



Nonattainment-Related Permitting and Credit Programs

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Air Quality Planning Section

**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:
 - <https://www.tceq.texas.gov/permitting/air/guidance/permit-factsheets.html>



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



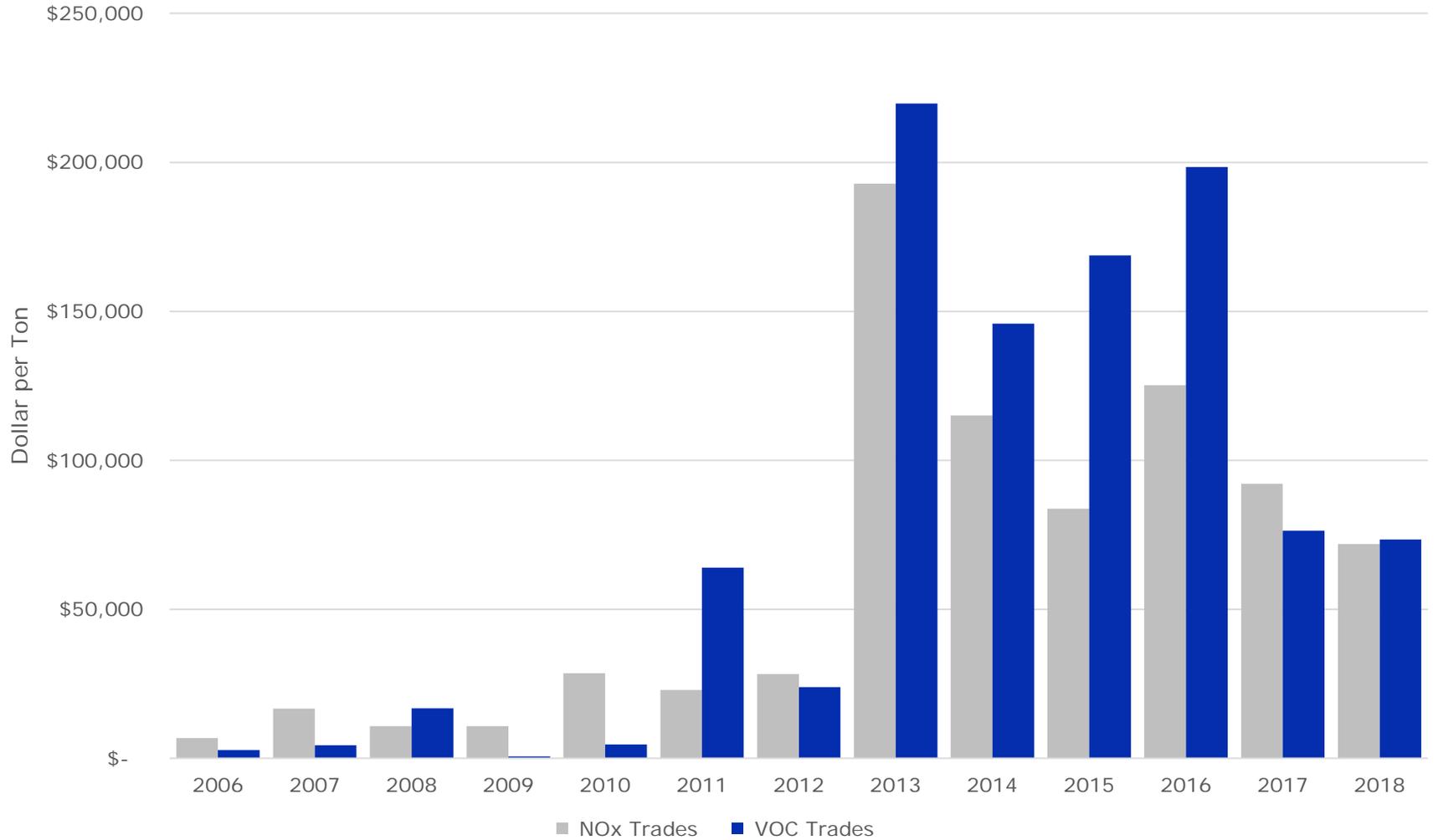
What are Credits?

