



Verification Report for CAR 811 – Rentech Energy Midwest Corporation –
Nitric Acid Plant 1
June 29, 2011 – January 4, 2012 Reporting Period

Prepared for:
Rentech Nitrogen, LLC

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1.0 Introduction

Ruby Canyon Engineering (RCE) was contracted by ClimeCo America Corporation (ClimeCo) to perform the verification of Rentech Nitrogen, LLC's (Rentech) Rentech Energy Midwest Corporation Nitric Acid Plant 1 project ("Project") for the reporting period June 29, 2011 through January 4, 2012 to the Climate Action Reserve (CAR). The Project involves GHG emission reductions from the destruction of nitrous oxide (N₂O) using a tertiary abatement catalyst at a nitric acid plant located in East Dubuque, Illinois.

1.1 Project Background & Site Description

The Project Activity consists of the installation of a tertiary abatement catalyst at an existing nitric acid plant in East Dubuque, Illinois. The Project involves the installation of a new catalyst in the tail gas leaving the absorption tower, catalytically decomposing the nitrous oxide (N₂O) that would have otherwise been vented to the atmosphere. The Project is at Nitric Acid Plant 1 at Rentech's facility in East Dubuque, Illinois. Nitric Acid Plant 1 has been in operation since 1978. The facility also includes a plant for ammonia production, a plant for urea production, and a second plant producing nitric acid. Rentech Nitrogen is the project owner and is responsible for ongoing operation and maintenance of the monitoring system and data acquisition and handling system. ClimeCo is the technical consultant to Rentech and is responsible for overall program management, development of monitoring reports, and oversight of the verification process.

The Project reporting period includes one sub-campaign and one full campaign. The period from June 29, 2011 to July 26, 2011 was the end of the campaign that ran from 5:05 on March 22, 2011 to 3:00 on July 26, 2011. The next campaign began at 19:05 on July 26, 2011 and ended at 3:00 on January 4, 2012.

1.2 Responsible Parties

Rentech Nitrogen, LLC
16675 Highway 20 West
East Dubuque, IL 61025

ClimeCo America Corporation
10 North Reading Avenue
Boyertown, PA 19512

1.3 Verification Team

The RCE verification team consisted of the following individuals who were selected based upon CAR verification experience and knowledge of U.S. EPA regulations and the nitric acid plant sector.

Lead Verifier: Nina Pinette
Team Member: Phillip Cunningham
Senior Reviewer: Michael Coté

1.4 Objectives

The goal of the verification activities was to ensure that the claimed GHG emission reductions were complete, consistent, accurate, transparent and permanent and that the Project was in compliance with CAR project additionality, monitoring and reporting requirements. Furthermore, the verification activities ensure that the data provided to RCE is well documented and free of any material errors or omissions.

1.5 Scope

The scope of the verification consisted of the following independent and objective activities:

- Review the reporting period's Project Monitoring Plan
- Review Project boundaries
- Review Project eligibility
- Review Project data acquisition and quality control procedures
- Review Project's historical emissions
- Review Project's baseline emissions
- Review the Project's emission reduction calculations
- Review Project documents and data against the Verification Criteria listed in Table 1.
- Issue requests for additional documentation, clarifications and corrective actions as necessary
- Issue a Verification Report, List of Findings and Verification Statement to Rentech and CAR

1.6 Verification Criteria

Table 1 Verification Criteria

Standard of Verification	• CAR Nitric Acid Production Project Protocol Version 2.0 (September 28, 2011) ("Protocol") • CAR Verification Program Manual (December 20, 2010) • CAR Program Manual (October 26, 2011)
Verification Process	ISO 14064-3 Specification with guidance for the validation and verification of greenhouse gas assertions
Level of Assurance	Reasonable assurance
Materiality	A +/-1 percent materiality threshold, because total annual ERs >100,000 tCO ₂ e.

2.0 Verification Activities Summary

This is the verification of the first reporting period of the Project for the period June 29, 2011 to January 4, 2012. The verification began with ClimeCo selecting RCE as the verification body.

Prior to starting the verification activities, RCE developed a verification plan to be followed throughout the verification. The verification plan consisted of the following activities:

- RCE completed the Project COI/NOVA form to identify any potential conflicts of interest with the Project or Project developer. The COI/NOVA form was submitted to the Reserve's website, and the COI assessment revealed no conflicts of interest and was approved by CAR on November 28, 2011.
- RCE held a verification kick-off meeting with ClimeCo and Rentech on January 3, 2012. During the kick-off meeting RCE reviewed the verification objectives and process, the verification schedule, and requested the verification background documents.
- RCE began receiving the background verification documents by email from ClimeCo on January 16, 2012.
- RCE performed a strategic review and risk assessment of the received data and support documents in order to understand the scope and areas of potential risk in the GHG emissions reductions.

- RCE developed a risk-based sampling plan based upon the strategic review and risk assessment. The verification plan and sampling plan were used throughout the verification and were revised as needed based upon additional risk assessments.
- RCE conducted a site visit to the Project on January 24, 2012. During the site visit RCE inspected the CEMS equipment, observed the onsite GHG management systems and data gathering, monitoring and handling practices and performed key personnel interviews.
- RCE conducted a more detailed desktop review of submitted material including evidence of regulatory compliance, documentation of system installation and certification and ongoing QA/QC procedures, source data, and emission reduction calculations.
- RCE submitted requests for additional documentation, clarifications and corrective actions to ClimeCo throughout the verification.
- RCE's internal Senior Reviewer conducted a review of the verification sampling, Verification Report and Verification Statement.
- RCE issued a final Verification Report, Verification Statement and List of Findings.
- RCE held an exit meeting with ClimeCo and Rentech on March 15, 2012.

3.0 Verification Findings

3.1 Assessment of the GHG Reduction Project Operations

The Project destroys N_2O from a nitric acid plant (NAP) via a tertiary abatement catalyst located in the tail gas leaving the absorption tower. The N_2O emissions per unit of nitric acid production were measured during the historical campaign using only a primary catalyst in the ammonia oxidation process with no abatement catalyst in the tail gas. RCE confirmed that an NSCR was not operating at the plant at any time since December 2, 2007.

Direct measurements of the N_2O concentration in the stack gas and the tail gas are monitored continuously using a CEMS. The data acquisition and handling system (DAHS) along with the PLC and server are used for CEMS data monitoring, recordkeeping and reporting. The system monitors gas flow rate, N_2O concentrations, process temperature, pressure, and ammonia-to-air ratio on a continuous basis and records the data every minute, meeting Protocol requirements.

RCE confirmed that the installation and initial certification of the CEMS were completed according to manufacturer specifications and the requirements of the Protocol. RCE verified the installation of the tertiary abatement catalyst and campaign dates through review of plant gauze records. RCE determined that the methodology defined in the Monitoring Plan Version 3.1 was adhered to throughout the verification and the parameters monitored are in accordance with Table 6.2 of the Protocol.

3.2 GHG Project Boundary (sources, sinks and/or reservoirs)

According to the Protocol, CO_2 , CH_4 , and N_2O are included from the Baseline and Project activities for tertiary abatement projects. Because the Project has no ammonia input to the N_2O destruction facility, uses no hydrocarbons as reducing agents or for reheating the tail gas and has no external energy input to reheat the tail gas, N_2O is the only GHG included from the Baseline and Project activities for this Project.

Table 2 lists the sources of GHG emissions reviewed during the verification of the Project.

Table 2 Project GHG Sources, Sinks and Reservoirs

Activity	GHG Sources, Sinks & Reservoirs
Baseline	N₂O vented to the atmosphere.
Project	N₂O vented to the atmosphere

3.3 Project Eligibility Criteria

The Protocol specifies four eligibility rules that GHG Project developers must meet in order to register reductions with the Reserve. Below is a summary of the CAR eligibility rules and the Project's compliance to each requirement.

- **Eligibility Rule I: Location:**
The Project is a U.S. based project located in East Dubuque, Illinois, U.S. The Project therefore meets the location eligibility requirement.
- **Eligibility Rule II: Project Start Date:**
RCE reviewed evidence showing that plant operations were shut down on June 27-28, 2011 for installation of the catalyst. The Project start date for a tertiary catalyst project is defined as the date on which nitric acid production first commences after installation of the tertiary N₂O abatement technology. The plant was back up and production of nitric acid commenced on June 29, 2011, which is the Project start date and the start date of the first reporting period.
- **Eligibility III: Additionality**
 - **Legal Requirement Test**
Data from the Project's CEMS shows how the Project continues to meet or exceed the legal requirement test for N₂O emissions. In addition, Rentech's Environmental, Health, Safety, Security and QA Manager monitors periodicals, websites, newsletters and other materials provided by trade associations and legal advocacy groups such as the Chemical Industry Council of Illinois and The Fertilizer Institute. RCE also verified that the project developer accurately completed the Attestation of Voluntary Implementation form and uploaded it to the Reserve.
 - **Performance Standard Test**
RCE verified that the Project satisfies the Performance Standard by installing a new tertiary N₂O abatement catalyst. RCE reviewed plant records indicating the installation of the catalyst on June 27-28, 2011.
- **Eligibility IV: Regulatory Compliance**
The Project was in material compliance with all applicable laws throughout the reporting period. There was a notice of violation (NOV) issued by the EPA for the nitric acid plant at which the Project is located in October 2009. However, Rentech entered into a Consent Decree filed February 13, 2012 to resolve the NOV. RCE determined that the NOV does not affect the regulatory compliance of the Project. Finally, RCE verified that the Attestation of Regulatory Compliance was correctly completed and uploaded to the Reserve.

