Making Good.

East Harris County Manufacturers Association

Volume 4, Fall/Winter 2010

EPA and TCEQ Search for Elusive Middle Ground

Air permitting process under review

The Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ) continue their dispute over the Texas State Implementation Plan (SIP) for air permitting under the Federal Clean Air Act (CAA).

The EPA has disapproved various aspects of the Texas air permitting program and is requiring emissions limits for individual pieces of equipment (emission points) that are a source of emissions at a facility. Implementing such updates in a relatively short period of time would be costly and has the potential to disrupt economic activity. How did we get to this point and where will we end up?

Here's the history. On November 29, 1994, the TCEQ submitted the initial Flexible Permit rules to the EPA for approval. At the time there were a large number of facilities in Texas that predated the 1971 start of the state's permitting program, called "grandfathered facilities." The TCEQ established the Flexible Permit Program to provide operational flexibility for petroleum refineries, and to provide an authorization mechanism for the large number of grandfathered facilities. These flexible permits differ from traditional permits primarily by adding flexibility features through the use of emission caps, certain control technology, and other operational flexibility to achieve emission reductions with the ultimate goal of having a well-controlled plant site after the final cap is implemented.

On March 13, 1996, the TCEQ submitted the initial "Qualified Facilities" program. The program was designed to strengthen existing Texas regulations by narrowing the universe of changes that could be made without a lengthy and arduous permitting process. The CAA requires the EPA to approve or disapprove State submittals and changes within 18 months of receipt. What we find is in some cases industry has been operating in good faith with TCEQ-issued permits for more than 15 years while waiting for EPA review and response to requested program changes.

On September 20, 2010, the EPA sent letters to companies holding flexible permits, inviting them to an "opportunity to confer" with the EPA for the purpose of transitioning their flexible permits into traditional permits, and threatening enforcement actions including administrative orders and penalties to those companies who do not comply.

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The Dow Chemical Company Becomes Worldwide Olympic Partner

Earlier this year, The Dow Chemical Company announced its role as an official Worldwide Olympic Partner and the official "Chemistry Company" of the Olympic Movement through 2020.

In the years prior to the announcement that Dow would become a Worldwide Olympic Partner, the Company has been associated with the Olympic Movement since it made significant donations of Styrofoam™ insulation used in ice skating and bobsled runs at the 1980 Lake Placid Games. Most recently, Dow has been an official supplier of the Vancouver Organizing Committee (VANOC) for the 2010 Olympic and Paralympic Winter Games.

In 2011, Dow's sponsorship also will bring to life and extend the themes and values of the "International Year of Chemistry," sponsored by the United Nations Educational, Scientific and Cultural Organization (UNESCO), which will highlight the important role chemistry must play to help meet human challenges of the future.

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On December 2, the EPA sent an "opportunity to confer follow-up" letter to those companies holding flexible permits who have not yet conferred with the EPA on how they will make the transition to traditional permits, and reiterating their threat of enforcement to those companies who do not respond by December 22.

Where do we go from here?

The EPA's concern lies mainly with the perceived inadequacy of the TCEQ's monitoring and record keeping which complicates efforts to enforce CAA standards and conduct effective oversight.

Our industry cooperates fully with both the EPA and the TCEQ, and we will continue to work with whoever is involved. We are committed to being in compliance with federal and state regulations. And our ongoing compliance has made a difference. Here's proof the TCEQ's program works:

- While adhering to the TCEQ's flexible air permit program, emissions have consistently been reduced since 1994. In fact, according to a recent statement from Texas Governor Rick Perry, TCEQ's air quality programs have achieved a 22 percent reduction in ozone and 53 percent reduction in nitrogen oxide from regulated sources since 2000.
- Houston-area ambient concentrations of nitrogen oxides (NOx) have decreased by 50 percent since 1985, and ambient concentrations of Highly Reactive Volatile Organic Compounds (HRVOC), those organic compounds that react more readily to form ozone, have been reduced by 75 percent since 2003. These reductions in NOx and HRVOC were due largely to emissions reductions by industry through regulations adopted by the TCEQ.
- In 2009, after several years of continually decreasing levels of ozone signifying improved air quality, the Houston area measured attainment within the 8-hour ozone standard of 0.08 ppm, largely due to emissions reductions at permitted facilities.
- Texas industry has invested billions of dollars on emissions controls and technology over the last decade to reduce emissions and to achieve continuous improvement in air quality going forward.

