



# Instructions For Form ERC-1 Application To Create And Bank Emission Reduction Credits North Carolina Division Of Air Quality

This form is for the use of facilities that have achieved reductions in air emissions and wish to create and bank them as Emission Reduction Credits (ERCs) in the North Carolina Division of Air Quality ERCs program. The generating facility must meet the eligibility requirements for the ERCs program, and the reduction in emissions must meet certain criteria established by state and federal regulations. Refer to the state regulations, 15A NCAC 02D Section .2300 Banking Emission Reduction Credits, or to the Permits Section on the Division Of Air Quality's (DAQ) web page at <http://daq.state.nc.us/> for more detailed information on the eligibility criteria for generating emission reductions.

## **I. Facility Creating And Banking Emission Reduction Credits (ERCs) Information**

This section provides information to identify the facility generating the emission reduction. Complete this section for all applications.

- A. Owner's Name: The full business name of the facility as registered with the NC Secretary of State's office and the owner's name generating the emission reduction.
- B. Site Name: The name of the plant or facility that is generating the emission reduction. If the facility operates under a different name than the owner name, enter it in this space.
- C. Site Address: The 911 street address (physical location) of the plant or facility that is generating the emission reduction, not the corporate mailing address. Where the DAQ would go to inspect the facility.
- D. City: The city in which the plant or facility generating the emission reduction is located.
- E. State: North Carolina already entered.
- F. Zip Code: The postal zip code for the plant or facility that is generating the emission reduction.
- G. County: The county in which the plant or facility generating the emission reduction is located.
- H. Facility ID No. The unique identification number assigned to the facility by the DAQ. This number is located on the first page of the air permit. The facility ID No. should reflect the facility generating the emission reduction.

## **II. Owner's Information (if different from site)**

Complete this section if the holder or owner of the Emission Reduction Credits will be other than the facility that is generating the emission reduction.

- A. Owner's Name: The full business name of the facility as registered with the NC Secretary of State's office and the owner's name that generated the emission reduction.
- B. Mailing Address: Address where the owner may be contacted by mail.
- C. City: The city corresponding to the owners mailing address.



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- D. State: The state corresponding to the owners mailing address.
- E. Zip Code: The postal zip code corresponding to the owners mailing address.

### **III. Technical Contact Information**

Use this section to provide information for the principal contact for questions regarding the validation of the emission reduction credit(s) during the Division's review of the application. This person should be able to answer technical questions pertaining to the emission reduction. Complete this section for all applications.

- A. Contact Name: Name of the principal contact for questions regarding the validation of the emission reduction credit(s).
- B. Title: Official title of the principal contact listed above.
- C. Facility: Facility or firm employing the principal contact.
- D. Telephone: Telephone number for the principal contact.
- E. Fax: Facsimile number for the principal contact.
- F. Mailing Address: Address where the principal contact may be contacted by mail.
- G. City: The city corresponding to the principal contact's mailing address.
- H. State: The state corresponding to the principal contact's mailing address.
- I. Zip Code: The postal zip code corresponding to the principal contact's mailing address.

### **IV. Contact for Sale of Emission Reduction Credits**

Use this section to provide information for the principal contact for questions regarding the transfer or sale of the Emission Reduction Credit(s). This person will be contacted by facilities interested in purchasing the ERCs for use as offsets. Complete this section for all applications.

- A. Contact Name: Name of the principal contact for questions regarding the transfer or sale of the ERCs.
- B. Title: Official title of the principal contact listed above.
- C. Facility: Facility or firm employing the principal contact.
- D. Telephone: Telephone number for the principal contact.
- E. Fax: Facsimile number for the principal contact.
- F. Mailing Address: Street address or P.O. Box number where the principal contact may be contacted by mail.



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- G. Email: List email address if you would like to be contacted by email.
- H. City: The city corresponding to the principal contact's mailing address.
- I. State: The state corresponding to the principal contact's mailing address.
- J. Zip Code: The postal zip code corresponding to the principal contact's mailing address.

**V. Reduction Activity**

This section provides general information on the type of activity that is being used to generate the emission reduction. Complete this section for all applications.

