

(3) For purposes of this paragraph, fuel produced for export, jet fuel (kerosene), and fuel specifically produced to meet military specifications (such as JP-4, JP-8, and F-76), shall not be included in baseline calculations.

(e) *Calculation of the Non-highway Baseline, B_{NRLM} .* For purposes of this paragraph (e), B_{MV} shall only include the average annual volume of #2D distillate fuel.

(1) Under paragraphs (c)(2)(i) and (c)(2)(iii) of this section, B_{NRLM} equals the average annual volume of all #2D distillate produced or imported from January 1, 2003 through December 31, 2005, less B_{MV} as determined in paragraph (d)(1) of this section.

(2) Under paragraph (c)(2)(ii) of this section, B_{NRLM} equals the average annual volume of MVNRLM produced or imported from January 1, 2006 through December 31, 2008, less B_{MV} as determined in paragraph (d)(2) of this section.

(3) For purposes of this paragraph (e), fuel produced for export, jet fuel, kerosene, and fuel specifically produced to meet military specification (such as JP-4, JP-8, and F-76), shall not be included in baseline calculations.

(f) *Calculation of the Total Diesel Baseline, B_{MVNRLM} .* B_{MVNRLM} equals the sum of B_{MV} (as calculated under §80.596) plus B_{NRLM} (as calculated under paragraph (e)(1) of this section).

(g)(1) Applications submitted under paragraphs (c)(2)(i) and (c)(2)(iii) of this section must be postmarked by February 28, 2006.

(2) Applications submitted under paragraph (c)(2)(ii) of this section must be postmarked by February 28, 2009.

(h)(1) For applications submitted under paragraphs (c)(2)(i) and (c)(2)(iii) of this section, EPA will notify refiners or importers by June 1, 2006 of approval of the baselines for each of the refiner's refineries or importer's import facilities or of any deficiencies in the refiner's or importer's application.

(2) For applications submitted under paragraph (c)(2)(ii) of this section, EPA will notify refiners or importers by June 1, 2009 regarding approval of the baselines for each of the refiner's refineries or importer's import facilities or of any deficiencies in the refiner's or importer's application.

(i) If at any time the motor vehicle baseline or non-highway baseline submitted in accordance with the requirements of this section is determined to be incorrect, EPA will notify the refiner or importer of the corrected baseline and any compliance calculations made on the basis of that baseline will have to be adjusted retroactively.

[69 FR 39174, June 29, 2004, as amended at 70 FR 70510, Nov. 22, 2005; 71 FR 25717, May 1, 2006]

§ 80.534 [Reserved]

§ 80.535 How are NRLM diesel fuel credits generated?

(a) *Generation of high sulfur NRLM credits from June 1, 2006 through May 31, 2007.* (1) During the period June 1, 2006 through May 31, 2007, a refiner or importer may generate credits pursuant to the provisions of this section if all of the following conditions are met:

(i) The refiner or importer notifies EPA of its intention to generate credits and the period during which it will generate credits. This notification must be received by EPA at least 30 calendar days prior to the date it begins generating credits under this section.

(ii) Each batch or partial batch of NRLM diesel fuel for which credits are claimed shall be subject to all of the provisions of this subpart for NRLM diesel fuel as if it had been produced after June 1, 2007 and before June 1, 2010.

(iii) The number of high-sulfur NRLM credits (HSC) that are generated shall be a positive number.

(2) The refiner or importer shall choose one of the following methods for calculating credits for each calculation period.

(i) For fuel that is dyed under the provisions of §80.520, HSC equals the volume of fuel in gallons produced or imported during the period identified in paragraph (a)(1) of this section that is designated as NRLM diesel fuel and that is subject to and complies with the provisions of §80.510(a); or

(ii) For dyed or undyed fuel that complies with the provisions of §80.598 for a calculation period of June 1, 2006 through May 31, 2007, determine HSC as follows: