

AIR DERC_102169950-405123_
USE_20101208_Use_D2686

11/29/2010 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 405123
RECEIVED: 11/15/2010

STATUS: P
PROJTYPE: BDIU

DISP CODE: C✓
ISSUED DT:
SUP-DISP DATE: 12/8/2010

STAFF ASSIGNED TO PROJECT:
DANIEL, SHANTHA

PROJECT NOTES:

CN LISTED ON THE DEC-2 FORM IS INCORRECT. CN IN IMS IS ACCURATE, MATCHES CENTRAL REGISTRY, AND IS REFERENCED IN LETTER AND TECH REVIEW. GROUPWISE DOCUMENTS: DCTR-15976; DCUA-15978; DCCT(D2686)-15977.

PROJECT TRANSACTIONS**COMPANY DATA**

COMPANY NAME: QUALAWASH HOLDINGS LLC
CUSTOMER REGISTRY ID: CN603579996

PORTFOLIO DATA

NUMBER: P3453 NAME: QUALAWASH HOLDINGS CLUTE - RN102169950

SITE DATA

ACCOUNT:
BL0732U

REG ENTITY ID: RN102169950

SITE NAME: QUALAWASH HOLDINGS CLUTE

COUNTY: BRAZORIA

NEAREST CITY: CLUTE

LOCATION: 701 BRAZOSPORT BLVD S CLUTE, TX 77531-5711

CONTACT DATA

NAME: BEVERLY BURTON

TITLE: VP, ENVIRONMENTAL HEALTH & SAFETY

STREET: 101 SOUTH FRANKLIN STREET CITY/STATE, ZIP: TAMPA, FL , 33602-0

PHONE: 800-835-6252 ext 0

FAX: 813-221-1701 ext 0

Email: bburton@Qualawash.com

TRANSACTION DATA

TRANSACTION TYPE: DERC_INTEN

DATE ENTERED: 2010-11-16 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 0.60

DOLLARS: 0

CERTIFICATE NO.: D2602 COUNTY : BRAZORIA

TRANSACTION DATA

TRANSACTION TYPE: DERC_RET

DATE ENTERED: 2010-11-16 00:00:00.0

CONTAMINATE: NOX

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 0.20

DOLLARS: 0

CERTIFICATE NO.: D2686 COUNTY : BRAZORIA

TRACKING ACTIVITES

TR - PROJ TECH
COMPLETE :

11/24/2010

TR - ENGINEER RECEIVE
PROJECT :

11/24/2010

TR - SUP/MANGR
APP/RWW RQSTD :

11/29/2010

FA - PROJECT ISSUED :

TR - DATE SUP/MNGR
REQ ADDL TR :

DISCRETE EMISSION CREDITS/EMISSION CREDIT USE TECHNICAL REVIEW

Project No.:	405123	Customer Reference No.:	CN603579996
Project Type:	BDIU	Regulated Entity No.:	RN102169950
Company:	QualaWash Holdings, L.L.C.	Facility Name:	QualaWash Holdings Clute
City:	Clute	County:	Brazoria
Project Reviewer:	Dr. Shantha Daniel	Portfolio Name:	P3453- RN102169950

Project Overview

QualaWash Holdings, L.L.C., (QualaWash), has submitted a form DEC-2 (Notice of Intent to Use Discrete Emission Credits) received November 15, 2010. QualaWash is using nitrogen oxides (NO_x) Discrete Emission Reduction Credits (DERCs) to comply with the requirements of Title 30 Texas Administrative Code (TAC) §117.2010(c)(1)(A) on a gas fired boiler with an Emission Specification for Attainment Demonstration (ESAD) of 0.036 pound per million British thermal units (lb/MMBtu) at the QualaWash Holdings Clute site. The use period is January 1, 2011, through December 31, 2011. QualaWash has requested that credits from DERC certificate D-2602 (original certificate D-1013, parent certificate D-2601), currently owned by QualaWash, be used for this intent. An amount of 0.6 ton of NO_x DERCs (including the 10% environmental contribution of 0.1 ton) will be set aside. Since the quantity of DERCs that QualaWash intends to use is less than the value of DERC certificate D-2602, certificate D-2686 will be issued to QualaWash for the remaining 0.2 ton of NO_x DERCs.