ERCs
Generated from permanent reductions of a criteria pollutant (excluding lead) or criteria pollutant precursor
Certified in tons per year
Only in nonattainment areas
Expire five years after the emission reduction
Must be permanent, enforceable , real, quantifiable, and surplus at time of generation and use

DERCs
Generated from temporary reduction of a criteria pollutant (excluding lead) or criteria pollutant precursor
Certified in tons
In all areas (attainment or nonattainment)
Do not expire
Must be quantifiable, surplus, and real at time of generation

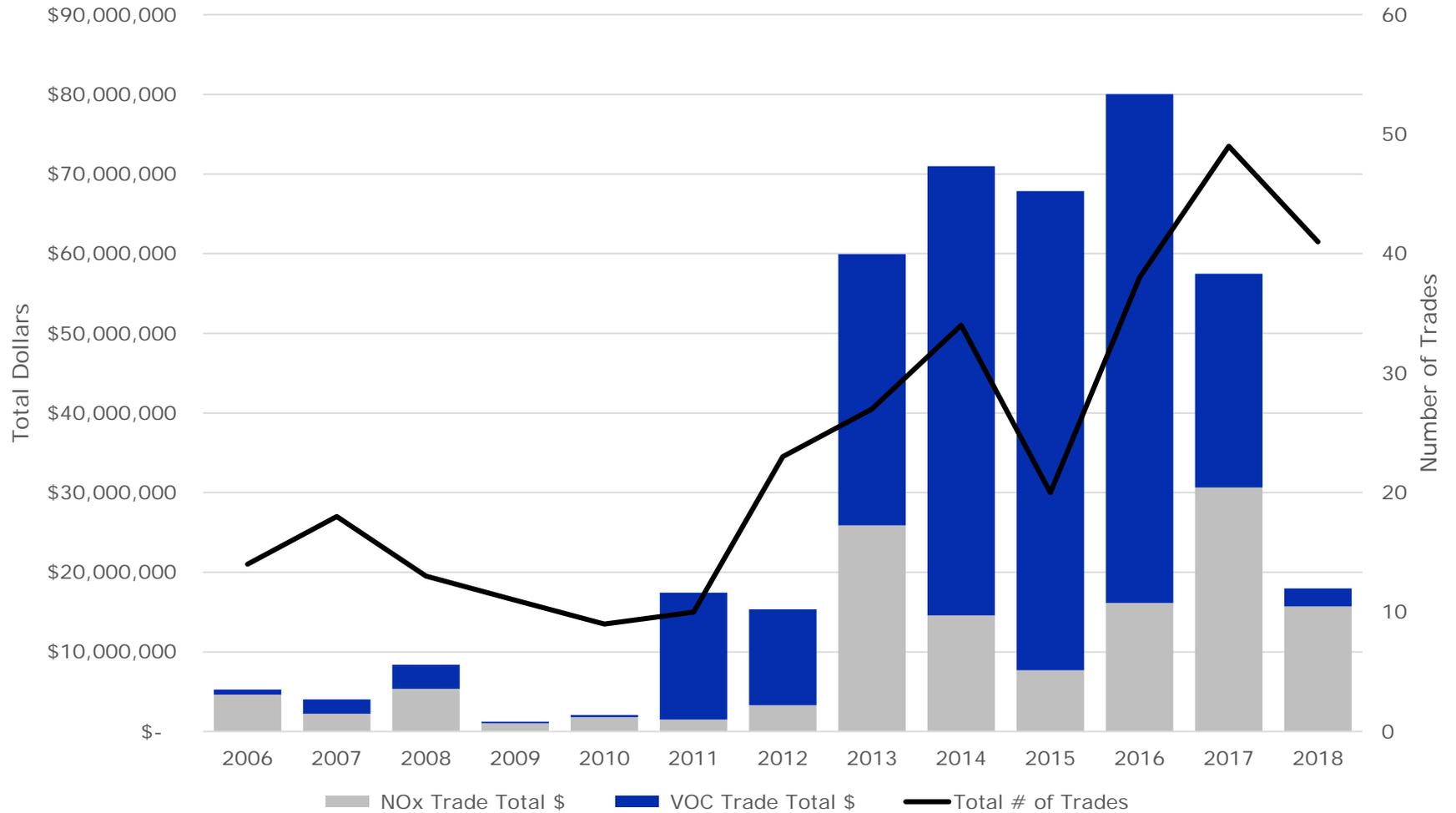


ERC Prices





ERC Trades





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

ERCs

Install/operate pollution control equipment

Process change

Permanent shutdown

Permanent production curtailment

Other TCEQ-approved method

DERCs

Install/operate pollution control equipment

Process change

Other TCEQ-approved method



How Are Credits Used?

ERCs

NSR permit offsets

Compliance with 30 TAC
Chapters 115 and 117

As allowed by other local,
state, and federal laws

DERCs

NSR permit offsets

Compliance with 30 TAC
Chapters 115 and 117

Temporary exceedance of
permit limit

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>

Sign Up for Email Updates

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