

Texas Commission on Environmental Quality (TCEQ)
Office of Air
Tax Relief for Pollution Control Property Advisory Committee
September 10, 2018
10:00 A.M. - 11:15 A.M.

Minutes

Opening Remarks

1. Mr. Bob Adair called the meeting to order at 10:00 A.M.
2. All committee members except Mr. Don Lee attended the meeting.
3. Mr. Bob Adair re-stated the public comment policy. No action was taken.
4. General comments from committee members were solicited. No comments were received.

Update on Heat Recovery Steam Generators (HRSG) appeals

Mr. Don Redmond of TCEQ Legal updated the Committee and stated that there was no change in the status of the HRSG cases since the last meeting. Both Tier III and Tier IV cases have been appealed to the Texas Supreme Court. Petitions have been filed with the Texas Supreme Court for both the Tier III and Tier IV cases and there have been several rounds of briefings on both cases. There is one more round of briefings to occur for both cases.

Continue triennial review of Non-Exclusive List and Tier I Table as required by Texas Property Tax Code §11.31(i) and 30 Texas Administrative Code §17.14(b)

- a. Ms. Shelley Naik of TCEQ stated that if changes were to be recommended by the Committee to the Tier I table, these recommendations would need to be provided to TCEQ by early 2019 to achieve rule adoption in 2020. The typical rulemaking process takes about 18 months in total.
- b. Prior to the meeting, Mr. Bob Adair circulated a list of pollution control property for which positive use determinations had been issued based on Tier II and Tier III applications. The list included a recommendation for each pollution control property item to be added to the Tier I table or not added. This list had been put together by Mr. Greg Maxim of Cummings Westlake LLC and other industry representatives. The Committee members discussed the items in this table and their thoughts on their inclusion on the Tier I table.

Mr. Michael Nasi of the Clean Coal Technology Foundation suggested that carbon capture technology should be listed on the Tier I table due to EPA regulation requirements. This suggestion was discussed at length amongst the committee members. Mr. Adair requested that Mr. Nasi produce a brief document outlining the description of the property and his rationale for the property's inclusion on the Tier I table, which could be circulated to the Committee before the next meeting.

Dr. Cyrus Reed of the Sierra Club requested that changes to the proposed language and additional detail on rule requirements be provided on the suggestion of including "fixed roof on tanks containing an external floating

roof” and “Geodesic domes installed on a storage tank” on the Tier I table.

Dr. Cyrus Reed also requested that additional detail on rule requirements be provided on the suggestion of including “submerged fill pipes” and “seal-less pumps” on the Tier I table.

Mr. Bob Adair stated that the list of Tier II and Tier III pollution control property items that were either recommended or not recommended to be added to the Tier I table will be reviewed and updated by Committee members before the next meeting. The reviewed list will be discussed again and voted on at the next meeting.

Other

1. *Old Business*

There was no old business discussed.

2. *New Business*

Ms. Shelley Naik stated that the 2017 Annual Report on the Tax Relief for Pollution Control Property Program is posted on the TCEQ website.

Mr. Wayne Frazell of Pritchard and Abbott Inc. announced his retirement at the end of December from both Pritchard and Abbott and the Committee.

Ms. Shelley Naik updated the Committee on the changes to TCEQ management since the last meeting.

Ms. Shelley Naik re-introduced Ms. Kelly MacKenzie and Ms. Elizabeth Sartain to the committee and stated that there is currently one vacant position.

Other General Comments from the Public

None

Action Items

Mr. Michael Nasi will provide the Committee with a document detailing his argument for carbon capture technologies to be placed on the Tier I table.

Adjourn

The meeting adjourned at 11:15 A.M.