

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



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

January 20, 2006

AIR DERC\_100210350-300911\_  
USE\_20060120\_Use\_D2068

Mr. Bill Rankin  
Vice President  
Oxid, L.P.  
1177 West Loop South, Suite 1700  
Houston, Texas 77027

Re: Notice of Intent to Use Discrete Emission Credits  
Oxid, L.P.  
Houston, Harris County  
Regulated Entity Number: RN100210350  
Customer Reference Number: CN600124747  
Account Number: HG-0133-T

Dear Mr. Rankin:

This letter is in response to your Form DEC-2 (Notice of Intent to Use Discrete Emission Credits), dated February 11, 2005, for the compliance Title 30 Texas Administrative Code § 117.475(c)(1)(A) (30 TAC § 117.475[c][1][A]) for the period of March 31, 2005 through December 31, 2005. We understand you plan to use 5.9 tons of nitrogen oxides (NO<sub>x</sub>) discrete emission credits for the purposes of meeting the requirements for the aforementioned emission specifications.

We have reviewed your application and have found that the notice and the credits to be used meet the requirements of Title 30 Texas Administrative Code §§ 101.370 through 101.379. A Form DEC-3, (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-2068, issued to Oxid, L.P., for the remainder of 14.1 tons of certified NO<sub>x</sub> discrete emission credits from certificate D-1208. This certificate has been deposited into the Texas Commission on Environmental Quality (TCEQ) DERC Registry. This certificate may be transferred or sold to another owner per the requirements of 30 TAC §§ 101.370 through 101.379.

Mr. Bill Rankin  
Page 2  
January 20, 2006

Re: Notice of Intent to Use Discrete Emission Credits

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.

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. Joe P. Etheridge at (512) 239-2460 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., Director  
Air Permits Division  
Office of Permitting, Remediation, and Registration  
Texas Commission on Environmental Quality

RAH/JPE/bis

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

Project Number: 300911

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

Project No.:	300911	Customer Reference No.:	CN600124747
Project Type:	BDIU	Regulated Entity No.:	RN100210350
Company:	Oxid Lp	Facility Name:	Oxid Lp
City:	Houston	County:	Harris
Project Reviewer:	Mr. Joe P. Etheridge	Portfolio Name:	Oxid Lp - Rn100210350

**Project Overview**

On February 11, 2005 Oxid, LP submitted Form DEC-2, Notice of Intent to Use Discrete Emission Credits for compliance with 30 Texas Administrative Code 117.475(c)(1)(A). Oxid LP is requesting to use 5.9 tons (with 10% environmental contribution added) of NO<sub>x</sub> DERCs from certificate D-1208 to meet emission specifications from March 31, 2005 through December 31, 2005 at their Houston Facility near Houston, Texas located in Harris county. Certificate D-1208 originated from serial numbers 10132 - 11674 and was generated by The Dow Chemical Company - Freeport (RN100225945) from January 1, 1993-December 31, 1994 with the shutdown of FINs B-1, B-1, GO-32, & GO-33.

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

Oxid, LP is requesting 1.1 DERCs for compliance with 30 Texas Administrative Code 117.475(c)(1)(A) which meets emission specifications for gas-fired boilers and process heaters, 0.036 lb/MMBtu heat input (or alternatively, 30 parts per million by volume (ppmv) at 3.0% Oxygen (O<sub>2</sub>), dry basis).

Certificate(s) to be used .....	D-1208
Pollutant .....	NO <sub>x</sub>
Amount .....	5.9 tons
Regulation .....	30 TAC 117.475(c)(1)(A)
Use period/Use Date .....	3/31/05 thru 12/31/05

**Emission Reduction Credit Re-review**

*Review credits for devaluation due to new regulations since time of generation. If devalued, state applicable regulation and amount of devaluation*

**NO<sub>x</sub>**

NSPS .....	N/A
30 TAC Chapter 117 .....	N/A

**Credit Use Calculation Methods**

DERC Use Calculations:

DERCs Needed = ELA \* (EER-RER)/2000 lb/ton + 10% environmental contribution

Where:

ELA = expected level of activity

EER = expected emission rate per unit activity

RER = regulatory emission rate per unit of activity

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

Regulated Entity Number:  
Page 2

Boiler

Maximum heat input = 5.0 MMBtu/hr  
Maximum runtime = 8760 hr/yr

$$\text{DERCs Needed} = 5.0 \text{ MMBtu/hr} * 8760 \text{ hr} * (0.1 \text{ lb/MMBtu} - 0.036 \text{ lb/MMBtu})/2000 \\ = \mathbf{1.40 \text{ tons/year}}$$

$$1.40 \text{ tons/year} + 10\% \text{ Environmental Contribution} = \mathbf{1.54 \text{ tpy}}$$

Heater

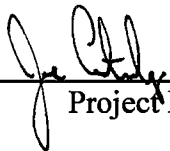
Maximum heat input = 14.0 MMBtu/hr  
Maximum runtime = 8760 hr/yr

$$\text{DERCs Needed} = 14.0 \text{ MMBtu/hr} * 8760 \text{ hr} * (0.1 \text{ lb/MMBtu} - 0.036 \text{ lb/MMBtu})/2000 \\ = \mathbf{3.92 \text{ tons/year}}$$

$$3.92 \text{ tons/year} + 10\% \text{ Environmental Contribution} = \mathbf{4.31 \text{ tpy}}$$

**Conclusion:**

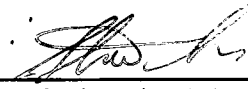
Oxid, LP has properly submitted Form DEC-2, Notice of Intent to Use Discrete Emission Credits, for compliance with emission specifications under 30 TAC 117.475(c)(1)(A). 5.9 tons (with 10% environmental contribution added) of NOx DERCs from certificate D-1208 have been reserved from March 31, 2005 through December 31, 2005 at their Houston Facility near Houston, Texas located in Harris county. Certificate D-1208 will be partially used by this DERC Intent To Use while the remaining 14.1 tons NOx will be retained by certificate D-2068.



Project Reviewer

1/3/06

Date



Team Leader/Section Manager/Backup

1/4/06

Date

201-446-7070  
FVCLW



Form DEC-2 (Page 1)  
Notice of Intent To Use Discrete Emission Credits  
(Title 30 Texas Administrative Code § 101.370 - § 101.374)

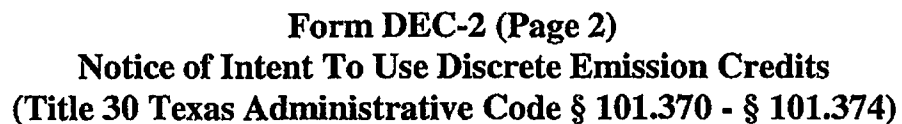
A notice of intent to use must be submitted to the Texas Commission on Environmental Quality (TCEQ) DERC Registry in accordance with the following requirements:

<b>I. COMPANY IDENTIFYING INFORMATION</b>		
A. Company Name: Oxid L.P.		
B. Owner or Operator of User Source: Oxid L.P.		
C. Plant/Site Name: Oxid L.P. (Houston Facility)		
D. Street Address: 101 Concrete Street		
E. Nearest City: Houston	F. Zip Code: 77012-2443	
G. County: Harris	H. Primary SIC: 2899	
I. Regulated Entity Number: RN100210350	J. Air Permit No.:	
K. Telephone: (713) 924-6446	L. Fax: (713) 924-6418	
M. Mailing Address: 101 Concrete Street		
City: Houston	State: Texas	Zip Code: 77012-2443
<b>II. TECHNICAL CONTACT IDENTIFYING INFORMATION</b>		
A. Technical Contact Name: ( <input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.) William Rankin		
B. Technical Contact Title: Vice President of Regulatory Affairs		
C. Telephone: 713-296-7500	D. Fax: 713-296-7599	E. E-Mail: Brankin@oxid.net
F. Mailing Address: 1177 West Loop South, Suite 1700		
G. City: Houston	State: Texas	Zip Code: 77027
<b>III. CONTACT FOR PURCHASE OF CREDIT</b>		
A. Contact Name: ( <input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.) WILLIAM RANKIN		
B. Sale Contact Title: VP REGULATORY AFFAIRS		
C. Telephone: 713-296-7500	D. Fax: 713-296-7599	E. E-Mail: brankin@oxid.net
F. Mailing Address: 1177 W. LOOPS, SUITE 1700		
F. City: HOUSTON	State: TX	Zip Code: 77027
<b>IV. STATE AND FEDERAL REQUIREMENTS</b>		
Applicable State and Federal requirements that the DERCs will be used for compliance: 30TAC 117.475(c)(1)(A)		
<b>V. INTENDED USE PERIOD</b>		
Intended Use Start Date 03/31/2005	Intended Use End Date 12/31/2005	

