§ 90.206 Trading.

(a) An engine manufacturer may exchange emission credits with other engine manufacturers in trading, subject to the trading restriction specified in §90.207(c)(2).

(b) Credits for trading can be obtained from credits banked in previous model years or credits generated during the model year of the trading transaction.

(c) Traded credits can be used for averaging, banking, or further trading transactions, subject to §90.205(a).

(d) Traded credits are subject to the limitations on use for past model years, as set forth in §90.204(c).

(e) In the event of a negative credit balance resulting from a transaction, both the buyer and the seller are liable, except in cases involving fraud. Certificates of all engine families participating in a negative trade may be voided ab initio pursuant to §90.123.

§ 90.207 Credit calculation and manufacturer compliance with emission standards.

(a) For each engine family, HC+NO\textsubscript{X} [NMHC+NO\textsubscript{X}] certification emission credits (positive or negative) are to be calculated according to the following equation and rounded to the nearest gram. Consistent units are to be used throughout the equation.

\[
\text{Credits} = \text{Production} \times (\text{Standard} - \text{FEL}) \times \text{Power} \times \text{Useful life} \times \text{Load Factor}
\]

Where:

Production = eligible production as defined in this part. Annual production projections are used to project credit availability for initial certification. Eligible production volume is used in determining actual credits for end-of-year compliance determination.

Standard = the current and applicable Small SI engine HC+NO\textsubscript{X} [NMHC+NO\textsubscript{X}] emission standard in grams per kilowatt hour as determined in §90.103 or, for early credits, the applicable emission level as specified in §90.205(b).

FEL = the family emission limit for the engine family in grams per kilowatt hour.

Power = the maximum modal power of the certification test engine, in kilowatts, as calculated from the applicable federal test procedure as described in this part.