

AIR DERC\_100237452-405914\_  
TR\_20110830\_Trade\_D2785

**07/20/2011 ----- EBTP IMS- PROJECT RECORD -----**

PROJECT#: 405914 STATUS: P  
RECEIVED: 06/17/2011 PROJTYPE: BTSF

DISP CODE: C ✓  
ISSUED DT:  
SUP-DISP DATE: 8/30/2011

**STAFF ASSIGNED TO PROJECT:**  
THOMAS, JOE

**PROJECT NOTES:**

THE VOC PORTION OF D1081 BECAME D2785 WHEN MOVED FROM P0787 TO P3435.  
ALL DERCS ARE STILL VALID (WERE NOT GENERATED FROM SHUTDOWN STRATEGIES).  
INCLUDES PROJECT 405914 AND 406001. GROUPWISE DOCUMENTS: DCTB/DCTS (EL. MKTS) 17402,  
DCTB/DCTS (KM LIQ TERM) 17451; DCCT D-2776 17450; DCCT D-2791 17449; DCCT D-2792 17448.

**PROJECT TRANSACTIONS****COMPANY DATA**

COMPANY NAME: KM LIQUIDS TERMINALS LLC  
CUSTOMER REGISTRY ID: CN603254707

**PORTFOLIO DATA**

NUMBER: P3435 NAME: GALENA PARK TERMINAL - RN100237452

**SITE DATA**

ACCOUNT:  
HG0262H

REG ENTITY ID: RN100237452

SITE NAME: GALENA PARK TERMINAL - HG0262H

COUNTY: HARRIS

NEAREST CITY: GALENA PARK

LOCATION: LOCATED IN HARRIS COUNTY, CITY OF GALENA  
PARK, STATE OF TEXAS, ON THE HOUSTON SHIP CHANNEL  
(BUFFALO BAYOU)

File with:

D1081

D2791

D2792

**CONTACT DATA**

NAME: CHRISTINA HARRIS TITLE: PROJECT MANAGER, EHS  
STREET: 906 CLINTON DRIVE CITY/STATE, ZIP: GALENA PARK, TX , 77547-0  
PHONE: 713-920-8447 ext 0  
FAX: 713-459-4839 ext 0  
Email: christina\_harris@kindermorgan.com

**TRANSACTION DATA**

TRANSACTION TYPE: DERC\_SELL  
DATE ENTERED: 2011-06-23 00:00:00.0  
CONTAMINATE: VOC  
ALLOWANCE

DELETED DATE: EFFECTIVE YEAR:  
TONS: 78.00 DOLLARS: 949.00  
CERTIFICATE NO.: D2785 COUNTY : HARRIS

**COMPANY DATA**

COMPANY NAME: ELEMENT MARKETS LLC  
CUSTOMER REGISTRY ID:

**PORTFOLIO DATA**

**PORTFOLIO DATA**

NUMBER: P3195 NAME: ELEMENT MARKETS BROKER - BKR1021

**SITE DATA**

ACCOUNT:

BKR1021

REG ENTITY ID:

SITE NAME: BROKER ACCOUNT - ELEMENT MARKETS

COUNTY: HARRIS

NEAREST CITY:

LOCATION:

**CONTACT DATA****TRANSACTION DATA**

TRANSACTION TYPE: DERC\_BUY

DATE ENTERED: 2011-07-20 00:00:00.0

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: VOC

TONS: 78.00

DOLLARS: 0

ALLOWANCE

CERTIFICATE NO.: D2791 COUNTY : HARRIS

**COMPANY DATA**

COMPANY NAME: KM LIQUIDS TERMINALS LLC

CUSTOMER REGISTRY ID: CN603254707

**PORTFOLIO DATA**

NUMBER: P3435 NAME: GALENA PARK TERMINAL - RN100237452

**SITE DATA**

ACCOUNT:

HG0262H

REG ENTITY ID: RN100237452

SITE NAME: GALENA PARK TERMINAL - HG0262H

COUNTY: HARRIS

NEAREST CITY: GALENA PARK

LOCATION: LOCATED IN HARRIS COUNTY, CITY OF GALENA  
PARK, STATE OF TEXAS, ON THE HOUSTON SHIP CHANNEL  
(BUFFALO BAYOU)**CONTACT DATA****TRANSACTION DATA**

TRANSACTION TYPE: DERC\_RET

DATE ENTERED: 2011-07-20 00:00:00.0

DELETED DATE:

EFFECTIVE YEAR:

