

Jon Niermann, *Chairman*
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Toby Baker, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 22, 2020

Randall Lack
Chief Marketing Officer
Element Markets Emissions LLC
3555 Timmons Lane, Suite 900
Houston, Texas 77027
Via email

Subject: ERC Creditability Review
ERC Certificate: 3289
Project Number: 415347

Dear Randall Lack:

This letter is in response to the Application for Creditability Review of Emission Credits submitted on April 20, 2020 requesting review of the nitrogen oxides (NO_x) emission reduction credits (ERCs) in certificate 3289. The ERCs in certificate 3289 were certified by National Oilwell Varco, L.P. in project 410467 from the shutdown of the Tuboscope Highway 90 Coating Facility.

The Texas Commission on Environmental Quality (TCEQ) has determined that as of April 22, 2020 there have been no regulatory changes that decrease the certified amount of ERCs available in certificate 3289. Changes to the representations made in the original ERC application or future regulatory actions could affect the amount of credits available for use in the certificate.

Additional information regarding this project and the site's portfolio is available online at https://www2.tceq.texas.gov/airperm/index.cfm?fuseaction=ebt_dpa.start. If you have questions concerning this project or the EBT program, please contact Jacob Morrison at Jacob.Morrison@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,

A handwritten signature in black ink, appearing to read "D. Huff".

Donna F. Huff, Director
Air Quality Division

cc: Tiffany Grigsby, Contract Administration, Element Markets Emissions LLC, Houston

Emission Reduction Credit (ERC) Creditability Technical Review

Project Number:	415347	Project Manager:	Jacob Morrison
Customer Reference No.:	N/A	Company Name:	Element Markets Emissions LLC
Broker Reference No.:	BKR1071	Site Name:	N/A
Portfolio Number:	P3869	County:	N/A

Project Overview

Element Markets Emissions LLC, on behalf of Energy Transfer (which includes Lone Star NGL Fractionators LLC), submitted a Creditability Review of Emissions Credits application on 4/20/2020 for the review of ERC certificate 3289.

ERC Creditability

Certificate 3289: 7.3 tpy NO_x

The originator certificate of 3289 is certificate 3018, which was generated by National Oilwell Varco, L.P. (RN100215268) from the shutdown of the Tuboscope Highway 90 Coating Facility. The generator project number is 410467, and the certificate was issued on November 28, 2016. The originator certificate was valued at 7.4 tpy and the credits have been sold twice. In trade project 412376, 7.4 tpy NO_x were transferred from National Oilwell Varco LP to Fathom Energy LLC in Certificate 3172. In trade project 412414, 7.4 tpy NO_x were transferred from Fathom Energy LLC to Lone Star in Certificate 3176. In ERC Use Project 413160, the company used 0.1 tpy under Certificate 3288 leaving the company with 7.3 tpy on Certificate 3289.

The original certificate has previously been reviewed in Re-Review Project 412363 and in ERC Use Project 413160 with no devaluation found.

Table 1 below lists the regulations that were evaluated in this project. There have been no new regulatory provisions that would have affected the facilities since project 413160 and the submission of this creditability review project. Therefore, certificate number 3289 still retains the certified amount of 7.3 tpy and the full amount is available.

Table 1: Regulatory Review

FIN/EPN	Citations and Regulations	Verified	Last Revision Date
All	NSR Permit 7171	Permit has not been revised since ERCs were issued. Permit is listed as "cancelled" in the Air Permit's NSR database.	February 18, 2015
All	PBR Registration 77682	PBR has not been revised since ERCs were issued. PBR is listed as "cancelled" in the Air Permit's NSR database.	June 27, 2007
All	30 TAC Chapter 117, Subchapter B, Division 3	The site is subject to the rules for major sources in the HGB area under Chapter 117, Subchapter B, Division 3. However, the thermal oxidizer and the ovens, which are the only combustion sources, are exempt under §117.303(a)(4) and (5), respectively. Therefore, the site is not subject to the MECT Program. These regulations have not been changed since the ERCs were issued.	March 4, 2009 (§§117.340 & 117.345)

FIN/EPN	Citations and Regulations	Verified	Last Revision Date
All	30 TAC §106.262	PBR Rules establishing emission limitations for facilities. These regulations have not been changed since the ERCs were issued.	November 1, 2003
All	30 TAC §106.261	PBR Rules establishing emission limitations for facilities. These regulations have not been changed since the ERCs were issued.	November 1, 2003

Conclusion

From this review it has been determined that, as of April 22, 2020, the ERCs on certificate 3289 have not devalued.