3.4 Ownership of GHG reductions

Rentech owns the nitric acid plant and thus owns full right to any emission reductions associated with the plant. ClimeCo only serves as a technical consultant to Rentech. RCE reviewed the “Designation of Authority” in which Rentech designated authority to ClimeCo as the Account Holder Agent on the CAR website. RCE also verified that the Attestation of Title was correctly completed and uploaded to the Reserve after the end of the reporting period.

3.5 Assessment of Information System Controls

The majority of the GHG management systems review took place during the site visit through observations of onsite procedures and interviews with key Project personnel. The onsite review included confirming that the Project monitoring was done by direct measurements from a CEMS for both gas flow rates and N₂O concentration. The Project uses a Kurz insertion mass flow meter to measure gas flows in the stack. These flow measurements are used in both baseline and project emission calculations. The Project uses two N₂O analyzers, one upstream of the tertiary abatement system (inlet) and one downstream of the system (outlet). Both are EcoChem infrared gas analyzers. RCE confirmed the locations of the sample probes within the stack through review of plant diagrams.

The Project uses the CEMS DAHS coupled with a programmable logic controller (PLC) that consolidates the data. The data is stored on the server with regular backup as well as a thumb drive in the system.

3.6 CEMS Installation and Certification

The Protocol states that the project developers follow the CEMS installation and certification requirements:

- 40 CFR Part 60, Sec. 60.13
- 40 CFR Part 60, Appendix B, Performance Specification 2
- 40 CFR Part 75, Appendix A, Sec. 6

As is the case with most NAPs located in the U.S., parts of the Rentech CEMS were installed prior to the Project. All CEMS components were installed by the manufacturers of the equipment or electrical contractors. RCE verified that the Project met all CEMS installation and certification requirements.

RCE verified that the following requirements were met for installation and certification of the CEMS:

7-day Calibration Error Test:

RCE reviewed the results of the 7-day calibration error tests performed for the flow meter (7/14/2010 – 7/20/2010), the inlet analyzer (6/22/2011 – 6/28/2011), and the outlet analyzer (7/14/2010 – 7/20/2012). All tests were completed prior to the project start date and the percent calibration errors were within the allowable range.

Linearity Check:

RCE reviewed the results of the linearity checks performed for the inlet analyzer (6/21/2011) and the outlet analyzer (6/20/2011). Both checks took place prior to the project start date and both met the requirement of less than 5.0 percent error.

RATA and bias tests:

RCE reviewed the results of the RATA that was conducted on June 22, 2011 for the flow meter, inlet analyzer, and outlet analyzer. The relative accuracy (RA) for all three was within the allowable range and all three pieces of equipment passed the bias test.

Cycle Time Test:

RCE reviewed the results of the cycle time test on August 16, 2010 which ensures that the monitoring system is capable of completing at least one cycle of sampling, analyzing, and data recording every 15 minutes.

3.7 Ongoing CEMS QA/QC Program

RCE confirmed that the ongoing CEMS QA/QC requirements were met throughout the reporting period.

3.7.1 Daily Requirements

RCE reviewed evidence that the daily calibration error test is performed for both N₂O analyzers. The analyzers perform an automatic daily calibration error test. Rentech reported that the analyzers are very stable and the systems almost never have to recalibrate. RCE viewed the raw data and results of each test on the server during the site visit. RCE also confirmed that calibration adjustments are performed if necessary, data is validated daily, data is continuously monitored and recorded every minute, and QA checks are performed.