CONTAMINATE: VOC

TONS: 949.00

DOLLARS: 0

ALLOWANCE

CERTIFICATE NO.: D2792 COUNTY : HARRIS

**TRACKING ACTIVITIES**

TR - ENGINEER RECEIVE PROJECT :	07/07/2011	TR - PROJ TECH COMPLETE :	07/20/2011	TR - SUP/MANGR APP/RVW RQSTD :	07/20/2011
FA - PROJECT ISSUED :		TR - DATE SUP/MNGR REQ ADDL TR :			



Texas Commission for Environmental Quality  
Form DEC-4 (Page 1)  
Application for Transfer of Discrete Emission Credits  
(Title 30 Texas Administrative Code §§ 101.370 - 101.379)

RECEIVED

JUN 17 2011

AIR QUALITY  
DIVISION

405914

<b>I. SELLER'S COMPANY IDENTIFYING INFORMATION</b>			
A. Company Name: KM Liquids Terminals LLC ✓			
Mailing Address: 906 Clinton Drive			
City: Galena Park		State: TX	Zip Code: 77547
Telephone: 713-920-8447		Fax: 713-495-4839	E-mail: Christina_harris@kindermorgan.com
B. TCEQ Customer Identification Number (CN): <del>601545940</del> 603254707			
C. Plant/Site Name: Galena Park Terminal used in P0787			
Street Address (If no street address, give driving directions in writing.): 906 Clinton Drive			
Nearest City: Galena Park		Zip Code: 77547	County: Harris
D. TCEQ Regulated Entity Number (RN): 100237452 ✓ P3435			
E. TCEQ Account Number (if applicable): HG-0262-H ✓			
<b>II. SELLER'S TECHNICAL CONTACT IDENTIFYING INFORMATION</b>			
A. Contact Name: ( <input type="checkbox"/> Mr. <input checked="" type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.) Christina Harris			
Contact Title: Manager, Permitting and Compliance			
Telephone: 713-920-8447		Fax: 713-495-4839	E-Mail: Christina_harris@kindermorgan.com
Mailing Address: 906 Clinton Drive			
City: Galena Park		State: TX	Zip Code: 77384
<b>III. SELLER'S CONTACT FOR SALE OF CERTIFICATE</b>			
A. Contact Name: ( <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.) Same As Technical Contact Information			
Contact Title:			
Telephone:		Fax:	
Mailing Address:			
City:		State:	
<b>IV. BUYER'S COMPANY IDENTIFYING INFORMATION</b>			
A. Company Name: Element Markets, LLC			
Mailing Address: 3555 Timmons Lane, Suite 900			
City: Houston		State: TX	
Telephone: 281-207-7200		Fax: 281-207-7211	
B. TCEQ Customer Identification Number (CN): BKR1021			
C. Plant/Site Name: N/A			
Street Address (If no street address, give driving directions in writing.):			
Nearest City:		Zip Code:	
D. TCEQ Regulated Entity Number (RN):			
E. TCEQ Account Number (if applicable): BKR1021			

P0787 has D1031

↓  
(Kinder Morgan Liquid Terminals LLC)

P1871 → P3435

↓  
(KM Liquid Terminals)

↓  
(KM Liquid Terminals LLC)

County:

D-2791

P3195

78.00 Ton  
VOC



Texas Commission for Environmental Quality  
Form DEC-4 (Page 1)  
Application for Transfer of Discrete Emission Credits  
(Title 30 Texas Administrative Code §§ 101.370 - 101.379)

**V. BUYER'S TECHNICAL CONTACT IDENTIFYING INFORMATION**

A. Contact Name: ( ☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.) Michael Taylor

Contact Title: Senior Vice President

Telephone: 281-207-7200

Fax: 281-207-7211

E-Mail: contractadmin@elementmarkets.com

Mailing Address: 3555 Timmons Lane, Suite 900

City: Houston

State: TX

Zip Code: 77027

**VI. BUYER'S CONTACT FOR SALE OF CERTIFICATE**

A. Contact Name: ( ☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.) Same As Technical Contact Information

Contact Title:

Telephone:

Fax:

E-Mail:

Mailing Address:

City:

State:

Zip Code:

**VII. DERCs TO BE TRANSFERRED**

Seller RN BKR1021

Buyer RN 100237452

DERC Certificate	Pollutant (NO <sub>x</sub> , VOC, HAP, CO, SO <sub>2</sub> , PM <sub>10</sub> )	Transferred Amount (tons)	Retained Amount (tons)
D1081	VOC	78.0	949.0

**VIII. PURCHASE PRICE**

\*Price of the DERCs acquired or the expected price of the DERCs to be acquired: \$ 833.33 per ton (Required)

\*Chapter 101 requires the price of DERCs to be publicly disclosed immediately after the transaction is finalized\*

**IX. CERTIFICATION BY RESPONSIBLE OFFICIAL**

I, Earl Crochet, hereby certify as owner of the above listed discrete emission credits, these credits may be transferred to the listed buyer and that the information entered in this application is correct to the best of my knowledge and belief.

