

[Return to Sharenet](#)**01/26/2018 ----- EBTP IMS- PROJECT RECORD -----**

PROJECT#: 412415      STATUS: C      DISP CODE: \_\_\_\_\_  
RECEIVED: 12/14/2017      PROJTYPE: BERR      ISSUED DT: 01/26/2018  
SUP-DISP DATE: 01/26/2018

**STAFF ASSIGNED TO PROJECT:**

CALVIN, DENINE

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

COMPANY NAME: AMEREX BROKERS LLC  
CUSTOMER REGISTRY ID:

**PORTFOLIO DATA**

NUMBER: P3493 NAME: AMEREX BROKERS LLC - BKR1046

**SITE DATA**

ACCOUNT: BKR1046  
REG ENTITY ID:  
SITE NAME: BROKER ACCOUNT - AMEREX BROKERS LLC  
COUNTY:      NEAREST CITY:  
LOCATION:

**CONTACT DATA**

NAME: AMALIA BERRIOS      TITLE: VP/SR. COUNSEL  
ROLE: AAR  
STREET: 1 SUGAR CREEK CENTER BOULEVARD,  
SUITE 700  
CITY/STATE, ZIP: SUGAR LAND, TX , 77478-  
PHONE: 281-340-5212 -  
EMAIL: ABERRIOS@AMEREXENERGY.COM

NAME: KELLY COVINGTON      TITLE: Emissions Broker/Consultant  
ROLE: AAAR  
STREET:  
CITY/STATE, ZIP:  
PHONE: 281-808-3503 -  
EMAIL: KCOVINGTON@AMEREXENERGY.COM

**TRANSACTION DATA**

TRANSACTION TYPE: ERC\_RRVW  
DATE ENTERED: 2017-12-18 00:00:00.0      DELETED DATE:      EFFECTIVE YEAR:  
CONTAMINATE: **VOC**      TONS: **0**      DOLLARS: **0**  
ALLOWANCE **0**      CERTIFICATE NO.: **0** COUNTY :

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**COMPANY DATA**

COMPANY NAME: UTLX MANUFACTURING LLC  
CUSTOMER REGISTRY ID: CN602856155

**PORTFOLIO DATA**

NUMBER: P3517 NAME: UTLX MANUFACTURING - RN100212828

**SITE DATA**

ACCOUNT: HG0811R  
REG ENTITY ID: RN100212828  
SITE NAME: UTLX MANUFACTURING  
COUNTY: HARRIS NEAREST CITY: HOUSTON  
LOCATION: WEST ON OLD HIGHWAY 90 FROM SHELDON  
ROAD FIRST DRIVEWAY ON RIGHT HAND SIDE

**CONTACT DATA**

NAME: RANDALL S. MCDOUGAL TITLE: BUSINESS UNIT MANAGER - SHELDON  
MANUFACTURING  
ROLE: AAR  
STREET: 16923 OLD BEAUMONT HIGHWAY 90  
CITY/STATE, ZIP: HOUSTON, TX , 77049-  
PHONE: 281-591-3621 -  
EMAIL: MCDOUGALR@UTLX.COM

NAME: KIM ROWLAN TITLE: MANAGER, HR & ENVIRONMENTAL  
ROLE: TECHNICAL  
STREET: 16923 OLD BEAUMONT HIGHWAY 90  
CITY/STATE, ZIP: HOUSTON, TX , 77049-  
PHONE: 281-591-3610 -  
EMAIL: ROWLAN@UTLX.COM

NAME: TRINITY DEVILLE TITLE: MANUFACTURING ENGINEERING MANAGER  
ROLE: AAAR  
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PHONE: 318-449-8100 -  
EMAIL: DEVILLET@UTLX.COM

NAME: KATHY WINKLER TITLE: ENVIRONMENTAL COORDINATOR  
ROLE: TECHNICAL  
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EMAIL: WINKLERK@UTLX.COM

**TRANSACTION DATA**

TRANSACTION TYPE: ERC\_RET  
DATE ENTERED: 2018-01-05 00:00:00.0 DELETED DATE: EFFECTIVE YEAR:  
CONTAMINATE: VOC TONS: 20.70 DOLLARS: 0  
ALLOWANCE0 CERTIFICATE NO.: 3185 COUNTY : HARRIS

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**COMPANY DATA**

COMPANY NAME: ENTERGY TEXAS INC  
CUSTOMER REGISTRY ID: CN603282054

**PORTFOLIO DATA**

NUMBER: P0239 NAME: ENTERGY TEXAS LEWIS CREEK PLANT - RN100226877

**SITE DATA**

ACCOUNT: MQ0009F  
REG ENTITY ID: RN100226877  
SITE NAME: ENTERGY TEXAS LEWIS CREEK PLANT  
COUNTY: MONTGOMERY NEAREST CITY: WILLIS  
LOCATION: 11191 LONGSTREET ROAD, WILLIS TX 77318

**CONTACT DATA**

NAME: JUSTIN OVERSTREET TITLE: Environmental Analyst  
ROLE: AAR  
STREET: 10055 GROGANS MILL ROAD, SUITE 400  
CITY/STATE, ZIP: THE WOODLANDS, TX , 77380-  
PHONE: 405-779-0719 -  
EMAIL: JOVERST@ENTERGY.COM