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FEB 16 2005

AIR PERMITS DIVISION

[illegible]

FEB 16 2005

**Emission Banking and Trading Program and are subject to revision. (NSRG 7318v2)**

Page 2 of 5



Form DEC-2 (Page 3)  
Notice of Intent To Use Discrete Emission Credits  
(Title 30 Texas Administrative Code § 101.370 - § 101.374)

**VII. MOST STRINGENT EMISSION RATE**

Describe basis for most stringent allowable emission rate: ☐ Permit \_\_\_\_\_ ☒ RACT 0.036 lb/MMBtu ☐ Other: \_\_\_\_\_  
Notes:

**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

Attached

**IX. TOTAL DERCs REQUIRED FOR USE (round up to the nearest ton)**

Tons of DERCs required (from Sect. VI.)	CO: _____	NO <sub>x</sub> : <u>5.32</u>	PM <sub>10</sub> : _____	SO <sub>2</sub> : _____	VOC: _____
Environmental Contribution (+ 10%)	CO: _____	NO <sub>x</sub> : <u>0.53</u>	PM <sub>10</sub> : _____	SO <sub>2</sub> : _____	VOC: _____
Compliance Margin (+ 5%) (If DERCs requires >10 tons)	CO: _____	NO <sub>x</sub> : _____	PM <sub>10</sub> : _____	SO <sub>2</sub> : _____	VOC: _____
Offset Ratio (if required)	CO: _____	NO <sub>x</sub> : _____	PM <sub>10</sub> : _____	SO <sub>2</sub> : _____	VOC: _____
Total DERCs required	CO: _____	NO <sub>x</sub> : <u>6.0</u>	PM <sub>10</sub> : _____	SO <sub>2</sub> : _____	VOC: _____

**X. DERC INFORMATION**

Name of the DERC Generator: LYONDELL-CITGO REFINING L.P.

DERC Generator Account Number: H 6 0 0 4 8 L

Serial numbers of the DERCs acquired or to be acquired: \_\_\_\_\_

Note: The serial numbers are assigned by the TCEQ

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Form DEC-2 (Page 4)  
Notice of Intent To Use Discrete Emission Reduction Credits  
(Title 30 Texas Administrative Code § 101.370 - § 101.374)

**XI. PURCHASE DATES AND PRICES**

Date on which the DERCs were acquired or will be acquired: 03/30/2005

Price of the DERCs acquired or the expected price of the DERCs to be acquired: \$ 300.00 per ton (Required)

**XII. CERTIFICATION BY RESPONSIBLE OFFICIAL**

I, William Rankin, hereby certify, to the best of my knowledge and belief, that this application is correct and the proposed use claimed on this notice meets the requirements of all applicable state and federal rules and regulations. I further understand that the discrete emission reduction credits listed in this notice for use may devalue upon review of their creditability.

Signature [Signature] Signature Date 2/11/05

Title V.P. REGULATORY AFFAIRS

Mail application to:  
Emission Banking and Trading Program  
TCEQ MC 163  
PO BOX 13087  
AUSTIN, TX 78711-3087

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**Facility****Name:** Oxid L.P.**2005 DERC Use Calculations:**
$$\text{DERCs Needed} = \text{ELA} \times (\text{EER}-\text{RER}) / 2000 \text{ lb/ton} + 10\% \text{ environmental contribution}$$
**Where:**

ELA = expected level of activity

EER = expected emission rate per unit activity

RER = regulatory emission rate per unit of activity

**Boiler:****Assumption:**

Maximum heat input = 5.0 MMBtu/hr

Maximum runtime = 8760 hrs

$$\text{DERCs Needed} = 5.0 \text{ MMBtu/hr} \times 8760 \text{ hr} \times (0.1 \text{ lb/MMBtu} - 0.036 \text{ lb/MMBtu}) / 2000$$
$$= 1.40 \text{ tons/year}$$
$$1.4 \text{ tons/year} + 10\% \text{ environmental contribution} = 1.5 \text{ tons/year}$$
**Heater:****Assumption:**

