

PROJECT#: 403476
RECEIVED: 11/10/2008

STATUS: C
PROJTYPE: BDIU

DISP CODE: C
ISSUED DT: 10/27/2010
SUP-DISP DATE: 10/27/2010

STAFF ASSIGNED TO PROJECT:
BANDA, DANIEL

PROJECT NOTES:

1/1/09-6/30/09 INTENT: THE RETAINED CERTIFICATE WILL NOT BE RETURNED TO THE COMPANY. THE GENERATING CERTIFICATE (D-1253) EXPIRED 9/8/2010. GROUPWISE DOCUMENTS: DCUA/DCUS-15810 / DCTR-15811

PROJECT TRANSACTIONS**COMPANY DATA**

COMPANY NAME: AIR PRODUCTS LLC
CUSTOMER REGISTRY ID: CN602299257

AIR DERC_102041282-403476_
USE_20101027_Use_D2652

PORTFOLIO DATA

NUMBER: P0026 NAME: LA PORTE TEXAS FACILITY - RN102041282

SITE DATA

ACCOUNT:
HG0010N

REG ENTITY ID: RN102041282

SITE NAME: LA PORTE TEXAS FACILITY

COUNTY: HARRIS

NEAREST CITY: LA PORTE

LOCATION: 10202 STRANG RD, LA PORTE, TX

CONTACT DATA

NAME: PAUL MORRIS

TITLE: ENVIRONMENTAL ENGINEER

STREET: PO BOX 3326 CITY/STATE, ZIP: PASADENA, TX , 77501-0

FAX: 713-920-7445 ext 0

PHONE: 713-920-7296 ext 0

TRANSACTION DATA

TRANSACTION TYPE: DERC_INTEN

DATE ENTERED: 2009-03-09 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 1.20

DOLLARS: 0

CERTIFICATE NO.: D2652 COUNTY : HARRIS

TRANSACTION DATA

TRANSACTION TYPE: DERC_RET

DATE ENTERED: 2009-03-09 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 49.40

DOLLARS: 0

CERTIFICATE NO.: D2654 COUNTY : HARRIS

TRACKING ACTIVITES

TR - ENGINEER RECEIVE PROJECT : 10/22/2010

TR - SUP/MANGR APP/RVW RQSTD :

10/27/2010 FA - PROJECT ISSUED : 10/27/2010

TR - PROJ TECH COMPLETE : 10/27/2010

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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DIVISION

I. Company Identifying Information		
A. Company Name: Air Products LLC		
Mailing Address: 10202 Strang Road		
City: LaPorte	State: TX	Zip Code: 77571
Telephone: 281-478-5901	Fax: 281-478-3042	
B. TCEQ Customer Number (CN): CN602299257		
C. Site Name: La Porte Facility		
Street Address: (if no street address, give driving directions to site)		
Nearest City: La Porte	Zip Code: 77571	County: Harris
D. TCEQ Regulated Entity Number (RN): RN102041282		
E. Primary SIC: 2813	Air Permit Number: 21878	
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.) William F. Caldwell, PE, PG		
Technical Contact Title: Environmental Engineer		
Mailing Address: PO Box 3326		
City: Pasadena	State: TX	Zip Code: 77501
Telephone: 713- 920-7326	Fax: 610-706-5344	E-mail: caldwewf@airproducts.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 checked="" 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>1 / 01 / 2009</u>		Intended Use End Date <u>6 / 30 / 2009</u>

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

V. State and Federal Requirements

Applicable State and Federal requirements that the DERCs will be used for compliance:

117.320- system cap

VI. Most Stringent Emission Rate

Describe basis for most stringent allowable emission rate:

☐ Permit _____ ☒ RACT 0.032 lb/mmmbtu ☐ Other: _____

Notes:

ESAD 117.310(a)(10)(A)

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)	
GT-1	Pecogen1	NO _x								
GT-2	Pecogen2	NO _x		See Attached Table						
GT-3	Pecogen3	NO _x								
GT-4	Pecogen4	NO _x								
								Total:		

Established > system cap of 218.9 lbs NO_x/day is the same for the 3rd quarter month of September and the non-third quarter month of October. See attached spreadsheet.