3.7.2 Quarterly Requirements

RCE verified that the following quarterly assessments were performed according to Protocol requirements:

Calibration Error Test:

RCE reviewed evidence that the quarterly calibration error test requirement was met for the flow meter. The meter performs an automatic daily calibration error test. Rentech reported that the flow meter is very stable and the system almost never has to recalibrate. RCE viewed the raw data and results of each test on the server during the site visit. RCE also confirmed that calibration adjustments are performed if necessary, data is validated, data is continuously monitored and recorded every minute, and QA checks are performed.

Leak Check:

The Protocol states that leak checks are required for differential pressure flow meters only. Because the Project utilizes a thermal mass flow meter, this quarterly assessment is not required.

Flow-to-Load or Heat Rate Evaluations:

The Protocol states that units not producing electrical output or thermal output are exempted from the flow-to-load ratio test requirements. The Project meets this exemption and is therefore not required to perform this quarterly assessment.

Linearity Checks

RCE confirmed that the quarterly linearity checks were performed for both N₂O analyzers. RATAs were performed on June 22, 2011 and December 13, 2011; linearity checks were required for only one quarter. The check for the outlet analyzer was performed on August 10, 2011 and the check for the inlet analyzer was performed on August 11, 2011. RCE verified that the results of both checks were within the required range (<5% error).

Data Validation

RCE confirmed that the results of all QA/QC checks were within the ranges required by the Protocol and 40 CFR Part 75 Appendix B requirements.

3.7.3 Annual and Semi-Annual Assessments

RCE reviewed the results of the June 22, 2011 and December 13, 2011 RATAs conducted by ARI Environmental—a testing body conforming to the requirements of ASTM D7036-04. The results of both showed the relative accuracy for the inlet and outlet N₂O analyzers and the flow meter to be within the acceptable range and below 7.5 percent, qualifying for the reduced RATA frequency of annually rather than semiannually.

Both the inlet and outlet N₂O analyzers failed the bias test during the December 13, 2011 RATA. A bias adjustment factor (BAF) was applied from the time of the failed bias test through the end of the reporting period as per the requirements of Part 75 Appendix A Section 7.6.5 (1.036 for the inlet and 1.139 for the outlet). The BAF is applied manually in the calculation database. RCE confirmed that both BAFs were applied correctly to the raw data.

3.7.4 Missing Data Substitution

Missing data substitution methods were applied for one hour of missing data for the N₂O inlet analyzer and one hour of missing data for the N₂O outlet analyzer. The DAHS automatically calculates the substitute values based on the guidance in the Protocol. ClimeCo manually inserts the substituted values into the raw data. RCE confirmed that these values were appropriately substituted.

3.8 Assessment of GHG Emissions Reductions Calculations

The emission reduction calculations assessment included a review of the historical, baseline, and project assumptions, data inputs, data management, and accuracy of calculations. RCE assessed the data generated from the historical and project campaigns and evaluated the completeness of the data and how it is transferred from Rentech's DAHS to ClimeCo's GHG calculation database.

The Protocol requires a variety of data manipulations to the data as part of the quantification of GHG emission reductions. ClimeCo conducted the data management in a MS Access database file using various queries of the raw data and provided the data to RCE in a MS Excel spreadsheet. RCE reviewed the queries/formulas and data outputs for compliance with the Protocol.

The flow meter and analyzers record at 68°F and 1 atm; RCE confirmed that all data was normalized to 0°C and 101.325 kPa in the calculation database/spreadsheets. ClimeCo also performed unit conversions for some monitoring parameters, and RCE confirmed that the conversions were performed correctly and that the raw data was converted to the units required by the protocol for all parameters.

Historical Campaigns

The project was implemented at an existing NAP. RCE confirmed that five years of historical data were not available, therefore ClimeCo used historical data from the eight previous consecutive campaigns dating from May 20, 2008 to March 20, 2011. The last historical campaign ended immediately prior to the start of the first campaign included in this reporting period (accounting for the first 28 days of the reporting period). RCE assessed the raw data and calculations used to determine HNO₃max and the allowable operating conditions (AOCs) for temperature, pressure, and ammonia-to-air ratio. RCE confirmed that all parameters were calculated according to the methods outlined in the Protocol.

- HNO₃max = 204.45 tHNO₃/day
- Oxidation temperature: min. = 843.89°C, max. = 911.11°C

- Oxidation pressure: min. = 6.76 bar, max. = 8.00 bar
- Ammonia-to-Air Ratio: max. = 9.87%

RCE confirmed that values for each historical parameter were used in calculations for both campaigns during this reporting period.