Maximum heat input = 14.0 MMBtu/hr

Maximum runtime = 8760 hrs

$$\text{DERCs Needed} = 14.0 \text{ MMBtu/hr} \times 8760 \text{ hr} \times (0.1 \text{ lb/MMBtu} - 0.036 \text{ lb/MMBtu}) / 2000$$
$$= 3.92 \text{ tons/year}$$
$$3.9 \text{ tons/year} + 10\% \text{ environmental contribution} = 4.3 \text{ tons/year}$$

<b>Total DERCs Needed = 5.86 tons/year</b>
--

**RECEIVED****FEB 16 2005****AIR PERMITS DIVISION**

5 of 5

February 9, 2005

Mr. Cory Chism  
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
Emissions Banking/Trading Team  
12100 Park 35 Circle Building C  
MC 163  
Austin, Texas 13087

**Subject: Notice of Intent to Use DERCS (Form DEC-2)  
Oxid, L.P.  
101 Concrete Street, Houston, Harris County  
HG-0133-T  
RN100210350**

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**FEB 16 2005**

**AIR PERMITS DIVISION**

Dear Mr. Chism:

Pursuant to 30 TAC 117.570(a), Oxid, L.P. (Oxid) hereby submits the Notice of Intent to Use Discrete Emission Reduction Credits (Form DEC-2) in accordance with 30 TAC 101.376 to comply with the emission control requirements of 30 TAC 117.475(b) and (c)(1)(A). The completed DEC-2 Form is enclosed for the above referenced facility.

Please do not hesitate to contact me at (713) 296-7500 if you have questions or require further information regarding this matter.

Sincerely,



FOR OXID L.P.

### Emissions Banking & Trading Routing Slip

Company/Site Name: *OXID, LP*  
*HOUSTON FACILITY*

Regulated Entity Number: *RN100210350*

Customer Reference Number: *CA 600124747*

Project Number: *300911*

Project Type: *BOTU*

#### Database Updates

Type	Initials	Date
IMS Entry	<i>JPE</i>	<i>1/3/06</i> <del><i>12/15/05</i></del>
Web Registry		
Spreadsheet Update		
Paradox Update		

#### Technical Approval

Project Reviewer:	<i>JPE</i>	<i>1/3/06</i> <del><i>12/15/05</i></del>
Project Coordinator:	<i>SS</i>	<i>1/4/06</i>

#### Comments:

~~*revised 1/3/06 for corrections*~~  
*Fixed 1/3/06*

*Don't forget to find original. Call D-1208*

*The State of Texas*  
**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

Certificate Number

D-2080



Number of Credits

8.2 tons NOx

*Discrete Emission Reduction Credit Certificate*

This certifies that

**Oxid, LP**

**1177 West Loop South Suite 1700**

**Houston, Texas 77027**

is the owner of 8.2 tons of nitrogen oxides (NOx) 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 1, 1993

Generator Regulated Entity No.:

Generator Certificate: Serial Numbers

County of Generation: Brazoria

**TRANSFERRED**  
TO CERTIFICATE NO(S): D-2222  
DATE: 10/25/07

June 16, 2006

Date

A handwritten signature in dark ink, appearing to be "R. W. [unclear]", written over a horizontal line.

Executive Director

Texas Commission on Environmental Quality

*The State of Texas*  
**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

Certificate Number

D - 2068



Number of Credits

14.1 tons NOx

*Discrete Emission Reduction Credit Certificate*

This certifies that

**Oxid, LP**

**1177 West Loop South Suite 1700**

**Houston, Texas 77027**

is the owner of 14.1 tons of nitrogen oxides (NOx) 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 1, 1993-December 31, 1994

Generator Regulated Entity No.:RN100210350

County of Generation: Brazoria

**USED**

PURPOSE: 117.475(-)(1)(A)  
DATE: 6/15/06

Generator Certificate: Serial Numbers

**TRANSFERRED**

TO CERTIFICATE NO. D2080  
DATE: 6/15/06

January 17, 2006

Date

A handwritten signature in black ink, appearing to be "D. H. White", written over a horizontal line.

Executive Director

Texas Commission on Environmental Quality