04/22/2020 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 415347 STATUS: C DISP CODE: _____
RECEIVED: 04/20/2020 PROJTYPE: BERR ISSUED DT: 04/22/2020
SUP-DISP DATE: 04/22/2020

STAFF ASSIGNED TO PROJECT:
MORRISON, JACOB

PROJECT TRANSACTIONS

COMPANY DATA

COMPANY NAME: ELEMENT MARKETS EMISSIONS LLC
CUSTOMER REGISTRY ID:

PORTFOLIO DATA

NUMBER: P3869 NAME: BKR1071 - ELEMENT MARKETS EMISSIONS LLC

SITE DATA

ACCOUNT: BKR1071
REG ENTITY ID:
SITE NAME: BROKER ACCOUNT - ELEMENT MARKETS EMISSIONS LLC
COUNTY: NEAREST CITY:
LOCATION:

CONTACT DATA

NAME: RANDALL LACK TITLE: CHIEF MARKETING OFFICER
ROLE: AAR
STREET: 3555 TIMMONS LANE, SUITE 900
CITY/STATE, ZIP: HOUSTON, TX , 77027-
PHONE: 281-207-7213 -
EMAIL: RLACK@ELEMENTMARKETS.COM

NAME: TIFFANY GRIGSBY TITLE: CONTRACT ADMINISTRATION
ROLE: AAAR
STREET: 3555 TIMMONS, SUITE 900
CITY/STATE, ZIP: HOUSTON, TX , 77027-
PHONE: 281-207-7263 -
EMAIL: TGRIGSBY@ELEMENTMARKETS.COM

TRANSACTION DATA

TRANSACTION TYPE: ERC_RRVW
DATE ENTERED: 2020-04-21 00:00:00.0 DELETED DATE: EFFECTIVE YEAR:
CONTAMINATE: **NOX** TONS: **0** DOLLARS: **0**
ALLOWANCE **0** CERTIFICATE NO.: **0** COUNTY :

COMPANY DATA

COMPANY NAME: LONE STAR NGL FRACTIONATORS, LLC
CUSTOMER REGISTRY ID: CN604309419

PORTFOLIO DATA

NUMBER: P3748 NAME: LONE STAR NGL FRAC, LLC-MONT BELVIEU GP-RN106018260

SITE DATA

ACCOUNT: CIA019S
REG ENTITY ID: RN106018260
SITE NAME: LDH ENERGY MONT BELVIEU FRACTIONER PROJECT
COUNTY: CHAMBERS NEAREST CITY: MONT BELVIEU
LOCATION: 10030 A FM 1942

CONTACT DATA

NAME: SCOTT CLEMENTS TITLE: DIRECTOR - ENVIRONMENTAL
ROLE: AAR

STREET: 11135 Industriplex Blvd - Suite 1500
CITY/STATE, ZIP: Baton Rouge, LA , 70809-
PHONE: 225-906-9297 -
EMAIL:
SCOTT.CLEMENTS@ENERGYTRANSFER.COM

NAME: LISA GARCIA
ROLE: TECHNICAL
STREET:
CITY/STATE, ZIP:
PHONE: 713-989-7762 -
EMAIL: LISA.GARCIA@ENERGYTRANSFER.COM

TITLE: MANAGER - ENVIRONMENTAL ENGINEERING

NAME: BENOIT LAMARCHE
ROLE: TECHNICAL
STREET:
CITY/STATE, ZIP:
PHONE: 281-576-3614 -
EMAIL:
BENOIT.LAMARCHE@ENERGYTRANSFER.COM