In June, the Texas delegation of federal legislators sent letters to EPA Administrator, Lisa Jackson expressing their concern over this ongoing issue and asking for more time to meet any upcoming modifications that may ultimately be necessary.

Our desired outcome, as was clearly expressed by our legislators, is for the EPA and the TCEQ to reach a workable agreement without imposing excessive and unnecessary costs on refiners and other businesses. As of December 2010, discussions are still underway.

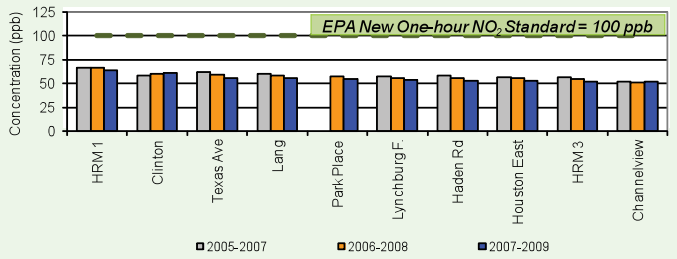
Air Quality Round-up

In February 2010, the Environmental Protection Agency (EPA) modified the air quality standard for nitrogen dioxide (NO_2) to include a new hourly standard of 100 parts per billion (ppb – one part per billion is equal to about three seconds out of a century). The EPA also retained the existing annual NO_2 standard of 53 ppb. The EPA is charged with reviewing its air quality standards periodically, comparing it to results of the latest scientific studies, and strengthening the standards if necessary to ensure that they are protective of human health and the environment.

The graph below compares the last three years of Houston area NO_2 hourly average values for the ten monitors with the highest concentrations. The values for all are well below the new hourly standard. Therefore, based on the current monitors, Houston is currently "in attainment" with the NO_2 standard.

The EPA's revised NO_2 standard also requires the installation of "near-roadway" monitors to measure NO_2 levels in high-traffic areas. Houston has 21 NO_2 monitoring sites; however, none of these sites currently meet the near-roadway criteria. Two new near-roadway monitors will be installed in the Houston area by 2013 and will be used to determine attainment by 2017. The EPA estimates that these near-roadway monitors may measure levels 30 to 100 percent greater than those located away from roadways. NO_2 is emitted during the combustion of any fossil fuel, including gasoline and diesel.

Ten Monitors with the Highest Concentrations in the Houston Area



Graph based on EPA defined equation for evaluating the data, the 3-year average of the 98th percentile of the daily maximum monitoring values.

Restoring the Native Tallgrass Prairie

The East Harris County Manufacturers Association sponsored the 3rd Annual Prairie Pandemonium event at the Armand Bayou Nature Center during the month of October. More than 80 people, including industry representatives and local high school students, participated in the prairie restoration event that planted 1,300 one gallon pots of native grasses in the preserve. The fall event has significantly contributed to achieving the Nature Center's overall goals for restoring historic plant diversity in the area.

Spotlight

Spreading the word about the great work our members are doing.

Community Relations Committee This issue, we caught up with Sara Cronin, chair of the Community Relations Committee.

Cronin: The Community Relations Committee is charged with managing the public relations and outreach efforts for EHCMA. When there's an opportunity to create awareness for the environmental, safety and security measures our industry takes to improve the quality of life in East Harris County, or to address issues that may impact our industry, the Committee takes a role in relating the good story EHCMA has to tell. Ours is truly a working committee of about nine communication professionals from our member companies, with support from Vollmer Public Relations.

At this point, the committee's priority is to develop an updated means of providing communication with our communities during an event – whether it is for general information or emergency purposes. While the CAER Line managed through FirstCall has been a great tool, advancements in technology and the increased use of such things as Twitter, instant messaging, and texting require us to look beyond our current system.

Our committee is working closely with the Community Emergency Communication Committee (CECC) to determine the current needs of our stakeholders in terms of communicating during a crisis. Through outreach activities and an awareness campaign, our committee will help set clear expectations among our members and the community as to how the system can help provide information in the event of an emergency.

In addition, a major goal for 2011 is to highlight the success of our industry – its ability to create jobs and produce quality products that are essential to our everyday life, all while improving air quality, operating our facilities safely and contributing to our communities both economically and through volunteerism.

