manager, Environmental, Health, and Safety  
KM Liquids Terminals  
405 Clinton Drive  
Galena Park, Texas 77547

Re: Notice of Intent to Use Discrete Emission Credits  
Kinder Morgan Liquid Terminals Pasadena  
Pasadena, Harris County  
Regulated Entity Number: RN100224815  
Customer Reference Number: CN602717092  
Account Number: HG0261J

Dear Mrs. Harris:

This letter is in response to your Form DEC-2 (Notice of Intent to Use Discrete Emission Credits), dated February 14, 2005, for the compliance Title 30 Texas Administrative Code § 117.475 (30 TAC § 117.475) for the period of March 31, 2005, through December 31, 2005. We understand you plan to use 1.4 tons of nitrogen oxides (NO<sub>x</sub>) discrete emission credits for the purposes of complying with ESADs for engines in 30 TAC § 117.475 (c)(4)(A), (c)(4)(B)(i), and (c)(4)(B)(iv).

We have reviewed your application and have found that the notice and the credits to be used meet the requirements of 30 TAC §§ 101.370 - 101.379. Enclosed is a copy of Discrete Emissions Reduction Credits (DERC) Certificate Number D-2056, issued to Kinder Morgan Liquids Terminals, for the remainder of 13.6 tons of certified NO<sub>x</sub> discrete emission credits. A Form DEC-3, (Notice of Use of Discrete Emission Credits), must be submitted within 90 days of the end of the use period.

Please reference the Texas Commission on Environmental Quality (TCEQ) air account number, regulated entity reference number (RN), and customer reference number (CN) included in this document in all future correspondence. Before the Central Registry program began, the TCEQ assigned air account numbers. In the Central Registry computer application, the RN is a unique number assigned to the facility (if portable) or site (if permanent), and the CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by the company or corporation.

Mrs. Christina Harris

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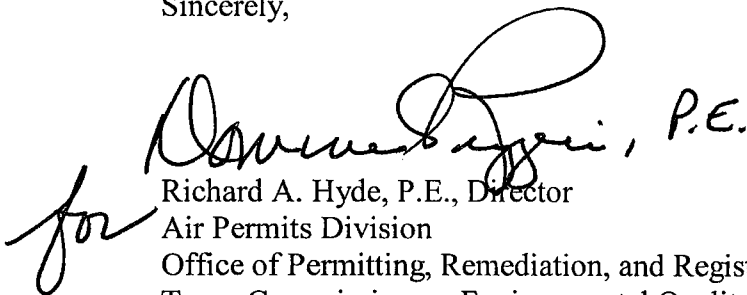
January 11, 2006

Re: Notice of Intent to Use 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. James G. Woodall at (512) 239-5856, 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.

This action is authorized on behalf of the TCEQ Executive Director.

Sincerely,

 *for* *Richard A. Hyde, P.E.*

Richard A. Hyde, P.E., Director  
Air Permits Division  
Office of Permitting, Remediation, and Registration  
Texas Commission on Environmental Quality

RH/JW/bob

cc: Ms. Kathy Perez-Ashton, Chief Health Inspector, Health Department, The City of  
Pasadena  
Mr. Bob Allen, Director, Harris County Public Health and Environmental Services,  
Pollution Control Department, Pasadena  
Air Section Managers, Region 12 - Houston

Project Number: 300909

*The State of Texas*  
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-2056



Number of Credits

13.6 tons NOx

*Discrete Emission Reduction Credit Certificate*

This certifies that  
Kinder Morgan Liquids Terminals  
405 Clinton Drive  
Galena Park, TX 77547

is the owner of 13.6 tons of nitrogen oxide 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: August 1, 1995 - December 31, 1997

Generator Regulated Entity No.: RN100225945

Generator Certificate: D-1005

County of Generation: Brazoria

\_\_\_\_\_  
Date

\_\_\_\_\_  
*[Signature]*  
Executive Director  
Texas Commission on Environmental Quality

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

Project No.:	300909	Customer Reference No.:	CN602717092
Project Type:	BDIU	Regulated Entity No.:	RN100224815
Company:	Km Liquids Terminals	Facility Name:	Kinder Morgan Liquid Terminals Pasadena
City:	Pasadena	County:	Harris
Project Reviewer:	Mr. James G. Woodall	Portfolio Name:	Km Liquids Terminal - RN100224815

**Project Overview**

KM Liquid Terminals has submitted a Form DEC-2, Notice of Intent to Use Discrete Emission Reduction Credits, dated February 14, 2005. They are planning on using 1.4 tons of NOx credits to comply with ESAD requirements found in 30 TAC 117.475. The application was submitted at least 45 days in advance, they will be using 1.4 tons of certificate D-1246, and a copy of the remainder assigned to certificate D-2056 in the amount of 13.6 tons will be sent back to KM Liquids Terminals.

**Discrete Emission Credit / Emission Reduction Credit Use**

*Discuss reason for use.*

Compliance with ESADs for engines in 117.475.

Certificate(s) to be used .....	D-1246
Pollutant .....	NOx
Amount .....	1.4
Regulation .....	TAC 117.475
Use period/Use Date .....	03/31/05 - 12/31/05

**Credit Use Calculation Methods**

*Discuss calculation method for use*

ENG-1:  $850 \text{ hr} \times 340 \text{ hp} \times (14.06 - 11.00 \text{ g/hp-hr}) \div 453.6 \div 2000 = 0.9748 \text{ tons}$

ENG-3:  $75 \text{ hr} \times 482 \text{ hp} \times (7.56 - 4.5) \div 453.6 \div 2000 = 0.1219 \text{ tons}$

ENG-4:  $75 \text{ hr} \times 482 \text{ hp} \times (7.56 - 4.5) \div 453.6 \div 2000 = 0.1219 \text{ tons}$

GEN-2:  $75 \text{ hr} \times 60 \text{ hp} \times (14.06 - 6.9) \div 453.6 \div 2000 = 0.0355 \text{ tons}$

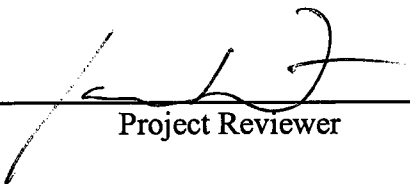
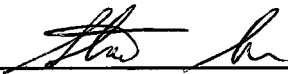
Sum total + 10% environmental contribution =  $1.2541 + 0.12541 = 1.3951 \sim 1.4 \text{ tons}$

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

Regulated Entity Number:  
Page 2

**Conclusion:**

1.4 tons of Nox will be set aside from certificate D-1246 and the certificate will be cancelled. The remainder of 13.6 tons will be sent back to enterprise transportation on certificate D-2056.

	<u>12/09/05</u>		<u>12/12/05</u>
Project Reviewer	Date	Team Leader/Section Manager/Backup	Date

*The State of Texas*  
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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Date

  
\_\_\_\_\_  
Executive Director  
Texas Commission on Environmental Quality