

Texas Commission on Environmental Quality (TCEQ)
Office of Air
Tax Relief for Pollution Control Property Advisory Committee
August 19, 2022
Meeting held in person and by phone.
10:18 A.M. - 10:47 A.M.

Minutes

Opening Remarks

Bob Adair called the meeting to order at 10:18 A.M.

The following Tax Relief for Pollution Control Property Advisory Committee (Committee) members were present: Bob Adair, Charles Allred, Roland Bieber, Michelle Carder, Justin Hyland, Martha Landwehr, Bill Longley, Greg Maxim, Michael Nasi, and Cyrus Reed. Quorum was met.

Bob Adair re-stated the public comment policy. No action was taken.

Bob Adair asked for comments from Committee members or TCEQ staff. No comments were made.

Continue triennial review required by Tax Code §11.31(l) and 30 TAC §17.14(b) of: Nonexclusive List in Tax Code §11.31(k) and Figure: 30 TAC §17.17(b); and Tier I Table in Figure: 30 TAC §17.14(a).

Bob Adair presented the draft advice which staff has requested the Committee send to the Commissioners by the end of the year. He reminded attendees that the advice the Committee offers can be “no change” to the Tier I Table. He explained that after review of the list of Tier II applications provided to the Committee in December 2021, amine regeneration systems were the only property type identified for possible addition to the Tier I Table.

Cyrus Reed asked for an explanation of how the amine regeneration system works.

Charles Allred explained that an amine system is used to purify the methane or natural gas and remove contaminants like carbon dioxide (CO₂) and hydrogen sulfide (H₂S). He said the type of application determines whether it is pollution control equipment. He suggested that more clarification of the circumstances under which this qualifies for emission control might be a good idea.

Cyrus Reed asked even if it is on the Tier I list, don't applicants still have to point to the regulations being met.

Charles Allred confirmed this noted that the application for the gas plant included the regeneration for the amine, but this proposal excludes the regeneration system. He thought there might need to be something for Liquefied Natural Gas (LNG) facilities and something different for natural gas processing facilities. He suggested they specify different components depending on the type of facility the amine system is being used for.

Charles Allred also said at LNG facilities the amine contactor, which is the major component for removing contaminants, qualifies; but it shouldn't qualify in a natural gas processing setting because it is used to treat gas to improve the quality of the gas for sale and to protect the pipeline.

Bob Adair suggested drafting proposed language by September 30th to allow time for review prior to the November 10th meeting, and there were no objections.

Greg Maxim told Charles Allred they'll work together to identify the major components that are 100% for pollution control to meet requirements.

Bob Adair also clarified that this is just Tier I and other applications can still be submitted under Tier II. He summarized that the draft was too vague, and they would work to narrow it down. He then asked if there were any more questions about amine systems. There were none.

Bob Adair explained that he also asked industry contacts to look ahead at property that may be required to meet new pollution control requirements so they wouldn't have to wait for the next triennial review, but he hasn't received any responses yet.

Cyrus Reed discussed the Environmental Protection Agency's supplemental proposal for regulating methane from the oil and gas wells and facilities that is scheduled to be available for public comment in September. He suggested that once the new methane rule comes out, they look at whether it would require equipment that could be considered. He also mentioned the Inflation Reduction Act that just passed that included methane fees that would be imposed if standards aren't met. He clarified the methane rule may apply to upstream and midstream segments of industry.

Bob Adair asked TCEQ staff about the timeline for the rule.

Donna Huff with the TCEQ agreed that the rule applies upstream and midstream and explained that most of the information would be in the supplemental rulemaking. She stated that the TCEQ will be required to set guidelines and that she anticipates proposal of the supplemental rulemaking by the end of the year. She also suggested that recommendations related to it could be made after the November Committee meeting if needed. She stated that the TCEQ would share the proposal and the agency comments with the committee.

Bob Adair reminded the Committee that the Committee bylaws require them to meet at least once per quarter but that meetings may be held more often.

Bob Adair asked if any members of the public or Committee members had any further comments or questions. None were made.

Old business

No old business was discussed.

New business

No new business was discussed.

Other comments from the public

There were no comments from the public.

Adjourn

A motion to adjourn was made by Martha Landwehr with a second from Bill Longley.

The meeting adjourned at 10:47 A.M.