Seller's Signature Earl Crochet Signature Date 6/13/2011

Title General Manager - Gulf Liquids Terminals

Buyer's Signature [Signature] Signature Date 6/15/11

Title Senior Vice President



Element Markets LLC

**RECEIVED**

**JUN 17 2011**

**AIR QUALITY  
DIVISION**

**VIA FEDEX**

June 15, 2011

Mr. Brandon Greulich  
Texas Commission Environmental Quality  
Office of Permitting and Registration  
Emission Banking and Trading Program  
12100 Park 35 Circle  
Austin, TX 78753

**Reference: Application for Transfer of Ownership**

Dear Mr. Greulich:

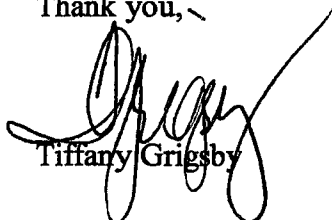
Enclosed are two (2) Form DEC-4 Applications for Transfer of Discrete Emission Credits to transfer 13 tons of DERC HGBNOX and 78 tons of DERC HGBVOC credits from Element Markets, LLC to KM Liquids Terminals and KM Liquids Terminals to Element Markets, LLC.

When the transfer is complete, please send the confirmation to:

Contract Administration  
Element Markets, LLC  
3555 Timmons Lane, Suite 900  
Houston, TX 77027

Thank you for your timely response to the ERC transfer request. If you have any questions or require more information, please call me at 281-207-7200.

Thank you, ~



Tiffany Grigsby

CERTIFICATE	POLLUTANT	GENERATION PERIOD START DATE	GENERATION PERIOD END DATE	TONS AVAILABLE	LAST PROJECT	CN	PORTFOLIO	GENERATOR CERTIFICATE
D1145	VOC	1/1/2002	12/31/2002	1.3	96786	CN601545940	787	D1145
D1132	VOC	1/1/1993	12/31/2003	4.9	300299	CN601545940	787	D1132
D1144	HAP	1/1/2002	12/31/2002	15.1	96786	CN601545940	787	D1144
D1133	HAP	12/30/3000	12/31/2003	23.6	300299	CN601545940	787	D1133
D1031	VOC	2/1/2000	2/28/2001	29	80229	CN601545940	787	D1031
D1031	HAP	2/1/2000	2/28/2001	48	80229	CN601545940	787	D1031
D1081	HAP	12/30/3000		616.8	89531	CN601545940	787	D1081
D1081	VOC	12/30/3000		1027	89531	CN601545940	787	D1081



DERCs in Po787

Portfolio  
Number: **P3435**Portfolio  
Name: **GALENA PARK TERMINAL -  
RN100237452**Company Name: **KM LIQUIDS TERMINALS  
LLC****Actual Allowances for Pollutant VOC**

Balance/Year	2009	2010	2011	2012	2013	2014	2015
Penalty from last year	0	0	0	0	0	0	0
Starting Allowance	0	0	0	0	0	0	0
Future Trade In	0	0	0	0	0	0	0
Future Trade Out	-0	-0	-0	-0	-0	-0	-0
Stream Trade In	0	0	0	0	0	0	0
Stream Trade Out	-0	-0	-0	-0	-0	-0	-0
Current Trade In	0	0	0	0	0	0	0
Current Trade Out	-0	-0	-0	-0	-0	-0	-0
Vintage From Last Year	0	0	0	0	0	0	0
Vintage Trade In	0	0	0	0	0	0	0
Vintage Trade Out	0	0	0	0	0	0	0
Vintage Used	-0	-0	-0	-0	-0	-0	-0
VINTAGE BALANCE	0	0	0	0	0	0	0
DERC Intent	0	0	0	0	0	0	0
DERC Use	0	0	0	0	0	0	0
ERC Use	0	0	0	0	0	0	0
Actual Emissions	0	0	0	0	0	0	0
BALANCE	0	0	0	0	0	0	0

\* Part of actual allowances was used to cover exceedences by flex permits and/or allowables.