- A. Shutdown: Indicate if the emission reduction is to be achieved by the shutdown of an emissions unit or the entire plant and provide the date of the shutdown.
- B. Operating Hour Curtailment: Indicate if the emission reduction is to be achieved by a reduction in current operating hours. Provide both the current operating hours and the proposed curtailed operating hours.
- C. Production Curtailment: Indicate if the emission reduction is to be achieved by a reduction in production rate. Provide both the current production rate and the proposed curtailed production rate.
- D. Pollution Control Devices: Indicate if the emission reduction is to be achieved by the installation of an air pollution control device and provide a brief description of the control device, i.e., regenerative thermal oxidizer, selective catalytic reduction, etc.
- E. Process Improvement: Indicate if the emission reduction is to be achieved by some type of process improvement, such as product substitution and provide a brief description of the process improvement.
- F. Other: Indicate if the emission reduction is to be achieved by a method not listed above and provide a brief description of the method.

**VI. Process Description**

- A. Please provide a description of the process or operations that will generate the emission reduction, including emission unit ID numbers or other identifiers.
- B. This is the last Air Quality Permit issued to your facility that reflects the emission reduction. Enter the "Issued Date" and "Expiration Date" of the air quality permit.

**VII. Emissions Calculation Data for Reductions from an Entire Facility**

Complete this section if the emission reduction is to be achieved from an entire facility rather than from individual emission units or groups of emission units. For example, a proposed limit on facility-wide emissions that is less than the current actual emissions from the facility, or the shutdown of an entire facility. Remember to include a copy of the



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current permit showing the conditions that reflects the emission reduction or the current permit rescission letter from the Division for a shutdown of the entire plant.

- A. Date of Reduction: Provide the date that the reduction was or will be achieved, for example, the date that a facility will permanently cease operations.
- B. Pollutant: Indicate whether the reduction will result in a decrease in VOC, NO<sub>x</sub>, SO<sub>2</sub>, or PM<sub>2.5</sub> emissions. If the reduction activity will result in decreases in multiple pollutants, please use a separate line for each pollutant.
- C. Pre-change Actual Emissions: Provide the baseline, actual emissions from the facility. Typically, the baseline consists of the average, annual emissions during the 24 month period immediately preceding the reduction activity or shutdown. These emissions should be expressed in units of tons per year.
- D. Post-change Allowable/Potential Emissions: Provide the allowable or potential emissions from the facility following the reduction activity. These emissions should be expressed in units of tons per year.
- E. Calculated Reduction: Subtract the amount in Column D from the amount in Column C (i.e., pre-change actual emissions – post-change allowable/potential emissions). This amount should be expressed in units of tons per year.
- F. Creditable Emissions Reduction: The amount of the value in Column E that meets all the criteria for Emission Reduction Credits, including the requirement that the reduction be *surplus*. If the entire emission reduction meets all the eligibility criteria for Emission Reduction Credits, then this amount will be the same as the value in Column E. This amount should be expressed in units of tons per year.
- G. Has any emission reduction been used to avoid PSD or nonattainment NSR? If yes, please describe in detail and provide a copy of the permit that reflects the avoidance condition(s).
- H. Method of Quantifying Emissions: Provide a brief description of the methodology used to calculate and document the values in Columns C, D, E and F, e.g., product usage records and material balance calculations, source testing (indicate reference test method), etc. Attach copies of the calculations or test results and supporting data.

### VIII. Emissions Calculation Data for Reductions from Individual Emission Units/Processes

Complete this section if the emission reduction is to be achieved from individual emission units or a group of similar emission units rather than from an overall, facility-wide reduction in emissions. For example, a reduction in VOC emissions from a printing press resulting from the installation of a catalytic oxidizer, or the reduction in VOC emissions from a surface coating line resulting from the conversion to a low-VOC coating. Use a separate row in the table for each emission unit or equipment/process group affected by the reduction activity and for each pollutant whose emissions are being reduced by the reduction activity.