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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)

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

See attached. Calculation per chapter 101, Subchapter H Emissions Banking and Trading Division 4 Discrete Emission Banking and Trading- 101.376 (d)(2)(i)

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>58.1</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Offset Ratio (if required)	CO: _____	NO _x : <u>NA</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Environmental Contribution (+ 10%)	CO: _____	NO _x : <u>5.8</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Compliance Margin (+ 5%) (If DERC use requires >10 tons)	CO: _____	NO _x : <u>2.9</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs required	CO: _____	NO _x : <u>66.8</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____

X. DERC Information

Name of the DERC Generator: National Offsets
DERC Generator Regulated Entity Number: P1149 Broker Account
Certificate number of the DERCs acquired or to be acquired: D2135 *or D2166*

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

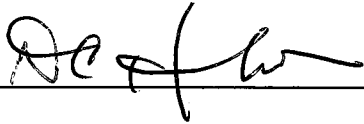
Date on which the DERCs were acquired or will be acquired: 10 / 29 / 2008

Price or expected price of the DERCs: \$ 0.00 per ton (Required)--Market Price

XII. Certification by Responsible Official

I David C. Hefe, 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



Signature Date 11-3-08

Title Houston Area Manager

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

Air Products, LLC
La Porte Facility
10202 Strang Road
La Porte, TX 77571

Attachment
DERC Calculation to Satisfy
Sections VII and VIII of
Notice of Intent to Use
Form DEC-2

CN 602299257

Capacity	Turbines	Expected Hours of Operation- Daily	Expected New Daily Heat Input	Expected Emission Rate	Expected New Daily Total	Regulatory Limit- System Cap per 117.210	Difference	Use Period	DERCs	10% Compliance Contribution	5% Compliance Margin	Total DERCs Require
MW/unit	# of Units	hrs/day	mmbtu/day	lb/mmbtu	lbs NOx/day	lbs NOx/day	lbs NOx/day	days	tons	tons	tons	tons
38	4	16	29670.4	0.029	860.4	218.9	641.5	181	58.1	5.8	2.9	66.8

Heat Rate: 12,200 Btu/kwh

Calculation based upon the DERC calculation in 101.376(d)(2)(I):

Expected New Daily Total = 4 units * 38 MW/unit * 12,200 btu/kwh * 1000 kw/ 1 MW * 0.029 lb NOx/mmbtu * 1 mmbtu/10⁶ btu * 16 hr/day

Established system cap of 218.9 lbs NOx/day established per 117.210

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DIVISION

Exelon®

Generation

November 11, 2008

Mr. Ivan Gray
Emission Banking and Trading Program
TCEQ MC-206
PO Box 13087
Austin, TX 78711-3087

RE: Notice of Intent to Use Discrete Emission Credits
La Porte Facility (RN102041282)

Dear Mr. Gray:

Exelon Generation Company, LLC is submitting a Notice of Intent to Use Discrete Emission Credits for the LaPorte Facility (RN102041282). Enclosed is a DEC-2 form for 66.8 DERs for the intended use period of January 1, 2009 through June 30, 2009.

If you have any questions regarding this notice, please contact me at (610) 765-5883 or by email at kimberly.scarborough@exeloncorp.com. Thank you for your consideration.