**Flexible Allowances for Pollutant VOC**

Balance	2009	2010	2011	2012	2013	2014	2015
Starting Allowance	0	0	0	0	0	0	0
Penalty	0	0	0	0	0	0	0
Actual Emissions	-0	-0	-0	-0	-0	-0	-0
BALANCE	0	0	0	0	0	0	0

**Sb7 Allowances for Pollutant VOC**

Balance/Year	2009	2010	2011	2012	2013	2014	2015
Starting Penalty	0	0	0	0	0	0	0

Starting Vintage	0	0	0	0	0	0	0
Starting SB7 Allowance	0	0	0	0	0	0	0
In	0	0	0	0	0	0	0
Out	-0	-0	-0	-0	-0	-0	-0
Actual Emissions	-0	-0	-0	-0	-0	-0	-0
BALANCE	0	0	0	0	0	0	0

## DERC

Certificate Num	Cont Code	Avail Tons	Transaction Type	Inactive Date	Gen Start Date	Gen End Date	County	Parent Cert Num
D2787	VOC	4.90	DERC_BUY	12/30/3000	01/01/1993	12/31/2003	HARRIS	D1132
D2790	VOC	1.30	DERC_BUY	12/30/3000	01/01/2002	12/31/2002	HARRIS	D1145
D2785	VOC	1027.00	DERC_BUY	12/30/3000	12/30/3000		HARRIS	D1081
D2785	VOC	1027.00	DERC_SELL	12/30/3000	12/30/3000		HARRIS	D1081
D2538	HAP	6.70	DERC_GEN	12/30/3000	01/01/2004	12/31/2004	HARRIS	D2066
D2792	VOC	949.00	DERC_RET	12/30/3000	12/30/3000		HARRIS	D2785
D2784	HAP	48.00	DERC_BUY	12/30/3000	02/01/2000	02/28/2001		D1031
D2783	VOC	29.00	DERC_BUY	12/30/3000	02/01/2000	02/28/2001		D1031
D2786	HAP	616.80	DERC_BUY	12/30/3000	12/30/3000		HARRIS	D1081
D2537	VOC	6.40	DERC_GEN	12/30/3000	01/01/2004	12/31/2004	HARRIS	D2065
D2789	HAP	15.10	DERC_BUY	12/30/3000	01/01/2002	12/31/2002	HARRIS	D1144
D2788	HAP	23.60	DERC_BUY	12/30/3000	12/30/3000	12/31/2003	HARRIS	D1133



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*

August 30, 2011

Mr. Michael Taylor  
Vice President  
Element Markets, LLC  
3555 Timmons Lane, Suite 900  
Houston, Texas 77027

Re: Transfer of Discrete Emission Reduction Credits by:  
Broker Account - Element Markets, LLC  
Broker Account Number: BKR1021  
Portfolio Number: P3195  
DERC Certificate Numbers D-2726 and D-2791

Dear Mr. Taylor:

This letter is in response to two Forms DEC-4 (Application for Transfer of Discrete Emission Credits) received from Element Markets, LLC, on June 17, 2011, regarding the trade of nitrogen oxides (NO<sub>x</sub>) Discrete Emission Reduction Credits (DERCs) for volatile organic compound (VOC) DERCs from KM Liquids Terminals, LLC. We understand that the following trade has taken place:

Project Number	From (Seller)	To (Buyer)	Site (Buyer)	Certificate Canceled	Certificates Created	Ton(s)
405914	CN603254707	BKR1021	N/A	D-1081	D-2791	78.0 - VOC
405915	BKR1021	CN603254707	RN100237452	D-2726	D-2776	13.0 - NO <sub>x</sub>

Enclosed is a copy of DERC Certificate Number D-2791 issued to Element Markets, LLC, for the 78.0 tons of VOC DERCs from the trade. The certificate has been deposited in the Texas Commission on Environmental Quality (TCEQ) Discrete Emissions Credit Registry and may be transferred or sold to another owner for use per the requirements of Title 30 Texas Administrative Code §§101.370 - 101.379. DERC Certificate Number D-2726 is now void.