TITLE: SENIOR ENV SPECIALIST

NAME: CINDY PATE
ROLE: AAAR
STREET:
CITY/STATE, ZIP:
PHONE: 281-385-3573 -
EMAIL: CINDY.PATE@ENERGYTRANSFER.COM

TITLE: ENV MGR

TRANSACTION DATA

TRANSACTION TYPE: ERC_RET

DATE ENTERED: 2020-04-21 00:00:00.0

CONTAMINATE: **NOX**

ALLOWANCE0

DELETED DATE:

TONS: **7.30**

CERTIFICATE NO.: **3289** COUNTY : **CHAMBERS**

EFFECTIVE YEAR:

DOLLARS: **0**

TRACKING ACTIVITES

PROJECT SUBMITTED : 04/20/2020 PM RECEIVED DATE : 04/21/2020

WORK/TEAM LEADER
REVIEW : 04/21/2020 04/22/2020

PROJECT COMPLETED : 04/22/2020

Total Reported Emissions

-0 -0 -0 -0 -0 -0 -0

Remaining Balance

0 0 0 0 0 0 0

ERC

Certificate Num	Cont Code	Avail Tons	Transaction Type	Active/Inactive	Gen Date	Exp Date	County	Parent Cert Num
3181	NOX	0.10	ERC_INTEN	08/24/2018	06/09/2014	06/09/2019	HARRIS	3181
3176	NOX	7.40	ERC_INTEN	08/24/2018	05/15/2015	05/15/2020	HARRIS	3172
3177	NOX	5.50	ERC_INTEN	08/24/2018	05/05/2015	05/05/2020	HARRIS	3173
2908	NOX	31.30	ERC_INTEN	12/23/2015	06/09/2014	06/09/2019	HARRIS	2818
3288	NOX	0.10	ERC_USE	08/24/2018	05/15/2015	05/15/2020	HARRIS	3176
2928	NOX	13.00	ERC_SELL	12/28/2017	06/09/2014	06/09/2019	HARRIS	2908
3176	NOX	7.40	ERC_BUY	08/24/2018	05/15/2015	05/15/2020	HARRIS	3172
2927	NOX	18.30	ERC_USE	12/23/2015	06/09/2014	06/09/2019	HARRIS	2908
2928	NOX	13.00	ERC_RET	12/28/2017	06/09/2014	06/09/2019	HARRIS	2908
3181	NOX	0.10	ERC_RET	08/24/2018	06/09/2014	06/09/2019	HARRIS	3181
3177	NOX	5.50	ERC_USE	08/24/2018	05/05/2015	05/05/2020	HARRIS	3173
3177	NOX	5.50	ERC_BUY	08/24/2018	05/05/2015	05/05/2020	HARRIS	3173
2908	NOX	31.30	ERC_BUY	12/23/2015	06/09/2014	06/09/2019	HARRIS	2818
3181	NOX	0.10	ERC_USE	08/24/2018	06/09/2014	06/09/2019	HARRIS	3181
3289	NOX	7.30	ERC_RET	12/30/3000	05/15/2015	05/15/2020	HARRIS	3176



April 20, 2020

ATTN: Ms. Melissa Ruano
Emissions Banking & Trading – MC 206
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

On behalf of Energy Transfer, which includes Lone Star NGL Fractionators, LLC, Element Markets submits the following Creditability Review for Emission Credit Request.

Please find attached the following:

- (1) A **TCEQ Form EC-2** Creditability Review for Emission Credit executed by Element Markets Emissions, requesting the review of the **Certificate 3289 (7.3 tpy NOx exp 5/15/2020)** in Portfolio 3748.

Please do not hesitate to contact me at (281) 207-7225 or at kbreeze@elementmarkets.com if you have any additional questions or concerns.

Regards,

A handwritten signature in blue ink that reads "Kyle Brzymialkiewicz".