Got a spotlight nomination? *Send it to news@ehcma.org*

Industry Meets with Senator Cornyn

In late October, EHCMA Chairman Jim Griffin, along with representatives from The Texas Association of Manufacturers and the Texas Alliance of Energy Producers, participated in an economic council meeting with Senator John Cornyn at the Ventech International plant in Pasadena.

The meeting was facilitated by the Economic Alliance Houston Port Region and focused on the Texas economy, jobs and excess federal regulations. Greenhouse gases and ozone carried significant discussion, as well.

Holiday Safety Tips

Safety is a top priority for manufacturers in East Harris County both on the job and at home. Here are a few tips to keep you safe this holiday season:

- Whether live or artificial, trees should be set up away from fireplaces, portable heaters and radiators. Be sure to check water levels on live trees frequently to keep them from drying out.
- Avoid overloading electrical outlets by not plugging more than three light strands in at a time unless the directions indicate it is safe. Check cords periodically – they should never be warm to the touch.
- Before lighting fires in a fireplace, remove all decorations, greens, boughs and papers from the fireplace area. Be sure to check that the flue/damper is open.
- Unattended cooking is the leading cause of home fires in the U.S. When cooking for holiday visitors, remember to keep an eye on the stovetop and oven.
- Do not burn gift wrap paper in the fireplace. A flash fire may result since wrappings ignite suddenly and burn intensely.
- If you plan to travel for the holidays, have a trusted friend or neighbor keep an eye on your home and do not discuss your plans with strangers.
- Discard trees as soon as they become dry, but never by placing needles or branches in a fireplace. Most community garbage programs have a designated day for collecting trees after the holidays.

Our Members – "Making Good" in the Community

Chevron Phillips Chemical Grants Wish

The Pasadena Chamber of Commerce recently solicited the help of local businesses to stock the shelves at the city's food bank. Working with other area companies, Chevron Phillips Chemical of Pasadena helped collect more than 1,300 pounds of food through the drive.

Arkema Inc. Gets Teachers Psyched for Science

Arkema scientists recently met with teachers from two Galena Park ISD elementary schools to show innovative ways to teach basic science concepts using grade-specific, classroom-tested hands-on science kits. Arkema donated $500 to the participating teachers and an additional $500 to the school for replenishing kit materials.

Teachers Helen Stout (l) and Kevin Miller (r) from Purple Sage Elementary extract living specimens for viewing while mentor Monica Greenhill observes.

FMC Bayport Supports Bay Area Turning Point

FMC Bayport hosted a donations drive for Bay Area Turning Point, a local organization that meets the needs of women and their children affected by domestic violence. Clothes, personal care items, diapers, school supplies, towels, toys and movie passes were collected. Additionally, a local donor generously matched 25 percent of all monetary donations.

ExxonMobil Unveils Baytown Art

Earlier this year, ExxonMobil Baytown unveiled its storage tank artwork to elected officials and civic leaders at a community reception and unveiling ceremony. The artwork, titled "The Volunteers," is a part of Project Stars – an urban revitalization project organized by the Economic Alliance Houston Port Region that seeks to beautify the San Jacinto Texas Historic District.

Pasadena Refining Collects Household Hazardous Waste

In 2010, Pasadena Refining System Inc. (PRSI) held its 2nd Annual Household Hazardous Waste and Recycling Fair. Over 200 gallons of used oil were collected, along with more than 262 gallons of waste paint, 4 pallets of computer equipment, a pallet of lead acid batteries and assorted quantities of other recyclables. PRSI coordinated proper disposal efforts for the materials.

Calendar

December 21, 2010
Winter Begins

December 25, 2010
Christmas Day

January 1, 2011
New Year's Day

January 17, 2011
Martin Luther King, Jr. Day

Send your upcoming events to news@ehcma.org.

TPC Group Hosts Golf Tournament for Charity

TPC Group hosted its Fifth Annual Charity Golf Tournament on October 22 at Kingwood Country Club. More than 265 players took to the links for a great day of golf, raising a record-breaking $65,000 for three local charities, including Cossaboom Family YMCA (Houston), Estelle & Allen Fetters Center (Groves) and Eddie V. Gray Wetlands Center (Baytown).

Lori Rumfield, executive director of Cossaboom Family YMCA receives a donation check from Sara Cronin, director of corporate communications for TPC Group, as a result of the 2010 charity golf tournament.