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- A. Emission Unit ID: Provide an identifying number or name for the emission unit or equipment/process group that is generating the emission reduction. The identifiers provided in this table should be consistent with the identifiers used for these emission units or equipment/process groups in any construction and operating permits issued to the facility.
- B. Date of Reduction: Provide the date that the reduction was or will be achieved, for example, the date that an emission unit will permanently cease operations or the date that an air pollution control device will commence operating.
- C. Pollutant: Indicate whether the reduction will result in a decrease in VOC, NO<sub>x</sub>, SO<sub>2</sub>, or PM<sub>2.5</sub> emissions. If the reduction activity will result in decreases in both pollutants, please use a separate line for each pollutant.
- D. Pre-change Actual Emissions: Provide the baseline, actual emissions from the affected emission unit(s). Typically, the baseline consists of the average, annual emissions during the 24 month period immediately preceding the reduction activity or shutdown. These emissions should be expressed in units of tons per year.
- E. Post-change Allowable/Potential Emissions: Provide the allowable or potential emissions from the affected emission unit(s) following the reduction activity. These emissions should be expressed in units of tons per year.
- F. Calculated Reduction: Subtract the amount in Column E from the amount in Column D (i.e., pre-change actual emissions – post-change allowable/potential emissions). This amount should be expressed in units of tons per year.
- G. Creditable Emissions Reduction: The amount of the value in Column F that meets all the criteria for Emission Reduction Credits, including the requirement that the reduction be *surplus*. If the entire emission reduction meets all the eligibility criteria for Emission Reduction Credits, then this amount will be the same as the value in Column F. This amount should be expressed in units of tons per year.
- H. Method of Quantifying Emissions: Provide a brief description of the methodology used to calculate and document the values in Columns D, E, F and G, e.g., product usage records and material balance calculations, source testing (indicate reference test method), etc. Attach copies of the calculations or test results and supporting data.

### IX. Applicable Rules and Regulations for Affected Emission Units

This section of the application is intended to provide information with which the Division may evaluate the extent to which the claimed emission reductions are surplus, i.e., not required by any existing state or federal law, emission standard, permit condition or other requirement. Use the table in this section to list all relevant emission standards or limits that apply to the emission unit(s) or facility that is generating the emission reduction. Use one row in the table for each individual, relevant emission limit or standard that applies to the facility or emission unit(s) that are affected by the emission reduction activity.

- A. Emission Unit ID: Provide an identifying number or name for the emission unit or equipment/process group that is generating the emission reduction. The identifiers provided in this table should be consistent with the identifiers used for these emission units or equipment/process groups in any construction and operating permits issued to the facility. If the reduction is being achieved from an entire facility's operations, use the "facility ID" number.



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|--------------------------------|--|
| B. Emission Limit or Standard: | Provide any relevant, applicable emission limits or standards in this column; use one row for each such limit or standard.   |
| C. Units of Standard:          | Provide the units of measurement of the standard listed in Column B, e.g., tons per year, ppm per million BTU, pounds VOC per gallon of coating less water and exempt solvents, etc. |
| D. Citation of Standard:       | Cite the underlying requirement for the emission limit or standard, e.g., PSD avoidance limit, BACT determination emission limit, 40 CFR Part 63 Subpart GG, etc.                    |

For example, a facility seeking to claim an Emission Reduction Credit by accepting a voluntary limit on VOC emissions from a facility operating under an existing 249 ton per year PSD avoidance limit would list “facility ID” number in Column A, 249 in Column B, tons per year in Column C, and “PSD Avoidance,” along with the permit number and condition number, in Column D.

### X. Certification by Responsible Official

The application for an Emission Reduction Credits certificate must be signed by an authorized representative of the facility that owns or operates the facility at which the emission reduction is being generated. If this facility is a major source subject to the federal Title V operating permit program, then the signatory must meet the regulatory criteria for “Responsible Officials” listed in 40 CFR Part 70.2 (definition of “Responsible Official”). If the facility is a non-Title V facility, then preferably an officer or company official as defined in 15A NCAC 2Q .0304. Please provide the name, title and signature of the facility’s authorized representative or Responsible Official and the date on which the application was signed.

### XI. Checklist

For all applications, please review the checklist at the end of the application to see if additional information, materials, or applications need to be submitted in coordination with the application for the Emission Reduction Credits certificate. These may include:

- Construction/Operation applications for any air pollution control devices that are being installed to achieve the emission reduction;
- Any required Part 70/Title V operating permit application forms for sources that are already operating under a Title V operating permit;
- Any Material Safety Data Sheets (MSDS) or Certified Product Data Sheets (CPDS) that may be required by the Division to verify emission reductions that are due to product substitutions;
- Any technical information needed by the Division to verify emission reductions due to the proposed installation of any air pollution control devices;
- Detailed descriptions of any plans for emission units shutdowns and/or changes in operation that will result in an emission reduction;
- A copy of the current air permit showing conditions that reflects the emission reduction; and
- A copy of the current permit rescission letter from this Division for a shutdown of the entire facility.

***Emission Reduction Credits applications will not be processed until a valid air permit has been issued reflecting the emission reduction or a permit rescission letter from this Division for a shutdown of the entire facility has been issued.***