Environmental Protection Agency

§ 97.186 Withdrawal from CAIR NOX Annual Trading Program.

Except as provided under paragraph (g) of this section, a CAIR NOx opt-in unit may withdraw from the CAIR NOx Annual Trading Program, but only if the permitting authority issues a notification to the CAIR designated representative of the CAIR NOx opt-in unit of the acceptance of the withdrawal of the CAIR NOx opt-in unit in accordance with this section.

(a) Requesting withdrawal. In order to withdraw a CAIR NOx opt-in unit from the CAIR NOx Annual Trading Program, the CAIR designated representative of the CAIR NOx opt-in unit shall submit to the permitting authority a request to withdraw effective as of midnight of December 31 of a specified calendar year, which date must be at least 4 years after December 31 of the year of entry into the CAIR NOx Annual Trading Program under §97.184(g). The request must be submitted no later than 90 days before the requested effective date of withdrawal.

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

(1) For the control period ending on the date on which the withdrawal is to be effective, the source that includes the CAIR NOx opt-in unit must meet the requirement to hold CAIR NOx allowances under §97.106(c) and cannot have any excess emissions.

(2) After the requirement for withdrawal under paragraph (b)(1) of this section is met, the Administrator will deduct from the compliance account of the source that includes the CAIR NOx opt-in unit CAIR NOx allowances equal in amount to and allocated for the same or a prior control period as any CAIR NOx allowances allocated to the CAIR NOx opt-in unit under §97.188 for any control period for which the withdrawal is to be effective. If there are no remaining CAIR NOx units at the source, the Administrator will close the compliance account, and the owners and operators of the CAIR NOx opt-in unit may submit a CAIR NOx allowance transfer for any remaining CAIR NOx allowances to another CAIR NOx Allowance Tracking System in accordance with subpart GG of this part.

(c) Notification. (1) After the requirements for withdrawal under paragraphs (a) and (b) of this section are met (including deduction of the full amount of CAIR NOx allowances required), the permitting authority will issue a notification to the CAIR designated representative of the CAIR NOx opt-in unit of the acceptance of the withdrawal of the CAIR NOx opt-in unit as of midnight on December 31 of the calendar year for which the withdrawal was requested.

(2) If the requirements for withdrawal under paragraphs (a) and (b) of this section are not met, the permitting authority will issue a notification to the CAIR designated representative of the CAIR NOx opt-in unit that the CAIR NOx opt-in unit’s request to withdraw is denied. Such CAIR NOx opt-in unit shall continue to be a CAIR NOx opt-in unit.

(d) Permit amendment. After the permitting authority issues a notification under paragraph (c)(1) of this section that the requirements for withdrawal have been met, the permitting authority will revise the CAIR permit covering the CAIR NOx opt-in unit to terminate the CAIR opt-in permit for such unit as of the effective date specified under paragraph (c)(1) of this section. The unit shall continue to be a CAIR NOx opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR NOx Annual Trading Program concerning any control periods for which the unit is a CAIR NOx opt-in unit, even if such requirements arise or must be complied with after the withdrawal takes effect.

(e) Reapplication upon failure to meet conditions of withdrawal. If the permitting authority denies the CAIR NOx opt-in unit’s request to withdraw, the CAIR designated representative may submit another request to withdraw in accordance with paragraphs (a) and (b) of this section.

(f) Ability to reapply to the CAIR NOx Annual Trading Program. Once a CAIR NOx opt-in unit withdraws from the
CAIR \( \text{NO}_x \) Annual Trading Program and its CAIR opt-in permit is terminated under this section, the CAIR designated representative may not submit another application for a CAIR opt-in permit under §97.183 for such CAIR \( \text{NO}_x \) opt-in unit before the date that is 4 years after the date on which the withdrawal became effective. Such new application for a CAIR opt-in permit will be treated as an initial application for a CAIR opt-in permit under §97.184.

(g) **Inability to withdraw.** Notwithstanding paragraphs (a) through (f) of this section, a CAIR \( \text{NO}_x \) opt-in unit shall not be eligible to withdraw from the CAIR \( \text{NO}_x \) Annual Trading Program if the CAIR designated representative of the CAIR \( \text{NO}_x \) opt-in unit requests, and the permitting authority issues a CAIR \( \text{NO}_x \) opt-in permit providing for allocation to the CAIR \( \text{NO}_x \) opt-in unit of CAIR \( \text{NO}_x \) allowances under §97.188(c).

**§ 97.187 Change in regulatory status.**

(a) **Notification.** If a CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104, then the CAIR designated representative shall notify in writing the permitting authority and the Administrator of such change in the CAIR \( \text{NO}_x \) opt-in unit’s regulatory status, within 30 days of such change.

(b) **Permitting authority’s and Administrator’s actions.** (1) If a CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104, the permitting authority will revise the CAIR \( \text{NO}_x \) opt-in unit’s CAIR opt-in permit to meet the requirements of a CAIR permit under §97.123, and remove the CAIR opt-in permit provisions, as of the date on which the CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104.

(2)(i) The Administrator will deduct from the compliance account of the source that includes the CAIR \( \text{NO}_x \) opt-in unit that becomes a CAIR \( \text{NO}_x \) unit under §97.104, CAIR \( \text{NO}_x \) allowances equal in amount to and allocated for the same or a prior control period as:

(A) Any CAIR \( \text{NO}_x \) allowances allocated to the CAIR \( \text{NO}_x \) opt-in unit under §97.188 for any control period after the date on which the CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104; and

(B) If the date on which the CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104 is not December 31, the CAIR \( \text{NO}_x \) allowances allocated to the CAIR \( \text{NO}_x \) opt-in unit under §97.188 for the control period that includes the date on which the CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104 divided by the total number of days in the control period and rounded to the nearest whole allowance as appropriate.

(ii) The CAIR designated representative shall ensure that the compliance account of the source that includes the CAIR \( \text{NO}_x \) opt-in unit that becomes a CAIR \( \text{NO}_x \) unit under §97.104 contains the CAIR \( \text{NO}_x \) allowances necessary for completion of the deduction under paragraph (b)(2)(i) of this section.

(3)(i) For every control period after the date on which the CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104, the CAIR \( \text{NO}_x \) opt-in unit will be allocated CAIR \( \text{NO}_x \) allowances under §97.142.

(ii) If the date on which the CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104 is not December 31, the following amount of CAIR \( \text{NO}_x \) allowances will be allocated to the CAIR \( \text{NO}_x \) opt-in unit (as a CAIR \( \text{NO}_x \) unit) under §97.142 for the control period that includes the date on which the CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104:

(A) The amount of CAIR \( \text{NO}_x \) allowances otherwise allocated to the CAIR \( \text{NO}_x \) opt-in unit (as a CAIR \( \text{NO}_x \) unit) under §97.142 for the control period multiplied by:

(B) The ratio of the number of days, in the control period, starting with the date on which the CAIR \( \text{NO}_x \) opt-in unit becomes a CAIR \( \text{NO}_x \) unit under §97.104, divided by the total number of days in the control period; and

(C) Rounded to the nearest whole allowance as appropriate.