Baseline Emissions

Tertiary abatement projects are required to sample the tail gas prior to entering the tertiary abatement catalyst. The inlet analyzer continuously measures the N₂O concentration in the gas. Because actual average daily operating conditions for pressure, temperature, and ammonia-to-air ratio were outside of the AOCs for periods of time during the reporting period (6.7% of campaign 1 and 1.6% of campaign 2), baseline emissions during these periods were calculated according to the guidance in section 5.2.2 of the Protocol. ClimeCo used the lower of the two options provided for each hour outside of the average daily operating conditions. RCE confirmed that the calculations for percent of time that the plant operated outside of the AOCs were correct and that ClimeCo compared the mean values for oxidation temperature, oxidation pressure, and ammonia-to-air ratio to the AOCs and that they were within the corresponding ranges.

Project Emissions

ClimeCo provided project data for the entire reporting period including the sub-campaign and the second full campaign.

RCE confirmed that ClimeCo calculated HNO_{3,MAX,scaled} (tHNO₃) correctly for both project campaigns and that both HNO_{3,RP} values were less than HNO_{3,MAX,scaled}.

Table 3. HNO_{3,max} (tHNO₃)

Campaign	HNO_{3,MAX,scaled}	HNO_{3,RP}
Sub-campaign 3/22/2011 – 7/26/2011	25,198.9	23,241.2
Full campaign 7/27/2011 – 1/4/2012	26,246.7	24,408.1

There were no project emissions from ammonia input to operate the tertiary catalyst, from the use of hydrocarbons as a reducing agent, or from hydrocarbons or external energy to reheat tail gas. RCE determined that the emission reduction calculations followed the Protocol and found no material misstatements in the Project GHG reductions calculations and results.

4.0 Verification Results

ClimeCo and Rentech provided sufficient evidence and documentation of their emission reduction estimates, data collection procedures, monitoring, and quality control procedures. The verification process focused on verifying the historical emissions, baseline emissions, and sub-campaign and full campaign project emissions estimates. The source data used by ClimeCo to quantify the emission reductions are in accordance with the Protocol. The following is a summary of the verification results.

The Project proponents reported emission reductions of 52,882 metric tons of CO₂ equivalents as per the information provided in the calculation summary spreadsheets.

The emission reductions verified are as follows (note that while RCE confirmed the emission reduction calculations and the total emission reductions to be correct and within the materiality threshold, the values in the tables below are summary data only with significant figures rounded for summary purposes in this report):

Table 4 Emission Reductions Verified for June 29, 2011 – December 31, 2011

Emissions Verified	CO₂e (metric tons)
Baseline Emissions	53,931
Project Emissions	2,136
Emission Reductions	51,795

Table 5 Emission Reductions Verified for January 1, 2012 – January 4, 2012

Emissions Verified	CO₂e (metric tons)
Baseline Emissions	1,136
Project Emissions	50
Emission Reductions	1,087

Table 6 Emission Reductions Verified for the Reporting Period June 29, 2011 – January 4, 2012

Emissions Verified	CO₂e (metric tons)
Baseline Emissions	55,068
Project Emissions	2,186
Emission Reductions	52,882

4.1 Findings Overview

During the verification process, RCE made requests for clarifications, corrective actions and supplemental documentation to complete the verification. According to RCE's verification procedures, all corrective actions must be addressed by the project developer before a positive Verification Statement will be submitted. Rentech and ClimeCo sufficiently addressed all corrective actions. The details of the requests are documented in the RCE List of Findings provided to CAR and the project developer.

5.0 Verification Statement

RCE conducted a risk-based analysis of the Rentech Energy Midwest Corporation Nitric Acid Plant 1 Project GHG assertion including a strategic review of the Project data and evidence. Based upon the processes and procedures and the evidence collected, RCE concludes with a reasonable level of assurance that the Project emission reductions resulting from the destruction of N₂O during the reporting period June 29, 2011 through January 4, 2012 can be considered:

- In conformance with the CAR Nitric Acid Production Project Protocol 2.0 and ISO 14064-3 standards,
- Without material discrepancy, and
- Verified to a reasonable level of assurance.

The verified Emission Reduction CRTs are listed in the **Table 7**.

Table 7 Emission Reductions Verified for June 29, 2011 – January 4, 2012

Emissions Verified	CO ₂ e (metric tons)
Emission Reductions	52,882

Lead Verifier Signature



Nina Pinette

Senior Reviewer Signature



Michael M. Coté