§ 97.188 CAIR NO\textsubscript{x} allowance allocations to CAIR NO\textsubscript{x} opt-in units.

(a) Timing requirements. (1) When the CAIR opt-in permit is issued under §97.184(e), the permitting authority will allocate CAIR NO\textsubscript{x} allowances to the CAIR NO\textsubscript{x} opt-in unit, and submit to the Administrator the allocation for the control period in which a CAIR NO\textsubscript{x} opt-in unit enters the CAIR NO\textsubscript{x} Annual Trading Program under §97.184(g), in accordance with paragraph (b) or (c) of this section.

(2) By no later than October 31 of the control period after the control period in which a CAIR NO\textsubscript{x} opt-in unit enters the CAIR NO\textsubscript{x} Annual Trading Program under §97.184(g) and October 31 of each year thereafter, the permitting authority will allocate CAIR NO\textsubscript{x} allowances to the CAIR NO\textsubscript{x} opt-in unit, and submit to the Administrator the allocation for the control period that includes such submission deadline and in which the unit is a CAIR NO\textsubscript{x} opt-in unit, in accordance with paragraph (b) or (c) of this section.

(b) Calculation of allocation. For each control period for which a CAIR NO\textsubscript{x} opt-in unit is to be allocated CAIR NO\textsubscript{x} allowances, the permitting authority will calculate NO\textsubscript{x} allowances, the permitting authority will allocate to the CAIR NO\textsubscript{x} opt-in unit, and submit to the Administrator the allocation for the control period that includes such submission deadline and in which the unit is a CAIR NO\textsubscript{x} opt-in unit, in accordance with paragraph (b) or (c) of this section.

(1) The heat input (in mmBtu) used for calculating CAIR NO\textsubscript{x} allowance allocation will be the lesser of:

(i) The CAIR NO\textsubscript{x} opt-in unit’s baseline heat input determined under §97.184(c); or

(ii) The CAIR NO\textsubscript{x} opt-in unit’s heat input, as determined in accordance with subpart HH of this part, for the immediately prior control period, except when the allocation is being calculated for the control period in which the CAIR NO\textsubscript{x} opt-in unit enters the CAIR NO\textsubscript{x} Annual Trading Program under §97.184(g).

(2) The NO\textsubscript{x} emission rate (in lb/mmBtu) used for calculating CAIR NO\textsubscript{x} allowance allocations will be the lesser of:

(i) The CAIR NO\textsubscript{x} opt-in unit’s baseline NO\textsubscript{x} emissions rate (in lb/mmBtu) determined under §97.184(d) and multiplied by 70 percent; or

(ii) The most stringent State or Federal NO\textsubscript{x} emissions limitation applicable to the CAIR NO\textsubscript{x} opt-in unit at any time during the control period for which CAIR NO\textsubscript{x} allowances are to be allocated.

(3) The permitting authority will allocate CAIR NO\textsubscript{x} allowances to the CAIR NO\textsubscript{x} opt-in unit in an amount equaling the heat input under paragraph (b)(1) of this section, multiplied by the NO\textsubscript{x} emission rate under paragraph (b)(2) of this section, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

(c) Notwithstanding paragraph (b) of this section and if the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit (based on a demonstration of the intent to repower stated under §97.183(a)(5)) providing for, allocation to a CAIR NO\textsubscript{x} opt-in unit of CAIR NO\textsubscript{x} allowances under this paragraph (subject to the conditions in §§97.184(h) and 97.186(g)), the permitting authority will allocate to the CAIR NO\textsubscript{x} opt-in unit as follows, if provided in a State implementation plan revision submitted in accordance with 51.123(p)(3)(i), (ii), or (iii) of this chapter and approved by the Administrator:

(1) For each control period in 2009 through 2014 for which the CAIR NO\textsubscript{x} opt-in unit is to be allocated CAIR NO\textsubscript{x} allowances,

(i) The heat input (in mmBtu) used for calculating CAIR NO\textsubscript{x} allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NO\textsubscript{x} emission rate (in lb/mmBtu) used for calculating CAIR NO\textsubscript{x} allowance allocations will be the lesser of:

(A) The CAIR NO\textsubscript{x} opt-in unit’s baseline NO\textsubscript{x} emissions rate (in lb/mmBtu) determined under §97.184(d); or

(B) The most stringent State or Federal NO\textsubscript{x} emissions limitation applicable to the CAIR NO\textsubscript{x} opt-in unit at any time during the control period in which the CAIR NO\textsubscript{x} opt-in unit enters the CAIR NO\textsubscript{x} Annual Trading Program under §97.184(g).

(iii) The permitting authority will allocate CAIR NO\textsubscript{x} allowances to the
CAIR NO\textsubscript{X} opt-in unit in an amount equaling the heat input under paragraph (c)(1)(i) of this section, multiplied by the NO\textsubscript{X} emission rate under paragraph (c)(1)(ii) of this section, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

(2) For each control period in 2015 and thereafter for which the CAIR NO\textsubscript{X} opt-in unit is to be allocated CAIR NO\textsubscript{X} allowances,

(i) The heat input (in mmBtu) used for calculating the CAIR NO\textsubscript{X} allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NO\textsubscript{X} emission rate (in lb/mmBtu) used for calculating the CAIR NO\textsubscript{X} allowance allocation will be the lesser of:

(A) 0.15 lb/mmBtu;

(B) The CAIR NO\textsubscript{X} opt-in unit’s baseline NO\textsubscript{X} emissions rate (in lb/mmBtu) determined under §97.184(d); or

(C) The most stringent State or Federal NO\textsubscript{X} emissions limitation applicable to the CAIR NO\textsubscript{X} opt-in unit at any time during the control period for which CAIR NO\textsubscript{X} allowances are to be allocated.

(iii) The permitting authority will allocate CAIR NO\textsubscript{X} allowances to the CAIR NO\textsubscript{X} opt-in unit in an amount equaling the heat input under paragraph (c)(2)(i) of this section, multiplied by the NO\textsubscript{X} emission rate under paragraph (c)(2)(ii) of this section, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

(d) Recordation. If provided in a State implementation plan revision submitted in accordance with §51.123(p)(3)(i), (ii), or (iii) of this chapter and approved by the Administrator:

(1) The Administrator will record, in the compliance account of the source that includes the CAIR NO\textsubscript{X} opt-in unit, the CAIR NO\textsubscript{X} allowances allocated by the permitting authority to the CAIR NO\textsubscript{X} opt-in unit under paragraph (a)(2) of this section.

APPENDIX A TO SUBPART II OF PART 97—STATES WITH APPROVED STATE IMPLEMENTATION PLAN REVISIONS CONCERNING CAIR NO\textsubscript{X} OPT-IN UNITS

1. The following States have State Implementation Plan revisions under §51.123(p)(3) of this chapter approved by the Administrator and establishing procedures providing for CAIR NO\textsubscript{X} opt-in units under subpart II of this part and allocation of CAIR NO\textsubscript{X} allowances to such units under §97.188(b):

Indiana
Michigan
North Carolina
Ohio
South Carolina
Tennessee

2. The following States have State Implementation Plan revisions under §51.123(p)(3) of this chapter approved by the Administrator and establishing procedures providing for CAIR NO\textsubscript{X} opt-in units under subpart II of this part and allocation of CAIR NO\textsubscript{X} allowances to such units under §97.188(c):

Indiana
Michigan
Ohio
North Carolina
South Carolina
Tennessee


Subpart AAA—CAIR \textsubscript{SO\textsubscript{2}} Trading Program General Provisions

§ 97.201 Purpose.

This subpart and subparts BBB through III set forth the general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the Federal Clean Air Interstate Rule (CAIR) \textsubscript{SO\textsubscript{2}} Trading Program under section 110 of the Clean Air Act and §52.36 of this chapter, as a means of mitigating interstate transport of fine particulates and sulfur dioxide.

§ 97.202 Definitions.

The terms used in this subpart and subparts BBB through III shall have