

10/08/2010 ----- EBTB IMS- PROJECT RECORD -----

PROJECT#: 402427
RECEIVED: 02/11/2008

STATUS: C
PROJTYPE BDIU

DISP CODE: C ✓
ISSUED DT: 10/08/2010
SUP-DISP DATE: 10/08/2010

STAFF ASSIGNED TO PROJECT:
LOKO, FRANCIS

PROJECT TRANSACTIONS

COMPANY DATA

COMPANY NAME: ETHYL CORPORATION
CUSTOMER REGISTRY ID: CN600127740

PORTFOLIO DATA

NUMBER: P1807 NAME: ETHYL CORP - LUBE ADDITIVES PLANT - RN101613230

SITE DATA

ACCOUNT:
HG6831P

REG ENTITY ID: RN101613230

SITE NAME: ETHYL CORPORATION - LUBE ADDITIVES PLANT

COUNTY: HARRIS

NEAREST CITY: PASADENA

LOCATION: APPROX 1.5 MI N OF SH 225 & PRESTON ST

CONTACT DATA

NAME: DEWAINE KAY

TITLE: SENIOR ENVIRONMENTAL SPECIALIST

STREET: PO BOX 472 CITY/STATE, ZIP: PASADENA, TX , 77501-0472

FAX: 713-740-8310 ext 0

PHONE: 713-740-8317 ext 0

TRANSACTION DATA

TRANSACTION TYPE: DERC_INTEN

DATE ENTERED: 2008-02-15 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 0.30

DOLLARS: 0

CERTIFICATE NO.: D2221 COUNTY : HARRIS

TRANSACTION DATA

TRANSACTION TYPE: DERC_RET

DATE ENTERED: 2008-02-15 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 17.00

DOLLARS: 0

CERTIFICATE NO.: D2595 COUNTY : HARRIS

TRACKING ACTIVITIES

TR - ENGINEER RECEIVE PROJECT : 10/06/2010 TR - PROJ TECH COMPLETE :

10/06/2010 TR - SUP/MANGR APP/RVW RQSTD :

10/08/2010

FA - PROJECT ISSUED : 10/08/2010



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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AIR QUALITY
DIVISION

I. Company Identifying Information			
A. Company Name: Ethyl Corporation			
Mailing Address: P.O. Box 472			
City: Pasadena	State: TX	Zip Code: 77501-0472	
Telephone: (713) 740-1000		Fax: (713) 740-8310	
B. TCEQ Customer Number (CN): CN600127740			
C. Site Name: Ethyl Corporation – Lube Additives Plan			
Street Address: (if no street address, give driving directions to site) 1000 N. South St.			
Nearest City: Pasadena	Zip Code: 77503	County: Harris	
D. TCEQ Regulated Entity Number (RN): RN101613320			
E. Primary SIC: 2869		Air Permit Number: 18161	
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.) Dewaine Kay			
Technical Contact Title: Sr. Envr. Specialist			
Mailing Address: P. O. Box 472			
City: Pasadena	State: TX	Zip Code: 77701-0472	
Telephone: (713) 740-8317	Fax: (713) 740-8310	E-mail: Dewaine.Kay@ethyl.com	
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 type="checkbox"/> NO			
Year DERC Generated: _____ Year of Use: _____ Ratio of DERC to Allowance: _____ to _____			
<i>Note: If DERC use is to comply with MECT then go to Section IX</i>			
IV. Intended Use Period			
Intended Use Start Date <u>03 /16 /08</u>		Intended Use End Date <u>03 /15 /09</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 DERCs will be used for compliance:
30 TAC 117.475(c)(1)(A), 30 TAC 117.57(a), 30 TAC 117.534(2)(D)

VI. Most Stringent Emission Rate

Describe basis for most stringent allowable emission rate:

☐ Permit _____

☐ RACT _____

☒ 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)
X-C-1	X-C-1	Nox	37,000 MM Btu/yr	0.076 Max MM Btu	1.41	37,000 MM Btu/yr	0.036 lb MM Btu	0.67	0.74
						20 MM Btu/Hr.	0.060 lb. MM permit/application	5.26 (permit)	
								Total:	0.74

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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:

Note: Attach the actual calculations that were used to determine the amounts of DERCs needed to this form

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>0.74</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Offset Ratio (if required)	CO: _____	NO _x : <u>0.07</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Environmental Contribution (+ 10%)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Compliance Margin (+ 5%) (If DERC use requires >10 tons)	CO: _____	NO _x : _____	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs	CO: _____	NO _x : <u>1</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____

X. DERC Information

Name of the DERC Generator: Multifuels LP

DERC Generator Regulated Entity Number: RN1000225945

Certificate number of the DERCs acquired or to be acquired: D-1196

Note: The certificate number is assigned by the TCEQ



Form DEC-2 (Page 5)
Notice of Intent To Use Discrete Emission Reduction Credits
(Title 30 Texas Administrative Code § 101.370-101.379)
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XI. Purchase Date and Price

Date on which the DERCs were acquired or will be acquired: 02 / 05 / 08

Price or expected price of the DERCs: \$ 450 . 00 per ton (Required)

XII. Certification by Responsible Official

I Steve Livesay, 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.

Signature Harold Steven Livesay Signature Date 2/8/08

Title Regulatory Compliance Manger

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

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AIR QUALITY
DIVISION

Ethyl® Corporation
Houston Plant

Please Address Reply To:
Ethyl Corporation
attn: Dewaine Kay
P.O. Box 472
Pasadena, TX 77501-0472

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Article No. 7000 1670 0009 7674 9053

Emissions Banking and Trading Program
T.C.E.Q. MC 163
P.O. Box 13087
Austin, TX 78711-3087

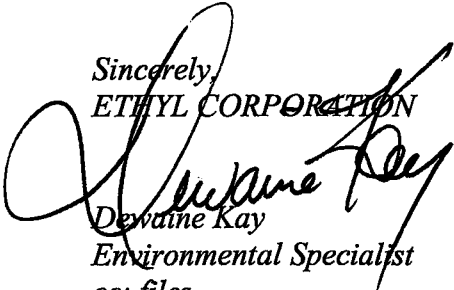
Re: Form DEC-2
Ethyl Corp. Pasadena, Harris Count
Regulated Entity Number: RN101613230
Customer Reference Number: CN600127740

Dear Sir or Madame:

Pursuant to the regulation under 30 TAC 101.376(d), Ethyl Corp. is submitting a completed DEC-2 Form, Notice of Intent to Use Discrete Emission Credits, for the period from March 16, 2008 to the March 15, 2009. The estimate to determine the required amounts are attached.

If you have any question on this matter, please contact me at (713) 740-8317.

Sincerely,
ETHYL CORPORATION



Dewaine Kay
Environmental Specialist
cc: files

bcc: Steven Livesay

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AIR QUALITY
DIVISION

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

November 19, 2010

Mr. Dewaine Kay
Environmental Specialist
Ethyl Corporation
P.O. Box 472
Pasadena, Texas 77501-0472

Re: Notice of Intent to use and Use of Discrete Emission Reduction Credits
Ethyl Corporation – Lube Additives Plant
Pasadena, Harris County
Regulated Entity Number: RN101613230
Customer Reference Number: CN600127740
Portfolio Number: P1807

Dear Mr. Kay:

This letter is in response to Ethyl Corporation - Lube Additives Plant's four Forms DEC-2 (Notice of Intent to Use Discrete Emission Credits) received on February 11, 2008, February 3, 2009, January 20, 2010, and October 18, 2010, and three Forms DEC-3 (Notice of Use of Discrete Emission Credits) received on July 2, 2009, June 22, 2010, and October 18, 2010, regarding the use of nitrogen oxides (NO_x) discrete emission reduction credits (DERCs) for the purpose of compliance with 30 Texas Administrative Code (TAC) §117.2010(c)(1)(A).

We have reviewed your application and have found that the notices and the credits to be used or used meet the requirements of 30 TAC §§101.370 through 101.379. We also agree that the uses of the NO_x DERCs meets the requirements of 30 TAC §117.2010(c)(1)(A).

On the Form DEC-2 received on February 11, 2008, Ethyl Corporation requested that 1.0 ton of NO_x DERCs be set aside for the period of March 16, 2008 to March 15, 2009. On the Form DEC-3 received on July 2, 2009, Ethyl Corporation indicated that only 0.3 ton was actually used. Consequently, only 0.3 ton of NO_x DERCs was set aside from certificate D-2221, valued at 17.3 tons. Since certificate D-2221 was not completely set aside, DERC certificate number D-2595 was generated for the retained amount of 17.0 ton of NO_x DERCs. Certificate D-2221 is now cancelled.

On the Form DEC-2 received on February 3, 2009, Ethyl Corporation requested that 0.3 ton of NO_x DERCs be set aside for the period of March 16, 2009 to March 15, 2010. On the Form DEC-3 received on June 22, 2010, Ethyl Corporation indicated that 0.3 ton was the amount actually used. Consequently, 0.3 ton of NO_x DERCs was set aside from certificate D-2595, valued at 17.0 tons. Since D-2595 was not completely set aside, DERC certificate number D-2606 was generated for the retained amount of 16.7 tons of NO_x DERCs. Certificate D-2595 is now cancelled.

On the Form DEC-2 received on October 18, 2010, Ethyl requested that 0.2 ton of NO_x DERCs be set aside for use during the period from March 16, 2009 to September 8, 2010. On the Form DEC-3 received October 18, 2010, Ethyl indicated that the same exact amount was actually used. Consequently, 0.2 ton of NO_x DERCs were set aside from DERC certificate D-2606. The remaining amount of 16.5 tons of NO_x credits was transferred to certificate number D-2633. Certificate D-2606 is now cancelled.

Per 30 TAC §101.378(b)(1), the 16.5 tons of NO_x DERCs on certificate D-2633 generated from shutdown strategies expired on September 9, 2010. Certificate D-2633 is now cancelled and there are no NO_x tons remaining for future use.

Thank you for your cooperation in this matter. If you have questions concerning this review, please contact Mr. Francis Loko at (512) 239-1109 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,



David Brymer, Director
Air Quality Division
Texas Commission on Environmental Quality

DB/FL/xc

Enclosure

cc: Air Section Manager, Region 12 – Houston
Mr. Michael Schaffer, Director, Environmental Public Health Division, Harris County Public Health and Environmental Services, Pasadena
Ms. Kathy Perez-Ashton, Chief Health Inspector, City of Pasadena Health Department, Pasadena

DISCRETE EMISSION CREDITS/EMISSION CREDIT USE TECHNICAL REVIEW

Project No.:	402427, 403969, 403376, 404915, 404213, 405045	Customer Reference No.:	CN600127740
Project Type:	BDIU/BUSE	Regulated Entity No.:	RN101613230
Company:	Ethyl Corporation	Facility Name:	Ethyl Corporation - Lube Additives Plant
City:	Pasadena	County:	Harris
Project Reviewer:	Mr. Francis Loko	Portfolio Name:	P1807 - Lube and Fuel Plant RN101613230

Project Overview

Ethyl Corporation (Ethyl) submitted four Forms DEC-2, Notices of Intent to Use Discrete Emission Credits, and three Forms DEC-3, Notices of Use of Discrete Emission Credits. Ethyl used Discrete Emission Reduction Credits (DERCs) to help meet the requirements of Title 30 Texas Administrative Code (TAC) §117.2010(c)(1)(A) on a gas-fired heater with an Emission Specification for Attainment Demonstration (ESAD) of 0.036 pounds of nitrogen oxides per million British thermal units (lb-NO_x/MMBtu) at their Ethyl Corporation - Lube Additives Plant site (Lube Additives Plant). The site is located in Harris County within the Houston-Galveston-Brazoria (HGB) ozone nonattainment area.

Because there was a backlog in projects, the intents and uses projects were processed together. Thus the actual amount used for each period was known, and only that amount was set aside.

On the Form DEC-2 received February 11, 2008, and processed under project number 402427, Ethyl requested that 1.0 ton of NO_x DERCs be set aside for use during the period from March 16, 2008, to March 15, 2009. On the Form DEC-3 received July 2, 2009, and processed under project number 403969, Ethyl indicated that only 0.3 ton (including the 10% environmental contribution) was actually used. Consequently 0.3 ton of NO_x DERCs was set aside from DERC certificate D-2221. The remaining amount of 17.0 tons of NO_x credits were retained under certificate D-2595. Certificate D-2221 was cancelled following the use.

On the Form DEC-2 received February 3, 2009, and processed under project number 403376, Ethyl requested that 0.3 ton of NO_x DERCs be set aside for use during the period from March 16, 2009, to March 15, 2010. On the Form DEC-3 received June 22, 2010, and processed under project number 404915, Ethyl indicated that the exact same amount (including the 10% environmental contribution) was actually used. Consequently 0.3 ton of NO_x DERCs was set aside from DERC certificate D-2595. The remaining amount of 16.7 tons of NO_x credits was retained under certificate D-2606. Certificate D-2595 was cancelled following the use.

A third Form DEC-2 was received January 20, 2010 and processed under project number 403376. Ethyl requested that 0.2 ton of NO_x DERCs be set aside for use during the period from March 16, 2010, to March 15, 2011. However, the original certificate for certificate D-2606 was generated from shutdown strategies and consequently that certificate along with all its children certificates was set to expire on September 9, 2010, per 30 TAC §101.378(b)(1). Consequently, Ethyl submitted a new form DEC-2, received on October 18, 2010, and revising the use period from March 16, 2010, to September 8, 2010. This review was based on the revision. Another Form DEC-2 for the September 9, 2010 to March 15, 2011 is expected to be received in the near future. On the Form DEC-3 received October 18, 2010, and processed under project number 405045, Ethyl indicated that the same exact amount (including the 10% environmental contribution) was actually used. Consequently 0.2 ton of NO_x DERCs was set aside from DERC certificate D-2606. The remaining amount of 16.5 tons of NO_x credits was transferred to certificate number 2633. Certificate D-2606 was cancelled following the use. Because certificate 2633 was a child of certificate D-2606, it expired on September 9, 2010, and no NO_x tons were issued back to Ethyl.

