

PROJECT#: 402005 STATUS: P
RECEIVED: 08/07/2007 PROJTYPE: BUSE

DISP CODE: C ✓
ISSUED DT:
SUP-DISP DATE: 6/5/2010

STAFF ASSIGNED TO PROJECT:
BAINE, LUKE

PROJECT NOTES:

→ letter in G/L dated 5/14/10 mailed copy dated 6/3/10
'06-'07 DERC USE: DCUS-9954, DCTR-9955, #2256 DCCT-9956, & #2259 DCCT-9957

PROJECT TRANSACTIONS**COMPANY DATA**

COMPANY NAME: TEMPLE INLAND
CUSTOMER REGISTRY ID: CN602787053

AIR DERC_100214428-402005_
USE_20100605_Use_D2259

PORTFOLIO DATA

NUMBER: P1854 NAME: TEMPLE INLAND - RN100214428

SITE DATA

ACCOUNT:
OC0019C

REG ENTITY ID: RN100214428

SITE NAME: INLAND PAPERBOARD & PACKAGING ORANGE MILL

COUNTY: ORANGE

NEAREST CITY: ORANGE

LOCATION: 1750 INLAND RD

CONTACT DATA

NAME: JOHN MELANCON

TITLE: ENVIRONMENTAL MANAGER

STREET: 11750 INLAND ROAD CITY/STATE, ZIP: ORANGE, TX, 77632-0

FAX: 409-746-7537 ext 0

PHONE: 409-746-7416 ext 0

TRANSACTION DATA

TRANSACTION TYPE: DERC_USE

DATE ENTERED: 2007-08-08 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 0.30

DOLLARS: 0

CERTIFICATE NO.: D2256 COUNTY: ORANGE

TRANSACTION DATA

TRANSACTION TYPE: DERC_RET

DATE ENTERED: 2007-08-08 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE

DELETED DATE:

EFFECTIVE YEAR:

TONS: 6.00

DOLLARS: 0

CERTIFICATE NO.: D2259 COUNTY: ORANGE

TRACKING ACTIVITIES

TR - ENGINEER RECEIVE
PROJECT:

08/24/2007

TR - PROJ TECH
COMPLETE:

11/27/2007

TR - SUP/MANGR
APP/RVW RQSTD:

05/12/2010

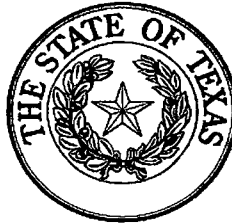
FA - PROJECT ISSUED:

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

D-2256



Number of Credits:

0.3 tons NOX

USED

PURPOSE: 117.1106(1)
DATE: 6/5/2010

Discrete Emission Reduction Credit Certificate

This certifies that
Temple-Inland
1750 Inland Rd.
Orange, TX 77632

is the owner of 0.3 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 1998 to December 31, 1998

Generator Regulated Entity No.: RN100216035

Generator Certificate: Serial Numbers 20700-20729
or D-1189

County of Generation: Orange

May 14, 2010

Date

David Byrnes

For the Commission

DISCRETE EMISSION CREDITS TECHNICAL REVIEW

| | | | |
|-------------------|----------------|-------------------------|----------------------------|
| Project No.: | 402005 | Customer Reference No.: | CN602787053 |
| Project Type: | BUSE | Regulated Entity No.: | RN100214428 |
| Company: | Temple-Inland | Facility Name: | Orange Linerboard Facility |
| City: | Orange | County: | Orange |
| Project Reviewer: | Mr. Luke Baine | Portfolio Name: | P1854 |

Project Overview

Temple-Inland has submitted a Form DEC-3, "Notice of Use of Discrete Emission Credits", dated August 7, 2007. They are following up on a previous submitted Intent to Use project number 400528. A total amount of 6.3 tons of NO_x credits were set aside from certificate D-1260. Temple-Inland will use 0.3 tons of DERC's to meet the requirements of 30 TAC §117.110(a)(1) (formerly §117.206(a)(1)) on a gas fired boiler with an ESAD of 0.10 lb-NO_x/MMBtu.