Discrete Emission Credit / Emission Reduction Credit Use

QualaWash is requesting to use NO_x credits to comply with the ESAD in 30 TAC §117.2010(c)(1)(A). Facility Identification Number (FIN) BLR-1 is expected to operate at the rate of 0.098 lb/MMBtu. In order to comply with the 0.036 lb/MMBtu limit specified in §117.2010(c)(1)(A), QualaWash proposes to use DERCs to cover the difference. The expected emission rate is based on stack testing conducted at the site on December 1, 2005. QualaWash submitted a copy of the stack testing results as backup documentation.

Certificate(s) to be used.....D-2602
Pollutant.....NO_x
Amount.....0.6 ton
Regulation.....117.2010(c)(1)(A)
Use period/Use Date.....01/01/2011 – 12/31/2011

Credit Use Calculation Methods

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

$$\text{DERC} = (\text{ELA}) \times (\text{EER} - \text{RER})$$

Where: ELA = Expected level of activity

EER = Expected emission rate per level of activity

RER = Regulatory emission rate per level of activity

The estimated level of activity during the use period, as reported in the DEC-2 form, is 15,165.8 MMBtu for BLR-1.

$$\text{DERC} = 15,165.8 \text{ MMBtu} \times (0.098 - 0.036) \text{ lb/MMBtu} \times (1 \text{ ton}/2000 \text{ lbs}) = 0.47 \text{ ton}$$

Total amount of DERCs required (rounded up to a tenth of a ton) = 0.5 ton

10% Environmental Contribution (rounded up to a tenth of a ton) = 0.1 ton

$$\text{Total DERCs required} = 0.5 \text{ ton} + 0.1 \text{ ton} = 0.6 \text{ ton}$$

DISCRETE EMISSION CREDIT INTENT/ USE TECHNICAL REVIEW

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Project No. 405123

Conclusion:

QualaWash has submitted the required documentation in order to use DERCs to comply with emission control requirements specified in §117.2010(c)(1)(A) at their QualaWash Holdings Clute site for the use period of January 1, 2011, through December 31, 2011. An amount of 0.6 ton (including 10% environmental contribution of 0.1 ton) will be set aside from DERC certificate D-2602. A new certificate D-2686 for 0.2 ton NO_x remaining from D-2602 will be issued to QualaWash Holdings, L.L.C. Certificate D-2602 is now cancelled.


Project Reviewer

12/8/10

Date



Team Leader/Section Manager/Backup

12/8/2010

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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405123

Air Quality Division

I. Company Identifying Information			
A. Company Name: QualaWash Holdings, LLC			
Mailing Address: 701 Highway 227 S (Business 288 S)			
City: Clute	State: Texas	Zip Code: 77531-5711	
Telephone: (813) 505-3997		Fax:	
B. TCEQ Customer Number (CN): CN600286827 CN603579996			
C. Site Name: QualaWash Holdings (Clute)			
Street Address (If no street address, give driving directions to site)			
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: 7699		Air Permit Number: 48930	
II. Technical Contact Identifying Information			
A. Technical Contact Name: (☐ Mr. ☐ Mrs. ☒ Ms. ☐ Dr.) : Beverly Burton			
Technical Contact Title: VP, Environmental Health & Safety			
Mailing Address: 101 S. Franklin St.			
City: Tampa	State: Florida	Zip Code: 33602	
Telephone: (800) 835-6252	Fax: (813) 221-1701	E-mail: bburton@Qualawash.com	
III. Mass Emission Cap and Trade Program (MECT)			
Is the DERC use for compliance with 30 TAC Chapter 101 Subchapter H, Division 3? ☐ YES ☒ NO			
Year DERC Generated: _____ Year of Use: _____ Ratio of DERC to Allowance: _____ to _____			
Note: If DERC use is to comply with MECT then go to Section IX			
IV. Intended Use Period			
Intended Use Start Date: 01/01/2011		Intended Use End Date: 12/31/2011	



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	15,165.8 MMBtu/yr	0.098 lb/MMBtu	0.743	15,165.8 MMBtu/yr	0.036 lb/MMBtu	0.273	0.470
Total:								0.470	



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: <u>30 TAC 117.2010 (c)(1)(A)</u>
VI. Most Stringent Emission Rate
Describe basis for most stringent allowable emission rate: ☐ Permit _____ ☒ RACT <u>0.036 lb/MMBtu</u> ☐ Other: _____ Notes: Emission Standard for Attainment Demonstration

Continue to Section VII (next page)



Form DEC-2 (Page 4)
Notice of Intent to Use Discrete Emission Credits
(Title 30 Texas Administrative Code § 101.371 - § 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>0.470</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>0.047</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Compliance Margin (+ 5%) (If DERC use requires > 10 tons)	CO: _____	NO _x : <u>N/A</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____
Total DERCs	CO: _____	NO _x : <u>0.5</u>	PM ₁₀ : _____	SO ₂ : _____	VOC: _____

X. DERC Information

Name of the DERC Generator: _____

DERC Generator Regulated Entity Number: _____

Certificate number of the DERCs acquired or to be acquired: Certificate No. D-2334 currently held by Quala Wash Holdings, LLC

Note: The certificate number is assigned by the TCEQ



Form DEC-2 (Page 5)
Notice of Intent to Use Discrete Emission 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: N/A

Price or expected price of the DERCs: \$ N/A per ton (Required)

XII. Certification by Responsible Official

I, Beverly Burton, 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.

Signature Beverly M. Burton Signature Date 11/11/10

Title VP, Environmental Health and Safety

Mail application to:
Texas Commission on Environmental Quality
Emission Banking and Trading Program MC 206
PO BOX 13087
AUSTIN, TX 78711-3087

Received
NOV 15 2010
Air Quality Division
November 15, 2010

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Emissions Banking and Trading Program MC-206
P.O. Box 13087
Austin, Texas 78711-3087

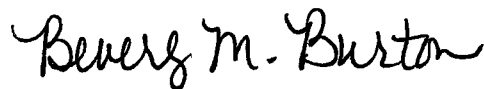
Subject: Notice of Intent to Use DERCs (Form DEC-2)
QualaWash Holdings, LLC.
701 Highway 227 S (Business 288 S), Clute, Brazoria County
RN102169950

Dear Sir or Madame:

Pursuant to 30 TAC 117.9800(a), QualaWash Holdings, LLC (QHL) 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 117.2010(b) and (c)(1)(A). A completed Form DEC-2 is enclosed for the above referenced facility covering the compliance period from 01/01/2011 through 12/31/2011.

Please do not hesitate to contact me if you have questions or require further information regarding this matter.

Sincerely,



Beverly Burton
VP, Environmental Health and Safety

Name: Qualawash Holdings, LLC (QHL)
Facility: Clute Facility

2011 NOI DERC Use Calculations:

DERCs Needed = $ELA \times (EER - RER) / 2000 \text{ lb/ton} + 10\% \text{ environmental contribution}$

Where:

ELA = expected level of activity

EER = expected emission rate per unit activity

RER = regulatory emission rate per unit of activity

Boiler: BLR-1

Assumption:

Maximum heat input = 5.2 MMBtu/hr
Expected Level of Activity = 15,168.82 MMBtu/yr
Expected Emis. Rate = 0.098 lb/MMBtu (from December 1, 2005 stack test)
Regulatory Emis Rate = 0.036 lb/MMBtu

DERCs Needed = $((15,184 \text{ MMBtu/yr} \times 0.098 \text{ lb/MMBtu}) - (15,184 \text{ MMBtu/yr} \times 0.036 \text{ lb/MMBtu})) / 2000 \text{ lb/ton}$
= 0.47 tons/year
0.47 tons/year + 10% environmental contribution = 0.52 tons/year

Total DERCs Needed =	0.5 tons/year
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NOV 15 2010
Air Quality Division
QUICK RESPONSE DIVISION

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Air Quality Division

AIR QUALITY TEST REPORT

EXECUTIVE SUMMARY

On December 1, 2005, Golden Specialty Consulting, Ltd. (GOLDEN) was contracted by Quala Systems, Inc. to perform air testing at their facility located in Clute, Texas. GOLDEN was contracted to perform a compliance emissions testing for the purposes of reporting the emissions on the Boiler 1. The constituents tested for were NO_x, CO, and O₂. This test was conducted in accordance with all appropriate U.S. EPA Methodologies as well as applicable Texas Commission on Environmental Quality (TCEQ) regulations. Boiler 1 is not regulated under Quala's air permit number 48930, but is exempted by TCEQ Standard Exemption 7.

The boiler is subject to the NO_x control requirements of 30 TAC 117.475 (b) and was tested to establish the level of NO_x emission in accordance with the procedures specified in 30 TAC 117.479 (e). However, Quala Systems Inc. has opted to comply with the NO_x emission specification in 30 TAC 117.475 (c) by obtaining Discrete Emission Reduction Credits (DERCs) as allowed by 30 TAC 117.570 (a). The DERCs will be used to cover the margin of NO_x emissions in excess of the specification. Therefore the test results are not intended to demonstrate compliance with the regulatory specification, but to establish a NO_x emission factor to be used to quantify actual NO_x emissions from fuel usage for the purpose of annual compliance reporting under 30 TAC 101, subchapter H, division 4.

