permit is withdrawn, a NO_X authorized account representative wanting to re-apply must submit a new application for an initial NO_X Budget permit under § 97.83.

(g) The unit shall be a NO_X Budget opt-in unit and a NO_X Budget unit starting May 1 of the first control period starting after the issuance of the initial NO_X Budget opt-in permit by the permitting authority.

§ 97.85 NO_X Budget opt-in permit contents.

(a) Each NO_X Budget opt-in permit will contain all elements required for a complete NO_X Budget opt-in permit application under § 97.22.

(b) Each NO_X Budget opt-in permit is deemed to incorporate automatically the definitions of terms under § 97.2 and, upon recordation by the Administrator under subpart F or G of this part, every allocation, transfer, or deduction of NO_X allowances to or from the compliance accounts of each NO_X Budget opt-in unit covered by the NO_X Budget opt-in permit or the overdraft account of the NO_X Budget source where the NO_X Budget opt-in unit is located.

§ 97.86 Withdrawal from NO_X Budget Trading Program.

(a) *Requesting withdrawal.* To withdraw from the NO_X Budget Trading Program, the NO_X authorized account representative of a NO_X Budget opt-in unit shall submit to the Administrator and the permitting authority a request to withdraw effective as of a specified date prior to May 1 or after September 30. The submission shall be made no later than 90 days prior to the requested effective date of withdrawal.

(b) *Conditions for withdrawal.* Before a NO_X Budget opt-in unit covered by a request under paragraph (a) of this section may withdraw from the NO_X Budget Trading Program and the NO_X Budget opt-in permit may be terminated under paragraph (e) of this section, the following conditions must be met:

(1) For the control period immediately before the withdrawal is to be effective, the NO_X authorized account representative must submit or must have submitted to the Administrator and the permitting authority an an-

nual compliance certification report in accordance with § 97.30.

(2) If the NO_X Budget opt-in unit has excess emissions for the control period immediately before the withdrawal is to be effective, the Administrator will deduct or has deducted from the NO_X Budget opt-in unit's compliance account, or the overdraft account of the NO_X Budget source where the NO_X Budget opt-in unit is located, the full amount required under § 97.54(d) for the control period.

(3) After the requirements for withdrawal under paragraphs (b)(1) and (2) of this section are met, the Administrator will deduct from the NO_X Budget opt-in unit's compliance account, or the overdraft account of the NO_X Budget source where the NO_X Budget opt-in unit is located, NO_X allowances equal in number to and allocated for the same or a prior control period as any NO_X allowances allocated to that source under § 97.88 for any control period for which the withdrawal is to be effective. The Administrator will close the NO_X Budget opt-in unit's compliance account and transfer any remaining allowances to a general account specified by the owners and operators of the NO_X Budget opt-in unit.

(c) A NO_X Budget opt-in unit that withdraws from the NO_X Budget Trading Program shall comply with all requirements under the NO_X Budget Trading Program concerning all years for which such NO_X Budget opt-in unit was a NO_X Budget opt-in unit, even if such requirements arise or must be complied with after the withdrawal takes effect.

(d) *Notification.* (1) After the requirements for withdrawal under paragraphs (a) and (b) of this section are met (including deduction of the full amount of NO_X allowances required), the Administrator will issue a notification to the permitting authority and the NO_X authorized account representative of the NO_X Budget opt-in unit of the acceptance of the withdrawal of the NO_X Budget opt-in unit as of a specified effective date that is after such requirements have been met and that is prior to May 1 or after September 30.

(2) If the requirements for withdrawal under paragraphs (a) and (b) of

this section are not met, the Administrator will issue a notification to the permitting authority and the NO$_X$ authorized account representative of the NO$_X$ Budget opt-in unit that the request to withdraw is denied. If the NO$_X$ Budget opt-in unit's request to withdraw is denied, the NO$_X$ Budget opt-in unit shall remain subject to the requirements for a NO$_X$ Budget opt-in unit.

(e) *Permit revision.* After the Administrator issues a notification under paragraph (d)(1) of this section that the requirements for withdrawal have been met, the permitting authority will revise the NO$_X$ Budget permit covering the NO$_X$ Budget opt-in unit to terminate the NO$_X$ Budget opt-in permit as of the effective date specified under paragraph (d)(1) of this section. A NO$_X$ Budget opt-in unit shall continue to be a NO$_X$ Budget opt-in unit until the effective date of the termination.

(f) *Reapplication upon failure to meet conditions of withdrawal.* If the Administrator denies the request to withdraw the NO$_X$ Budget opt-in unit, the NO$_X$ authorized account representative may submit another request to withdraw in accordance with paragraphs (a) and (b) of this section.

(g) *Ability to return to the NO$_X$ Budget Trading Program.* Once a NO$_X$ Budget opt-in unit withdraws from the NO$_X$ Budget Trading Program and its NO$_X$ Budget opt-in permit is terminated under paragraph (e) of this section, the NO$_X$ authorized account representative may not submit another application for a NO$_X$ Budget opt-in permit under §97.83 for the unit prior to the date that is 4 years after the date on which the terminated NO$_X$ Budget opt-in permit became effective.

§97.87 Change in regulatory status.

(a) *Notification.* When a NO$_X$ Budget opt-in unit becomes a NO$_X$ Budget unit under §97.4(a), the NO$_X$ authorized account representative shall notify in writing the permitting authority and the Administrator of such change in the NO$_X$ Budget opt-in unit's regulatory status, within 30 days of such change.

(b) *Permitting authority's and Administrator's action.* (1)(i) When the NO$_X$ Budget opt-in unit becomes a NO$_X$ Budget unit under §97.4(a), the permitting authority will revise the NO$_X$ Budget opt-in unit's NO$_X$ Budget opt-in permit to meet the requirements of a NO$_X$ Budget permit under §97.23 as of an effective date that is the date on which such NO$_X$ Budget opt-in unit becomes a NO$_X$ Budget unit under §97.4(a).

(ii)(A) The Administrator will deduct from the compliance account for the NO$_X$ Budget unit under paragraph (b)(1)(i) of this section, or the overdraft account of the NO$_X$ Budget source where the unit is located, NO$_X$ allowances equal in number to and allocated for the same or a prior control period as:

(*1*) Any NO$_X$ allowances allocated to the NO$_X$ Budget unit (as a NO$_X$ Budget opt-in unit) under §97.88 for any control period after the last control period during which the unit's NO$_X$ Budget opt-in permit was effective; and

(*2*) If the effective date of the NO$_X$ Budget permit revision under paragraph (b)(1)(i) of this section is during a control period, the NO$_X$ allowances allocated to the NO$_X$ Budget unit (as a NO$_X$ Budget opt-in unit) under §97.88 for the control period multiplied by the number of days in the control period starting with the effective date of the permit revision under paragraph (b)(1)(i) of this section, divided by the total number of days in the control period, and rounded to the nearest whole number of NO$_X$ allowances as appropriate.

(B) The NO$_X$ authorized account representative shall ensure that the compliance account of the NO$_X$ Budget unit under paragraph (b)(1)(i) of this section, or the overdraft account of the NO$_X$ Budget source where the unit is located, contains the NO$_X$ allowances necessary for completion of the deduction under paragraph (b)(1)(ii)(A) of this section. If the compliance account or overdraft account does not contain the necessary NO$_X$ allowances, the Administrator will deduct the required number of NO$_X$ allowances, regardless of the control period for which they were allocated, whenever NO$_X$ allowances are recorded in either account.

(iii)(A) For every control period during which the NO$_X$ Budget permit revised under paragraph (b)(1)(i) of this