**TRANSACTION DATA**

TRANSACTION TYPE: ERC\_RET  
DATE ENTERED: 2018-01-05 00:00:00.0 DELETED DATE: EFFECTIVE YEAR:  
CONTAMINATE: **VOC** TONS: **5.10** DOLLARS: **0**  
ALLOWANCE **0** CERTIFICATE NO.: **3190** COUNTY : **MONTGOMERY**

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**TRACKING ACTIVITIES**

PROJECT SUBMITTED : 12/14/2017 PM RECEIVED DATE : 12/18/2017  
PEER REVIEW : 01/04/2018 01/10/2018  
TEAM LEAD REVIEW : 01/11/2018 01/22/2018  
SECTION MANAGER REVIEW : 01/22/2018 01/26/2018 PROJECT COMPLETED : 01/26/2018

## EMISSION REDUCTION CREDITS CREDITABILITY TECHNICAL REVIEW

Project No.:	412415	Customer Reference No.:	NA
Project Type:	BERR	Regulated Entity Reference No.:	NA
Company:	Amerex Brokers, LLC	Site Name:	NA
City:	NA	County:	NA
Project Manager:	Denine Calvin	Portfolio Number:	P3517

**PROJECT OVERVIEW**

Amerex Brokers LLC, submitted a Creditability Review for Emission Credits on December 14, 2017 to request a review of volatile organic compounds (VOC) emission reduction credits (ERCs) in certificate 3087.

**EMISSION REDUCTION SUMMARY**

**Applicable Pollutants:** VOC

**Generation Area:** HGB

**Generation County:** Harris

**Amount of ERCs Prior to Review:** 25.8 tpy VOC

**Amount of ERCs Remaining:** 25.8 tpy VOC

**ERC CREDITABILITY**

Certificate 3087 - As of January 26, 2018, Certificate 3087 has been split into certificates 3185 and 3190. Certificate 3185, valued 20.7 tons per year (tpy) VOC, is currently owned by UTLX Manufacturing LLC (UTLX). Certificate 3190, valued 5.1 tpy VOC, is currently owned by Entergy Texas Inc.

UTLX generated the ERCs in certificate 3087 (3185 & 3190) due to two of three paint booths for rail cars being reconstructed and having the emissions routed to a thermal oxidizer. The drying ovens previously had their emissions routed to a catalytic oxidizer, but these were also routed to the thermal oxidizer at the company's Sheldon Facility as stated in project 411999. Based on a review of 30 Texas Administrative Code (TAC) §§115.450(c)(5)(I), 115.453(a)(1)(C), 115.453(c), and 115.453(d), and 40 Code of Federal Regulations (CFR) Part 63, Subpart Mmmm, there are no new regulatory provisions that would have affected the control requirements.

Therefore, no devaluation of the ERCs in certificates 3185 and 3190 is required by 30 TAC §101.309(c)(2).

**CONCLUSION**

From this review it has been determined that, as of January 26, 2018, the VOC ERCs certified in certificates 3185 and 3190 have not devalued. The credits expire on 03/27/2020.

Received

DEC 18 2017



Texas Commission on Environmental Quality  
Form EC-2  
Creditability Review for Emission Credits  
(Title 30 Texas Administrative Code § 101.300 - § 101.304)

Air Quality Division

<b>I. REQUESTOR INFORMATION</b>		
A. Company Name: Amerex Brokers		
Mailing Address: 1 Sugar Creek Center Blvd Suite 700		
City: Sugar Land	State: TX	Zip Code: 77478
B. Contact Name: Kelly Covington		
Telephone: 281-340-5212 / 281-808-3503		Fax:
<b>II. EMISSION CREDIT OWNER INFORMATION</b>		
A. Company Name: UTLX		
B. Nonattainment area: HGB		
C. Contact Name: Trinity Deville		
Telephone: 318-229-9171		Fax:
<b>III. EMISSION CREDIT CERTIFICATES TO BE REVIEWED</b>		
Certificate No.: 3087      Exp. Date: 03/27/2020      TPY VOC: 25.8      TPY NO <sub>x</sub> : _____		
Certificate No.: _____	Exp. Date: _____	TPY VOC: _____ TPY NO <sub>x</sub> : _____
Certificate No.: _____	Exp. Date: _____	TPY VOC: _____ TPY NO <sub>x</sub> : _____
Certificate No.: _____	Exp. Date: _____	TPY VOC: _____ TPY NO <sub>x</sub> : _____
<b>IV. EMISSION RATE RULE AND REGULATION CHANGES</b>		
List any state or federal rules and regulations that have changed since these ERCs were last reviewed which could affect the creditability of the reduction:		
<b>V. SIGNATURE</b>		
I, <u>Kelly Covington</u> , hereby certify that the information entered in this application is correct to the best of my knowledge and belief and understand that the emission reduction credits listed above may devalue upon review of their creditability per 30 TAC Chapter 101, Subchapter H, Division I.		
Signature <u>[Signature]</u>		Signature Date _____
12/14/2017		
Title _____		
Broker _____		

**Mail application to:**

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## 09/27/2017 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 411999      STATUS: C      DISP CODE: \_\_\_\_\_  
RECEIVED: 03/01/2017      PROJTYPE: BERC      ISSUED DT: 09/27/2017  
SUP-DISP DATE: 09/18/2017

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

**PROJECT NOTES:**

.FIRST PROJECT HOLD FOR ERC REFERENCE MATERIAL ON COATING OPERATIONS TO BE DEVELOPED AND FOR SECTION MEETING ON QUESTIONS TO ASK ABOUT THIS APPLICATION.