A total of three runs were performed for compliance demonstrations. Sampling for NO_x, O₂, and CO was performed in accordance with EPA Methods 7E, 3A, and 10 respectively. During the compliance test, Boiler 1 was operated at 100% of it's 150 Hp rated capacity.

Run Number		1	2	3	Average	Compliance
Date	Test Date	12/1/2005	12/1/2005	12/1/2005		
Start	Run Start Time	12:12	13:29	14:44		
	Run Finish Time	13:12	14:29	15:44		
Θ	Net Run Time, minutes	80	80	80	80	
%O ₂	Oxygen, %	13.18	13.28	11.90	12.787	
	F Factor	8,710	8,710	8,710	8710	
NO _x ppm	Nitrogen Oxides Concentration, ppm	33.52	34.31	42.1	36.6	
NO _x lb/mmBTU	Nitrogen Oxides Concentration, lb/mmBTU	0.094	0.098	0.102	0.098	0.035
CO ppm	Carbon Monoxide Concentration, ppm	40.38	48.83	12.18	33.79	
CO ppm @ 3% O ₂	Carbon Monoxide Concentration, ppm @ 3% O ₂	93.57	114.65	24.18	77.5	400 ppm @ 3% O ₂
CO lb/mmBTU	Carbon Monoxide Concentration, lb/mmBTU	0.059	0.085	0.018	0.057	

Table 1-1. Summary of Boiler 1 Compliance Testing

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

December 9, 2010

Ms. Beverly Burton
Vice President, Environmental Health & Safety
QualaWash Holdings, L.L.C.
101 South Franklin Street
Tampa, Florida 33602

Re: Notice of Intent to Use Discrete Emission Credits
QualaWash Holdings Clute
Clute, Brazoria County
Regulated Entity Number: RN102169950
Customer Reference Number: CN603579996
Portfolio Number: P3453

Dear Ms. Burton:

This letter is in response to QualaWash Holdings Clute's Form DEC-2, Notice of Intent to Use Discrete Emission Credits, received November 15, 2010, for compliance with Title 30 Texas Administrative Code (TAC) Chapter 117 for the period of January 1, 2011, through December 31, 2011. We understand you plan to use nitrogen oxides (NO_x) discrete emission reduction credits (DERCs) for the purpose of complying with requirements specified 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 meet the requirements of 30 TAC §§101.370 through 101.379. For the period of January 1, 2011, through December 31, 2011, a total of 0.6 ton (including the 10% environmental contribution of 0.1 ton) of NO_x will be set aside from QualaWash Holdings, L.L.C.'s Certificate Number D-2602. 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 DERC Certificate Number D-2686 issued to QualaWash Holdings, L.L.C., reflecting the 0.2 ton of NO_x credits remaining from DERC Certificate Number D-2602. Certificate Number D-2686 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.

Ms. Beverly Burton
Page 2
December 9, 2010

In the future, please use the revised version of the Form DEC-2. The revised Form DEC-2 provides additional information required for processing the notice of intent and is available on the TCEQ Web site.

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 Dr. Shantha Daniel at (512) 239-3930 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/SD/fl

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

Project Number: 405123

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

D-2686



Number of Credits:

0.2 ton NO_x

Discrete Emission Reduction Credit Certificate

This certifies that

QualaWash Holdings, L.L.C.
701 Highway 227 S (Business 288 S)
Clute, Texas 77531-5711

is the owner of 0.2 ton of nitrogen oxides (NO_x) 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

December 8, 2010

Date

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

For the Commission

Banking and Trading Route Slip

Company:

Quala Wash Holdings, LLC
- Chute facility

Project
Number:

405123

Type of Letter
Correspondence:

DCVA / DCTR

Letter Doc No:

15978 / 15976

Certificate No:

D-2686

(GN Doc #: 15977)

	Initials:	Date
Author/Creator	SD	11/24
Peer Review Completed	FL	1/19
Author/Creator Review	SD	11/29
Review and Approval By:	Initials:	Date
WL Review: Brandon Greulich	BG	12/8 *
Management Review Chance Goodin	cg	12/9 not edited
Copies made	NB	12/9
Mailed	NB	1/10

Comments/Special Instructions:

Please return **Routing Slip** and **Project Paperwork**
to Brandon Greulich, MC-206, Ext. 4904