Kyle (Breeze) Brzymialkiewicz
Vice President - Gulf Coast Emissions
Element Markets

cc:

Jeff Weiler, Director - E&C Environmental, Energy Transfer



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

I. REQUESTOR INFORMATION			
A. Company Name: Element Markets LLC			
Mailing Address: 3555 Timmons Lane, Suite 900			
City: Houston	State: TX	Zip Code: 77027	
B. Contact Name: Tiffany Grigsby			
Telephone: (281) 207-7263	Fax:		
II. EMISSION CREDIT OWNER INFORMATION			
A. Company Name: Lone Star NGL Fractionators, LLC			
B. Nonattainment area: Houston-Galveston-Brazoria			
C. Contact Name: Jeff Weiler			
Telephone: 210-289-4550	Fax:		
III. EMISSION CREDIT CERTIFICATES TO BE REVIEWED			
Certificate No.: 3289	Exp. Date: 11/11/2019	TPY VOC: _____	TPY NO _x : 7.3
Certificate No.: _____	Exp. Date: _____	TPY VOC: _____	TPY NO _x : _____
Certificate No.: _____	Exp. Date: _____	TPY VOC: _____	TPY NO _x : _____
Certificate No.: _____	Exp. Date: _____	TPY VOC: _____	TPY NO _x : _____
IV. EMISSION RATE RULE AND REGULATION CHANGES			
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:			
V. SIGNATURE			
I, <u>Kyle Brzymialkiewicz</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 1.			
Signature		Signature Date	2020 0420
Title	Vice President		

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

Banking Cap and Trade

Certificate Detail

Detail Data for Certificate Num 3289

Detail Data for Certificate Num 3289

Certificate Number: 3289
Parent Certificate: [3176](#)
County Name: HARRIS
End Date: 12/30/3000
Gen Period Start Date: 05/15/2015
Expiration Date: 05/15/2020
Source: POINT

Tons Quantity Pollutant Code

7.30 NOX

Children Detail Data for Certificate Num 3289

Certificate Num Cont Code Avail Tons Active/Inactive Original Cert Num Parent Cert Num Portfolio

Portfolio Listing

Portfolio Num	Portfolio Name	Company Name	Summary	Fins List	Transactions List
P3748	LONE STAR NGL FRAC,LLC-MONT BELVIEU GP-RN106018260	LONE STAR NGL FRACTIONATORS, LLC	View Summary	Fins List	Xactions List

From: [Jacob Morrison](#)
To: rlack@elementmarkets.com
Cc: TGRIGSBY@ELEMENTMARKETS.COM
Subject: TCEQ EBT Document - ERC Re-Review for Lone Star NGL Fractionators
Date: Wednesday, April 22, 2020 11:25:00 AM
Attachments: [415347 ECLT BKR1071.pdf](#)

Please see the attached EBT document(s) for project number **415347**. For additional information about this project, visit the [TCEO 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

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

From: [Kelly Mackenzie](#)
To: [Jacob Morrison](#); [Melissa Ruano](#)
Subject: RE: For Review & Approval by 4/27/2020: ERC Re-Review 415347
Date: Wednesday, April 22, 2020 11:08:23 AM
Attachments: [415347 ECRR BKR1071_KM.docx](#)

Hi Jacob,

Approved with edits.

Please also make sure that the bookmark labels match that in the File Order SOP.

Thanks

Kelly

From: Jacob Morrison <Jacob.Morrison@tceq.texas.gov>
Sent: Tuesday, April 21, 2020 5:51 PM
To: Melissa Ruano <melissa.ruano@tceq.texas.gov>; Kelly Mackenzie <Kelly.Mackenzie@tceq.texas.gov>
Subject: For Review & Approval by 4/27/2020: ERC Re-Review 415347
Importance: High

Melissa/Kelly,

Attached is an ERC Re-Review Project submitted by Element Markets Emissions on behalf of the certificate holder, Lone Star NGL Fractionators. The certificate has not devalued since the last review in ERC Use Project 413160.

Thanks,

Jacob Morrison
TCEQ - Air Quality Division
Emissions Banking and Trading Program
512-239-3818