Thank you for your cooperation in this matter. If you have questions concerning this review, please contact Mr. Joseph Thomas at (512) 239-0012, 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. Michael Taylor  
Page 2  
August 30, 2011

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/JT/db

Enclosure

Project Numbers 405914 and 405915

*The State of Texas*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

D-2791



Number of Credits:

78.0 tons VOC

*Discrete Emission Reduction Credit Certificate*

This certifies that

***Element Markets, LLC  
3555 Timmons Lane  
Houston, Texas 77027***

is the owner of 78.0 tons of volatile organic compound (VOC) 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 15, 1992 – November 14, 1996

Generator Regulated Entity No.: RN100237452

County of Generation: Harris

Generator Certificate: D-1081

August 3, 2011

Date

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

For the Commission

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*

August 30, 2011

Ms. Christina Harris  
Manager, Permitting and Compliance  
KM Liquids Terminals, LLC  
906 Clinton Drive  
Galena Park, Texas 77547

Re: Transfer of Discrete Emission Reduction Credits by:  
Galena Park Terminal  
Galena Park, Harris County  
Regulated Entity Number: RN100237452  
Customer Reference Number: CN603254707  
Portfolio Number: P3435  
DERC Certificate Numbers: D-1081 and D-2726

Dear Ms. Harris:

This letter is in response to two Forms DEC-4 (Application for Transfer of Discrete Emission Credits) received from Element Markets, LLC, on June 17, 2011, regarding the trade of nitrogen oxides (NO<sub>x</sub>) Discrete Emission Reduction Credits (DERCs) for volatile organic compound (VOC) DERCs from KM Liquids Terminals, LLC. We understand that the following trade has taken place:

Project Number	From (Seller)	To (Buyer)	Site (Buyer)	Certificate Canceled	Certificates Created	Ton(s)
405914	CN603254707	BKR1021	N/A	D-2785	D-2791	78.0 - VOC
405915	BKR1021	CN603254707	RN100237452	D-2726	D-2776	13.0 - NO <sub>x</sub>

Because of a name change for your company, certificate D-1081 and five other certificates were not in your company's portfolio P3435 but were in portfolio P0787 for Kinder Morgan Liquids Terminals, LLC. Therefore, the certificates were transferred to your current portfolio in project 406001. The transfers involved canceling the existing certificates and creating replacement certificates. In cases where the existing certificate was for both VOC and hazardous air pollutant (HAP) DERCs, the two types of DERCs were separated into different new certificates.

The following table summarizes the transfers:

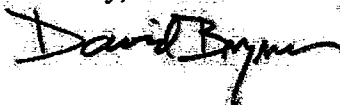
Old portfolio	Certificate Canceled	New Portfolio	Certificate Created	Tons
P-0787	D-1031	P-3435	D-2783	29.0 – VOC
P-0787	D-1031	P-3435	D-2784	48.0 – HAP
P-0787	D-1081	P-3435	D-2785	1027.0 – VOC
P-0787	D-1081	P-3435	D-2786	616.8 – HAP
P-0787	D-1132	P-3435	D-2787	4.9 – VOC
P-0787	D-1133	P-3435	D-2788	23.6 – HAP
P-0787	D-1144	P-3435	D-2789	15.1 – HAP
P-0787	D-1145	P-3435	D-2790	1.3 – VOC

Please note that Certificate Number D-2785 was cancelled as part of your trade with Element Markets, LLC, as shown in the table on the previous page. Enclosed are copies of DERC Certificate Numbers D-2776 for 13.0 tons of NO<sub>x</sub> DERCs from the trade and D-2792 for 949.0 tons of VOC DERCs retained from certificate D-2785. Also enclosed are copies of DERC Certificate Numbers D-2783, D-2784, and D-2786 through D-2790 from the portfolio transfer, totaling 35.2 tons of VOC DERCs and 703.5 tons of HAP DERCs. All the certificates are issued to KM Liquids Terminals, LLC. The certificates have been deposited in the Texas Commission on Environmental Quality (TCEQ) Discrete Emissions Credit Registry and may be transferred or sold to another owner for use per the requirements of Title 30 Texas Administrative Code §§101.370 - 101.379.

Thank you for your cooperation in this matter. If you have questions concerning this review, please contact Mr. Joseph Thomas at (512) 239-0012, 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

DB/JT

Enclosure

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

Project Numbers 405914, 405915, and 406001

*The State of Texas*

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number:

D-2792



Number of Credits:

949.0 tons VOC

## *Discrete Emission Reduction Credit Certificate*

This certifies that  
***KM Liquids Terminals, LLC***  
***906 Clinton Drive***  
***Galena Park, Texas 77547***

is the owner of 949.0 tons of volatile organic compound (VOC) 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 15, 1992 – November 14, 1996

Generator Regulated Entity No.: RN100237452

County of Generation: Harris

Generator Certificate: D-1081

August 3, 2011

Date

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

For the Commission