

10/07/2008 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 402433
RECEIVED: 02/11/2008

STATUS: P
PROJTYPE: BDIU

DISP CODE: *C*
ISSUED DT: *12/22/08*
SUP-DISP DATE: *11/3*

STAFF ASSIGNED TO PROJECT:

HUDDLESON, TODD

AIR DERC_102169950-402433_
USE_20081103_Use_D2330

PROJECT TRANSACTIONS

COMPANY DATA

COMPANY NAME: QUALA SYSTEMS, INC.
CUSTOMER REGISTRY ID: CN600286827

PORTFOLIO DATA

NUMBER: P3009 NAME: QUALA SYS CLUTE FACIL - RN102169950

SITE DATA

ACCOUNT:
REG ENTITY ID: RN102169950
SITE NAME: QUALA SYSTEMS - CLUTE FACILITY
COUNTY: BRAZORIA
LOCATION:

NEAREST CITY: CLUTE

CONTACT DATA

NAME: RONALD PARROTT TITLE: REGIONAL VP
STREET: 1710 CENTRAL AVENUE CITY/STATE, ZIP: HOUSTON, TX , 77015-6542
FAX: 713-928-9942 ext 0
PHONE: 713-928-2270 ext 0

TRANSACTION DATA

TRANSACTION TYPE: DERC_INTEN
DATE ENTERED: 2008-02-15 00:00:00.0 DELETED DATE: EFFECTIVE YEAR:
CONTAMINATE: NOX TONS: 0.80 DOLLARS: 0
ALLOWANCE0 CERTIFICATE NO.: D2206 COUNTY : BRAZORIA

TRANSACTION DATA

TRANSACTION TYPE: DERC_RET
DATE ENTERED: 2008-02-15 00:00:00.0 DELETED DATE: EFFECTIVE YEAR:
CONTAMINATE: NOX TONS: 4.60 DOLLARS: 0
ALLOWANCE0 CERTIFICATE NO.: D2330 COUNTY : BRAZORIA

TRACKING ACTIVITES

TR - ENGINEER RECEIVE PROJECT : 04/23/2008 TR - PROJ TECH COMPLETE : 10/07/2008 TR - SUP/MANGR APP/RVW RQSTD : 10/08/2008
FA - PROJECT ISSUED : TR - DATE SUP/MNGR REQ ADDL TR :

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

Project No.:	402433	Customer Reference No.:	CN600286827
Project Type:	BDIU	Regulated Entity No.:	RN102169950
Company:	Quala Systems, Inc.	Facility Name:	Houston Facility
City:	Clute	County:	Brazoria
Project Reviewer:	Mr. Todd Huddleson	Portfolio Name:	Quala Systems-Clute Facility- RN102169950

Project Overview

Quala Systems, Inc. has submitted a form DEC-2 (Notice of Intent to Use Discrete Emission Credits), dated February 11, 2008. They are submitting this form for their gas-fired boiler (BLR-1) to comply with an ESAD of 0.036 lb/MMBtu, which can be found in 117.2010(c)(1)(A). Their expected emission rate comes from a stack test conducted on December 1, 2005.

Discrete Emission Credit / Emission Reduction Credit Use

Quala Systems is using these credits to comply with the ESADs in 117.2010(c)(1)(A) with an estimated amount of 0.8 ton during the time frame specified in their application.

Certificate(s) to be used D-2206
 Pollutant NOx
 Amount 0.8 ton
 Regulation 117.2010(c)(1)(A)
 Use period/Use Date 03/27/2008 – 03/26/2009

Credit Use Calculation Methods

Quala Systems estimated a level of activity from 3/27 – 3/26 of 22,776 MMBtu for facility BLR-1. An expected emission rate of 0.098 lbs/MMBtu based on previous emissions data, was given for the facility. The total emissions over the ESAD rate of 0.036 lbs/MMBtu comes to 0.71 ton. An environmental contribution of 0.071 ton is added to the total emissions for a total of 0.8 ton of DERCS. Compliance Margin (5%) does not apply.

According to 30 TAC §101.376(d)(2)(B):

$$DERC = (ELA) \times (EER - RER)$$

$$DERC = 22,776 \times (0.098 - 0.036)/2000 = 0.71 \text{ ton}$$



$$\text{Environmental Contribution (10\%)} = 0.71 \text{ ton} \times 0.10 = 0.071 \text{ ton}$$

$$\text{Total DERCS required} = 0.71 \text{ ton} + 0.071 \text{ ton} = 0.78 \text{ ton}$$

$$\text{Rounded to the nearest tenth is } 0.8 \text{ ton}$$

Conclusion:

Quala Systems has submitted the required documentation to increase their allowed emission rates according to 101.376 and 117.2010(c)(1)(A). They will set aside 0.8 ton of certificate D-2206 for their intent to use, and the remaining 4.6 tons will be retained by them on certificate D-2330.

	10/7/08		11/03/08
Project Reviewer	Date	Team Leader/Section Manager/Backup	Date



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

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FEB 11 2008
 AIR QUALITY
 DIVISION

I. Company Identifying Information		
A. Company Name: Quala Systems, Inc.		
Mailing Address: 701 Highway 227 S		
City: Clute	State: Texas	Zip Code: 77531-5711
Telephone: (713) 928-2270		Fax: (713) 928-9942
B. TCEQ Customer Number (CN): CN600286827		
C. Site Name: Quala System, Inc. (Clute)		
Street Address: (if no street address, give driving directions to site) 701 Highway 227 S		
Nearest City: Clute	Zip Code: 77531-5711	County: Brazoria
D. TCEQ Regulated Entity Number (RN): RN102169950		
E. TCEQ Air Account Number: (if applicable): BL-0732-U		
F. Primary SIC: 7542		Air Permit Number: 48930
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.) Ronald Parrott		
Technical Contact Title: Regional VP		
Mailing Address: 1710 Central Avenue		
City: Houston	State: Texas	Zip Code: 77015-6542
Telephone: (713) 928-2270	Fax: (713) 928-9942	E-mail: rparott@qualawash.biz
III. Mass Emission Cap and Trade Program (MECT)		
<p>Is the DERC use for compliance with 30 TAC Chapter 101 Subchapter H, Division 3? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>Year DERC Generated: _____ Year of Use: _____ Ratio of DERC to Allowance: _____ to _____</p> <p><i>Note: If DERC use is to comply with MECT then go to Section IX</i></p>		
IV. Intended Use Period		
Intended Use Start Date <u>01/01/08</u>		Intended Use End Date <u>12/31/08</u>



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

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V. State and Federal Requirements

Applicable State and Federal requirements that the DERs will be used for compliance: 30 TAC 117.475(c)(1)(A)

VI. Most Stringent Emission Rate

Describe basis for most stringent allowable emission rate:

Permit _____

RACT 0.036 lb/MMBtu

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)
BLR-1	BLR-1	NOx	22,776 MMBtu	0.098 lb/MMbtu/hr	1.116	22,776 MMBtu	0.036 lb/MMbtu/hr	0.410	0.706
								Total:	0.706

$22,776 \times (0.098 - 0.036) / 2000 = 0.706$
 Env Contrib (10%) 0.0706
 Total DERCS 0.78
 Round to nearest 10th 0.8
 $22,776 \times 0.062 / 2000 = 0.706$

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

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VIII. Protocol					
Protocol used to calculate DERC: <i>Note: Attach the actual calculations that were used to determine the amounts of DERCs needed to this form</i> Attached					
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 : <u>0.706</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Offset Ratio (if required)	CO: _____	NO _x : <u>N/A</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Environmental Contribution (+ 10%)	CO: _____	NO _x : <u>0.071</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Compliance Margin (+ 5%) <i>(If DERC use requires >10 tons)</i>	CO: _____	NO _x : <u>N/A</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs required	CO: _____	NO _x : <u>0.777</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
X. DERC Information					
Name of the DERC Generator: <u>NA</u>					
DERC Generator Regulated Entity Number: <u>NA</u>					
Certificate number of the DERCs acquired or to be acquired: <u>D-2206 and 2237 (Currently Held By Quala Systems, Inc. - Clute)</u>					
<i>Note: The certificate number is assigned by the TCEQ</i>					

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XI. Purchase Date and Price		FEB 11 2008
Date on which the DERCs were acquired or will be acquired: <u>NA</u>		AIR QUALITY DIVISION
Price or expected price of the DERCs: \$ <u>NA</u> per ton (Required)		
XII. Certification by Responsible Official		
<p>I Ronald Parrott <u>JAMES A. RAKITSKY</u>, hereby certify, that the emission reductions claimed on this notice meet the requirements of 30 TAC Chapter 101, Subchapter H, Division 4. 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.</p>		
Signature	<u>James A. Rakitsky</u>	Signature Date <u>2-8-08</u>
Title	<u>VICE PRES ENV SERVICES</u>	

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

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 5, 2008

Mr. Ronald Parrott
Regional Vice President
Quala Systems, Inc.
1710 Central Avenue
Houston, Texas 77015-6542

Re: Notice of Intent to Use Discrete Emission Credits
Quala Systems, Inc. - Clute Facility
Clute, Brazoria County
Regulated Entity Number: RN102169950
Customer Reference Number: CN600286827

Dear Mr. Parrott:

This letter is in response to your Form DEC-2 (Notice of Intent to Use Discrete Emission Credits), dated February 11, 2008, for compliance with Title 30 Texas Administrative Code Chapter 117 (30 TAC Chapter 117). We understand you plan to use 0.8 ton of nitrogen oxides (NO_x) discrete emission credits for the purposes of complying with emissions specifications for attainment demonstration for boilers in 30 TAC § 117.2010(c)(1)(A).

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-2330 issued to Quala Systems, Inc., for the remaining 4.6 tons of NO_x discrete emission credits from DERC Certificate Number D-2206. 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. Ronald Parrott
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January 5, 2008

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,



S Susana M. Hildebrand, P.E., Director
Air Quality Division
Texas Commission on Environmental Quality

SMH/TH/rj

cc: Air Section Managers, Region 12 – Houston
Ms. Karen Carroll, Director, Environmental Health, Brazoria County Health Department, Angelton

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

Number of Credits:

4.6 tons NOx



TRANSFERRED

TO CERTIFICATE NO(S): D2330, D2355, D2576, D2575
DATE: 9/29/2010

Discrete Emission Reduction Credit Certificate

This certifies that
Quala Systems, Inc.
701 Highway 227 South
Clute, TX 77531-5711

is the owner of 4.6 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: November 1, 1997 to October 31, 1998

Generator Regulated Entity No.: RN100209428

Generator Certificate: D-1013

County of Generation: Harris

2008

Signature

Date

For the Commission