Discrete Emission Credit / Emission Reduction Credit Use

P-POWB does not traditionally meet the 0.10 lb/MMBtu ESAD rate. In order to comply with this limit, Temple-Inland proposes DERC use to cover the difference. The actual emission rate was the result of boiler operating data and NO_x CEMS data. Their actual use was 0.3 tons of NO_x credits.



| | |
|---------------------------------|---------------------|
| Certificate(s) to be used | D-1260 |
| Pollutant | NO _x |
| Amount | 0.3 ton |
| Regulation | §117.110(a)(1) |
| Use period/Use Date | 05/01/06 - 04/30/07 |

Credit Use Calculation Methods

The formula used is: (ALA) x (AER - RER) from 30 TAC § 101.376 (e)(2)(A)
For FIN P-POWB, a gas fired boiler with an ESAD of 0.10 lb-NO_x/MMBtu,
DERCs required = (5494) x (0.171 - 0.10)/2000 = 0.195 tons ~ 0.2 tons
0.2 + 10% Environmental contribution = 0.22 tons ~ 0.3 tons
The total DERCs to be used will be 0.3 tons

Conclusion:

Temple-Inland, has submitted all required documentation for DERC use to comply with 30 TAC §117.110(a)(1). The calculation method submitted by Temple-Inland using the 2/3 reduction was replaced with the full reduction method (30 TAC §117.9000(3)(D)). The TCEQ requires an environmental contribution of 10% of credits required but the compliance margin does not apply because less than 10 tons of DERCs will be used (30 TAC §101.376(d)(2)(D & E)). A total of 0.3 tons of NO_x credits will be used from certificate D-1260. Certificate D-1260 and D-2256, generated for the use of 0.3 tons, will be canceled and a retain certificate, D-2259 with 6.0 tons of NO_x credits, will be returned to Temple-Inland.

| | | | |
|---|---------|--|----------|
|  | 5/12/10 |  | 6/5/2010 |
| Project Reviewer | Date | Team Leader/Section Manager/Backup | Date |

August 3, 2007

Delivery confirmation requested
Certified mail #70041350000460806598

Mr. Steven Sun
Texas Commission on Environmental Quality
Emissions Banking and Trading Program, MC 163
Building C
12100 Park 35 Circle
Austin, TX 78753

RE: *Notice of Intent to Use Discrete Emission Credits (Form DEC-3)*
 Temple-Inland
 Orange Linerboard Facility
 Account # OC-0019-C

Dear Mr. Sun:

Temple-Inland operates a linerboard facility in Orange, Texas. This facility operates one boiler (Package Boiler was decommissioned) subject to the Emission Specifications for Attainment Demonstration (ESADs) [see 30 TAC 117.206(a)] for the Beaumont/Port Arthur Area which were effective May 1, 2003. As allowed by 30 TAC 117.206(f)(1)(C) and 117.570(a), Temple-Inland is complying with the ESAD limitation for this boiler by purchasing and consuming NO_x discrete emission credits (DERCs). Temple-Inland submits today the completed DEC-3, which represents an accounting of the actual NO_x DERCs used in the previous 12-month compliance period, May 1, 2006-May 1, 2007.

As we indicated in our original submittal in March, 2003, we have used actual boiler operating data and NO_x CEMS data to calculate the tons of NO_x consumed in the past compliance period.

If you have any further questions about Temple-Inland's use of DERCs or the information provided in this letter, please feel free to call me at (409) 746-7416.

Respectfully yours,



John E. Melancon
Environmental Manager

Enclosure



Form DEC-3 (Page 1)
Notice of Use of Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.370 - § 101.379)

8/7/07

| | | |
|---|---|---|
| I. Company Identifying Information | | |
| A. Company Name: <u>TEMPLE - INLAND</u> | | |
| Mailing Address: <u>TEMPLE - INLAND</u> | | |
| City: <u>ORANGE</u> | State: <u>TEXAS</u> | Zip Code: <u>77632</u> |
| Telephone: <u>(409) 746 7416</u> | Fax: <u>(409) 746 7537</u> | |
| B. TCEQ Customer Number (CN): <u>CN 602787053</u> | | |
| C. Site Name: <u>ORANGE Mill</u> | | |
| Street Address: (if no street address, give driving directions to site) <u>1750 INLAND ROAD</u> | | |
| Nearest City: <u>ORANGE</u> | Zip Code: <u>77632</u> | County: <u>ORANGE</u> |
| D. TCEQ Regulated Entity Number (RN): <u>RN 100214428</u> | | |
| E. TCEQ Account Number: (if applicable) <u>OC - 0019C</u> | | |
| F. Primary SIC: <u>2631</u> | Air Permit Number: <u>9654A; PSD-TX-684</u> | |
| 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.) <u>JOHN E. MELANCON</u> | | |
| Technical Contact Title: <u>ENVIRONMENTAL MANAGER</u> | | |
| Mailing Address: <u>1750 INLAND ROAD</u> | | |
| City: <u>ORANGE</u> | State: <u>TEXAS</u> | Zip Code: <u>77632</u> |
| Telephone: <u>409 746 7416</u> | Fax: <u>409-746 7537</u> | E-mail: <u>JOHN.MELANCON@TEMPLEINLAND.COM</u> |
| 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: <u>N/A</u> Year of use: <u>N/A</u> Ratio of DERC to Allowance: <u>N/A</u> to <u>N/A</u> | | |
| Note: If DERC use is to comply with MECT then go to Section IX | | |
| IV. Use Period | | |
| Use Start Date: <u>05/01/06</u> Use End Date: <u>05/01/07</u> | | |
| V. State and Federal Requirements | | |
| Applicable State and Federal requirements that the DERCs were used for compliance: <u>30 TAC 117.206 (a)(1), 117.206(d)(1)(A)(i); 117.206(f)(1)(c)</u> | | |
| VI. Most Stringent Emission Rate | | |
| Describe basis for most stringent allowable emission rate: <input type="checkbox"/> Permit <u>N/A</u> <input type="checkbox"/> RACT <u>N/A</u> <input checked="" type="checkbox"/> Other: <u>ESAD</u> | | |
| Notes: <u>30 TAC 117.206 (a)(1)</u> | | |



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

| VII. Tons of Deres Used | | | | | | | | | |
|-------------------------|--------|----------------------|----------------------------|------------------------------|-------------------------------|----------------------------|---------------------------------|----------------------------------|---------------------|
| Emission Point No. | FIN | Air Contam- inant | Calculation of DERCS | | | | | | |
| | | | Actual Activity (units) | Actual Emission Rate (units) | Actual Total Emissions (tons) | Regulated Activity (units) | Regulated Emission Rate (units) | Regulated Total Emissions (tons) | DERCS * Used (tons) |
| 2A | P-POWB | NOx | 699,284 (MMBTU/YR) | 0.08 (LB/MMBTU) | 28.24 | 5,494 (MMBTU/YR) | 0.171 (LB/MMBTU) | 0.47 | 0.31 |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
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| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total: | | | | | | | | 0.31 | |

* CALCULATION INCLUDES 2/3 FACTOR FROM 117.250 (a)(3)(A)



Form DEC-3 (Page 3)
Notice of Use of 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

PLEASE SEE ATTACHED SPREADSHEET FOR CALCULATIONS.

IX. Total DERCs Used (round up to the nearest tenth of a ton)

| | | | | | |
|--|--------------|-------------------------------|-----------------------------|----------------------------|---------------|
| Tons of DERCs required (from Sect. VI.) | CO: <u>—</u> | NO _x : <u>0.47</u> | PM ₁₀ : <u>—</u> | SO ₂ : <u>—</u> | VOC: <u>—</u> |
| Offset Ratio (if required) | CO: <u>—</u> | NO _x : <u>0.31</u> | PM ₁₀ : <u>—</u> | SO ₂ : <u>—</u> | VOC: <u>—</u> |
| Environmental Contribution (+ 10%) | CO: <u>—</u> | NO _x : <u>0.04</u> | PM ₁₀ : <u>—</u> | SO ₂ : <u>—</u> | VOC: <u>—</u> |
| Total DERCs Used | CO: <u>—</u> | NO _x : <u>0.5</u> | PM ₁₀ : <u>—</u> | SO ₂ : <u>—</u> | VOC: <u>—</u> |

