

representative requests, and the permitting authority issues a CAIR opt-in permit (based on a demonstration of the intent to repower stated under §97.283(a)(5)) providing for, allocation to a CAIR SO<sub>2</sub> opt-in unit of CAIR SO<sub>2</sub> allowances under this paragraph (subject to the conditions in §§97.284(h) and 97.286(g)), the permitting authority will allocate to the CAIR SO<sub>2</sub> opt-in unit as follows, if provided in a State implementation plan revision submitted in accordance with §51.124(r)(1), (2), or (3) of this chapter and approved by the Administrator:

(1) For each control period in 2010 through 2014 for which the CAIR SO<sub>2</sub> opt-in unit is to be allocated CAIR SO<sub>2</sub> allowances,

(i) The heat input (in mmBtu) used for calculating CAIR SO<sub>2</sub> allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The SO<sub>2</sub> emission rate (in lb/mmBtu) used for calculating CAIR SO<sub>2</sub> allowance allocations will be the lesser of:

(A) The CAIR SO<sub>2</sub> opt-in unit's baseline SO<sub>2</sub> emissions rate (in lb/mmBtu) determined under §97.284(d); or

(B) The most stringent State or Federal SO<sub>2</sub> emissions limitation applicable to the CAIR SO<sub>2</sub> opt-in unit at any time during the control period in which the CAIR SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program under §97.284(g).

(iii) The permitting authority will allocate CAIR SO<sub>2</sub> allowances to the CAIR SO<sub>2</sub> opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under paragraph (c)(1)(i) of this section, multiplied by the SO<sub>2</sub> emission rate under paragraph (c)(1)(ii) of this section, and divided by 2,000 lb/ton.

(2) For each control period in 2015 and thereafter for which the CAIR SO<sub>2</sub> opt-in unit is to be allocated CAIR SO<sub>2</sub> allowances,

(i) The heat input (in mmBtu) used for calculating the CAIR SO<sub>2</sub> allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The SO<sub>2</sub> emission rate (in lb/mmBtu) used for calculating the CAIR

SO<sub>2</sub> allowance allocation will be the lesser of:

(A) The CAIR SO<sub>2</sub> opt-in unit's baseline SO<sub>2</sub> emissions rate (in lb/mmBtu) determined under §97.284(d) multiplied by 10 percent; or

(B) The most stringent State or Federal SO<sub>2</sub> emissions limitation applicable to the CAIR SO<sub>2</sub> opt-in unit at any time during the control period for which CAIR SO<sub>2</sub> allowances are to be allocated.

(iii) The permitting authority will allocate CAIR SO<sub>2</sub> allowances to the CAIR SO<sub>2</sub> opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under paragraph (c)(2)(i) of this section, multiplied by the SO<sub>2</sub> emission rate under paragraph (c)(2)(ii) of this section, and divided by 2,000 lb/ton.

(d) *Recordation.* If provided in a State implementation plan revision submitted in accordance with §51.124(r)(1), (2), or (3) of this chapter and approved by the Administrator:

(1) The Administrator will record, in the compliance account of the source that includes the CAIR SO<sub>2</sub> opt-in unit, the CAIR SO<sub>2</sub> allowances allocated by the permitting authority to the CAIR SO<sub>2</sub> opt-in unit under paragraph (a)(1) of this section.

(2) By December 1 of the control period in which a CAIR SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program under §97.284(g) and December 1 of each year thereafter, the Administrator will record, in the compliance account of the source that includes the CAIR SO<sub>2</sub> opt-in unit, the CAIR SO<sub>2</sub> allowances allocated by the permitting authority to the CAIR SO<sub>2</sub> opt-in unit under paragraph (a)(2) of this section.