Sincerely,



Kimberly A. Scarborough
Senior Engineer

Enclosure

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 15, 2010

Certified Mail # 91 7108 2133 3935 2170 2267

Mr. Paul J. Morris
Senior Principal Environmental Engineer
Air Products, L.L.C.
P.O. Box 3326
Pasadena, Texas 75501

Re: Notice of Violation of Notice of Intent to Use Discrete Emission Credits at:
La Porte Texas Facility
La Porte, Harris County
Regulated Entity Number (RN): RN102041282
Customer Reference Number: CN602299257
Portfolio Number: P0026

Dear Mr. Morris:

This letter is in response to Air Products, L.L.C.'s, multiple Forms DEC-2, Notice of Intent to Use Discrete Emission Credits, and multiple Forms DEC-3, Notice of Use of Discrete Emission Credits, for the purpose of complying with the 30-day rolling average nitrogen oxides (NO_x) system cap under Title 30 Texas Administrative Code (TAC) §117.320 (previously 30 TAC §117.210) at the La Porte Facility. During this review, any instances of non-compliance with applicable Emissions Banking and Trading Program regulations under 30 TAC Chapter 101 Subchapter H have been noted as violations. Enclosed is a summary that lists the findings. All violations were resolved during or subsequent to the review. No further response from you is necessary at this time.

We have reviewed your applications and have found that the notices and the credits to be used meet the requirements of 30 TAC §§101.370 through 101.379. Please refer to the table summaries below for details.

All intent amounts in the table are reflective of the actual use amount, specified in the use projects. The retained credits from DERC Certificate D-2188 have now expired. All DERCs generated from shutdown strategies prior to September 30, 2002, may only be used until September 8, 2010, per 30 TAC §101.378(b)(1). Though these credits have expired, they may be used to satisfy compliance requirements for intent and use projects received by the Texas Commission on Environmental Quality (TCEQ) with use periods prior to September 9, 2010.

PROJECT NUMBER	RECEIVE DATE	PROJECT TYPE	USE PERIOD	TOTAL TONS REQUIRED/USED
401456 ¹	3/15/2006	Intent	3/31/07-	56.9
404443	10/26/2007	Use	8/31/07	0.4
404444	7/10/2007	Intent	9/1/07-	0.5 ²
402384	1/30/2008	Use	10/31/07	0.5
402051	9/14/2007	Intent	11/1/07-	0.2 ²
402873	4/30/2008	Use	3/31/08	0.2
402440	2/19/2008 ³	Intent	4/1/08-	2.3 ²
403372	2/10/2009 ⁴	Use	10/31/08	2.3
403475	9/19/2008	Intent	11/1/08-	2.9 ²
403373	2/10/2009	Use	12/31/08	2.9
403476	11/10/2008	Intent	1/1/09-	1.2 ²
404817	3/26/2010 ⁴	Use	6/30/09	1.2
403867	5/14/2009	Intent	7/1/09-	0.1 ²
405018	3/26/2010	Use	12/31/09	0.1

¹A letter for project number 401456 has already been mailed. It has been included in this table for reference purposes.

²The total ton amount for the intent is based on the DERC use amount.

³Form DEC-2 was accepted late due to Hurricane Ike. No violation is required.

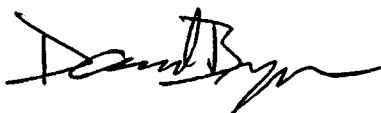
⁴Form DEC-3 was submitted past the specified due date. Please refer to the attached violation summary.

Please note that the legislature has granted the TCEQ enforcement powers to ensure compliance with environmental regulatory requirements. This action is taken under authority delegated by the Executive Director of the TCEQ. If you have additional information that we are unaware of, you have the opportunity to contest the violation(s) documented in this notice. Should you choose to do so, you must notify the staff listed below within 30 days from the date of this letter.

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. Daniel Banda at (512) 239-4701, 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/DB/sd

cc: Air Section Manager, Region 12 – Houston
Mr. Michael Schaffer, Director, Environmental Public Health Division, Harris County Public Health and Environmental Services, Pasadena

Violation Summary
Regulated Entity Number: RN102041282

Violation: Air Products, L.L.C., is in violation for submitting the Form DEC-3, Notice of Use of Discrete Emission Credits, past the required due date. The Forms DEC-3 are due no later than 90 days after the end of each use period and were received late on two occasions; February 10, 2009, and March 26, 2010.

Citation: Title 30 Texas Administrative Code (TAC) §101.376(e)(3)(A)

Recommended Corrective Action: Submit the completed Forms DEC-3 and supporting documentation as detailed in 30 TAC §101.376 to the Texas Commission on Environmental Quality, Emissions Banking and Trading Program.

Resolution: Air Products, L.L.C., submitted the required Forms DEC-3 and the supporting documentation for the respective use periods.

DISCRETE EMISSION CREDITS INTENT AND USE TECHNICAL REVIEW

Project No.:	401456, 404443, 404444, 402384, 402051, 402873, 402440, 403372, 403475, 403373, 403476, 404817, 403867, 405018	Customer Reference No.:	CN602229257
Project Type:	BDIU / BUSE	Regulated Entity No.:	RN102041282
Company:	Air Products, L.L.C.	Facility Name:	La Porte Texas Facility
City:	La Porte	County:	Harris
Project Reviewer:	Mr. Daniel Banda	Portfolio Name:	P0026

Project Overview

Air Products, L.L.C., submitted multiple Forms DEC-2, Notice of Intent to Use of Discrete Emission Credits, and multiple Forms DEC-3, Notice of Use of Discrete Emission Credits, for the purpose of complying with the 30-day rolling average nitrogen oxides (NO_x) system cap under Title 30 Texas Administrative Code (TAC) §117.320 (previously 30 TAC §117.210) at the La Porte Facility. The table below identifies the Discrete Emission Reduction Credit (DERC) certificates and respective amounts used to cover excess emissions during periods between 2007 and 2009.

Air Products, L.L.C., is in violation of 30 TAC §101.376(e)(3)(A) for the late submittal of Form DEC-3. The Form DEC-3 is due 90 days after the end of each use period and was received late on two occasions; February 10, 2009, and March 26, 2010. By submitting the Forms DEC-3 Air Products, L.L.C., has resolved the violation.

Discrete Emission Credit Intent and Use Summary

PROJECT NUMBER	RECEIVE DATE	PROJECT TYPE	USE PERIOD	TOTAL TONS REQUIRED/USED	CERTIFICATES USED	CERTIFICATES RETAINED
401456 ¹	3/15/2006	Intent	3/31/07-8/31/07	56.9	D2188 (56.9)	D2208 (3.1)
404443	10/26/2007	Use		0.4	D2593 (0.4)	D2594 (56.5)
404444	7/10/2007	Intent	9/1/07-10/31/07	0.5 ²	D2594 (0.5)	D2646 (56.0)
402384	1/30/2008	Use		0.5	D2647 (0.5)	-
402051	9/14/2007	Intent	11/1/07-3/31/08	0.2 ²	D2646 (0.2)	D2648 (55.8)
402873	4/30/2008	Use		0.2	D2649 (0.2)	
402440	2/19/2008 ³	Intent	4/1/08-10/31/08	2.3 ²	D2648 (2.3)	D2650 (53.5)
403372	2/10/2009 ⁴	Use		2.3	D2651 (2.3)	-
403475	9/19/2008	Intent	11/1/08-12/31/08	2.9 ²	D2650 (2.9)	D2652 (50.6)
403373	2/10/2009	Use		2.9	D2653 (2.9)	-
403476	11/10/2008	Intent	1/1/09-6/30/09	1.2 ²	D2652 (1.2)	D2654 (49.4)
404817	3/26/2010 ⁴	Use		1.2	D2655 (1.2)	-
403867	5/14/2009	Intent	7/1/09-12/31/09	0.1 ²	D2654 (0.1)	D2656 (49.3)
405018	3/26/2010	Use		0.1	D2657 (0.1)	-

¹ A letter for project number 401456 has already been mailed. It has been included in this table for reference purposes.

