Nonattainment-Related Permitting and Credit Programs

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Texas Commission on Environmental Quality

What Businesses Need to know About Bexar County’s Marginal Nonattainment Air Quality Designation

San Antonio Metropolitan Health District Business Round Table
Nonattainment New Source Review & Emission Offsets

- Air permitting for the construction of new major sources or major modifications to existing sources
  - Major source ≥ 100 tons per year for Marginal
  - Major mod ≥ 40 tons per year for Marginal
- Nonattainment New Source Review (NSR) permits require offsets
  - Emission reductions from existing source used to mitigate impact of the new or modified source
  - Offset ratio = 1.1:1 for Marginal
- Air Permit Fact Sheets:
Emission Banking and Trading

- Emissions Banking and Trading (EBT)
  - Voluntary
  - Intended to provide compliance flexibility
  - Not an emissions control strategy
  - Allows you to generate, trade, and use emission credits to meet air quality requirements
    - Primary use of credits is NSR offsets

- EBT programs available for San Antonio emission sources as of September 24, 2018
  - designation effective date
EBT Credit Programs

**Emission Credit Program**

- Emission Reduction Credits (ERC) and mobile ERCs (MERC)
- 30 Texas Administrative Code, Chapter 101, Subchapter H, Division 1

**Discrete Emission Credit Program**

- Discrete Emission Reduction Credits (DERC) and mobile DERCs (MDERC)
- 30 Texas Administrative Code, Chapter 101, Subchapter H, Division 4
## What are Credits?

<table>
<thead>
<tr>
<th>ERCs</th>
<th>DERCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generated from <strong>permanent</strong> reductions of a criteria pollutant (excluding lead) or criteria pollutant precursor</td>
<td>Generated from <strong>temporary</strong> reduction of a criteria pollutant (excluding lead) or criteria pollutant precursor</td>
</tr>
<tr>
<td>Certified in <strong>tons per year</strong></td>
<td>Certified in <strong>tons</strong></td>
</tr>
<tr>
<td>Only in <strong>nonattainment areas</strong></td>
<td>In <strong>all areas</strong> (attainment or nonattainment)</td>
</tr>
<tr>
<td><strong>Expire five years</strong> after the emission reduction</td>
<td><strong>Do not expire</strong></td>
</tr>
<tr>
<td>Must be <strong>permanent</strong>, <strong>enforceable</strong>, real, quantifiable, and surplus at time of generation and use</td>
<td>Must be quantifiable, surplus, and real at time of generation</td>
</tr>
</tbody>
</table>
Who Can Generate Credits?

**Area Sources**
- Non-residential sources
- No inelastic source shutdowns

**Point Sources**
- Stationary sources that report annual emissions

**Mobile Sources**
- On-road and non-road
- Primarily operated (75%) in nonattainment area
- Shutdowns or replacements must be made permanently inoperable or moved out of North America

- San Antonio sources must have operated in 2017
How are Credits Generated?

Reducing emissions below what is required by local, state, or federal law; regulation; or agreed order

<table>
<thead>
<tr>
<th>ERCs</th>
<th>DERCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Install/operate pollution control equipment</td>
<td>Install/operate pollution control equipment</td>
</tr>
<tr>
<td>Process change</td>
<td>Process change</td>
</tr>
<tr>
<td>Permanent shutdown</td>
<td>Other TCEQ-approved method</td>
</tr>
<tr>
<td>Permanent production curtailment</td>
<td></td>
</tr>
<tr>
<td>Other TCEQ-approved method</td>
<td></td>
</tr>
</tbody>
</table>
## How Are Credits Used?

<table>
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<tr>
<th>ERCs</th>
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</thead>
<tbody>
<tr>
<td>NSR permit offsets</td>
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</tr>
<tr>
<td>Compliance with 30 TAC Chapters 115 and 117</td>
<td>Compliance with 30 TAC Chapters 115 and 117</td>
</tr>
<tr>
<td>As allowed by other local, state, and federal laws</td>
<td>Temporary exceedance of permit limit</td>
</tr>
</tbody>
</table>

At least an additional **10%** of the credits must be retired with each use as *environmental contribution*.

Use in **same area** and for **same pollutant** unless photochemical modeling is approved by TCEQ and EPA *(inter-area or inter-pollutant)*.
Credit Applications

Credit Generation and Trades
Submit applications through the State of Texas Environmental Electronic Reporting System (STEERS) at
https://www3.tceq.texas.gov/steers/

Credit Use
Download applications at
https://www.tceq.texas.gov/airquality/banking/banking.html
EBT Contact Information

General EBT Contacts

- (512) 239-4900
- ebt@tceq.texas.gov

EBT Website

- https://www.tceq.texas.gov/airquality/banking/banking.html

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