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***TCEQ Updates***

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On November 10, the Texas Commission on Environmental Quality (TCEQ) adopted changes to 30 TAC Chapter 101 for the emissions banking and trading program. The rules, which are effective December 2, 2004, establish a method to approve the use of discrete emission reduction credits (DERCs) within the mass emissions cap and trade program in a given year, correct the DERC generation equation, allow DERCs to be generated for all pollutants and precursor emissions for which an area is nonattainment, amend the trading program to incorporate recent changes to the permitting requirements, and change the time period during which baseline emissions may be determined for banking purposes. For details see [http://www.tnrcc.state.tx.us/oprd/rule\\_lib/adoptions/03064101\\_adoCLEAN.pdf](http://www.tnrcc.state.tx.us/oprd/rule_lib/adoptions/03064101_adoCLEAN.pdf).

On November 17, the TCEQ approved a proposal that would revise NOx control measures for lean-burn and rich-burn internal combustion engines in the nine-county DFW ozone nonattainment area (Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall and Tarrant Counties). Comments are due January 6, 2005. See [http://www.tnrcc.state.tx.us/oprd/rule\\_lib/proposals/05004117\\_pro.pdf](http://www.tnrcc.state.tx.us/oprd/rule_lib/proposals/05004117_pro.pdf) for more details.

On November 18, TCEQ adopted Early Action Compact (EAC) proposals for the Austin, San Antonio and Northeast Texas areas. In the Austin area (Travis, Hays, Williamson, Bastrop, and Caldwell counties) and San Antonio area (Bexar, Comal, Guadalupe and Wilson counties), the ozone control strategies include enhanced vapor recovery technology for gasoline stations, new or revised

volatile organic compound (VOC) control rules for degreasing operations, and reductions in NOx (nitrogen oxide) emissions under the Texas Emissions Reduction Program (TERP). In the Northeast Texas area (Gregg, Harrison, Rusk, Smith and Upshur counties), the strategies include continuing reductions in VOC and NOx from point sources such as petrochemical and power plants, and reductions in emissions under the TERP.

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***HRVOC Updates***

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On December 1, 2004, the TCEQ is scheduled to consider adopting several changes to Chapters 101 and 115 related to highly reactive volatile organic compounds (HRVOC). The rules apply to sites in the eight-county Houston-Galveston-Brazoria (HGB) area (also referred to as the Houston-Galveston area). The Chapter 101 changes would establish the HRVOC emissions cap and trade program. The Chapter 115 changes would lower caps on HRVOC allowances, add parameter monitoring for pressure relief valves and vent gas streams that are not routed to a flare, and eliminate or delay certain other requirements.

Each site that is subject to the revised Chapter 115 rules would have to comply with the new HRVOC emissions cap and trade program in Chapter 101, Subchapter H, Division 6, unless the site's HRVOC emissions are no more than ten tons per calendar year. In addition, each site would have a limit of 1,200 pounds of HRVOC per one-hour block period from any flare, vent, pressure relief valve, cooling tower, or any combination.

Initially, the full HRVOC emissions cap and trade program would apply only in Harris County. Sites in the other HGB area counties would only be required to submit a level of activity certification on Form ECT-3H. Form ECT-3H, based on HRVOC production and use during any 12 consecutive months from 2000-2004 would have to be submitted by April 30, 2005. The form must have supporting information and documentation of the level of activity attached. In addition, enforceable documentation of the maximum allowable emission rate of HRVOC from the site must be provided.

Sites subject to the HRVOC cap and trade program, but do not include a process unit that produces or uses HRVOC, must apply by January 30, 2005, for an allocation based on HRVOC throughput or storage capacity for any 12 consecutive months during 2000-2004.

One significant change in the rules being considered is deletion of the requirement to submit a written quality assurance plan (QAP) by April 30, 2005. Instead, the QAP would only have to be maintained on-site and, upon written request by the executive director, submitted within 30 days. Another significant change would be deletion of the requirement to complete an independent third-party audit of 50% of the fugitive sources by December 31, 2004. Instead, the independent third-party audit of all fugitive sources would have to be completed and the results submitted by December 31, 2005. For more details see [http://www.tnrcc.state.tx.us/oprd/rule\\_lib/proposals/05004117\\_pro.pdf](http://www.tnrcc.state.tx.us/oprd/rule_lib/proposals/05004117_pro.pdf).

Other changes to Chapter 115 would include technical corrections to the fugitive VOC emission rules that would make certain requirements that currently apply to VOCs in general, applicable only to sources in HRVOC service.

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### ***EPA Updates***

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On November 18, 2004, EPA removed ethylene glycol mono-butyl ether (EGBE) from the list of hazardous air pollutants (HAPs) and exempted five other chemicals from regulation as VOCs. EGBE is still regulated as a VOC and must still be reported in the Toxic Release Inventory. The five chemicals that have been exempted from regulation as VOCs because they are negligibly reactive are: t-butyl acetate (TBAC), HFE-7000, HFE-7500, HFC 227ea and methyl formate.

EPA has taken phosmet off the "Extremely Hazardous Substance" (EHS) list under 40 CFR 302. However, phosmet is still a "hazardous chemical" under 40 CFR 311 and 312, except when used in routine agricultural operations, and must therefore still be reported if at least 10,000 pounds are present.

EPA may soon propose rule changes to the Toxic Release Inventory (TRI) reporting program, including a "No Significant Change" certification statement that would relieve a facility of their obligation to complete either the Form R or Form A. Other proposed changes to the TRI rules would include internet reporting that would enable simultaneous reporting to EPA and states and conversion of the CD-based TRI-ME software to an internet version.

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### ***MACT Updates***

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EPA has been sued by a coalition of environmental organizations which claims that the MACT rule for Industrial, Commercial, and Institutional Boilers and Process Heaters that was published September 13, 2004 and was effective November 12, 2004 (MACT DDDDD) contains emission limits that are too weak. A summary of the rule is available at the Waid website <http://www.waid.com> under "Regulatory News and Events – Waid Regulation Summaries."

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### ***Friendly Reminders***

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- For new or reconstructed Reciprocating Internal Combustion Engines (RICE) subject to MACT ZZZZ, submit a Notice of Intent to conduct performance tests by December 12, 2004, or 60 days before the test is scheduled to begin, whichever is earlier. (The test must be conducted by February 2, 2005.) Also, submit an Initial Notification by December 13, 2004.
- For Iron and Steel Foundries subject to MACT EEEEE, submit the Notification of Compliance Status by December 18, 2004.
- Generators of hazardous and Class I solid waste that plan to submit the Annual Waste Summary on paper forms must submit the summary by January 25, 2005. Electronic submittals will be due March 1, 2005. Generators of 1000 kg or more of hazardous waste in any month must submit electronically.