

**Form DEC-2**  
**Notice of Intent to use Discrete Emission Credits**  
**Form and Instructions**  
**Texas Commission on Environmental Quality**

**General:**

In accordance with Title 30 Texas Administrative Code § 101.376 Part (d) [30 TAC § 101.376(d)], an owner or an operator of a facility intending to use discrete emission reduction credits (DERCs) must receive prior approval from the executive director of the Texas Commission on Environmental Quality (TCEQ) by submitting a completed Form DEC-2, entitled, "Notice of Intent to Use Discrete Emission Credits." Form DEC-2 must be submitted at least 45 days prior to the first day of the intended use period of stationary DERCs, and 90 days prior to the first day of the intended use period for mobile DERCs. The applicant must own an amount of DERCs equal to the total DERC requirement, as entered on Form DEC-2, by the first day of the use period, and the applicant must submit the original DERC certificate to be used to the Emissions Banking and Trading Program before the first day of the use period. The owner or operator of the facility is responsible for completing Form DEC-2 and mailing it to the TCEQ, Office of Air, Air Permits Division, MC-163, P.O. Box 13087, Austin, Texas 78711-3087.

For questions on this form, contact the Emissions Banking and Trading Programs via email at [ebt@tceq.texas.gov](mailto:ebt@tceq.texas.gov).

**Specific:**

**I. Company Identifying Information**

- A. **Company Name:**  
Enter the legal name of the company or corporation, mailing address, telephone number, and fax number of the owner or operator of the site. The company name on this form must match the TCEQ Core Data Form.
- B. **TCEQ Customer Number (CN):**  
Enter the TCEQ assigned number of the owner or operator of the site. The CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by this company or corporation. A typical example of a CN is CN600123456.
- C. **Site Name:**  
Provide the site name and street address for the facility which has generated DERCs. If no street address is available, provide written driving directions. Identify the location by distance and direction from well-known landmarks such as highway intersections. Enter the city or town where the site is located. If the address is not located in a city or town, enter the city or town closest to the site even if it not located in the same county as the site. Enter the county where the site is physically located. Include the ZIP code for the physical location of the site.
- D. **TCEQ Regulated Entity Number (RN):**  
Enter the TCEQ assigned number of the site identified in Section C. The RN replaces the former TCEQ account number for the facility or site. A typical example of a RN is RN100123456.

- E. TCEQ Air Account Number (if available):  
The TCEQ issued Air Quality Account Number prior to the RN identification system. A typical example of an Air Account Number is XX-0000-X. The first two letters of this number alphabetically identifies the location of each site.
- F. Other Site Information:  
Enter the primary Standard Industry Classification code (SIC) for the site as well as the current air permit under which the facility or facilities which intend to use DERCs is operating.

**II. Technical Contact Information**

- A. Technical Contact Name and Title:  
Provide the name, title, address, telephone number, fax number and email address of the person the TCEQ should contact for technical questions and who has the authority to make binding agreements and representations on behalf of the applicant. This technical contact may be a consultant.

**III. Account Contact Information**

- A. Account Contact Name and Title:  
Provide the name, title, address, telephone number, fax number and email address of the account representative if different from the technical contact. This account representative must be a company official (owner, plant manager, president, vice president, etc.). This person cannot be an outside consultant.

**IV. Mass Emission Cap and Trade Program (MECT)**

Please indicate on the first line whether the DERCs will be used for compliance with the Mass Emission Cap and Trade Program (MECT). If DERCs are to be used for the MECT program, complete the remainder of Section III indicating how the DERCs are to be credited to the MECT account. Title 30 TAC §101.356(h) defines how DERCs may be converted into allowances for the MECT program. If DERCs are to be used for the MECT program, proceed to Section IX. Note that the ten percent environmental contribution and five percent compliance margin do not apply for MECT allowance conversions.

**V. Intended Use Period**

Enter the start and end dates for the intended use period. The use period cannot exceed one year.

**VI. State and Federal Requirements**

Enter any state or federal regulations or permit requirements for which DERCs will be used for compliance. Please provide the specific regulation which must be met, (i.e., 30 TAC 117.206(c)(1)(A) or maximum yearly No. output for FIN AA-1 on permit number 0001).

**VII. Most Stringent Emission Rate**

Facility or facilities using DERCs must meet the requirement listed in Section V. Enter the emission rate or other regulated emission level listed in Section V.

**VIII. Protocol**

Please indicate the method used to determine emission rates, level of activity, and total emissions. Examples of emission rate protocols include Continuous Emissions Monitoring Systems (CEMS), stack testing, AP-42, or other TCEQ approved methods. Examples of level of activity protocols include CEMS, monthly fuel meter readings, operating hours, or other TCEQ approved methods. All generators or users of emission credits must use a protocol which has been approved by the EPA and is appropriate to the emission reduction, as identified in 30 TAC chapters 115, 116, or 117. Please attach all calculations used to determine the amount of DERCs required for the use period.

**IX. Tons of DERCS Required**

List emissions activity for each specific facility which will be using DERCS for compliance purposes. Use separate rows for ozone and non-ozone season emissions, if applicable to the use area. Enter the information in each column as described below:

**Emission Point Number (EPN):**

Enter the Emission Point Number (EPN) and Facility Identification Number (FIN) for each facility. This information should match previous information submitted to the TCEQ Air Quality Division regarding emissions inventory or a permit application.

**Air Contaminant:**

Indicate the contaminant for which the DERCS will be used. Note that the DERCS must be used for the same contaminant and in the same region as the DERCS was issued, as defined in 30 TAC §101.372(f).

**Expected Activity:**

Enter the expected activity level during the use period for each facility. Include the applicable units and the numerical value (e.g., 30000 MMBtu/yr., 7000 hrs./yr., etc.).

**Expected Emission Rate:**

Enter the expected emission rate of the facility during the use period. Include the applicable units and the numerical value (e.g., 0.35 lbs/MMBtu, 1.0 g/hp-hr, 0.7 lbs/hr, etc.).

**Expected Total Emissions:**

Provide the expected emissions, in tons, during the use period for the facility. Total emissions are calculated by multiplying the expected activity by the expected emission rate then converting the result into tons/year.

**Regulated Activity:**

Enter the regulated activity level, if any, during the use period for each facility. Include the applicable units and the numerical value (e.g., 30000 MMBtu/yr., 7000 hrs./yr., etc.).

**Regulated Emission Rate:**

Enter the regulated emission rate, if any, during the use period of the facility. Please include the applicable units and the numerical value (e.g., 0.35 lbs/MMBtu, 1.0 g/hp-hr, 0.7 lbs/hr, etc.).

**Regulated Total Emissions:**

The regulated total emissions, in tons, for the facility during the use period.

**DERCS:**

The amount of DERCS required for compliance with the regulated activity, rate, or emissions. The amount of DERCS required may be calculated using the equations found in 30 TAC §101.376.

**X. Total DERCS Required for Use**

From the data provided in Section VII and the attached calculations from Section VIII, please enter the required amount of DERCS for each contaminant, rounded up to the nearest tenth of a ton. Enter the environmental contribution, which is ten percent of the required DERCS, rounded up to the nearest tenth of a ton. Enter the compliance margin, which is five percent of the required DERCS if the required DERCS exceed 10 tons, again rounding up to the nearest tenth of a ton. If required, enter the offset ratio, rounding up to the nearest tenth of a ton. Sum the four lines and enter the total DERCS required for each contaminant. Please note that if using DERCS for offsets or compliance with the MECT program, the environmental contribution and compliance margin are not required.

**XI. DERC Information**

This section provides background information of the DERC certificate to be used. Enter the name and the Regulated Entity Number (RN) of the company which was initially issued the DERC certificate, and the certificate number to be used for this application. The applicant is required to possess an amount of DERCs sufficient to cover the total DERCs required (last line of Section VIII) before the start of the use period. If the applicant is not in possession of the DERCs at the time of the notice of intent, enter the information for the expected DERC purchase.

**XII. Purchase Date and Price**

Enter the date of purchase, expected date of purchase, or date of generation of the DERC certificate to be used for this application. Enter the price or expected price of the DERCs. If the applicant is the generator of the DERCs, enter "generator" for the price.

**XIII. Certification by Responsible Official**

Please print or type the name and title of a representative of the company which owns or operates the site. This representative must have the authority to make binding agreements and representations on behalf of the applicant. The Form DEC-2 must be submitted to the TCEQ with an original signature and date, in ink, by the representative identified in this section.

**Form DEC-2 (Page 1)**  
**Notice of Intent to Use Discrete Emission Credits**  
**(Title 30 Texas Administrative Code § 101.370 - § 101.379)**  
**Texas Commission on Environmental Quality**

***Mail application to:***  
**Texas Commission on Environmental Quality**  
**Emission Banking and Trading Program MC-163**  
**P.O. Box 13087**  
**AUSTIN, TX 78711-3087**

<b>I. Company Identifying Information</b>
A. Company Name:
Mailing Address:
City:
State:
ZIP Code:
Telephone Number:
Fax Number:
B. TCEQ Customer Number (CN):
C. Site Name:
Street Address: (If no street address, give driving directions to site)
Nearest City:
ZIP Code:
County:
D. TCEQ Regulated Entity Number (RN):
E. TCEQ Air Account Number: <i>(if applicable)</i>
F. Primary SIC:
Air Permit Number:

**Form DEC-2 (Page 2)**  
**Notice of Intent to Use Discrete Emission Credits**  
**(Title 30 Texas Administrative Code § 101.370 - § 101.379)**  
**Texas Commission on Environmental Quality**