X. DERC Information

Name of the DERC Generator: E.I. DU PONT DE NEMOURS COMPANY, INC. (DUPONT BEAUMONT WORKS)

DERC Generator Regulated Entity Number: JE-0033-C

Certificate number of the DERCs used: 20730 AND 21892

Note: The certificate number is assigned by the TCEQ

XI. Purchase Dates and Prices

Date on which the DERCs were acquired or registered: 03/17/03

Price of the DERCs: \$ 750.00 per ton (Required)

XII. CERTIFICATION BY RESPONSIBLE OFFICIAL

I, THOMAS C. SWEETSER, 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. I hereby also waive the Federal statute of limitations defense in regards to the generation and use of discrete emission credits

Signature

Thomas C. Sweetser

Signature Date 8/3/07

Title

MILL MANAGER

ESAD Compliance for Beaumont - Porth Arthur Area (BPA)
Discrete Emission Reduction Credit (DERC) Calculations for Form DEC-3
Sources: PFI Boiler (EPN 2A)
Period: 05/01/06 to 05/01/07

PFI and Package Boiler Activity Summary

| Description | Type | Value | Units |
|---|------------------------------|-------|----------|
| ESAD limit in 30 TAC 117.206(a)(1) for boilers in BPA: | Gas-fired industrial boilers | 0.1 | lb/MMBtu |
| Inland actual Emission Rate for period 05/01/06 to 05/01/07 (*) | PFI Boiler | 0.171 | lb/MMBtu |
| | Package Boiler | 0 | lb/MMBtu |
| Actual activity for period from 05/01/06 to 05/01/07 (*) | PFI Boiler | 5,494 | MMBtu/yr |
| | Package Boiler | 0 | MMBtu/yr |

(*) Only when DERCs were needed

DERC Calculation Summary

| Description | lb | Ton | 2/3 offset |
|--|--------|------|------------|
| Excess NOx - PFI | 941.76 | 0.47 | 0.31 |
| Excess NOx - Package Boiler | 0.00 | 0.00 | 0.00 |
| Total Excess NOx | | | 0.31 |
| Total Excess NOx rounded-up | | | 0.40 |
| Plus Environmental Contribution of 10% | | | 0.44 |
| Rounded up | | | 0.5 |

Therefore, for May 1, 2006 through May 1, 2007, Inland required a total of: 0.5 tons of NOx DERC

Credit (DERC) of
 0.5 tons of NOx
 is available for use
 to offset emissions

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-2156



Number of Credits

3.2 tons NOx

Discrete Emission Reduction Credit Certificate

This certifies that
Inland Paperboard and Packaging Inc.
1750 Inland Road
Orange, TX 77632

is the owner of 3.2 tons of nitrogen oxide (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, 1998 - December 31, 1998

Generator Regulated Entity No.: RN100216035

Generator Serial Numbers: 20700 - 20729

County of Generation: Orange

January 10, 2007

Date

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

For the Commission

The State of Texas
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



Certificate Number

D-1189

Number of Credits

30.0 tons NOx

Discrete Emission Reduction Credit Certificate

This certifies that

Inland Paperboard and Packaging Inc.

1750 Inland Road

Orange, TX 77632

is the owner of 30.0 tons of nitrogen oxide (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: 1/1/1998 - 12/31/1998

Generator Regulated Entity No.: RN100214428

Generator Serial Numbers: 20700 - 20729

County of Generation: Orange

Date

Executive Director
Texas Commission on Environmental Quality

pg 300207 - usc
→ nrgis about gen → 1147

300516 - intent

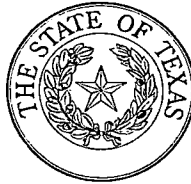
pg 300707

purchased March 21, 2003 from E.I. Dupont de Nemours
for P-PowB + P-PkBB during 05/01/03-04
permit # 9654A

The State of Texas
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-1190



Number of Credits

15.8 tons NOx

Discrete Emission Reduction Credit Certificate

This certifies that
Inland Paperboard and Packaging Inc.
1750 Inland Road
Orange, TX 77632

is the owner of 15.8 tons of nitrogen oxide (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: 1/1/1998 - 12/31/1998

Generator Regulated Entity No.: RN100214428

Generator Certificate: D-1189

County of Generation: Orange

Date

Executive Director
Texas Commission on Environmental Quality

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

April 30, 1999

Mr. Richard H. Haar
Senior Engineer
E.I. Dupont de Nemours and Company
P.O. Box 3269
Beaumont, Texas 77704

Re: Administrative Review
Discrete Emission Reduction Credits (DERCs)
DuPont Beaumont Works
Beaumont, Jefferson County
Account ID No. JE-0033-C

Dear Mr. Haar:

This will acknowledge receipt of your letter dated March 30, 1998, regarding the generation of DERCs. We have determined that the information contained in your registration is complete. The following credits will be deposited in the Texas Natural Resource Conservation Commission Emissions Registry:

Nitrogen Oxides 332 tons

20398 - 20729

This review verifies that all information needed for credit review has been received. However, the DERCs' actual credit has not yet been verified. Upon submittal of a notice of intent to use, the credits will be assigned to a technical engineer who will review the reductions for creditability. At that time, the credits may be adjusted accordingly.

20398 - 20699 → D1015 + 302 tons NOx
20700 - 20729 → D1189 + 30.0 tons NOx

Mr. Richard H. Haar
Page 2
April 30, 1999

Re: Emission Reduction Credits

Thank you for your cooperation in this matter. If you have questions concerning the review or this notice, please contact me at (512) 239-1314 or write me at Texas Natural Resource Conservation Commission, Office of Air Quality, New Source Review Permits Division (MC-162), P.O. Box 13087, Austin, Texas 78711-3087. If you need further assistance regarding the banking program or future transactions, please call Ms. Susana Hildebrand at (512) 239-1255 or write her at Texas Natural Resource Conservation Commission, Office of Air Quality, New Source Review Permits Division (MC-162), P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald A. Duke for".

Donald A. Duke, P.E.
Permit Engineer
Core Section
New Source Review Permits Division

DD/gg

Enclosures

cc: Mr. Marion Everhart, Air Program Manager, Beaumont

DUPONT
ESTABLISHED 1802
DU PONT DE NEMOURS & COMPANY
INCORPORATED
BEAUMONT WORKS
P. O. BOX 3269, BEAUMONT, TEXAS 77704
RAIL ADDRESS, DOWLING, TEXAS
409 / 722-3451

March 30, 1999

Ms. Susana Hildebrand
Core Section, New Source Review Permits
Office of Air Quality
Texas Natural Resource Conservation Commission
P.O. Box 13087, MC-162
Austin, TX 78711-3087

DuPont Beaumont Works
Beaumont, Jefferson County, TX
Account I.D. No. JE-0033-C

Re: Application for 1998 Discrete Emission Reduction Credits (DERC's)

Dear Ms. Hildebrand:

In response to 30 TAC 101.29, DuPont Beaumont Works is submitting documentation for Discrete Emission Reduction Credits (DERC's) generated in calendar year 1998.

Enclosed is documentation requesting **332** tons of NOx DERC's and **183.27** tons of creditable NOx emissions. We would want the NOx reductions beyond NOx RACT to result in creditable NOx emissions to be used in netting.

We have been accumulating NOx ERC's and DERC's since we made NOx reductions in our Ammonia Reformer (AMM-STK26) in October, 1994, in anticipation of upcoming NOx RACT requirements. Our initial submittal for NOx DERC's from October, 1994 through December 1997, was submitted in June 1998. This submittal is to claim the continuing generation of NOx DERC's in 1998.

If you have any questions, please call me at (409) 727-9128, or Dennis Isaacs at (409) 727-9528.

Sincerely,

Richard H. Haar

Richard H. Haar
Senior Engineer

RHH/rh
Attachment

RECEIVED
MAR 31 1999

PERMITS PROGRAM

There's a world of things we're doing something about

DU PONT DE NEMOURS & CO.
100216035

Co.

DERC Use

08/08/2007 ----- EBTP IMS- PROJECT RECORD -----PROJECT#: 402005
RECEIVED: 08/07/2007STATUS: P
PROJTYPE: BUSEDISP CODE: _____
ISSUED DT: _____
SUP-DISP DATE: _____**STAFF ASSIGNED TO PROJECT:**~~LEAD WORK~~ *Barna, Luke*

PROJECT TRANSACTIONS**COMPANY DATA**COMPANY NAME: TEMPLE INLAND
CUSTOMER REGISTRY ID: CN602787053**PORTFOLIO DATA**

NUMBER: P1854 NAME: TEMPLE INLAND - RN10214428

SITE DATAACCOUNT:
OC0019C

REG ENTITY ID: RN100214428

SITE NAME: INLAND PAPERBOARD & PACKAGING ORANGE MILL

COUNTY: ORANGE

NEAREST CITY: ORANGE

LOCATION: 1750 INLAND RD

CONTACT DATA

NAME: JOHN MELANCON

TITLE: ENVIRONMENTAL MANAGER

STREET: 11750 INLAND ROAD CITY/STATE, ZIP: ORANGE, TX , 77632-0

PHONE: 409-746-7416 ext 0

FAX: 409-746-7537 ext 0

TRANSACTION DATA

TRANSACTION TYPE: DERC_USE

DATE ENTERED: 2007-08-08 00:00:00.0

DELETED DATE: EFFECTIVE YEAR:

CONTAMINATE: NOX

TONS: 0 DOLLARS: 0

ALLOWANCE

CERTIFICATE NO.: 0 COUNTY : ORANGE

TRACKING ACTIVITIESTR - ENGINEER RECEIVE
PROJECT :

FA - PROJECT ISSUED :

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

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

June 8, 2010

Mr. John E. Melancon
Environmental Manager
Temple-Inland
1750 Inland Road
Orange, Texas 77632

Re: Use of Discrete Emission Credits
Orange Linerboard Facility
Orange, Orange County
Regulated Entity Number: RN100214428
Customer Reference Number: CN602787053
Portfolio Number: P1854

Dear Mr. Melancon:

This letter is in response to Temple-Inlands Form DEC-3 (Notice of Use of Discrete Emission Credits), received August 7, 2007, regarding the use of 0.3 tons of nitrogen oxides (NO_x) discrete emission credits for the purpose of compliance with Title 30 Texas Administrative Code (TAC) §117.110(a)(1) for the period of May 1, 2006 through April 30, 2007.

Upon review of the use of these credits, we agree that the use of 0.3 ton of NO_x discrete emission credits meets the requirements of §117.110(a)(1).

Enclosed is a copy of Discrete Emissions Reduction Credits (DERC) Certificate Number D-2259, issued to the Temple-Inland, for the remainder of 6.0 tons of certified NO_x discrete emission credits from Certificate Number D-1260. Please note that D-1260 and D-2256 (generated for the use of 0.3 ton of NO_x credits) have been canceled. Certificate D-2259 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.

Thank you for your cooperation in this matter. If you have questions concerning this transaction or need further assistance regarding the banking program, please contact Mr. Brandon Greulich at (512) 239-4904 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.

Mr. John E. Melancon

Page 2

June 8, 2010

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/LB/sd

cc: Air Section Manager, Region 10 - Beaumont

Project Number: 402005

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

D-2259



Number of Credits:

6.0 tons NOx

Discrete Emission Reduction Credit Certificate

This certifies that

*Temple-Inland
1750 Inland Rd.
Orange, TX 77632*

TRANSFERRED

TO CERTIFICATE NO(S): D-2775+
DATE: _____

is the owner of 6.0 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 1998 to December 31, 1998

Generator Regulated Entity No.: RN100216035

Generator Certificate: Serial Numbers 20700-20729
or D-1189

County of Generation: Orange

May 14, 2010

Date

A handwritten signature in black ink, appearing to read "David Bryner".

For the Commission