Discrete Emission Credit / Emission Reduction Credit Use

Ethyl is subject to the ESADs listed in 30 TAC §117.2010(c)(1)(A). The Lube Additives site hosts one heater, FIN X-C-1, whose actual emission rate is 0.044 lb-NO_x/MMBtu. The heater emission rate was originally 0.076 lb/MMBtu, as measured during a stack test conducted on September 14, 2004. A new stack test was performed on August 20, 2008, which changed the emission rate to 0.044 lb/MMBtu. Because this new emission rate was still higher than the ESAD, the company used DERCs to account for the difference. However, 30 TAC §117.2035(e)(7)(C) requires that emissions up to the date of the test be calculated using the previous emission factor. Yet, on the Form DEC-2 received February 11, 2008, Ethyl assumed the heater would operate with the new lower emission factor throughout the year. Because the project was processed late and it was clear that Ethyl had enough credits to make up for the difference, as well as the fact that any remaining credits were due to expire, the company was not asked to revise the form. The new emission rate was used on subsequent Forms DEC-2 and DEC-3.

For the period from March 16, 2008, to March 15, 2009, the DERCs used are from certificate D-2221, owned by Ethyl and valued at 17.3 tons of NO_x. The original certificate is D-1003. An amount of 0.3 ton was set aside and subsequently used. New DERC certificate D-

2595 was created for the retained 17.0 tons. For the period from March 16, 2009, to March 15, 2010, the DERCs used came from certificate D-2595. An amount of 0.3 ton was again set aside and used, and new DERC certificate D-2606 was created for the retained 16.7 tons. For the period from March 16, 2010 to September 8, 2010, the DERCs used came from certificate D-2606. An amount of 0.2 ton was set aside and used, and new DERC certificate D-2633 was created for the retained 16.5 tons. Certificate D-2221 is completely used and will be cancelled. **Since certificates D-2595 and D-2606 are also completely used and will be cancelled, there is no need to generate them.** As for certificate 2633, it expired on September 9, 2010, per 30 TAC §101.378(b)(1), and also does not need to be generated.

Certificates used	D-2221, D2595, D-2606
Pollutant	Nitrogen Oxides
Amounts	0.3 ton, 0.3 ton, 0.2 ton
Regulation	30 TAC §117.2010(c)(1)(A)
Use periods/Use Dates.....	03/16/08 – 03/15/09, 03/16/09 – 03/15/10, 03/16/2010 – 09/08/2010

Credit Use Calculation Methods

Since the intents and uses projects are being processed together, only the credit use calculation is elaborated. Below is the example of the March 16, 2009, to March 15, 2010, use period.

Ethyl submitted an actual level of activity from March 16, 2009 to March 15, 2010, of 38,450.0 (MMBtu) for FIN X-C-1. The actual emission rate is the same as the expected emission rate of 0.044 lb/MMBtu, based on the 2008 stack test.

Per 30 TAC §101.376(e)(2)(A):

DERCs Used = ALA x (AER - RER) ÷ 2000 lb/ton + 10% environmental contribution.

Where:

ALA = actual level of activity = 38,450.0 MMBtu

AER = actual emission rate per unit activity = 0.044 lbs/MMBtu

RER = regulatory emission rate per unit activity = 0.036 lbs/MMBtu

DERCs Used = 38,450.0 MMBtu × (0.044 lb/MMBtu - 0.036 lb/MMBtu) ÷ 2000 lb/ton

DERCs Used = 0.1538 ton; rounded up to the nearest tenth of a ton = 0.2 ton

10% environmental contribution = 0.0154 ton; rounded up to the nearest tenth of a ton = 0.1 ton/yr


Total DERCs used= 0.2 ton + 0.1 ton = 0.3 ton

Conclusion:

Ethyl has submitted all required documentation for DERCs use to be in compliance with 30 TAC §117.2010(c)(1)(A). Certificate D-2221 is completely used and will be cancelled. **Since certificates D-2595 and D-2606 are also completely used and will be cancelled, there is no need to generate them.** Certificate D-2633 expired on September 9, 2010, per 30 TAC §101.378(b)(1), and also does not need to be generated. There are no remaining NO_x tons to be issued back to Ethyl.


Project Reviewer

11/15/10
Date


Team Leader/Section Manager/Backup

11/16/2010
Date