<b>II. Technical Contact Identifying Information</b>
A. Technical Contact Title: (Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr. <input type="checkbox"/> )
Full Name:
Technical Contact Title:
Mailing Address:
City:
State:
ZIP Code:
Telephone Number:
Fax Number:
Email Address:
<b>III. Company Contact Identifying Information (If different from Technical Contact)</b>
A. Company Contact Name: (Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr. <input type="checkbox"/> )
Full Name:
Company Contact Title:
Mailing Address:
City:
State:
ZIP Code:
Telephone Number:
Fax Number:
Email Address:
<b>IV. Mass Emission Cap and Trade Program (MECT)</b>
Is the DERC use for compliance with 30 TAC Chapter 101 Subchapter H, Division 3? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>
Year DERC Generated:
Year of Use:
Ratio of DERC to Allowance:
<i>Note: If DERC use is to comply with MECT then go to Section IX</i>

**Form DEC-2 (Page 3)**  
**Notice of Intent to Use Discrete Emission Credits**  
**(Title 30 Texas Administrative Code § 101.370 - § 101.379)**  
**Texas Commission on Environmental Quality**

<b>V. Intended Use Period</b>
Intended Use Start Date:
Intended Use End Date:
<b>VI. State and Federal Requirements</b>
Applicable State and Federal requirements that the DERCs will be used for compliance:
<b>VII. Most Stringent Emission Rate</b>
Describe basis for most stringent allowable emission rate:
<input type="checkbox"/> Permit:
<input type="checkbox"/> RACT:
<input type="checkbox"/> Other:
Notes:
<b>VIII. Protocol</b>
Protocol used to calculate DERC:
Note: Attach the actual calculations that were used to determine the amounts of DERCs needed to this form.

**Form DEC-2 (Page 4)**  
**Notice of Intent to Use Discrete Emission Credits**  
**(Title 30 Texas Administrative Code § 101.370 - § 101.379)**  
**Texas Commission on Environmental Quality**

**IX. Tons of DERCS Required**

**Calculation of DERCs**

<b>Emission Point No.</b>	<b>FIN</b>	<b>Air Contaminant</b>	<b>Expected Activity (units)</b>	<b>Expected Emission Rate (units)</b>	<b>Expected Total Emissions (tons)</b>	<b>Regulated Activity (units)</b>	<b>Regulated Emission Rate (units)</b>	<b>Regulated Total Emissions (tons)</b>	<b>DERCs (tons)</b>
									<b>Total:</b>



**Form DEC-2 (Page 5)**  
**Notice of Intent to Use Discrete Emission Credits**  
**(Title 30 Texas Administrative Code § 101.370 - § 101.379)**  
**Texas Commission on Environmental Quality**

<b>X. Total DERCS Required for Use (round up to the nearest tenth of a ton)</b>
Tons of DERCS required (from Section VII.)
CO:
NO <sub>x</sub> :
PM <sub>10</sub> :
SO <sub>2</sub> :
VOC:
Offset Ratio (if required)
CO:
NO <sub>x</sub> :
PM <sub>10</sub> :
SO <sub>2</sub> :
VOC:
Environmental Contribution (+ 10%)
CO:
NO <sub>x</sub> :
PM <sub>10</sub> :
SO <sub>2</sub> :
VOC:
Compliance Margin (+ 5%) <i>(If DERC use requires &gt;10 tons)</i>
CO:
NO <sub>x</sub> :
PM <sub>10</sub> :
SO <sub>2</sub> :
VOC:
Total DERCS
CO:
NO <sub>x</sub> :
PM <sub>10</sub> :
SO <sub>2</sub> :
VOC:

**Form DEC-2 (Page 6)**  
**Notice of Intent to Use Discrete Emission Credits**  
**(Title 30 Texas Administrative Code § 101.370 - § 101.379)**  
**Texas Commission on Environmental Quality**

<b>XI. DERC Information</b>
Name of the DERC Generator:
DERC Generator Regulated Entity Number:
Certificate number of the DERCs acquired or to be acquired:
Date on which the DERCs were acquired or will be acquired:
Note: The certificate number is assigned by the TCEQ.
<b>XII. Purchase Date Price</b>
Date Purchase:
Price or Expected Price:
Generator Price:
<b>XIII. Certification by Responsible Official</b>
I, _____ hereby certify, to the best of my knowledge and belief, that this application is correct, and the use strategy claimed on this notice has met the requirements of all applicable state and federal rules and regulations. I further state that to the best of my knowledge and belief the information in this certification is not in any way in violation of 30 TAC, Subchapter H, Division 4, §101.370-101.379 or any applicable air quality rule or regulation of the Texas Commission on Environmental Quality and that intentionally or knowingly making or causing to be made false material statements or representations in this certification is a <b>CRIMINAL OFFENSE</b> subject to criminal penalties. I hereby also waive the Federal statute of limitations defense in regard to the generation and use of discrete emission credits.
Signature:
Signature Date:
Title: