§ 97.188 CAIR NOₓ allowance allocations to CAIR NOₓ 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 NOₓ allowances to the CAIR NOₓ opt-in unit, and submit to the Administrator the allocation for the control period in which a CAIR NOₓ opt-in unit enters the CAIR NOₓ 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 NOₓ opt-in unit enters the CAIR NOₓ Annual Trading Program under §97.184(g) and October 31 of each year thereafter, the permitting authority will allocate CAIR NOₓ allowances to the CAIR NOₓ 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 NOₓ 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 NOₓ opt-in unit is to be allocated CAIR NOₓ allowances, the permitting authority will allocate in accordance with the following procedures, 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 NOₓ opt-in unit is to be allocated CAIR NOₓ allowances,

(i) The heat input (in mmBtu) used for calculating the CAIR NOₓ allowance allocation will be the lesser of:

(A) The heat input (in mmBtu) used for calculating CAIR NOₓ allowance allocations determined under §97.184(c); or

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

(ii) The NOₓ emission rate (in lb/mmBtu) used for calculating CAIR NOₓ allowance allocations will be the lesser of:

(A) The NOₓ emission rate (in lb/mmBtu) determined under §97.184(d) and multiplied by 70 percent; or

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

(3) The permitting authority will allocate CAIR NOₓ allowances to the CAIR NOₓ opt-in unit in an amount equaling the heat input under paragraph (b)(1) of this section, multiplied by the NOₓ 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 NOₓ opt-in unit of CAIR NOₓ allowances under this paragraph (subject to the conditions in §§97.184(h) and 97.186(g)), the permitting authority will allocate to the CAIR NOₓ 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 NOₓ opt-in unit is to be allocated CAIR NOₓ allowances,

(i) The heat input (in mmBtu) used for calculating CAIR NOₓ allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NOₓ emission rate (in lb/mmBtu) used for calculating CAIR NOₓ allowance allocations will be the lesser of:

(A) The CAIR NOₓ opt-in unit’s baseline NOₓ emissions rate (in lb/mmBtu) determined under §97.184(d); or

(B) The most stringent State or Federal NOₓ emissions limitation applicable to the CAIR NOₓ opt-in unit at any time during the control period in which the CAIR NOₓ opt-in unit enters the CAIR NOₓ Annual Trading Program under §97.184(g).

(iii) The permitting authority will allocate CAIR NOₓ allowances to the
CAIR NOX opt-in unit in an amount equaling the heat input under paragraph (c)(1)(i) of this section, multiplied by the NOX 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 NOX opt-in unit is to be allocated CAIR NOX allowances,

(i) The heat input (in mmBtu) used for calculating the CAIR NOX allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NOX emission rate (in lb/mmBtu) used for calculating the CAIR NOX allowance allocation will be the lesser of:

(A) 0.15 lb/mmBtu;

(B) The CAIR NOX opt-in unit’s baseline NOX emissions rate (in lb/mmBtu) determined under §97.184(d); or

(C) The most stringent State or Federal NOX emissions limitation applicable to the CAIR NOX opt-in unit at any time during the control period for which CAIR NOX allowances are to be allocated.

(iii) The permitting authority will allocate CAIR NOX allowances to the CAIR NOX opt-in unit in an amount equaling the heat input under paragraph (c)(2)(i) of this section, multiplied by the NOX 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 NOX opt-in unit, the CAIR NOX allowances allocated by the permitting authority to the CAIR NOX 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 NOX 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 NOX opt-in units under subpart II of this part and allocation of CAIR NOX 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 NOX opt-in units under subpart II of this part and allocation of CAIR NOX allowances to such units under §97.188(c):

Indiana
Michigan
Ohio
North Carolina
South Carolina
Tennessee