APPENDIX A TO SUBPART III OF PART 97—STATES WITH APPROVED STATE IMPLEMENTATION PLAN REVISIONS CONCERNING CAIR SO<sub>2</sub> OPT-IN UNITS

1. The following States have State Implementation Plan revisions under §51.124(r) of this chapter approved by the Administrator and establishing procedures providing for CAIR SO<sub>2</sub> opt-in units under subpart III of this part and allocation of CAIR SO<sub>2</sub> allowances to such units under §97.288(b):

Indiana  
North Carolina  
Ohio

## § 97.301

South Carolina  
Tennessee

2. The following States have State Implementation Plan revisions under § 51.124(r) of this chapter approved by the Administrator and establishing procedures providing for CAIR SO<sub>2</sub> opt-in units under subpart III of this part and allocation of CAIR SO<sub>2</sub> allowances to such units under § 97.288(c):

Indiana  
North Carolina  
Ohio  
South Carolina  
Tennessee

[65 FR 2727, Jan. 18, 2000, as amended at 72 FR 46394, Aug. 20, 2007; 72 FR 56920, Oct. 5, 2007; 72 FR 57215, Oct. 9, 2007; 72 FR 59487, Oct. 22, 2007; 73 FR 6041, Feb. 1, 2008]

### Subpart AAAA—CAIR NO<sub>x</sub> Ozone Season Trading Program General Provisions

#### § 97.301 Purpose.

This subpart and subparts BBBB through IIII set forth the general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the Federal Clean Air Interstate Rule (CAIR) NO<sub>x</sub> Ozone Season Trading Program, under section 110 of the Clean Air Act and § 52.35 of this chapter, as a means of mitigating interstate transport of ozone and nitrogen oxides.

#### § 97.302 Definitions.

The terms used in this subpart and subparts BBBB through IIII shall have the meanings set forth in this section as follows:

*Account number* means the identification number given by the Administrator to each CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System account.

*Acid Rain emissions limitation* means a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program.

*Acid Rain Program* means a multi-state sulfur dioxide and nitrogen oxides air pollution control and emission reduction program established by the Administrator under title IV of the CAA and parts 72 through 78 of this chapter.

*Administrator* means the Administrator of the United States Environmental Protection Agency or the Administrator's duly authorized representative.

## 40 CFR Ch. I (7–1–10 Edition)

*Allocate or allocation* means, with regard to CAIR NO<sub>x</sub> Ozone Season allowances, the determination by a permitting authority or the Administrator of the amount of such CAIR NO<sub>x</sub> Ozone Season allowances to be initially credited to a CAIR NO<sub>x</sub> Ozone Season unit, a new unit set-aside, or other entity.

*Allowance transfer deadline* means, for a control period, midnight of November 30 (if it is a business day), or midnight of the first business day thereafter (if November 30 is not a business day), immediately following the control period and is the deadline by which a CAIR NO<sub>x</sub> Ozone Season allowance transfer must be submitted for recordation in a CAIR NO<sub>x</sub> Ozone Season source's compliance account in order to be used to meet the source's CAIR NO<sub>x</sub> Ozone Season emissions limitation for such control period in accordance with § 97.354.

*Alternate CAIR designated representative* means, for a CAIR NO<sub>x</sub> Ozone Season source and each CAIR NO<sub>x</sub> Ozone Season unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with subparts BBBB and IIII of this part, to act on behalf of the CAIR designated representative in matters pertaining to the CAIR NO<sub>x</sub> Ozone Season Trading Program. If the CAIR NO<sub>x</sub> Ozone Season source is also a CAIR NO<sub>x</sub> source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO<sub>x</sub> Annual Trading Program. If the CAIR NO<sub>x</sub> Ozone Season source is also a CAIR SO<sub>2</sub> source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR SO<sub>2</sub> Trading Program. If the CAIR NO<sub>x</sub> Ozone Season source is also subject to the Acid Rain Program, then this natural person shall be the same person as the alternate designated representative under the Acid Rain Program. If the CAIR NO<sub>x</sub> Ozone Season source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the alternate Hg designated representative under the Hg Budget Trading Program.