² The total ton amount for the intent is based on the DERC use amount.

³ Form DEC-2 was accepted late due to Hurricane Ike. No violation is required.

⁴ Form DEC-3 was submitted past the specified due date. All violations have been resolved.

Discrete Emission Credits Use Calculation Method

Due to the quantity of backlogged projects for Air Products, L.L.C., the intent and use projects were processed together. All intent amounts in the table are reflective of the actual use amount, specified in the use projects. The amounts set aside in the intent projects were not taken into account to minimize the amount of certificates generated.

Air Products, L.L.C., calculated DERC usage by using Continuous Emission Monitoring Systems data to determine the difference between the actual 30-day rolling average emissions and the 30-day rolling average limit during days the cap was exceeded. The company provided data for each day the emissions exceeded the 30-day rolling average including heat input, emission factors and total DERC usage for each use period. The example calculation below outlines the method used to determine the excess emissions for days the 30-day rolling cap was exceeded.

30-day rolling average emissions for 9/8/07:

$$\begin{aligned} &= 1198 \text{ MW} \cdot 1000 \text{ kw/MW} \cdot 12,200 \text{ btu/kw} \cdot 1 \text{ MMBtu}/1,000,000 \text{ btu} \cdot 0.029 \text{ lb NO}_x \text{ /MMBtu} \\ &= 423.9 \text{ lb NO}_x \text{ /day} \end{aligned}$$

30-day rolling average system cap limit:

$$= 218.9 \text{ lb NO}_x \text{ /day}$$

Difference:

$$\begin{aligned} &= 423.9 \text{ lb NO}_x \text{ /day} - 218.9 \text{ lb NO}_x \text{ /day} \\ &= 205.0 \text{ lb NO}_x \text{ /day} \\ &= 0.1 \text{ ton NO}_x \text{ /day} \end{aligned}$$

The differences for each day the cap was exceeded were added together to determine the total amount of DERCs necessary for each respective period. All DERC use amounts for each respective period include the 10% environmental contribution. Note that all credits associated with these retained certificates originated from a shutdown strategy and will only be available for use until September 8, 2010.


Conclusion:

Air Products, L.L.C., has accurately calculated the amount of DERCs needed to cover emissions exceeding their 30-day system cap for the respective time periods. DERC Certificates D-2208 (3.1 tons) and D-2656 (49.3 tons) have been generated and retain the remaining credits available from DERC certificate D-2188. The credits associated with these retained certificates have expired but may be used to satisfy compliance requirements for intent projects received by the Texas Commission on Environmental Quality with use periods prior to September 9, 2010. No certificates will be returned to the company. DERC Certificate D-2188 has been cancelled.

 11/10/2010

Account Manager

Date

 11/10/2010

Team Leader/Section Manager/Backup

Date



Interoffice Memorandum

DATE:	November 19, 2010
TO:	Mr. Brandon Greulich
FROM:	Mr. Daniel Banda
SUBJECT:	Notice of Violation – Air Products, L.L.C.

Project Numbers: 403372, 404817
Customer: Air Products, L.L.C.
Customer ID: CN602229257
Registered Entity: RN102041282

Violation: Air Products, L.L.C., is in violation for submitting the Form DEC-3, Notice of Use of Discrete Emission Credits, past the required due date. The Forms DEC-3 are due no later than 90 days after the end of each use period and were received late on two occasions; February 10, 2009, and March 26, 2010.

Citation: Title 30 Texas Administrative Code (TAC) §101.376(e)(3)(A)

Recommended Corrective Action: Submit the completed Forms DEC-3 and supporting documentation as detailed in 30 TAC §101.376 to the Texas Commission on Environmental Quality, Emissions Banking and Trading Program.

Resolution: Air Products, L.L.C., submitted the required Forms DEC-3 and the supporting documentation for the respective use periods.