.2ND PROJECT HOLD FOR 11 QUESTIONS ABOUT THE FACILITIES, COATINGS AND OTHER VOC MATERIALS, 115 COMPLIANCE, AND VOC LIST (SEE 5/8/2017 E-MAIL). EXTENDED AT COMPANY'S REQUEST, AGAIN FOR LACK OF RESPONSE, AND AGAIN AT COMPANY'S REQUEST.

.PROJECT SUSPENDED PER CALL FROM CONSULTANT THAT RESPONSE WILL NOT BE SENT UNTIL 7/8/2017. EXTENDED BECAUSE RESPONSE WAS NOT ADEQUATE AND BECAUSE ADDITIONAL QUESTIONS COULD NOT BE SENT DURING HURRICANE RESPONSE.

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

COMPANY NAME: UTLX MANUFACTURING LLC  
CUSTOMER REGISTRY ID: CN602856155

**PORTFOLIO DATA**

NUMBER: P3517 NAME: UTLX MANUFACTURING - RN100212828

**SITE DATA**

ACCOUNT: HG0811R  
REG ENTITY ID: RN100212828  
SITE NAME: UTLX MANUFACTURING  
COUNTY: HARRIS      NEAREST CITY: HOUSTON  
LOCATION: WEST ON OLD HIGHWAY 90 FROM SHELDON  
ROAD FIRST DRIVEWAY ON RIGHT HAND SIDE

**CONTACT DATA**

NAME: RANDALL S. MCDOUGAL      TITLE: BUSINESS UNIT MANAGER - SHELDON MANUFACTURING  
ROLE: AAR  
STREET: 16923 OLD BEAUMONT HIGHWAY 90  
CITY/STATE, ZIP: HOUSTON, TX , 77049-  
PHONE: 281-591-3621 -  
EMAIL: MCDOUGALR@UTLX.COM

NAME: KIM ROWLAN      TITLE: MANAGER, HR & ENVIRONMENTAL  
ROLE: TECHNICAL  
STREET: 16923 OLD BEAUMONT HIGHWAY 90  
CITY/STATE, ZIP: HOUSTON, TX , 77049-  
PHONE: 281-591-3610 -  
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NAME: JAMES NORSTROM      TITLE: SENIOR ENVIRONMENTAL ENGINEER  
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PHONE: 281-546-9455 -  
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NAME: TRINITY DEVILLE      TITLE: MANUFACTURING ENGINEERING MANAGER  
ROLE: AAAR

STREET: 16923 OLD BEAUMONT HIGHWAY 90  
CITY/STATE, ZIP: HOUSTON, TX , 77049-  
PHONE: 318-449-8100 -  
EMAIL: DEVILLET@ULTX.COM

**TRANSACTION DATA**

TRANSACTION TYPE: ERC\_GEN

DATE ENTERED: 2017-04-25 00:00:00.0

CONTAMINATE: VOC

ALLOWANCE0

DELETED DATE:

EFFECTIVE YEAR:

TONS: 25.80

DOLLARS: 0

CERTIFICATE NO.: 3087 COUNTY : HARRIS

**TRACKING ACTIVITES**

PROJECT SUBMITTED : 03/01/2017 PM RECEIVED DATE : 03/02/2017

PROJECT HOLD : 03/05/2017 05/03/2017

PROJECT HOLD : 05/05/2017 06/22/2017

PROJECT SUSPENSION : 06/22/2017 09/07/2017 PROJECT COMPLETED : 09/27/2017

**Point and Area Source**  
**Emission Reduction Credit (ERC) Certification Project Checklist**

Latest Update: 9/27/2017

Project No.:	411999	Project Manager:	Joseph Thomas
Customer Reference No.:	CN602856155	Company Name:	UTLX Manufacturing LLC
Regulated Entity Reference No:	RN100212828	Site Name:	UTLX Manufacturing
Portfolio Number:	P3517	County:	Harris

**I. Summary**

Project Status	Review
ERC Certificate Details	Certificate XXXX 25.8 tpy VOC
Source Type	Point source
Key Points of Review	Two of three paint booths for rail cars were reconstructed and had the emissions routed to a thermal oxidizer. The drying ovens previously had their emission routed to a catalytic oxidizer, but these were also routed to the thermal oxidizer. The calculations for these changes were OK except that the application used 2013 as the SIP year instead of 2014 (increasing creditable emissions). The application also asked for reductions from the use of methyl ethyl ketone as a cleaning solvent in the two paint booths. However, the calculation method in the application overstated the amount of volatilization as shown in a laboratory simulation (decreasing creditable emissions). The two calculation changes cancelled out, so the amount is what was requested.

**II. Project Eligibility**

✓	Review	Notes
<input checked="" type="checkbox"/>	Ensure application was submitted by credit application deadline: two years after the emission reduction date with some exceptions under 30 Texas Administrative Code <a href="#">§101.303</a> .	Reduction 7/31/2015 Submitted 3/1/2017
<input checked="" type="checkbox"/>	Ensure reduction strategy is allowed per <a href="#">§101.303</a> .	Reconstructed paint booths with added control
<input checked="" type="checkbox"/>	Ensure the source is not in an ineligible generator category per <a href="#">§101.302</a> .	Point source
<input type="checkbox"/>	For area sources, ensure the facilities were actually operated during the SIP emissions year (from the current SIP or, for HGB, the prior SIP as allowed under the modeling sensitivity analysis)	N/A

**III. Completeness Review**

✓	Review to ensure the following are provided	Notes
<input type="checkbox"/>	Company and site information <ul style="list-style-type: none"> <li>Ensure it is consistent with Central Registry. If not, refer to Change in Name/Ownership document for assistance.</li> </ul>	Site name on the form does not match CR. The information entered into IMS is consistent with Central Registry.





✓	Review to ensure the following are provided	Notes
<input checked="" type="checkbox"/>	Authorized Account Representative (AAR) <ul style="list-style-type: none"> <li>If the AAR is not in the Information Management System (IMS), request that the company update IMS through the <a href="#">State of Texas Environmental Electronic Reporting System (STEERS)</a> or submit an <a href="#">AAR Registration Form</a>.</li> </ul>	AAR designated. Registered AAR certified/signed the application.
<input checked="" type="checkbox"/>	Description of the facilities in the application (FIN, unit size, heat input, kwh, horsepower, etc.)	The description of the paint booths and how they operated was requested but not provided in much detail. However, it was determined that this would likely have minimal effect and mostly on the cleaning emissions.
<input checked="" type="checkbox"/>	Description of the emission reduction	See Key Points of Review above.
<input checked="" type="checkbox"/>	Documentation supporting the emission reduction date	The application showed that the emission reduction occurred on 7/31/2015, but the MAERT for Permit 5566 was revised with the lower emissions on 3/27/2015. Therefore, the earlier date was used.
<input checked="" type="checkbox"/>	Requested amount of ERCs and proposed two consecutive baseline years	2013 and 2014
<input type="checkbox"/>	Site/facility-specific speciated Volatile Organic Compounds (VOC) list for VOC ERC applications	The list provided was not complete, but a MSDS was provided for each coating, additive, and solvent, so the application does show all reduced VOCs.
<input checked="" type="checkbox"/>	Description of emission quantification protocol	Emissions routed to control for paint booth stacks and improved control for dryer.
<input checked="" type="checkbox"/>	Documentation supporting the level of activity, emission rate, historical adjusted emissions, SIP emissions, baseline emissions, and strategic emissions	Activity based on materials used. Emission rates based on volatilization curves done for permit. The application used the wrong emissions for SIP.
<input checked="" type="checkbox"/>	Calculations to determine the requested amount of ERCs	
<input checked="" type="checkbox"/>	List of applicable rules/authorizations showing how each applies to each facility	The regulatory applicability was covered in Attachment I of the application. Copies of documents for NSR Permit 5566 were provided in Attachment IV, but more recent MAERT had to be used.
<input checked="" type="checkbox"/>	The most stringent emission rate and emission limit for each facility	Limits from wrong MAERT (2007) used in application, so lower 2014 MAERT values used.

✓	Review to ensure the following are provided	Notes
<input checked="" type="checkbox"/>	<p>Applicant confirmed that no shifting of activity to another facility at the same site or shifting of a vent gas stream, or other pollution or waste stream, is shifted to another site is occurring</p> <ul style="list-style-type: none"> <li>Credits cannot be generated from emissions remaining after the shifting, but any difference in emissions between the original and new sources may be creditable.</li> </ul>	
<input checked="" type="checkbox"/>	Explanation of how real, surplus, quantifiable, permanent, and enforceable criteria are met	

#### IV. Source Characterization

✓	Review	Notes
<input type="checkbox"/>	<p>Determine if the site is an area or point source as defined in <a href="#">§101.300</a> using the applicable Point Source SIP Emissions file located on the H Drive at: <a href="#">H:\EBT\SIP Emissions</a>.</p> <ul style="list-style-type: none"> <li>To be a point source, the site and specific facilities (RN and FIN/EPN) must be in the Point Source SIP Emissions file for the applicable nonattainment area. If not, it is an area source.</li> <li>To be an area source, the source's emissions must not have exceeded the Emissions Inventory reporting thresholds in <a href="#">§101.10</a> during the SIP emissions year. If they did, it is a non-compliant point source.</li> </ul>	Point source.
<input checked="" type="checkbox"/>	<p>Determine if site is or should be in Mass Emissions Cap and Trade (MECT), Highly Reactive Volatile Organic Compounds (HRVOC) Cap and Trade (HECT) program, and/or Emissions Banking and Trading Allowances (EBTA) program.</p> <ul style="list-style-type: none"> <li>Ensure that the site is in compliance with EBT programs.</li> </ul>	Site subject to MECT but not HECT. No NO <sub>x</sub> reductions claimed.

#### V. Real/Quantifiable

✓	Review	Notes
<input checked="" type="checkbox"/>	<p>Confirm there was no shifting of activity to another facility at the same site or shifting of a vent gas stream, or other pollution or waste stream, is shifted to another site per <a href="#">§101.303</a>.</p> <ul style="list-style-type: none"> <li>If applicable, review the Maximum Allowable Emission Rate Table (MAERT) to ensure that similar facilities or facilities serving the same purpose as the facilities being shutdown have not been added to the MAERT.</li> </ul>	Per company, each paint booth used to coat different parts of rail cars, so there was no shifting of activity.
<input checked="" type="checkbox"/>	<p>Ensure the protocol is appropriate and consistent for the SIP and historical adjusted emissions years. Refer to the following sources for guidance:</p> <ul style="list-style-type: none"> <li><a href="#">§101.302</a> and <a href="#">§101.303</a></li> <li><a href="#">Emission Inventory Guidelines</a></li> <li><a href="#">Air NSR Permits: Index of Common Permitted Facilities</a></li> </ul> <p>If calculation method is not acceptable and/or consistent, request applicant recalculate emissions using an acceptable and/or consistent method.</p>	Company recalculated the emissions from each facility and year based on material throughput records and the VOC amounts shown in the MSDS for specific coatings/additives. The calculations are on pages 4-8 pf the Attachments.

✓	Review	Notes
<input checked="" type="checkbox"/>	<p>Verify that all compounds listed are VOCs as defined by the Environmental Protection Agency under <a href="#">40 Code of Federal Regulations §51.100(s)</a>.</p> <ul style="list-style-type: none"> <li>Check that only VOC reductions are being credited. Remove any non-VOCs from the total VOC emissions.</li> </ul>	Some chemicals in MSDSs are not VOCs, but those on partial list are. Non-VOC species were not included in any ERC calculations.
<input checked="" type="checkbox"/>	Review supporting documentation. Refer to the appropriate ERC supplemental documents for assistance.	Only requested information not provided was detailed diagram/description of how old paint booths, sprayers, cleaning, etc. worked together. This information would have enhanced the project but is not imperative for approval of the project.
<input checked="" type="checkbox"/>	<p>Review emission quantification calculations.</p> <ul style="list-style-type: none"> <li>Check the math for at least one facility type for each protocol</li> <li>If multiple facilities using the same protocol, ensure that the applicant entered the data correctly for the remaining facilities.</li> <li>Perform calculations for a representative sample of each facility type for which no calculation is provided to ensure math was done correctly.</li> <li>Ensure that applicable rules/authorization limits that would impact emissions (e.g., emission rates, destruction efficiency, etc.) are being used in the calculations. If not, have the applicant recalculate emissions using the limits or provide documentation on how they are compliant with the limit.</li> <li>If alternative data under §101.302 is used, determine if compliant data is available or if data higher on the list is available and justification is provided.</li> </ul>	<p>EI-reported emissions for 2013 and 2014 were recalculated based on coating/additive and solvent usages (except for retarder, which had minimal usage). Calculations checked. VOC contents of all coatings as applied were less than rule limits. Cleaning appeared to meet work practice requirements.</p>

## VI. Surplus

✓	Review	Notes
<input checked="" type="checkbox"/>	For point source facilities, compare the actual emissions to the Emissions Inventory-reported emissions for the corresponding years. The lower of these values, adjusted for any exceedance of regulatory or permit limits, should be used to determine the historical adjusted emissions and SIP emissions, and thus the baseline emissions.	All actual emissions were lower than EI-reported.
<input type="checkbox"/>	For area sources, determine historical adjusted emissions, SIP emissions, and baseline emissions from actual operations, adjusting for any exceedance of regulatory or permit limits.	N/A
<input type="checkbox"/>	For area sources, apply shut down and/or non-standard protocol deductions as appropriate.	N/A
<input type="checkbox"/>	For area sources, verify that total amount to be generated doesn't exceed remaining available SIP emissions in the Area Source SIP emission file located on the H drive at: H:\EBT\SIP Emissions.	N/A
<input checked="" type="checkbox"/>	Document any exceedance of emission limits observed in determining the baseline emissions in the Key Points and to the applicant.	No exceedances



✓	<b>Review</b>	<b>Notes</b>
<input checked="" type="checkbox"/>	Review the strategic emissions as defined in <a href="#">§101.300</a> . <ul style="list-style-type: none"> <li>Refer to the permit for the strategic emissions. (e.g., MAERT)</li> </ul>	From 3/27/2015 MAERT

**VII. Enforceable/Permanent**

✓	<b>Review</b>	<b>Notes</b>
<input checked="" type="checkbox"/>	Confirm the reduction is enforceable via one or a combination of the following mechanisms, as applicable. <ul style="list-style-type: none"> <li>Amended or voided Nonattainment New Source Review (NNSR).</li> <li>Amended Permit by Rule (PBR) registration.</li> <li>APD-CERT, as applicable.</li> <li>EBT-CERT.</li> </ul> Permit alterations should not be finalized until the end of processing the ERC application so the applicant will not need to revise the permit again if the amount of reduction changes.	Permit 5566 modified 3/27/2015. Footnotes needed to keep limits from increasing.
<input type="checkbox"/>	Create EBT-CERT in IMS, ensure EBT-CERT language is approved by Team Lead, and send to applicant. Verify EBT-CERT was certified in STEERS.	Point source with NNSR permit. Informed them that MAERT footnote is required before ERCs certified.

**VIII. Project Completion**

✓	<b>Review</b>	<b>Notes</b>
<input checked="" type="checkbox"/>	Calculate the amount of credits to be certified. (BE - SE = ERC) <ul style="list-style-type: none"> <li>Contact the company if the actual amount of credits is different than requested.</li> </ul>	Reduction for cleaning emissions offset by company's use of 2013 data for SIP year (instead of 2014), so no change.
<input type="checkbox"/>	If the company is proposing to generate ERCs from facilities in the Cap and Trade programs, prior to completion of generation project the company must permanently surrender an equivalent amount of nitrogen oxides (NO <sub>x</sub> ) or HRVOC allowances, as applicable, to the TCEQ retirement account.	N/A
<input checked="" type="checkbox"/>	Determine the credit expiration date: five years after the facility's emission reduction date with some exceptions noted under <a href="#">§101.303</a> .	3/27/2020
<input checked="" type="checkbox"/>	Ensure that all required project data is entered into IMS. <ul style="list-style-type: none"> <li>Refer to EBT Standard Operating Procedures (SOP).</li> </ul>	
<input checked="" type="checkbox"/>	Complete approval or denial letter.	
<input checked="" type="checkbox"/>	Route letter and checklist to Team Lead and Section Manager <ul style="list-style-type: none"> <li>If ERC is denied, the letter and checklist will route to Division Director.</li> </ul>	Team Leader: 9/7/2017 Section Manager: 9/22/2017
<input checked="" type="checkbox"/>	E-mail applicant the letter.	9/27/2017
<input type="checkbox"/>	Prepare electronic file and upload to INEW. Refer to Filing with INEW SOP. <ul style="list-style-type: none"> <li>Shred confidential files once available in INEW.</li> </ul>	

**IX. General Notes**

Because the reduction from equipment cleaning is permitted as part of the paint booths' emissions, the eligible amount (0.10 tpy) was divided between the two paint booths proportionate to the emission reduction for each. In determining the eligible amount of cleaning emissions, based on the lab study provided of MEK volatilization at use conditions, the amount in air was reduced from 5% of total MEK used (as shown in application) to 1.85% (as shown in study).

In IMS, the reductions for Paint Booth 1 (11.9 tpy) could not be divided evenly among the six EPNs, so EPN E-107 was assigned less than the other five.



Table 1. Creditable VOC ERCs.

FIN	FIN Name	EPN	Year	Actual Emissions (tpy)*	EI Reported Emissions (tpy)	Adjusted Emissions (tpy)*	Historical Adjusted Emissions (tpy)	2014 SIP Emissions	BE (tpy)	SE (tpy)	ERCs (tpy)
PB1	Rail Car Exterior Coating	E-102	2013 2014	1.99 2.63	2.19 2.91	1.99 2.63	2.31	2.63	2.31	4.36**	25.8
PB1	Rail Car Exterior Coating	E-103	2013 2014	1.99 2.63	2.19 2.91	1.99 2.63	2.31	2.63	2.31		
PB1	Rail Car Exterior Coating	E-104	2013 2014	1.99 2.63	2.19 2.91	1.99 2.63	2.31	2.63	2.31		
PB1	Rail Car Exterior Coating	E-105	2013 2014	1.99 2.63	2.19 2.91	1.99 2.63	2.31	2.63	2.31		
PB1	Rail Car Exterior Coating	E-106	2013 2014	1.99 2.63	2.19 2.91	1.99 2.63	2.31	2.63	2.31		
PB1	Rail Car Exterior Coating	E-107	2013 2014	1.99 2.63	2.19 2.91	1.99 2.63	2.31	2.63	2.31		
PB1	Rail Car Exterior Coating	E-209	2013 2014	0.32 0.43	0.39 0.46	0.32 0.43	0.38	0.43	0.38		
PB2	Line 2 Paint Booth	E-202	2013 2014	2.36 2.78	2.64 3.12	2.36 2.78	2.57	2.78	2.57		
PB2	Line 2 Paint Booth	E-203	2013 2014	2.36 2.78	2.64 3.12	2.36 2.78	2.57	2.78	2.57		
PB2	Line 2 Paint Booth	E-204	2013 2014	2.36 2.78	2.64 3.12	2.36 2.78	2.57	2.78	2.57		
PB2	Line 2 Paint Booth	E-205	2013 2014	2.36 2.78	2.64 3.12	2.36 2.78	2.57	2.78	2.57		
PB2	Line 2 Paint Booth	E-206	2013 2014	2.36 2.78	2.64 3.12	2.36 2.78	2.57	2.78	2.57		
PB2	Line 2 Paint Booth	E-207	2013 2014	2.36 2.78	2.64 3.12	2.36 2.78	2.57	2.78	2.57		

FIN	FIN Name	EPN	Year	Actual Emissions (tpy)*	EI Reported Emissions (tpy)	Adjusted Emissions (tpy)*	Historical Adjusted Emissions (tpy)	2014 SIP Emissions	BE (tpy)	SE (tpy)	ERCs (tpy)
PB2	Line 2 Paint Booth	E-209	2013 2014	0.39 0.46	0.39 0.46	0.39 0.46	0.43	0.46	0.43		
GUNCLEAN	Cleaning Fugitive	F-GUNCLEAN	2013 2014	0.09 0.11	7.55 10.98	0.09 0.11	0.10	0.11	0.10		

\*Company recalculated the emissions from each facility and year based on material throughput records and the VOC amounts shown in the MSDS for specific coatings/additives. The calculations are on pages 4-8 pf the Attachments. Additionally, the GUNCLEAN emissions were recalculated during processing because the wrong volatility factor for MEK was used, based on lab simulation data provided by company.

\*\*The 2015 MAERT shows limits of 4.00 tpy of VOC from coatings and 0.36 tpy of VOCs from fuel from the thermal oxidizer. Both were used because most of the emissions were not controlled previously.

UTLX MANUFACTURING LLC  
SHELDON FACILITY  
EC-1 FORM SUBMITTAL

MARCH 2017

## **ATTACHMENT I**

### **ERC DETERMINATION**

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UTLX Manufacturing LLC (UTLX) operates a railroad tank car manufacturing facility (Sheldon Facility) in Houston, Harris County, Texas. The facility is authorized by Permit No. 5566. These facilities have been operated and emissions reported since the permit was issued.

#### **Generation Activity**

As represented in the revised amendment application to Permit No. 5566 dated January 20, 2015, Paint Booth Line 1 (EPNs: E-102 – E-107) and Paint Booth Line 2 (EPNs: E-202 – E-207) were modified to allow the capture and control of painting operations. The application refers to the modified lines as Line A Paint Booth and Line B Paint Booth. The renamed lines are located in the same location and serve the same function as the original lines. The original booths were modified to capture emissions and route those emissions to a new regenerative thermal oxidizer (RTO) EPN EXTRO. In addition, the emissions associated with Dryers from Lines 1 and 2 (A & B), previously controlled by Catalytic Oxidizer (EPN E-209), have been routed to new RTO (EPN: EXTRTO). The reductions from the pollution control project are in accordance with 30 TAC §101.303(a)(1)(B) as indicated by the following:

- Emissions were captured and routed to a new RTO EPN EXTRO.
- Emissions from facilities were represented in the 2014 AEI (SIP Year). Baseline emissions are based on actual data from 2013 and 2014.
- The facilities were authorized under Permit Number 5566. The emissions represented in this submittal are below the authorized emission rates in the referenced permits.
- The facilities meet the requirements in 30 TAC §115.453(a)(1)(C) and 40 CFR 63 Subpart Mmmm.

#### **Regulatory Applicability**

##### 30 TAC §115

The coating facilities at the Sheldon Plant are classified under miscellaneous metal parts and products as “extreme performance coating” operations per 30 TAC §115.450(c)(5)(I). The VOC content limit is 3.5 lb VOC per gallon (minus water and exempt solvent), found in Table 1 of 30 TAC §115.453(a)(1)(C). UTLX applies coatings using airless spray equipment or other coating application systems capable of achieving a transfer efficiency equivalent to or better than 65% as required by 30 TAC §115.453(c). UTLX complies with the work practice requirements in 30 TAC §115.453(d).

##### 40 CFR 63 Subpart Mmmm

The facilities are an existing general use source under 40 CFR 63 Subpart Mmmm. UTLX limits organic HAP emissions to no more than 2.6 lb organic HAP per gal coating solids used during each 12-month compliance period in accordance with 40 CFR §63.3890(b)(1).



Bryan W. Shaw, Ph.D., P.E., *Chairman*  
 Toby Baker, *Commissioner*  
 Jon Niermann, *Commissioner*  
 Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

September 27, 2017

Mr. Randall S. McDougal  
 Business Unit Manager - Sheldon Manufacturing  
 UTLX Manufacturing LLC  
 16923 Old Beaumont Highway 90  
 Houston, Texas 77049  
 Via email

Re: ERC Generation  
 UTLX Manufacturing LLC  
 UTLX Manufacturing  
 Customer Number: CN602856155  
 Regulated Entity Number: RN100212828  
 EBT Portfolio Number: P3517  
 Project Number: 411999

Dear Mr. McDougal:

This letter is in response to your Application for Emission Reduction Credits (ERCs) submitted on March 1, 2017 requesting volatile organic compounds (VOC) ERCs from emissions reductions at the UTLX Manufacturing site (RN100212828). The Texas Commission on Environmental Quality (TCEQ) is approving your application and issuing the following ERC certificates to UTLX Manufacturing LLC (CN602856155). The credits are now available in the TCEQ Emission Credit Registry and may be used or traded as allowed under 30 Texas Administrative Code Chapter 101, Subchapter H, Division 1.

Certificate Number	Amount (tpy)	Pollutant	Expiration Date	County
3087	25.8	VOC	3/27/2020	Harris

Additional information regarding this project and the site's portfolio is available online at [http://www2.tceq.texas.gov/airperm/index.cfm?fuseaction=ebt\\_dpa.start](http://www2.tceq.texas.gov/airperm/index.cfm?fuseaction=ebt_dpa.start). If you have questions concerning this project or the Emissions Banking and Trading program, please contact Joseph Thomas at (512) 239-0012 or [joe.thomas@tceq.texas.gov](mailto:joe.thomas@tceq.texas.gov), or write to the TCEQ, Office of Air, 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

Mr. Randall S. McDougall

Page 2

September 27, 2017

cc: Air Section Manager, Region 12 - Houston  
Mr. Bob Allen, Director, Harris County Pollution Control Services, Pasadena  
Mr. Donald R. Richner, CIH, Senior Project Manager, Houston Department of Health and  
Human Services, Bureau of Pollution Control & Prevention, Houston  
Mr. Trinity Deville, Manufacturing Engineering Manager, UTLX Manufacturing LLC, Houston  
Mr. Ryan Mayces, Senior Consulting Engineer, Waid Environmental, Austin

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
 Toby Baker, *Commissioner*  
 Jon Niermann, *Commissioner*  
 Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

January 26, 2018

Amalia Berrios  
 VP/Sr. Counsel  
 Amerex Brokers LLC  
 1 Sugar Creek Center Boulevard, Suite 700  
 Sugar Land, TX 77478  
 Via email: [aberrios@amerexenergy.com](mailto:aberrios@amerexenergy.com)

Re: Creditability Review for Emission Reduction Credits (ERCs)  
 Certificate Number(s): 3087 (3185 and 3190)  
 Project Number: 412415

Dear Amalia Berrios:

This letter is in response to your application for re-review of ERCs submitted on December 14, 2017 regarding the creditability of certificate number 3087. The volatile organic compounds (VOC) ERCs in certificate 3087 were certified by UTLX Manufacturing LLC in project 411999 from emission reductions at the UTLX Manufacturing site (RN100212828). However, as of December 29, 2017, certificate 3087 has been split into certificates 3185 and 3190. Certificate 3185, valued 20.7 tons per year (tpy) VOC, is currently owned UTLX Manufacturing LLC. Certificate 3190, valued 5.1 tpy VOC, is currently owned by Entergy Texas Inc.

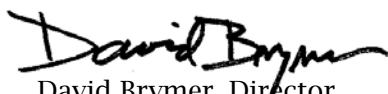
As of January 26, 2018, there have been no regulatory changes affecting the certified amount of ERCs available in certificates 3185 and 3190. The certified amount, pollutants, and expiration date are shown in the following table. Changes to the representations made in the original ERC application or future regulatory actions could affect the amount of credits available for use in any of these certificates.

Certificate Number	Certified Amount (tpy)	Pollutant	Expiration Date
3185	20.7	VOC	03/27/2020
3190	5.1	VOC	03/27/2020

If you have questions concerning this project or the Emissions Banking and Trading Program, please contact Denine Calvin at (512) 239-0613 or [denine.calvin@tceq.texas.gov](mailto:denine.calvin@tceq.texas.gov) or write to the Texas Commission on Environmental Quality, Office of Air, Air Quality Division, MC-206, PO Box 13087, Austin, Texas 78711-3087.

This action is taken under authority delegated by the executive director of the Texas Commission on Environmental Quality.

Sincerely,

  
 David Brymer, Director  
 Air Quality Division

Amalia Berrios  
Page 2  
January 26, 2018

cc: Kelly Covington, Emissions Broker/Consultant, Amerex Brokers LLC, Sugar Land  
Randall S. McDougal, Business Unit Manager, UTLX Manufacturing LLC, Houston  
Trinity Deville, Manufacturing Engineering Manager, UTLX Manufacturing LLC, Houston  
Justin Overstreet, Environmental Analyst, Entergy Texas Inc., Willis

**From:** [Denine Calvin](#)  
**To:** ["aberrios@amerexenergy.com"](#)  
**Cc:** ["KCOVINGTON@AMEREXENERGY.COM"](#); ["MCDUGALR@UTLX.COM"](#); ["JOVERST@ENTERGY.COM"](#);  
["DEVILLET@UTLX.COM"](#)  
**Subject:** TCEQ EBT Documents - ERC Re-Review - UTLX Manufacturing  
**Date:** Friday, January 26, 2018 10:36:00 AM  
**Attachments:** [412415.ECRR.BKR1046.pdf](#)

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Please see the attached EBT document(s) for project number 412415. For additional information about this project, visit the TCEQ EBT Database. If you have any questions, please see the contact information in the last paragraph of the attached letter.

Texas Commission on Environmental Quality

EBT Programs

(512) 239-4900

[ebt@tceq.texas.gov](mailto:ebt@tceq.texas.gov)

[Sign up to receive e-mail updates](#) on EBT programs. Select *Emissions Banking and Trading (EBT) Program* under the *Air Quality* heading.