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to comply with the requirements the Act;

(2) The patent license shall be non-exclusive;

(3) The patent license shall be non-assignable, except with that part of the enterprise or goodwill that enjoys the license;

(4) The patent license shall be for use of the licensed technology in the United States only;

(5) The patent license shall extend only to those uses necessary to enable the licensee to comply with sections 111, 112 or 202 of the Act (42 U.S.C. 7411, 7412 or 7521);

(6) The patent license shall provide for termination, subject to adequate protections of the legitimate interests of the licensed party, when the circumstances that made the compulsory patent license necessary cease to exist and are unlikely to recur; and

(7) The patent license shall provide for adequate remuneration that takes into account the economic value of the license.

(b) The Administrator, or the Administrator's designee, may decide as appropriate to include additional conditions, terms or limitations on the scope of the patent license for which application is made to the Attorney General.

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AUTHORITY: 42 U.S.C. 7401, 7403, 7410, 7601, and 7651, *et seq.*

SOURCE: 63 FR 57514, Oct. 27, 1998, unless otherwise noted.

### Subpart A—NO<sub>x</sub> Budget Trading Program General Provisions

#### § 96.1 Purpose.

This part establishes general provisions and the applicability, permitting, allowance, excess emissions, monitoring, and opt-in provisions for the NO<sub>x</sub> Budget Trading Program for State

implementation plans as a means of mitigating the interstate transport of ozone and nitrogen oxides, an ozone precursor. The owner or operator of a unit, or any other person, shall comply with requirements of this part as a matter of federal law only to the extent a State that has jurisdiction over the unit incorporates by reference provisions of this part, or otherwise adopts such requirements of this part, and requires compliance, the State submits to the Administrator a State implementation plan including such adoption and such compliance requirement, and the Administrator approves the portion of the State implementation plan including such adoption and such compliance requirement. To the extent a State adopts requirements of this part, including at a minimum the requirements of subpart A (except for § 96.4(b)), subparts B through D, subpart F (except for § 96.55(c)), and subparts G and H of this part, the State authorizes the Administrator to assist the State in implementing the NO<sub>x</sub> Budget Trading Program by carrying out the functions set forth for the Administrator in such requirements.

#### § 96.2 Definitions.

The terms used in this part shall have the meanings set forth in this section as follows:

*Account certificate of representation* means the completed and signed submission required by subpart B of this part for certifying the designation of a NO<sub>x</sub> authorized account representative for a NO<sub>x</sub> Budget source or a group of identified NO<sub>x</sub> Budget sources who is authorized to represent the owners and operators of such source or sources and of the NO<sub>x</sub> Budget units at such source or sources with regard to matters under the NO<sub>x</sub> Budget Trading Program.

*Account number* means the identification number given by the Administrator to each NO<sub>x</sub> Allowance Tracking System account.

*Acid Rain emissions limitation* means, as defined in § 72.2 of this chapter, a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program under title IV of the CAA.

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*Administrator* means the Administrator of the United States Environmental Protection Agency or the Administrator's duly authorized representative.

*Allocate or allocation* means the determination by the permitting authority or the Administrator of the number of NO<sub>x</sub> allowances to be initially credited to a NO<sub>x</sub> Budget unit or an allocation set-aside.

*Automated data acquisition and handling system or DAHS* means that component of the CEMS, or other emissions monitoring system approved for use under subpart H of this part, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by subpart H of this part.

*Boiler* means an enclosed fossil or other fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

*CAA* means the CAA, 42 U.S.C. 7401, *et seq.*, as amended by Pub. L. No. 101–549 (November 15, 1990).

*Combined cycle system* means a system comprised of one or more combustion turbines, heat recovery steam generators, and steam turbines configured to improve overall efficiency of electricity generation or steam production.

*Combustion turbine* means an enclosed fossil or other fuel-fired device that is comprised of a compressor, a combustor, and a turbine, and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine.

*Commence commercial operation* means, with regard to a unit that serves a generator, to have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation. Except as provided in § 96.5, for a unit that is a NO<sub>x</sub> Budget unit under § 96.4 on the date the unit commences commercial operation, such date shall remain the unit's date of commencement of commercial operation even if the unit is subsequently modified, reconstructed,

or repowered. Except as provided in § 96.5 or subpart I of this part, for a unit that is not a NO<sub>x</sub> Budget unit under § 96.4 on the date the unit commences commercial operation, the date the unit becomes a NO<sub>x</sub> Budget unit under § 96.4 shall be the unit's date of commencement of commercial operation.

*Commence operation* means to have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a unit's combustion chamber. Except as provided in § 96.5, for a unit that is a NO<sub>x</sub> Budget unit under § 96.4 on the date of commencement of operation, such date shall remain the unit's date of commencement of operation even if the unit is subsequently modified, reconstructed, or repowered. Except as provided in § 96.5 or subpart I of this part, for a unit that is not a NO<sub>x</sub> Budget unit under § 96.4 on the date of commencement of operation, the date the unit becomes a NO<sub>x</sub> Budget unit under § 96.4 shall be the unit's date of commencement of operation.

*Common stack* means a single flue through which emissions from two or more units are exhausted.

*Compliance account* means a NO<sub>x</sub> Allowance Tracking System account, established by the Administrator for a NO<sub>x</sub> Budget unit under subpart F of this part, in which the NO<sub>x</sub> allowance allocations for the unit are initially recorded and in which are held NO<sub>x</sub> allowances available for use by the unit for a control period for the purpose of meeting the unit's NO<sub>x</sub> Budget emissions limitation.

*Compliance certification* means a submission to the permitting authority or the Administrator, as appropriate, that is required under subpart D of this part to report a NO<sub>x</sub> Budget source's or a NO<sub>x</sub> Budget unit's compliance or non-compliance with this part and that is signed by the NO<sub>x</sub> authorized account representative in accordance with subpart B of this part.

*Continuous emission monitoring system or CEMS* means the equipment required under subpart H of this part to sample,

analyze, measure, and provide, by readings taken at least once every 15 minutes of the measured parameters, a permanent record of nitrogen oxides emissions, expressed in tons per hour for nitrogen oxides. The following systems are component parts included, consistent with part 75 of this chapter, in a continuous emission monitoring system:

- (1) Flow monitor;
- (2) Nitrogen oxides pollutant concentration monitors;
- (3) Diluent gas monitor (oxygen or carbon dioxide) when such monitoring is required by subpart H of this part;
- (4) A continuous moisture monitor when such monitoring is required by subpart H of this part; and
- (5) An automated data acquisition and handling system.

*Control period* means the period beginning May 1 of a year and ending on September 30 of the same year, inclusive.

*Emissions* means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the Administrator by the NO<sub>x</sub> authorized account representative and as determined by the Administrator in accordance with subpart H of this part.

*Energy Information Administration* means the Energy Information Administration of the United States Department of Energy.

*Excess emissions* means any tonnage of nitrogen oxides emitted by a NO<sub>x</sub> Budget unit during a control period that exceeds the NO<sub>x</sub> Budget emissions limitation for the unit.

*Fossil fuel* means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

*Fossil fuel-fired* means, with regard to a unit:

- (1) The combustion of fossil fuel, alone or in combination with any other fuel, where fossil fuel actually combusted comprises more than 50 percent of the annual heat input on a Btu basis during any year starting in 1995 or, if a unit had no heat input starting in 1995, during the last year of operation of the unit prior to 1995; or
- (2) The combustion of fossil fuel, alone or in combination with any other

fuel, where fossil fuel is projected to comprise more than 50 percent of the annual heat input on a Btu basis during any year; provided that the unit shall be "fossil fuel-fired" as of the date, during such year, on which the unit begins combusting fossil fuel.

*General account* means a NO<sub>x</sub> Allowance Tracking System account, established under subpart F of this part, that is not a compliance account or an overdraft account.

*Generator* means a device that produces electricity.

*Heat input* means the product (in mmBtu/time) of the gross calorific value of the fuel (in Btu/lb) and the fuel feed rate into a combustion device (in mass of fuel/time), as measured, recorded, and reported to the Administrator by the NO<sub>x</sub> authorized account representative and as determined by the Administrator in accordance with subpart H of this part, and does not include the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

*Life-of-the-unit, firm power contractual arrangement* means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy from any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

- (1) For the life of the unit;
- (2) For a cumulative term of no less than 30 years, including contracts that permit an election for early termination; or
- (3) For a period equal to or greater than 25 years or 70 percent of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

*Maximum design heat input* means the ability of a unit to combust a stated maximum amount of fuel per hour on a steady state basis, as determined by the physical design and physical characteristics of the unit.

*Maximum potential hourly heat input* means an hourly heat input used for reporting purposes when a unit lacks certified monitors to report heat input. If the unit intends to use appendix D of part 75 of this chapter to report heat input, this value should be calculated, in accordance with part 75 of this chapter, using the maximum fuel flow rate and the maximum gross calorific value. If the unit intends to use a flow monitor and a diluent gas monitor, this value should be reported, in accordance with part 75 of this chapter, using the maximum potential flowrate and either the maximum carbon dioxide concentration (in percent CO<sub>2</sub>) or the minimum oxygen concentration (in percent O<sub>2</sub>).

*Maximum potential NO<sub>x</sub> emission rate* means the emission rate of nitrogen oxides (in lb/mmBtu) calculated in accordance with section 3 of appendix F of part 75 of this chapter, using the maximum potential nitrogen oxides concentration as defined in section 2 of appendix A of part 75 of this chapter, and either the maximum oxygen concentration (in percent O<sub>2</sub>) or the minimum carbon dioxide concentration (in percent CO<sub>2</sub>), under all operating conditions of the unit except for unit start up, shutdown, and upsets.

*Maximum rated hourly heat input* means a unit-specific maximum hourly heat input (mmBtu) which is the higher of the manufacturer's maximum rated hourly heat input or the highest observed hourly heat input.

*Monitoring system* means any monitoring system that meets the requirements of subpart H of this part, including a continuous emissions monitoring system, an excepted monitoring system, or an alternative monitoring system.

*Most stringent State or Federal NO<sub>x</sub> emissions limitation* means, with regard to a NO<sub>x</sub> Budget opt-in source, the lowest NO<sub>x</sub> emissions limitation (in terms of lb/mmBtu) that is applicable to the unit under State or Federal law, regardless of the averaging period to which the emissions limitation applies.

*Nameplate capacity* means the maximum electrical generating output (in MWe) that a generator can sustain over a specified period of time when not restricted by seasonal or other deratings

as measured in accordance with the United States Department of Energy standards.

*Non-title V permit* means a federally enforceable permit administered by the permitting authority pursuant to the CAA and regulatory authority under the CAA, other than title V of the CAA and part 70 or 71 of this chapter.

*NO<sub>x</sub> allowance* means an authorization by the permitting authority or the Administrator under the NO<sub>x</sub> Budget Trading Program to emit up to one ton of nitrogen oxides during the control period of the specified year or of any year thereafter.

*NO<sub>x</sub> allowance deduction* or *deduct NO<sub>x</sub> allowances* means the permanent withdrawal of NO<sub>x</sub> allowances by the Administrator from a NO<sub>x</sub> Allowance Tracking System compliance account or overdraft account to account for the number of tons of NO<sub>x</sub> emissions from a NO<sub>x</sub> Budget unit for a control period, determined in accordance with subpart H of this part, or for any other allowance surrender obligation under this part.

*NO<sub>x</sub> allowances held* or *hold NO<sub>x</sub> allowances* means the NO<sub>x</sub> allowances recorded by the Administrator, or submitted to the Administrator for recordation, in accordance with subparts F and G of this part, in a NO<sub>x</sub> Allowance Tracking System account.

*NO<sub>x</sub> Allowance Tracking System* means the system by which the Administrator records allocations, deductions, and transfers of NO<sub>x</sub> allowances under the NO<sub>x</sub> Budget Trading Program.

*NO<sub>x</sub> Allowance Tracking System account* means an account in the NO<sub>x</sub> Allowance Tracking System established by the Administrator for purposes of recording the allocation, holding, transferring, or deducting of NO<sub>x</sub> allowances.

*NO<sub>x</sub> allowance transfer deadline* means midnight of November 30 or, if November 30 is not a business day, midnight of the first business day thereafter and is the deadline by which NO<sub>x</sub> allowances may be submitted for recordation in a NO<sub>x</sub> Budget unit's compliance account, or the overdraft account of the source where the unit is located, in order to meet the unit's NO<sub>x</sub> Budget

emissions limitation for the control period immediately preceding such deadline.

*NO<sub>x</sub> authorized account representative* means, for a NO<sub>x</sub> Budget source or NO<sub>x</sub> Budget unit at the source, the natural person who is authorized by the owners and operators of the source and all NO<sub>x</sub> Budget units at the source, in accordance with subpart B of this part, to represent and legally bind each owner and operator in matters pertaining to the NO<sub>x</sub> Budget Trading Program or, for a general account, the natural person who is authorized, in accordance with subpart F of this part, to transfer or otherwise dispose of NO<sub>x</sub> allowances held in the general account.

*NO<sub>x</sub> Budget emissions limitation* means, for a NO<sub>x</sub> Budget unit, the tonnage equivalent of the NO<sub>x</sub> allowances available for compliance deduction for the unit and for a control period under § 96.54(a) and (b), adjusted by any deductions of such NO<sub>x</sub> allowances to account for actual utilization under § 96.42(e) for the control period or to account for excess emissions for a prior control period under § 96.54(d) or to account for withdrawal from the NO<sub>x</sub> Budget Program, or for a change in regulatory status, for a NO<sub>x</sub> Budget opt-in source under § 96.86 or § 96.87.

*NO<sub>x</sub> Budget opt-in permit* means a NO<sub>x</sub> Budget permit covering a NO<sub>x</sub> Budget opt-in source.

*NO<sub>x</sub> Budget opt-in source* means a unit that has been elected to become a NO<sub>x</sub> Budget unit under the NO<sub>x</sub> Budget Trading Program and whose NO<sub>x</sub> Budget opt-in permit has been issued and is in effect under subpart I of this part.

*NO<sub>x</sub> Budget permit* means the legally binding and federally enforceable written document, or portion of such document, issued by the permitting authority under this part, including any permit revisions, specifying the NO<sub>x</sub> Budget Trading Program requirements applicable to a NO<sub>x</sub> Budget source, to each NO<sub>x</sub> Budget unit at the NO<sub>x</sub> Budget source, and to the owners and operators and the NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit.

*NO<sub>x</sub> Budget source* means a source that includes one or more NO<sub>x</sub> Budget units.

*NO<sub>x</sub> Budget Trading Program* means a multi-state nitrogen oxides air pollution control and emission reduction program established in accordance with this part and pursuant to § 51.121 of this chapter, as a means of mitigating the interstate transport of ozone and nitrogen oxides, an ozone precursor.

*NO<sub>x</sub> Budget unit* means a unit that is subject to the NO<sub>x</sub> Budget Trading Program emissions limitation under § 96.4 or § 96.80.

*Operating* means, with regard to a unit under §§ 96.22(d)(2) and 96.80, having documented heat input for more than 876 hours in the 6 months immediately preceding the submission of an application for an initial NO<sub>x</sub> Budget permit under § 96.83(a).

*Operator* means any person who operates, controls, or supervises a NO<sub>x</sub> Budget unit, a NO<sub>x</sub> Budget source, or unit for which an application for a NO<sub>x</sub> Budget opt-in permit under § 96.83 is submitted and not denied or withdrawn and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

*Opt-in* means to be elected to become a NO<sub>x</sub> Budget unit under the NO<sub>x</sub> Budget Trading Program through a final, effective NO<sub>x</sub> Budget opt-in permit under subpart I of this part.

*Overdraft account* means the NO<sub>x</sub> Allowance Tracking System account, established by the Administrator under subpart F of this part, for each NO<sub>x</sub> Budget source where there are two or more NO<sub>x</sub> Budget units.

*Owner* means any of the following persons:

(1) Any holder of any portion of the legal or equitable title in a NO<sub>x</sub> Budget unit or in a unit for which an application for a NO<sub>x</sub> Budget opt-in permit under § 96.83 is submitted and not denied or withdrawn; or

(2) Any holder of a leasehold interest in a NO<sub>x</sub> Budget unit or in a unit for which an application for a NO<sub>x</sub> Budget opt-in permit under § 96.83 is submitted and not denied or withdrawn; or

(3) Any purchaser of power from a NO<sub>x</sub> Budget unit or from a unit for which an application for a NO<sub>x</sub> Budget opt-in permit under § 96.83 is submitted and not denied or withdrawn under a



life-of-the-unit, firm power contractual arrangement. However, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based, either directly or indirectly, upon the revenues or income from the NO<sub>x</sub> Budget unit or the unit for which an application for a NO<sub>x</sub> Budget opt-in permit under § 96.83 is submitted and not denied or withdrawn; or

(4) With respect to any general account, any person who has an ownership interest with respect to the NO<sub>x</sub> allowances held in the general account and who is subject to the binding agreement for the NO<sub>x</sub> authorized account representative to represent that person's ownership interest with respect to NO<sub>x</sub> allowances.

*Permitting authority* means the State air pollution control agency, local agency, other State agency, or other agency authorized by the Administrator to issue or revise permits to meet the requirements of the NO<sub>x</sub> Budget Trading Program in accordance with subpart C of this part.

*Receive or receipt of* means, when referring to the permitting authority or the Administrator, to come into possession of a document, information, or correspondence (whether sent in writing or by authorized electronic transmission), as indicated in an official correspondence log, or by a notation made on the document, information, or correspondence, by the permitting authority or the Administrator in the regular course of business.

*Recordation, record, or recorded* means, with regard to NO<sub>x</sub> allowances, the movement of NO<sub>x</sub> allowances by the Administrator from one NO<sub>x</sub> Allowance Tracking System account to another, for purposes of allocation, transfer, or deduction.

*Reference method* means any direct test method of sampling and analyzing for an air pollutant as specified in appendix A of part 60 of this chapter.

*Serial number* means, when referring to NO<sub>x</sub> allowances, the unique identification number assigned to each NO<sub>x</sub> allowance by the Administrator, under § 96.53(c).

*Source* means any governmental, institutional, commercial, or industrial structure, installation, plant, building, or facility that emits or has the potential to emit any regulated air pollutant under the CAA. For purposes of section 502(c) of the CAA, a "source," including a "source" with multiple units, shall be considered a single "facility."

*State* means one of the 48 contiguous States and the District of Columbia specified in § 51.121 of this chapter, or any non-federal authority in or including such States or the District of Columbia (including local agencies, and Statewide agencies) or any eligible Indian tribe in an area of such State or the District of Columbia, that adopts a NO<sub>x</sub> Budget Trading Program pursuant to § 51.121 of this chapter. To the extent a State incorporates by reference the provisions of this part, the term "State" shall mean the incorporating State. The term "State" shall have its conventional meaning where such meaning is clear from the context.

*State trading program budget* means the total number of NO<sub>x</sub> tons apportioned to all NO<sub>x</sub> Budget units in a given State, in accordance with the NO<sub>x</sub> Budget Trading Program, for use in a given control period.

*Submit or serve* means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable regulation:

(1) In person;

(2) By United States Postal Service; or

(3) By other means of dispatch or transmission and delivery. Compliance with any "submission," "service," or "mailing" deadline shall be determined by the date of dispatch, transmission, or mailing and not the date of receipt.

*Title V operating permit* means a permit issued under title V of the CAA and part 70 or part 71 of this chapter.

*Title V operating permit regulations* means the regulations that the Administrator has approved or issued as meeting the requirements of title V of the CAA and part 70 or 71 of this chapter.

*Ton or tonnage* means any "short ton" (i.e., 2,000 pounds). For the purpose of determining compliance with the NO<sub>x</sub> Budget emissions limitation,

total tons for a control period shall be calculated as the sum of all recorded hourly emissions (or the tonnage equivalent of the recorded hourly emissions rates) in accordance with subpart H of this part, with any remaining fraction of a ton equal to or greater than 0.50 ton deemed to equal one ton and any fraction of a ton less than 0.50 ton deemed to equal zero tons.

*Unit* means a fossil fuel-fired stationary boiler, combustion turbine, or combined cycle system.

*Unit load* means the total (i.e., gross) output of a unit in any control period (or other specified time period) produced by combusting a given heat input of fuel, expressed in terms of:

(1) The total electrical generation (MWe) produced by the unit, including generation for use within the plant; or

(2) In the case of a unit that uses heat input for purposes other than electrical generation, the total steam pressure (psia) produced by the unit, including steam for use by the unit.

*Unit operating day* means a calendar day in which a unit combusts any fuel.

*Unit operating hour* or *hour of unit operation* means any hour (or fraction of an hour) during which a unit combusts any fuel.

*Utilization* means the heat input (expressed in mmBtu/time) for a unit. The unit's total heat input for the control period in each year will be determined in accordance with part 75 of this chapter if the NO<sub>x</sub> Budget unit was otherwise subject to the requirements of part 75 of this chapter for the year, or will be based on the best available data reported to the Administrator for the unit if the unit was not otherwise subject to the requirements of part 75 of this chapter for the year.

### § 96.3 Measurements, abbreviations, and acronyms.

Measurements, abbreviations, and acronyms used in this part are defined as follows:

Btu—British thermal unit.  
hr—hour.  
kwh—kilowatt hour.  
lb—pounds.  
mmBtu—million Btu.  
MWe—megawatt electrical.  
ton—2000 pounds.  
CO<sub>2</sub>—carbon dioxide.  
NO<sub>x</sub>—nitrogen oxides.

O<sub>2</sub>—oxygen.

### § 96.4 Applicability.

(a) The following units in a State shall be NO<sub>x</sub> Budget units, and any source that includes one or more such units shall be a NO<sub>x</sub> Budget source, subject to the requirements of this part:

(1) Any unit that, any time on or after January 1, 1995, serves a generator with a nameplate capacity greater than 25 MWe and sells any amount of electricity; or

(2) Any unit that is not a unit under paragraph (a) of this section and that has a maximum design heat input greater than 250 mmBtu/hr.

(b) Notwithstanding paragraph (a) of this section, a unit under paragraph (a) of this section shall be subject only to the requirements of this paragraph (b) if the unit has a federally enforceable permit that meets the requirements of paragraph (b)(1) of this section and restricts the unit to burning only natural gas or fuel oil during a control period in 2003 or later and each control period thereafter and restricts the unit's operating hours during each such control period to the number of hours (determined in accordance with paragraph (b)(1)(ii) and (iii) of this section) that limits the unit's potential NO<sub>x</sub> mass emissions for the control period to 25 tons or less. Notwithstanding paragraph (a) of this section, starting with the effective date of such federally enforceable permit, the unit shall not be a NO<sub>x</sub> Budget unit.

(1) For each control period under paragraph (b) of this section, the federally enforceable permit must:

(i) Restrict the unit to burning only natural gas or fuel oil.

(ii) Restrict the unit's operating hours to the number calculated by dividing 25 tons of potential NO<sub>x</sub> mass emissions by the unit's maximum potential hourly NO<sub>x</sub> mass emissions.

(iii) Require that the unit's potential NO<sub>x</sub> mass emissions shall be calculated as follows:

(A) Select the default NO<sub>x</sub> emission rate in Table 2 of § 75.19 of this chapter that would otherwise be applicable assuming that the unit burns only the type of fuel (i.e., only natural gas or

only fuel oil) that has the highest default NO<sub>x</sub> emission factor of any type of fuel that the unit is allowed to burn under the fuel use restriction in paragraph (b)(1)(i) of this section; and

(B) Multiply the default NO<sub>x</sub> emission rate under paragraph (b)(1)(iii)(A) of this section by the unit's maximum rated hourly heat input. The owner or operator of the unit may petition the permitting authority to use a lower value for the unit's maximum rated hourly heat input than the value as defined under § 96.2. The permitting authority may approve such lower value if the owner or operator demonstrates that the maximum hourly heat input specified by the manufacturer or the highest observed hourly heat input, or both, are not representative, and that such lower value is representative, of the unit's current capabilities because modifications have been made to the unit, limiting its capacity permanently.

(iv) Require that the owner or operator of the unit shall retain at the source that includes the unit, for 5 years, records demonstrating that the operating hours restriction, the fuel use restriction, and the other requirements of the permit related to these restrictions were met.

(v) Require that the owner or operator of the unit shall report the unit's hours of operation (treating any partial hour of operation as a whole hour of operation) during each control period to the permitting authority by November 1 of each year for which the unit is subject to the federally enforceable permit.

(2) The permitting authority that issues the federally enforceable permit with the fuel use restriction under paragraph (b)(1)(i) and the operating hours restriction under paragraphs (b)(1)(ii) and (iii) of this section will notify the Administrator in writing of each unit under paragraph (a) of this section whose federally enforceable permit issued by the permitting authority includes such restrictions. The permitting authority will also notify the Administrator in writing of each unit under paragraph (a) of this section whose federally enforceable permit issued by the permitting authority is revised to remove any such restriction,

whose federally enforceable permit issued by the permitting authority includes any such restriction that is no longer applicable, or which does not comply with any such restriction.

(3) If, for any control period under paragraph (b) of this section, the fuel use restriction under paragraph (b)(1)(i) of this section or the operating hours restriction under paragraphs (b)(1)(ii) and (iii) of this section is removed from the unit's federally enforceable permit or otherwise becomes no longer applicable or if, for any such control period, the unit does not comply with the fuel use restriction under paragraph (b)(1)(i) of this section or the operating hours restriction under paragraphs (b)(1)(ii) and (iii) of this section, the unit shall be a NO<sub>x</sub> Budget unit, subject to the requirements of this part. Such unit shall be treated as commencing operation and, for a unit under paragraph (a)(1) of this section, commencing commercial operation on September 30 of the control period for which the fuel use restriction or the operating hours restriction is no longer applicable or during which the unit does not comply with the fuel use restriction or the operating hours restriction.

#### § 96.5 Retired unit exemption.

(a) This section applies to any NO<sub>x</sub> Budget unit, other than a NO<sub>x</sub> Budget opt-in source, that is permanently retired.

(b)(1) Any NO<sub>x</sub> Budget unit, other than a NO<sub>x</sub> Budget opt-in source, that is permanently retired shall be exempt from the NO<sub>x</sub> Budget Trading Program, except for the provisions of this section, §§ 96.2, 96.3, 96.4, 96.7 and subparts E, F, and G of this part.

(2) The exemption under paragraph (b)(1) of this section shall become effective the day on which the unit is permanently retired. Within 30 days of permanent retirement, the NO<sub>x</sub> authorized account representative (authorized in accordance with subpart B of this part) shall submit a statement to the permitting authority otherwise responsible for administering any NO<sub>x</sub> Budget permit for the unit. A copy of the statement shall be submitted to the Administrator. The statement shall state (in a format prescribed by the permitting authority) that the unit is

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permanently retired and will comply with the requirements of paragraph (c) of this section.

(3) After receipt of the notice under paragraph (b)(2) of this section, the permitting authority will amend any permit covering the source at which the unit is located to add the provisions and requirements of the exemption under paragraphs (b)(1) and (c) of this section.

(c) *Special provisions.* (1) A unit exempt under this section shall not emit any nitrogen oxides, starting on the date that the exemption takes effect. The owners and operators of the unit will be allocated allowances in accordance with subpart E of this part.

(2)(i) A unit exempt under this section and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the NO<sub>x</sub> authorized account representative of the source submits a complete NO<sub>x</sub> Budget permit application under § 96.22 for the unit not less than 18 months (or such lesser time provided under the permitting authority's title V operating permits regulations for final action on a permit application) prior to the later of May 1, 2003 or the date on which the unit is to first resume operation.

(ii) A unit exempt under this section and located at a source that is required, or but for this exemption would be required, to have a non-title V permit shall not resume operation unless the NO<sub>x</sub> authorized account representative of the source submits a complete NO<sub>x</sub> Budget permit application under § 96.22 for the unit not less than 18 months (or such lesser time provided under the permitting authority's non-title V permits regulations for final action on a permit application) prior to the later of May 1, 2003 or the date on which the unit is to first resume operation.

(3) The owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of a unit exempt under this section shall comply with the requirements of the NO<sub>x</sub> Budget Trading Program concerning all periods for which the exemption is not in effect, even if such requirements

arise, or must be complied with, after the exemption takes effect.

(4) A unit that is exempt under this section is not eligible to be a NO<sub>x</sub> Budget opt-in source under subpart I of this part.

(5) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under this section shall retain at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time prior to the end of the period, in writing by the permitting authority or the Administrator. The owners and operators bear the burden of proof that the unit is permanently retired.

(6) *Loss of exemption.* (i) On the earlier of the following dates, a unit exempt under paragraph (b) of this section shall lose its exemption:

(A) The date on which the NO<sub>x</sub> authorized account representative submits a NO<sub>x</sub> Budget permit application under paragraph (c)(2) of this section; or

(B) The date on which the NO<sub>x</sub> authorized account representative is required under paragraph (c)(2) of this section to submit a NO<sub>x</sub> Budget permit application.

(ii) For the purpose of applying monitoring requirements under subpart H of this part, a unit that loses its exemption under this section shall be treated as a unit that commences operation or commercial operation on the first date on which the unit resumes operation.

### § 96.6 Standard requirements.

(a) *Permit Requirements.* (1) The NO<sub>x</sub> authorized account representative of each NO<sub>x</sub> Budget source required to have a federally enforceable permit and each NO<sub>x</sub> Budget unit required to have a federally enforceable permit at the source shall:

(i) Submit to the permitting authority a complete NO<sub>x</sub> Budget permit application under § 96.22 in accordance with the deadlines specified in § 96.21(b) and (c);

(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a NO<sub>x</sub> Budget

permit application and issue or deny a NO<sub>x</sub> Budget permit.

(2) The owners and operators of each NO<sub>x</sub> Budget source required to have a federally enforceable permit and each NO<sub>x</sub> Budget unit required to have a federally enforceable permit at the source shall have a NO<sub>x</sub> Budget permit issued by the permitting authority and operate the unit in compliance with such NO<sub>x</sub> Budget permit.

(3) The owners and operators of a NO<sub>x</sub> Budget source that is not otherwise required to have a federally enforceable permit are not required to submit a NO<sub>x</sub> Budget permit application, and to have a NO<sub>x</sub> Budget permit, under subpart C of this part for such NO<sub>x</sub> Budget source.

(b) *Monitoring requirements.* (1) The owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of each NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall comply with the monitoring requirements of subpart H of this part.

(2) The emissions measurements recorded and reported in accordance with subpart H of this part shall be used to determine compliance by the unit with the NO<sub>x</sub> Budget emissions limitation under paragraph (c) of this section.

(c) *Nitrogen oxides requirements.* (1) The owners and operators of each NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall hold NO<sub>x</sub> allowances available for compliance deductions under § 96.54, as of the NO<sub>x</sub> allowance transfer deadline, in the unit's compliance account and the source's overdraft account in an amount not less than the total NO<sub>x</sub> emissions for the control period from the unit, as determined in accordance with subpart H of this part, plus any amount necessary to account for actual utilization under § 96.42(e) for the control period.

(2) Each ton of nitrogen oxides emitted in excess of the NO<sub>x</sub> Budget emissions limitation shall constitute a separate violation of this part, the CAA, and applicable State law.

(3) A NO<sub>x</sub> Budget unit shall be subject to the requirements under paragraph (c)(1) of this section starting on the later of May 1, 2003 or the date on which the unit commences operation.

(4) NO<sub>x</sub> allowances shall be held in, deducted from, or transferred among NO<sub>x</sub> Allowance Tracking System accounts in accordance with subparts E, F, G, and I of this part.

(5) A NO<sub>x</sub> allowance shall not be deducted, in order to comply with the requirements under paragraph (c)(1) of this section, for a control period in a year prior to the year for which the NO<sub>x</sub> allowance was allocated.

(6) A NO<sub>x</sub> allowance allocated by the permitting authority or the Administrator under the NO<sub>x</sub> Budget Trading Program is a limited authorization to emit one ton of nitrogen oxides in accordance with the NO<sub>x</sub> Budget Trading Program. No provision of the NO<sub>x</sub> Budget Trading Program, the NO<sub>x</sub> Budget permit application, the NO<sub>x</sub> Budget permit, or an exemption under § 96.5 and no provision of law shall be construed to limit the authority of the United States or the State to terminate or limit such authorization.

(7) A NO<sub>x</sub> allowance allocated by the permitting authority or the Administrator under the NO<sub>x</sub> Budget Trading Program does not constitute a property right.

(8) Upon recordation by the Administrator under subpart F, G, or I of this part, every allocation, transfer, or deduction of a NO<sub>x</sub> allowance to or from a NO<sub>x</sub> Budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, any NO<sub>x</sub> Budget permit of the NO<sub>x</sub> Budget unit by operation of law without any further review.

(d) *Excess emissions requirements.* (1) The owners and operators of a NO<sub>x</sub> Budget unit that has excess emissions in any control period shall:

(i) Surrender the NO<sub>x</sub> allowances required for deduction under § 96.54(d)(1); and

(ii) Pay any fine, penalty, or assessment or comply with any other remedy imposed under § 96.54(d)(3).

(e) *Recordkeeping and Reporting requirements.* (1) Unless otherwise provided, the owners and operators of the NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the

date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the permitting authority or the Administrator.

(i) The account certificate of representation for the NO<sub>x</sub> authorized account representative for the source and each NO<sub>x</sub> Budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with § 96.13; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new account certificate of representation changing the NO<sub>x</sub> authorized account representative.

(ii) All emissions monitoring information, in accordance with subpart H of this part; provided that to the extent that subpart H of this part provides for a 3-year period for record-keeping, the 3-year period shall apply.

(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO<sub>x</sub> Budget Trading Program.

(iv) Copies of all documents used to complete a NO<sub>x</sub> Budget permit application and any other submission under the NO<sub>x</sub> Budget Trading Program or to demonstrate compliance with the requirements of the NO<sub>x</sub> Budget Trading Program.

(2) The NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall submit the reports and compliance certifications required under the NO<sub>x</sub> Budget Trading Program, including those under subparts D, H, or I of this part.

(f) *Liability.* (1) Any person who knowingly violates any requirement or prohibition of the NO<sub>x</sub> Budget Trading Program, a NO<sub>x</sub> Budget permit, or an exemption under § 96.5 shall be subject to enforcement pursuant to applicable State or Federal law.

(2) Any person who knowingly makes a false material statement in any record, submission, or report under the NO<sub>x</sub> Budget Trading Program shall be subject to criminal enforcement pursuant to the applicable State or Federal law.

(3) No permit revision shall excuse any violation of the requirements of the NO<sub>x</sub> Budget Trading Program that occurs prior to the date that the revision takes effect.

(4) Each NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit shall meet the requirements of the NO<sub>x</sub> Budget Trading Program.

(5) Any provision of the NO<sub>x</sub> Budget Trading Program that applies to a NO<sub>x</sub> Budget source (including a provision applicable to the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget source) shall also apply to the owners and operators of such source and of the NO<sub>x</sub> Budget units at the source.

(6) Any provision of the NO<sub>x</sub> Budget Trading Program that applies to a NO<sub>x</sub> Budget unit (including a provision applicable to the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> budget unit) shall also apply to the owners and operators of such unit. Except with regard to the requirements applicable to units with a common stack under subpart H of this part, the owners and operators and the NO<sub>x</sub> authorized account representative of one NO<sub>x</sub> Budget unit shall not be liable for any violation by any other NO<sub>x</sub> Budget unit of which they are not owners or operators or the NO<sub>x</sub> authorized account representative and that is located at a source of which they are not owners or operators or the NO<sub>x</sub> authorized account representative.

(g) *Effect on other authorities.* No provision of the NO<sub>x</sub> Budget Trading Program, a NO<sub>x</sub> Budget permit application, a NO<sub>x</sub> Budget permit, or an exemption under § 96.5 shall be construed as exempting or excluding the owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget source or NO<sub>x</sub> Budget unit from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the CAA.

#### § 96.7 Computation of time.

(a) Unless otherwise stated, any time period scheduled, under the NO<sub>x</sub> Budget Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

(b) Unless otherwise stated, any time period scheduled, under the NO<sub>x</sub> Budget Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

(c) Unless otherwise stated, if the final day of any time period, under the NO<sub>x</sub> Budget Trading Program, falls on a weekend or a State or Federal holiday, the time period shall be extended to the next business day.

### **Subpart B—NO<sub>x</sub> Authorized Account Representative for NO<sub>x</sub> Budget Sources**

#### **§ 96.10 Authorization and responsibilities of the NO<sub>x</sub> authorized account representative.**

(a) Except as provided under § 96.11, each NO<sub>x</sub> Budget source, including all NO<sub>x</sub> Budget units at the source, shall have one and only one NO<sub>x</sub> authorized account representative, with regard to all matters under the NO<sub>x</sub> Budget Trading Program concerning the source or any NO<sub>x</sub> Budget unit at the source.

(b) The NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> Budget source shall be selected by an agreement binding on the owners and operators of the source and all NO<sub>x</sub> Budget units at the source.

(c) Upon receipt by the Administrator of a complete account certificate of representation under § 96.13, the NO<sub>x</sub> authorized account representative of the source shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each owner and operator of the NO<sub>x</sub> Budget source represented and each NO<sub>x</sub> Budget unit at the source in all matters pertaining to the NO<sub>x</sub> Budget Trading Program, not withstanding any agreement between the NO<sub>x</sub> authorized account representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the NO<sub>x</sub> authorized account representative by the permitting authority, the Administrator, or a court regarding the source or unit.

(d) No NO<sub>x</sub> Budget permit shall be issued, and no NO<sub>x</sub> Allowance Tracking System account shall be established for

a NO<sub>x</sub> Budget unit at a source, until the Administrator has received a complete account certificate of representation under § 96.13 for a NO<sub>x</sub> authorized account representative of the source and the NO<sub>x</sub> Budget units at the source.

(e)(1) Each submission under the NO<sub>x</sub> Budget Trading Program shall be submitted, signed, and certified by the NO<sub>x</sub> authorized account representative for each NO<sub>x</sub> Budget source on behalf of which the submission is made. Each such submission shall include the following certification statement by the NO<sub>x</sub> authorized account representative: “I am authorized to make this submission on behalf of the owners and operators of the NO<sub>x</sub> Budget sources or NO<sub>x</sub> Budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.”

(2) The permitting authority and the Administrator will accept or act on a submission made on behalf of owner or operators of a NO<sub>x</sub> Budget source or a NO<sub>x</sub> Budget unit only if the submission has been made, signed, and certified in accordance with paragraph (e)(1) of this section.

#### **§ 96.11 Alternate NO<sub>x</sub> authorized account representative.**

(a) An account certificate of representation may designate one and only one alternate NO<sub>x</sub> authorized account representative who may act on behalf of the NO<sub>x</sub> authorized account representative. The agreement by which the alternate NO<sub>x</sub> authorized account representative is selected shall include a procedure for authorizing the alternate NO<sub>x</sub> authorized account representative to act in lieu of the NO<sub>x</sub> authorized account representative.

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(b) Upon receipt by the Administrator of a complete account certificate of representation under § 96.13, any representation, action, inaction, or submission by the alternate NO<sub>x</sub> authorized account representative shall be deemed to be a representation, action, inaction, or submission by the NO<sub>x</sub> authorized account representative.

(c) Except in this section and §§ 96.10(a), 96.12, 96.13, and 96.51, whenever the term “NO<sub>x</sub> authorized account representative” is used in this part, the term shall be construed to include the alternate NO<sub>x</sub> authorized account representative.

### **§ 96.12 Changing the NO<sub>x</sub> authorized account representative and the alternate NO<sub>x</sub> authorized account representative; changes in the owners and operators.**

(a) *Changing the NO<sub>x</sub> authorized account representative.* The NO<sub>x</sub> authorized account representative may be changed at any time upon receipt by the Administrator of a superseding complete account certificate of representation under § 96.13. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous NO<sub>x</sub> authorized account representative prior to the time and date when the Administrator receives the superseding account certificate of representation shall be binding on the new NO<sub>x</sub> authorized account representative and the owners and operators of the NO<sub>x</sub> Budget source and the NO<sub>x</sub> Budget units at the source.

(b) Changing the alternate NO<sub>x</sub> authorized account representative. The alternate NO<sub>x</sub> authorized account representative may be changed at any time upon receipt by the Administrator of a superseding complete account certificate of representation under § 96.13. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate NO<sub>x</sub> authorized account representative prior to the time and date when the Administrator receives the superseding account certificate of representation shall be binding on the new alternate NO<sub>x</sub> authorized account representative and the owners and operators of the NO<sub>x</sub> Budget source and the NO<sub>x</sub> Budget units at the source.

(c) *Changes in the owners and operators.* (1) In the event a new owner or operator of a NO<sub>x</sub> Budget source or a NO<sub>x</sub> Budget unit is not included in the list of owners and operators submitted in the account certificate of representation, such new owner or operator shall be deemed to be subject to and bound by the account certificate of representation, the representations, actions, inactions, and submissions of the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative of the source or unit, and the decisions, orders, actions, and inactions of the permitting authority or the Administrator, as if the new owner or operator were included in such list.

(2) Within 30 days following any change in the owners and operators of a NO<sub>x</sub> Budget source or a NO<sub>x</sub> Budget unit, including the addition of a new owner or operator, the NO<sub>x</sub> authorized account representative or alternate NO<sub>x</sub> authorized account representative shall submit a revision to the account certificate of representation amending the list of owners and operators to include the change.

### **§ 96.13 Account certificate of representation.**

(a) A complete account certificate of representation for a NO<sub>x</sub> authorized account representative or an alternate NO<sub>x</sub> authorized account representative shall include the following elements in a format prescribed by the Administrator:

(1) Identification of the NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source for which the account certificate of representation is submitted.

(2) The name, address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative.

(3) A list of the owners and operators of the NO<sub>x</sub> Budget source and of each NO<sub>x</sub> Budget unit at the source.

(4) The following certification statement by the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative: “I certify that I was selected as the NO<sub>x</sub> authorized account representative or



alternate NO<sub>x</sub> authorized account representative, as applicable, by an agreement binding on the owners and operators of the NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source. I certify that I have all the necessary authority to carry out my duties and responsibilities under the NO<sub>x</sub> Budget Trading Program on behalf of the owners and operators of the NO<sub>x</sub> Budget source and of each NO<sub>x</sub> Budget unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions and by any decision or order issued to me by the permitting authority, the Administrator, or a court regarding the source or unit.”

(5) The signature of the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative and the dates signed.

(b) Unless otherwise required by the permitting authority or the Administrator, documents of agreement referred to in the account certificate of representation shall not be submitted to the permitting authority or the Administrator. Neither the permitting authority nor the Administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

**§ 96.14 Objections concerning the NO<sub>x</sub> authorized account representative.**

(a) Once a complete account certificate of representation under § 96.13 has been submitted and received, the permitting authority and the Administrator will rely on the account certificate of representation unless and until a superseding complete account certificate of representation under § 96.13 is received by the Administrator.

(b) Except as provided in § 96.12(a) or (b), no objection or other communication submitted to the permitting authority or the Administrator concerning the authorization, or any representation, action, inaction, or submission of the NO<sub>x</sub> authorized account representative shall affect any representation, action, inaction, or submission of the NO<sub>x</sub> authorized account representative or the finality of any decision or order by the permitting authority or the Administrator under the NO<sub>x</sub> Budget Trading Program.

(c) Neither the permitting authority nor the Administrator will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any NO<sub>x</sub> authorized account representative, including private legal disputes concerning the proceeds of NO<sub>x</sub> allowance transfers.

**Subpart C—Permits**

**§ 96.20 General NO<sub>x</sub> Budget trading program permit requirements.**

(a) For each NO<sub>x</sub> Budget source required to have a federally enforceable permit, such permit shall include a NO<sub>x</sub> Budget permit administered by the permitting authority.

(1) For NO<sub>x</sub> Budget sources required to have a title V operating permit, the NO<sub>x</sub> Budget portion of the title V permit shall be administered in accordance with the permitting authority's title V operating permits regulations promulgated under part 70 or 71 of this chapter, except as provided otherwise by this subpart or subpart I of this part. The applicable provisions of such title V operating permits regulations shall include, but are not limited to, those provisions addressing operating permit applications, operating permit application shield, operating permit duration, operating permit shield, operating permit issuance, operating permit revision and reopening, public participation, State review, and review by the Administrator.

(2) For NO<sub>x</sub> Budget sources required to have a non-title V permit, the NO<sub>x</sub> Budget portion of the non-title V permit shall be administered in accordance with the permitting authority's regulations promulgated to administer non-title V permits, except as provided otherwise by this subpart or subpart I of this part. The applicable provisions of such non-title V permits regulations may include, but are not limited to, provisions addressing permit applications, permit application shield, permit duration, permit shield, permit issuance, permit revision and reopening, public participation, State review, and review by the Administrator.

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(b) Each NO<sub>x</sub> Budget permit (including a draft or proposed NO<sub>x</sub> Budget permit, if applicable) shall contain all applicable NO<sub>x</sub> Budget Trading Program requirements and shall be a complete and segregable portion of the permit under paragraph (a) of this section.

### § 96.21 Submission of NO<sub>x</sub> Budget permit applications.

(a) *Duty to apply.* The NO<sub>x</sub> authorized account representative of any NO<sub>x</sub> Budget source required to have a federally enforceable permit shall submit to the permitting authority a complete NO<sub>x</sub> Budget permit application under § 96.22 by the applicable deadline in paragraph (b) of this section.

(b)(1) For NO<sub>x</sub> Budget sources required to have a title V operating permit:

(i) For any source, with one or more NO<sub>x</sub> Budget units under § 96.4 that commence operation before January 1, 2000, the NO<sub>x</sub> authorized account representative shall submit a complete NO<sub>x</sub> Budget permit application under § 96.22 covering such NO<sub>x</sub> Budget units to the permitting authority at least 18 months (or such lesser time provided under the permitting authority's title V operating permits regulations for final action on a permit application) before May 1, 2003.

(ii) For any source, with any NO<sub>x</sub> Budget unit under § 96.4 that commences operation on or after January 1, 2000, the NO<sub>x</sub> authorized account representative shall submit a complete NO<sub>x</sub> Budget permit application under § 96.22 covering such NO<sub>x</sub> Budget unit to the permitting authority at least 18 months (or such lesser time provided under the permitting authority's title V operating permits regulations for final action on a permit application) before the later of May 1, 2003 or the date on which the NO<sub>x</sub> Budget unit commences operation.

(2) For NO<sub>x</sub> Budget sources required to have a non-title V permit:

(i) For any source, with one or more NO<sub>x</sub> Budget units under § 96.4 that commence operation before January 1, 2000, the NO<sub>x</sub> authorized account representative shall submit a complete NO<sub>x</sub> Budget permit application under § 96.22 covering such NO<sub>x</sub> Budget units to the permitting authority at least 18

months (or such lesser time provided under the permitting authority's non-title V permits regulations for final action on a permit application) before May 1, 2003.

(ii) For any source, with any NO<sub>x</sub> Budget unit under § 96.4 that commences operation on or after January 1, 2000, the NO<sub>x</sub> authorized account representative shall submit a complete NO<sub>x</sub> Budget permit application under § 96.22 covering such NO<sub>x</sub> Budget unit to the permitting authority at least 18 months (or such lesser time provided under the permitting authority's non-title V permits regulations for final action on a permit application) before the later of May 1, 2003 or the date on which the NO<sub>x</sub> Budget unit commences operation.

(c) *Duty to reapply.* (1) For a NO<sub>x</sub> Budget source required to have a title V operating permit, the NO<sub>x</sub> authorized account representative shall submit a complete NO<sub>x</sub> Budget permit application under § 96.22 for the NO<sub>x</sub> Budget source covering the NO<sub>x</sub> Budget units at the source in accordance with the permitting authority's title V operating permits regulations addressing operating permit renewal.

(2) For a NO<sub>x</sub> Budget source required to have a non-title V permit, the NO<sub>x</sub> authorized account representative shall submit a complete NO<sub>x</sub> Budget permit application under § 96.22 for the NO<sub>x</sub> Budget source covering the NO<sub>x</sub> Budget units at the source in accordance with the permitting authority's non-title V permits regulations addressing permit renewal.

### § 96.22 Information requirements for NO<sub>x</sub> Budget permit applications.

A complete NO<sub>x</sub> Budget permit application shall include the following elements concerning the NO<sub>x</sub> Budget source for which the application is submitted, in a format prescribed by the permitting authority:

(a) Identification of the NO<sub>x</sub> Budget source, including plant name and the ORIS (Office of Regulatory Information Systems) or facility code assigned to the source by the Energy Information Administration, if applicable;

(b) Identification of each NO<sub>x</sub> Budget unit at the NO<sub>x</sub> Budget source and

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whether it is a NO<sub>x</sub> Budget unit under § 96.4 or under subpart I of this part;

(c) The standard requirements under § 96.6; and

(d) For each NO<sub>x</sub> Budget opt-in unit at the NO<sub>x</sub> Budget source, the following certification statements by the NO<sub>x</sub> authorized account representative:

(1) “I certify that each unit for which this permit application is submitted under subpart I of this part is not a NO<sub>x</sub> Budget unit under 40 CFR 96.4 and is not covered by a retired unit exemption under 40 CFR 96.5 that is in effect.”

(2) If the application is for an initial NO<sub>x</sub> Budget opt-in permit, “I certify that each unit for which this permit application is submitted under subpart I is currently operating, as that term is defined under 40 CFR 96.2.”

## § 96.23 NO<sub>x</sub> Budget permit contents.

(a) Each NO<sub>x</sub> Budget permit (including any draft or proposed NO<sub>x</sub> Budget permit, if applicable) will contain, in a format prescribed by the permitting authority, all elements required for a complete NO<sub>x</sub> Budget permit application under § 96.22 as approved or adjusted by the permitting authority.

(b) Each NO<sub>x</sub> Budget permit is deemed to incorporate automatically the definitions of terms under § 96.2 and, upon recordation by the Administrator under subparts F, G, or I of this part, every allocation, transfer, or deduction of a NO<sub>x</sub> allowance to or from the compliance accounts of the NO<sub>x</sub> Budget units covered by the permit or the overdraft account of the NO<sub>x</sub> Budget source covered by the permit.

## § 96.24 Effective date of initial NO<sub>x</sub> Budget permit.

The initial NO<sub>x</sub> Budget permit covering a NO<sub>x</sub> Budget unit for which a complete NO<sub>x</sub> Budget permit application is timely submitted under § 96.21(b) shall become effective by the later of:

(a) May 1, 2003;

(b) May 1 of the year in which the NO<sub>x</sub> Budget unit commences operation, if the unit commences operation on or before May 1 of that year;

(c) The date on which the NO<sub>x</sub> Budget unit commences operation, if the unit commences operation during a control period; or

(d) May 1 of the year following the year in which the NO<sub>x</sub> Budget unit commences operation, if the unit commences operation on or after October 1 of the year.

## § 96.25 NO<sub>x</sub> Budget permit revisions.

(a) For a NO<sub>x</sub> Budget source with a title V operating permit, except as provided in § 96.23(b), the permitting authority will revise the NO<sub>x</sub> Budget permit, as necessary, in accordance with the permitting authority's title V operating permits regulations addressing permit revisions.

(b) For a NO<sub>x</sub> Budget source with a non-title V permit, except as provided in § 96.23(b), the permitting authority will revise the NO<sub>x</sub> Budget permit, as necessary, in accordance with the permitting authority's non-title V permits regulations addressing permit revisions.

## Subpart D—Compliance Certification

### § 96.30 Compliance certification report.

(a) *Applicability and deadline.* For each control period in which one or more NO<sub>x</sub> Budget units at a source are subject to the NO<sub>x</sub> Budget emissions limitation, the NO<sub>x</sub> authorized account representative of the source shall submit to the permitting authority and the Administrator by November 30 of that year, a compliance certification report for each source covering all such units.

(b) *Contents of report.* The NO<sub>x</sub> authorized account representative shall include in the compliance certification report under paragraph (a) of this section the following elements, in a format prescribed by the Administrator, concerning each unit at the source and subject to the NO<sub>x</sub> Budget emissions limitation for the control period covered by the report:

(1) Identification of each NO<sub>x</sub> Budget unit;

(2) At the NO<sub>x</sub> authorized account representative's option, the serial numbers of the NO<sub>x</sub> allowances that are to be deducted from each unit's compliance account under § 96.54 for the control period;

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(3) At the NO<sub>x</sub> authorized account representative's option, for units sharing a common stack and having NO<sub>x</sub> emissions that are not monitored separately or apportioned in accordance with subpart H of this part, the percentage of allowances that is to be deducted from each unit's compliance account under § 96.54(e); and

(4) The compliance certification under paragraph (c) of this section.

(c) *Compliance certification.* In the compliance certification report under paragraph (a) of this section, the NO<sub>x</sub> authorized account representative shall certify, based on reasonable inquiry of those persons with primary responsibility for operating the source and the NO<sub>x</sub> Budget units at the source in compliance with the NO<sub>x</sub> Budget Trading Program, whether each NO<sub>x</sub> Budget unit for which the compliance certification is submitted was operated during the calendar year covered by the report in compliance with the requirements of the NO<sub>x</sub> Budget Trading Program applicable to the unit, including:

(1) Whether the unit was operated in compliance with the NO<sub>x</sub> Budget emissions limitation;

(2) Whether the monitoring plan that governs the unit has been maintained to reflect the actual operation and monitoring of the unit, and contains all information necessary to attribute NO<sub>x</sub> emissions to the unit, in accordance with subpart H of this part;

(3) Whether all the NO<sub>x</sub> emissions from the unit, or a group of units (including the unit) using a common stack, were monitored or accounted for through the missing data procedures and reported in the quarterly monitoring reports, including whether conditional data were reported in the quarterly reports in accordance with subpart H of this part. If conditional data were reported, the owner or operator shall indicate whether the status of all conditional data has been resolved and all necessary quarterly report resubmissions has been made;

(4) Whether the facts that form the basis for certification under subpart H of this part of each monitor at the unit or a group of units (including the unit) using a common stack, or for using an excepted monitoring method or alter-

native monitoring method approved under subpart H of this part, if any, has changed; and

(5) If a change is required to be reported under paragraph (c)(4) of this section, specify the nature of the change, the reason for the change, when the change occurred, and how the unit's compliance status was determined subsequent to the change, including what method was used to determine emissions when a change mandated the need for monitor recertification.

### § 96.31 Permitting authority's and Administrator's action on compliance certifications.

(a) The permitting authority or the Administrator may review and conduct independent audits concerning any compliance certification or any other submission under the NO<sub>x</sub> Budget Trading Program and make appropriate adjustments of the information in the compliance certifications or other submissions.

(b) The Administrator may deduct NO<sub>x</sub> allowances from or transfer NO<sub>x</sub> allowances to a unit's compliance account or a source's overdraft account based on the information in the compliance certifications or other submissions, as adjusted under paragraph (a) of this section.

## Subpart E—NO<sub>x</sub> Allowance Allocations

### § 96.40 State trading program budget.

The State trading program budget allocated by the permitting authority under § 96.42 for a control period will equal the total number of tons of NO<sub>x</sub> emissions apportioned to the NO<sub>x</sub> Budget units under § 96.4 in the State for the control period, as determined by the applicable, approved State implementation plan.

### § 96.41 Timing requirements for NO<sub>x</sub> allowance allocations.

(a) By September 30, 1999, the permitting authority will submit to the Administrator the NO<sub>x</sub> allowance allocations, in accordance with § 96.42, for the control periods in 2003, 2004, and 2005.

(b) By April 1, 2003 and April 1 of each year thereafter, the permitting authority will submit to the Administrator the NO<sub>x</sub> allowance allocations, in accordance with § 96.42, for the control period in the year that is three years after the year of the applicable deadline for submission under this paragraph (b). If the permitting authority fails to submit to the Administrator the NO<sub>x</sub> allowance allocations in accordance with this paragraph (b), the Administrator will allocate, for the applicable control period, the same number of NO<sub>x</sub> allowances as were allocated for the preceding control period.

(c) By April 1, 2004 and April 1 of each year thereafter, the permitting authority will submit to the Administrator the NO<sub>x</sub> allowance allocations, in accordance with § 96.42, for any NO<sub>x</sub> allowances remaining in the allocation set-aside for the prior control period.

**§ 96.42 NO<sub>x</sub> allowance allocations.**

(a)(1) The heat input (in mmBtu) used for calculating NO<sub>x</sub> allowance allocations for each NO<sub>x</sub> Budget unit under § 96.4 will be:

(i) For a NO<sub>x</sub> allowance allocation under § 96.41(a), the average of the two highest amounts of the unit's heat input for the control periods in 1995, 1996, and 1997 if the unit is under § 96.4(a)(1) or the control period in 1995 if the unit is under § 96.4(a)(2); and

(ii) For a NO<sub>x</sub> allowance allocation under § 96.41(b), the unit's heat input for the control period in the year that is four years before the year for which the NO<sub>x</sub> allocation is being calculated.

(2) The unit's total heat input for the control period in each year specified under paragraph (a)(1) of this section will be determined in accordance with part 75 of this chapter if the NO<sub>x</sub> Budget unit was otherwise subject to the requirements of part 75 of this chapter for the year, or will be based on the best available data reported to the permitting authority for the unit if the unit was not otherwise subject to the requirements of part 75 of this chapter for the year.

(b) For each control period under § 96.41, the permitting authority will allocate to all NO<sub>x</sub> Budget units under § 96.4(a)(1) in the State that commenced operation before May 1 of the period

used to calculate heat input under paragraph (a)(1) of this section, a total number of NO<sub>x</sub> allowances equal to 95 percent in 2003, 2004, and 2005, or 98 percent thereafter, of the tons of NO<sub>x</sub> emissions in the State trading program budget apportioned to electric generating units under § 96.40 in accordance with the following procedures:

(1) The permitting authority will allocate NO<sub>x</sub> allowances to each NO<sub>x</sub> Budget unit under § 96.4(a)(1) in an amount equaling 0.15 lb/mmBtu multiplied by the heat input determined under paragraph (a) of this section, rounded to the nearest whole NO<sub>x</sub> allowance as appropriate.

(2) If the initial total number of NO<sub>x</sub> allowances allocated to all NO<sub>x</sub> Budget units under § 96.4(a)(1) in the State for a control period under paragraph (b)(1) of this section does not equal 95 percent in 2003, 2004, and 2005, or 98 percent thereafter, of the number of tons of NO<sub>x</sub> emissions in the State trading program budget apportioned to electric generating units, the permitting authority will adjust the total number of NO<sub>x</sub> allowances allocated to all such NO<sub>x</sub> Budget units for the control period under paragraph (b)(1) of this section so that the total number of NO<sub>x</sub> allowances allocated equals 95 percent in 2003, 2004, and 2005, or 98 percent thereafter, of the number of tons of NO<sub>x</sub> emissions in the State trading program budget apportioned to electric generating units. This adjustment will be made by: multiplying each unit's allocation by 95 percent in 2003, 2004, and 2005, or 98 percent thereafter, of the number of tons of NO<sub>x</sub> emissions in the State trading program budget apportioned to electric generating units divided by the total number of NO<sub>x</sub> allowances allocated under paragraph (b)(1) of this section, and rounding to the nearest whole NO<sub>x</sub> allowance as appropriate.

(c) For each control period under § 96.41, the permitting authority will allocate to all NO<sub>x</sub> Budget units under § 96.4(a)(2) in the State that commenced operation before May 1 of the period used to calculate heat input under paragraph (a)(1) of this section, a total number of NO<sub>x</sub> allowances equal to 95 percent in 2003, 2004, and 2005, or 98 percent thereafter, of the tons of NO<sub>x</sub>

emissions in the State trading program budget apportioned to non-electric generating units under §96.40 in accordance with the following procedures:

(1) The permitting authority will allocate NO<sub>x</sub> allowances to each NO<sub>x</sub> Budget unit under §96.4(a)(2) in an amount equaling 0.17 lb/mmBtu multiplied by the heat input determined under paragraph (a) of this section, rounded to the nearest whole NO<sub>x</sub> allowance as appropriate.

(2) If the initial total number of NO<sub>x</sub> allowances allocated to all NO<sub>x</sub> Budget units under §96.4(a)(2) in the State for a control period under paragraph (c)(1) of this section does not equal 95 percent in 2003, 2004, and 2005, or 98 percent thereafter, of the number of tons of NO<sub>x</sub> emissions in the State trading program budget apportioned to non-electric generating units, the permitting authority will adjust the total number of NO<sub>x</sub> allowances allocated to all such NO<sub>x</sub> Budget units for the control period under paragraph (c)(1) of this section so that the total number of NO<sub>x</sub> allowances allocated equals 95 percent in 2003, 2004, and 2005, or 98 percent thereafter, of the number of tons of NO<sub>x</sub> emissions in the State trading program budget apportioned to non-electric generating units. This adjustment will be made by: multiplying each unit's allocation by 95 percent in 2003, 2004, and 2005, or 98 percent thereafter, of the number of tons of NO<sub>x</sub> emissions in the State trading program budget apportioned to non-electric generating units divided by the total number of NO<sub>x</sub> allowances allocated under paragraph (c)(1) of this section, and rounding to the nearest whole NO<sub>x</sub> allowance as appropriate.

(d) For each control period under §96.41, the permitting authority will allocate NO<sub>x</sub> allowances to NO<sub>x</sub> Budget units under §96.4 in the State that commenced operation, or is projected to commence operation, on or after May 1 of the period used to calculate heat input under paragraph (a)(1) of this section, in accordance with the following procedures:

(1) The permitting authority will establish one allocation set-aside for each control period. Each allocation set-aside will be allocated NO<sub>x</sub> allowances equal to 5 percent in 2003, 2004,

and 2005, or 2 percent thereafter, of the tons of NO<sub>x</sub> emissions in the State trading program budget under §96.40, rounded to the nearest whole NO<sub>x</sub> allowance as appropriate.

(2) The NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget unit under paragraph (d) of this section may submit to the permitting authority a request, in writing or in a format specified by the permitting authority, to be allocated NO<sub>x</sub> allowances for no more than five consecutive control periods under §96.41, starting with the control period during which the NO<sub>x</sub> Budget unit commenced, or is projected to commence, operation and ending with the control period preceding the control period for which it will receive an allocation under paragraph (b) or (c) of this section. The NO<sub>x</sub> allowance allocation request must be submitted prior to May 1 of the first control period for which the NO<sub>x</sub> allowance allocation is requested and after the date on which the permitting authority issues a permit to construct the NO<sub>x</sub> Budget unit.

(3) In a NO<sub>x</sub> allowance allocation request under paragraph (d)(2) of this section, the NO<sub>x</sub> authorized account representative for units under §96.4(a)(1) may request for a control period NO<sub>x</sub> allowances in an amount that does not exceed 0.15 lb/mmBtu multiplied by the NO<sub>x</sub> Budget unit's maximum design heat input (in mmBtu/hr) multiplied by the number of hours remaining in the control period starting with the first day in the control period on which the unit operated or is projected to operate.

(4) In a NO<sub>x</sub> allowance allocation request under paragraph (d)(2) of this section, the NO<sub>x</sub> authorized account representative for units under §96.4(a)(2) may request for a control period NO<sub>x</sub> allowances in an amount that does not exceed 0.17 lb/mmBtu multiplied by the NO<sub>x</sub> Budget unit's maximum design heat input (in mmBtu/hr) multiplied by the number of hours remaining in the control period starting with the first day in the control period on which the unit operated or is projected to operate.

(5) The permitting authority will review, and allocate NO<sub>x</sub> allowances pursuant to, each NO<sub>x</sub> allowance allocation request under paragraph (d)(2) of

this section in the order that the request is received by the permitting authority.

(i) Upon receipt of the NO<sub>x</sub> allowance allocation request, the permitting authority will determine whether, and will make any necessary adjustments to the request to ensure that, for units under § 96.4(a)(1), the control period and the number of allowances specified are consistent with the requirements of paragraphs (d)(2) and (3) of this section and, for units under § 96.4(a)(2), the control period and the number of allowances specified are consistent with the requirements of paragraphs (d)(2) and (4) of this section.

(ii) If the allocation set-aside for the control period for which NO<sub>x</sub> allowances are requested has an amount of NO<sub>x</sub> allowances not less than the number requested (as adjusted under paragraph (d)(5)(i) of this section), the permitting authority will allocate the amount of the NO<sub>x</sub> allowances requested (as adjusted under paragraph (d)(5)(i) of this section) to the NO<sub>x</sub> Budget unit.

(iii) If the allocation set-aside for the control period for which NO<sub>x</sub> allowances are requested has a smaller amount of NO<sub>x</sub> allowances than the number requested (as adjusted under paragraph (d)(5)(i) of this section), the permitting authority will deny in part the request and allocate only the remaining number of NO<sub>x</sub> allowances in the allocation set-aside to the NO<sub>x</sub> Budget unit.

(iv) Once an allocation set-aside for a control period has been depleted of all NO<sub>x</sub> allowances, the permitting authority will deny, and will not allocate any NO<sub>x</sub> allowances pursuant to, any NO<sub>x</sub> allowance allocation request under which NO<sub>x</sub> allowances have not already been allocated for the control period.

(6) Within 60 days of receipt of a NO<sub>x</sub> allowance allocation request, the permitting authority will take appropriate action under paragraph (d)(5) of this section and notify the NO<sub>x</sub> authorized account representative that submitted the request and the Administrator of the number of NO<sub>x</sub> allowances (if any) allocated for the control period to the NO<sub>x</sub> Budget unit.

(e) For a NO<sub>x</sub> Budget unit that is allocated NO<sub>x</sub> allowances under paragraph (d) of this section for a control period, the Administrator will deduct NO<sub>x</sub> allowances under § 96.54(b) or (e) to account for the actual utilization of the unit during the control period. The Administrator will calculate the number of NO<sub>x</sub> allowances to be deducted to account for the unit's actual utilization using the following formulas and rounding to the nearest whole NO<sub>x</sub> allowance as appropriate, provided that the number of NO<sub>x</sub> allowances to be deducted shall be zero if the number calculated is less than zero:

NO<sub>x</sub> allowances deducted for actual utilization for units under § 96.4(a)(1) = (Unit's NO<sub>x</sub> allowances allocated for control period) – (Unit's actual control period utilization × 0.15 lb/mmBtu); and

NO<sub>x</sub> allowances deducted for actual utilization for units under § 96.4(a)(2) = (Unit's NO<sub>x</sub> allowances allocated for control period) – (Unit's actual control period utilization × 0.17 lb/mmBtu)

Where:

“Unit's NO<sub>x</sub> allowances allocated for control period” is the number of NO<sub>x</sub> allowances allocated to the unit for the control period under paragraph (d) of this section; and

“Unit's actual control period utilization” is the utilization (in mmBtu), as defined in § 96.2, of the unit during the control period.

(f) After making the deductions for compliance under § 96.54(b) or (e) for a control period, the Administrator will notify the permitting authority whether any NO<sub>x</sub> allowances remain in the allocation set-aside for the control period. The permitting authority will allocate any such NO<sub>x</sub> allowances to the NO<sub>x</sub> Budget units in the State using the following formula and rounding to the nearest whole NO<sub>x</sub> allowance as appropriate:

Unit's share of NO<sub>x</sub> allowances remaining in allocation set-aside = Total NO<sub>x</sub> allowances remaining in allocation set-aside × (Unit's NO<sub>x</sub> allowance allocation ÷ State trading program budget excluding allocation set-aside)

Where:

“Total NO<sub>x</sub> allowances remaining in allocation set-aside” is the total number of NO<sub>x</sub> allowances remaining in the allocation set-aside for the control period to which the allocation set-aside applies;

“Unit’s NO<sub>x</sub> allowance allocation” is the number of NO<sub>x</sub> allowances allocated under paragraph (b) or (c) of this section to the unit for the control period to which the allocation set-aside applies; and

“State trading program budget excluding allocation set-aside” is the State trading program budget under § 96.40 for the control period to which the allocation set-aside applies multiplied by 95 percent if the control period is in 2003, 2004, or 2005 or 98 percent if the control period is in any year thereafter, rounded to the nearest whole NO<sub>x</sub> allowance as appropriate.

[63 FR 57514, Oct. 27, 1998, as amended at 63 FR 71225, Dec. 24, 1998]

### Subpart F—NO<sub>x</sub> Allowance Tracking System

#### § 96.50 NO<sub>x</sub> Allowance Tracking System accounts.

(a) *Nature and function of compliance accounts and overdraft accounts.* Consistent with § 96.51(a), the Administrator will establish one compliance account for each NO<sub>x</sub> Budget unit and one overdraft account for each source with one or more NO<sub>x</sub> Budget units. Allocations of NO<sub>x</sub> allowances pursuant to subpart E of this part or § 96.88 and deductions or transfers of NO<sub>x</sub> allowances pursuant to § 96.31, § 96.54, § 96.56, subpart G of this part, or subpart I of this part will be recorded in the compliance accounts or overdraft accounts in accordance with this subpart.

(b) *Nature and function of general accounts.* Consistent with § 96.51(b), the Administrator will establish, upon request, a general account for any person. Transfers of allowances pursuant to subpart G of this part will be recorded in the general account in accordance with this subpart.

#### § 96.51 Establishment of accounts.

(a) *Compliance accounts and overdraft accounts.* Upon receipt of a complete account certificate of representation under § 96.13, the Administrator will establish:

(1) A compliance account for each NO<sub>x</sub> Budget unit for which the account

certificate of representation was submitted; and

(2) An overdraft account for each source for which the account certificate of representation was submitted and that has two or more NO<sub>x</sub> Budget units.

(b) *General accounts.* (1) Any person may apply to open a general account for the purpose of holding and transferring allowances. A complete application for a general account shall be submitted to the Administrator and shall include the following elements in a format prescribed by the Administrator:

(i) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative;

(ii) At the option of the NO<sub>x</sub> authorized account representative, organization name and type of organization;

(iii) A list of all persons subject to a binding agreement for the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative to represent their ownership interest with respect to the allowances held in the general account;

(iv) The following certification statement by the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative: “I certify that I was selected as the NO<sub>x</sub> authorized account representative or the NO<sub>x</sub> alternate authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the NO<sub>x</sub> Budget Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the Administrator or a court regarding the general account.”

(v) The signature of the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative and the dates signed.



(vi) Unless otherwise required by the permitting authority or the Administrator, documents of agreement referred to in the account certificate of representation shall not be submitted to the permitting authority or the Administrator. Neither the permitting authority nor the Administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

(2) Upon receipt by the Administrator of a complete application for a general account under paragraph (b)(1) of this section:

(i) The Administrator will establish a general account for the person or persons for whom the application is submitted.

(ii) The NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative for the general account shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each person who has an ownership interest with respect to NO<sub>x</sub> allowances held in the general account in all matters pertaining to the NO<sub>x</sub> Budget Trading Program, not withstanding any agreement between the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative and such person. Any such person shall be bound by any order or decision issued to the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative by the Administrator or a court regarding the general account.

(iii) Each submission concerning the general account shall be submitted, signed, and certified by the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative for the persons having an ownership interest with respect to NO<sub>x</sub> allowances held in the general account. Each such submission shall include the following certification statement by the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative any: "I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the NO<sub>x</sub> allowances held in the general account. I certify under penalty of law that I have personally examined, and am fa-

miliar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information, including the possibility of fine or imprisonment."

(iv) The Administrator will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with paragraph (b)(2)(iii) of this section.

(3)(i) An application for a general account may designate one and only one NO<sub>x</sub> authorized account representative and one and only one alternate NO<sub>x</sub> authorized account representative who may act on behalf of the NO<sub>x</sub> authorized account representative. The agreement by which the alternate NO<sub>x</sub> authorized account representative is selected shall include a procedure for authorizing the alternate NO<sub>x</sub> authorized account representative to act in lieu of the NO<sub>x</sub> authorized account representative.

(ii) Upon receipt by the Administrator of a complete application for a general account under paragraph (b)(1) of this section, any representation, action, inaction, or submission by any alternate NO<sub>x</sub> authorized account representative shall be deemed to be a representation, action, inaction, or submission by the NO<sub>x</sub> authorized account representative.

(4)(i) The NO<sub>x</sub> authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous NO<sub>x</sub> authorized account representative prior to the time and date when the Administrator receives the superseding application for a general account shall be binding on the new NO<sub>x</sub> authorized account representative

and the persons with an ownership interest with respect to the allowances in the general account.

(ii) The alternate NO<sub>x</sub> authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate NO<sub>x</sub> authorized account representative prior to the time and date when the Administrator receives the superseding application for a general account shall be binding on the new alternate NO<sub>x</sub> authorized account representative and the persons with an ownership interest with respect to the allowances in the general account.

(iii)(A) In the event a new person having an ownership interest with respect to NO<sub>x</sub> allowances in the general account is not included in the list of such persons in the account certificate of representation, such new person shall be deemed to be subject to and bound by the account certificate of representation, the representation, actions, inactions, and submissions of the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative of the source or unit, and the decisions, orders, actions, and inactions of the Administrator, as if the new person were included in such list.

(B) Within 30 days following any change in the persons having an ownership interest with respect to NO<sub>x</sub> allowances in the general account, including the addition of persons, the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the NO<sub>x</sub> allowances in the general account to include the change.

(5)(i) Once a complete application for a general account under paragraph (b)(1) of this section has been submitted and received, the Administrator will rely on the application unless and until a superseding complete application for a general account under para-

graph (b)(1) of this section is received by the Administrator.

(ii) Except as provided in paragraph (b)(4) of this section, no objection or other communication submitted to the Administrator concerning the authorization, or any representation, action, inaction, or submission of the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative for a general account shall affect any representation, action, inaction, or submission of the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative or the finality of any decision or order by the Administrator under the NO<sub>x</sub> Budget Trading Program.

(iii) The Administrator will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative for a general account, including private legal disputes concerning the proceeds of NO<sub>x</sub> allowance transfers.

(c) *Account identification.* The Administrator will assign a unique identifying number to each account established under paragraph (a) or (b) of this section.

#### **§ 96.52 NO<sub>x</sub> Allowance Tracking System responsibilities of NO<sub>x</sub> authorized account representative.**

(a) Following the establishment of a NO<sub>x</sub> Allowance Tracking System account, all submissions to the Administrator pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of NO<sub>x</sub> allowances in the account, shall be made only by the NO<sub>x</sub> authorized account representative for the account.

(b) *Authorized account representative identification.* The Administrator will assign a unique identifying number to each NO<sub>x</sub> authorized account representative.

#### **§ 96.53 Recordation of NO<sub>x</sub> allowance allocations.**

(a) The Administrator will record the NO<sub>x</sub> allowances for 2003 in the NO<sub>x</sub> Budget units' compliance accounts and

the allocation set-asides, as allocated under subpart E of this part. The Administrator will also record the NO<sub>x</sub> allowances allocated under § 96.88(a)(1) for each NO<sub>x</sub> Budget opt-in source in its compliance account.

(b) Each year, after the Administrator has made all deductions from a NO<sub>x</sub> Budget unit's compliance account and the overdraft account pursuant to § 96.54, the Administrator will record NO<sub>x</sub> allowances, as allocated to the unit under subpart E of this part or under § 96.88(a)(2), in the compliance account for the year after the last year for which allowances were previously allocated to the compliance account. Each year, the Administrator will also record NO<sub>x</sub> allowances, as allocated under subpart E of this part, in the allocation set-aside for the year after the last year for which allowances were previously allocated to an allocation set-aside.

(c) *Serial numbers for allocated NO<sub>x</sub> allowances.* When allocating NO<sub>x</sub> allowances to and recording them in an account, the Administrator will assign each NO<sub>x</sub> allowance a unique identification number that will include digits identifying the year for which the NO<sub>x</sub> allowance is allocated.

**§ 96.54 Compliance.**

(a) *NO<sub>x</sub> allowance transfer deadline.* The NO<sub>x</sub> allowances are available to be deducted for compliance with a unit's NO<sub>x</sub> Budget emissions limitation for a control period in a given year only if the NO<sub>x</sub> allowances:

(1) Were allocated for a control period in a prior year or the same year; and

(2) Are held in the unit's compliance account, or the overdraft account of the source where the unit is located, as of the NO<sub>x</sub> allowance transfer deadline for that control period or are transferred into the compliance account or overdraft account by a NO<sub>x</sub> allowance transfer correctly submitted for recordation under § 96.60 by the NO<sub>x</sub> allowance transfer deadline for that control period.

(b) *Deductions for compliance.* (1) Following the recordation, in accordance with § 96.61, of NO<sub>x</sub> allowance transfers submitted for recordation in the unit's compliance account or the overdraft

account of the source where the unit is located by the NO<sub>x</sub> allowance transfer deadline for a control period, the Administrator will deduct NO<sub>x</sub> allowances available under paragraph (a) of this section to cover the unit's NO<sub>x</sub> emissions (as determined in accordance with subpart H of this part), or to account for actual utilization under § 96.42(e), for the control period:

(i) From the compliance account; and

(ii) Only if no more NO<sub>x</sub> allowances available under paragraph (a) of this section remain in the compliance account, from the overdraft account. In deducting allowances for units at the source from the overdraft account, the Administrator will begin with the unit having the compliance account with the lowest NO<sub>x</sub> Allowance Tracking System account number and end with the unit having the compliance account with the highest NO<sub>x</sub> Allowance Tracking System account number (with account numbers sorted beginning with the left-most character and ending with the right-most character and the letter characters assigned values in alphabetical order and less than all numeric characters).

(2) The Administrator will deduct NO<sub>x</sub> allowances first under paragraph (b)(1)(i) of this section and then under paragraph (b)(1)(ii) of this section:

(i) Until the number of NO<sub>x</sub> allowances deducted for the control period equals the number of tons of NO<sub>x</sub> emissions, determined in accordance with subpart H of this part, from the unit for the control period for which compliance is being determined, plus the number of NO<sub>x</sub> allowances required for deduction to account for actual utilization under § 96.42(e) for the control period; or

(ii) Until no more NO<sub>x</sub> allowances available under paragraph (a) of this section remain in the respective account.

(c)(1) *Identification of NO<sub>x</sub> allowances by serial number.* The NO<sub>x</sub> authorized account representative for each compliance account may identify by serial number the NO<sub>x</sub> allowances to be deducted from the unit's compliance account under paragraph (b), (d), or (e) of this section. Such identification shall

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be made in the compliance certification report submitted in accordance with § 96.30.

(2) *First-in, first-out.* The Administrator will deduct NO<sub>x</sub> allowances for a control period from the compliance account, in the absence of an identification or in the case of a partial identification of NO<sub>x</sub> allowances by serial number under paragraph (c)(1) of this section, or the overdraft account on a first-in, first-out (FIFO) accounting basis in the following order:

(i) Those NO<sub>x</sub> allowances that were allocated for the control period to the unit under subpart E or I of this part;

(ii) Those NO<sub>x</sub> allowances that were allocated for the control period to any unit and transferred and recorded in the account pursuant to subpart G of this part, in order of their date of recordation;

(iii) Those NO<sub>x</sub> allowances that were allocated for a prior control period to the unit under subpart E or I of this part; and

(iv) Those NO<sub>x</sub> allowances that were allocated for a prior control period to any unit and transferred and recorded in the account pursuant to subpart G of this part, in order of their date of recordation.

(d) *Deductions for excess emissions.* (1) After making the deductions for compliance under paragraph (b) of this section, the Administrator will deduct from the unit's compliance account or the overdraft account of the source where the unit is located a number of NO<sub>x</sub> allowances, allocated for a control period after the control period in which the unit has excess emissions, equal to three times the number of the unit's excess emissions.

(2) If the compliance account or overdraft account does not contain sufficient NO<sub>x</sub> allowances, the Administrator will deduct the required number of NO<sub>x</sub> allowances, regardless of the control period for which they were allocated, whenever NO<sub>x</sub> allowances are recorded in either account.

(3) Any allowance deduction required under paragraph (d) of this section shall not affect the liability of the owners and operators of the NO<sub>x</sub> Budget unit for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same

violation, as ordered under the CAA or applicable State law. The following guidelines will be followed in assessing fines, penalties or other obligations:

(i) For purposes of determining the number of days of violation, if a NO<sub>x</sub> Budget unit has excess emissions for a control period, each day in the control period (153 days) constitutes a day in violation unless the owners and operators of the unit demonstrate that a lesser number of days should be considered.

(ii) Each ton of excess emissions is a separate violation.

(e) *Deductions for units sharing a common stack.* In the case of units sharing a common stack and having emissions that are not separately monitored or apportioned in accordance with subpart H of this part:

(1) The NO<sub>x</sub> authorized account representative of the units may identify the percentage of NO<sub>x</sub> allowances to be deducted from each such unit's compliance account to cover the unit's share of NO<sub>x</sub> emissions from the common stack for a control period. Such identification shall be made in the compliance certification report submitted in accordance with § 96.30.

(2) Notwithstanding paragraph (b)(2)(i) of this section, the Administrator will deduct NO<sub>x</sub> allowances for each such unit until the number of NO<sub>x</sub> allowances deducted equals the unit's identified percentage (under paragraph (e)(1) of this section) of the number of tons of NO<sub>x</sub> emissions, as determined in accordance with subpart H of this part, from the common stack for the control period for which compliance is being determined or, if no percentage is identified, an equal percentage for each such unit, plus the number of allowances required for deduction to account for actual utilization under § 96.42(e) for the control period.

(f) The Administrator will record in the appropriate compliance account or overdraft account all deductions from such an account pursuant to paragraphs (b), (d), or (e) of this section.

### § 96.55 Banking.

(a) NO<sub>x</sub> allowances may be banked for future use or transfer in a compliance account, an overdraft account, or a general account, as follows:

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(1) Any NO<sub>x</sub> allowance that is held in a compliance account, an overdraft account, or a general account will remain in such account unless and until the NO<sub>x</sub> allowance is deducted or transferred under § 96.31, § 96.54, § 96.56, subpart G of this part, or subpart I of this part.

(2) The Administrator will designate, as a “banked” NO<sub>x</sub> allowance, any NO<sub>x</sub> allowance that remains in a compliance account, an overdraft account, or a general account after the Administrator has made all deductions for a given control period from the compliance account or overdraft account pursuant to § 96.54.

(b) Each year starting in 2004, after the Administrator has completed the designation of banked NO<sub>x</sub> allowances under paragraph (a)(2) of this section and before May 1 of the year, the Administrator will determine the extent to which banked NO<sub>x</sub> allowances may be used for compliance in the control period for the current year, as follows:

(1) The Administrator will determine the total number of banked NO<sub>x</sub> allowances held in compliance accounts, overdraft accounts, or general accounts.

(2) If the total number of banked NO<sub>x</sub> allowances determined, under paragraph (b)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts is less than or equal to 10% of the sum of the State trading program budgets for the control period for the States in which NO<sub>x</sub> Budget units are located, any banked NO<sub>x</sub> allowance may be deducted for compliance in accordance with § 96.54.

(3) If the total number of banked NO<sub>x</sub> allowances determined, under paragraph (b)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts exceeds 10% of the sum of the State trading program budgets for the control period for the States in which NO<sub>x</sub> Budget units are located, any banked allowance may be deducted for compliance in accordance with § 96.54, except as follows:

(i) The Administrator will determine the following ratio: 0.10 multiplied by the sum of the State trading program budgets for the control period for the States in which NO<sub>x</sub> Budget units are

located and divided by the total number of banked NO<sub>x</sub> allowances determined, under paragraph (b)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts.

(ii) The Administrator will multiply the number of banked NO<sub>x</sub> allowances in each compliance account or overdraft account. The resulting product is the number of banked NO<sub>x</sub> allowances in the account that may be deducted for compliance in accordance with § 96.54. Any banked NO<sub>x</sub> allowances in excess of the resulting product may be deducted for compliance in accordance with § 96.54, except that, if such NO<sub>x</sub> allowances are used to make a deduction, two such NO<sub>x</sub> allowances must be deducted for each deduction of one NO<sub>x</sub> allowance required under § 96.54.

(c) Any NO<sub>x</sub> Budget unit may reduce its NO<sub>x</sub> emission rate in the 2001 or 2002 control period, the owner or operator of the unit may request early reduction credits, and the permitting authority may allocate NO<sub>x</sub> allowances in 2003 to the unit in accordance with the following requirements.

(1) Each NO<sub>x</sub> Budget unit for which the owner or operator requests any early reduction credits under paragraph (c)(4) of this section shall monitor NO<sub>x</sub> emissions in accordance with subpart H of this part starting in the 2000 control period and for each control period for which such early reduction credits are requested. The unit’s monitoring system availability shall be not less than 90 percent during the 2000 control period, and the unit must be in compliance with any applicable State or Federal emissions or emissions-related requirements.

(2) NO<sub>x</sub> emission rate and heat input under paragraphs (c)(3) through (5) of this section shall be determined in accordance with subpart H of this part.

(3) Each NO<sub>x</sub> Budget unit for which the owner or operator requests any early reduction credits under paragraph (c)(4) of this section shall reduce its NO<sub>x</sub> emission rate, for each control period for which early reduction credits are requested, to less than both 0.25 lb/mmBtu and 80 percent of the unit’s NO<sub>x</sub> emission rate in the 2000 control period.

(4) The NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget unit that meets the requirements of paragraphs (c)(1) and (3) of this section may submit to the permitting authority a request for early reduction credits for the unit based on NO<sub>x</sub> emission rate reductions made by the unit in the control period for 2001 or 2002 in accordance with paragraph (c)(3) of this section.

(i) In the early reduction credit request, the NO<sub>x</sub> authorized account may request early reduction credits for such control period in an amount equal to the unit's heat input for such control period multiplied by the difference between 0.25 lb/mmBtu and the unit's NO<sub>x</sub> emission rate for such control period, divided by 2000 lb/ton, and rounded to the nearest ton.

(ii) The early reduction credit request must be submitted, in a format specified by the permitting authority, by October 31 of the year in which the NO<sub>x</sub> emission rate reductions on which the request is based are made or such later date approved by the permitting authority.

(5) The permitting authority will allocate NO<sub>x</sub> allowances, to NO<sub>x</sub> Budget units meeting the requirements of paragraphs (c)(1) and (3) of this section and covered by early reduction requests meeting the requirements of paragraph (c)(4)(ii) of this section, in accordance with the following procedures:

(i) Upon receipt of each early reduction credit request, the permitting authority will accept the request only if the requirements of paragraphs (c)(1), (c)(3), and (c)(4)(ii) of this section are met and, if the request is accepted, will make any necessary adjustments to the request to ensure that the amount of the early reduction credits requested meets the requirement of paragraphs (c)(2) and (4) of this section.

(ii) If the State's compliance supplement pool has an amount of NO<sub>x</sub> allowances not less than the number of early reduction credits in all accepted early reduction credit requests for 2001 and 2002 (as adjusted under paragraph (c)(5)(i) of this section), the permitting authority will allocate to each NO<sub>x</sub> Budget unit covered by such accepted requests one allowance for each early reduction credit requested (as adjusted

under paragraph (c)(5)(i) of this section).

(iii) If the State's compliance supplement pool has a smaller amount of NO<sub>x</sub> allowances than the number of early reduction credits in all accepted early reduction credit requests for 2001 and 2002 (as adjusted under paragraph (c)(5)(i) of this section), the permitting authority will allocate NO<sub>x</sub> allowances to each NO<sub>x</sub> Budget unit covered by such accepted requests according to the following formula:

Unit's allocated early reduction credits  
 = [(Unit's adjusted early reduction credits) / (Total adjusted early reduction credits requested by all units)] × (Available NO<sub>x</sub> allowances from the State's compliance supplement pool)

where:

"Unit's adjusted early reduction credits" is the number of early reduction credits for the unit for 2001 and 2002 in accepted early reduction credit requests, as adjusted under paragraph (c)(5)(i) of this section.

"Total adjusted early reduction credits requested by all units" is the number of early reduction credits for all units for 2001 and 2002 in accepted early reduction credit requests, as adjusted under paragraph (c)(5)(i) of this section.

"Available NO<sub>x</sub> allowances from the State's compliance supplement pool" is the number of NO<sub>x</sub> allowances in the State's compliance supplement pool and available for early reduction credits for 2001 and 2002.

(6) By May 1, 2003, the permitting authority will submit to the Administrator the allocations of NO<sub>x</sub> allowances determined under paragraph (c)(5) of this section. The Administrator will record such allocations to the extent that they are consistent with the requirements of paragraphs (c)(1) through (5) of this section.

(7) NO<sub>x</sub> allowances recorded under paragraph (c)(6) of this section may be deducted for compliance under § 96.54 for the control periods in 2003 or 2004. Notwithstanding paragraph (a) of this section, the Administrator will deduct as retired any NO<sub>x</sub> allowance that is recorded under paragraph (c)(6) of this section and is not deducted for compliance in accordance with § 96.54 for the control period in 2003 or 2004.

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(8) NO<sub>x</sub> allowances recorded under paragraph (c)(6) of this section are treated as banked allowances in 2004 for the purposes of paragraphs (a) and (b) of this section.

### § 96.56 Account error.

The Administrator may, at his or her sole discretion and on his or her own motion, correct any error in any NO<sub>x</sub> Allowance Tracking System account. Within 10 business days of making such correction, the Administrator will notify the NO<sub>x</sub> authorized account representative for the account.

### § 96.57 Closing of general accounts.

(a) The NO<sub>x</sub> authorized account representative of a general account may instruct the Administrator to close the account by submitting a statement requesting deletion of the account from the NO<sub>x</sub> Allowance Tracking System and by correctly submitting for recordation under § 96.60 an allowance transfer of all NO<sub>x</sub> allowances in the account to one or more other NO<sub>x</sub> Allowance Tracking System accounts.

(b) If a general account shows no activity for a period of a year or more and does not contain any NO<sub>x</sub> allowances, the Administrator may notify the NO<sub>x</sub> authorized account representative for the account that the account will be closed and deleted from the NO<sub>x</sub> Allowance Tracking System following 20 business days after the notice is sent. The account will be closed after the 20-day period unless before the end of the 20-day period the Administrator receives a correctly submitted transfer of NO<sub>x</sub> allowances into the account under § 96.60 or a statement submitted by the NO<sub>x</sub> authorized account representative demonstrating to the satisfaction of the Administrator good cause as to why the account should not be closed.

## Subpart G—NO<sub>x</sub> Allowance Transfers

### § 96.60 Submission of NO<sub>x</sub> allowance transfers.

The NO<sub>x</sub> authorized account representatives seeking recordation of a NO<sub>x</sub> allowance transfer shall submit the transfer to the Administrator. To be considered correctly submitted, the

NO<sub>x</sub> allowance transfer shall include the following elements in a format specified by the Administrator:

(a) The numbers identifying both the transferor and transferee accounts;

(b) A specification by serial number of each NO<sub>x</sub> allowance to be transferred; and

(c) The printed name and signature of the NO<sub>x</sub> authorized account representative of the transferor account and the date signed.

### § 96.61 EPA recordation.

(a) Within 5 business days of receiving a NO<sub>x</sub> allowance transfer, except as provided in paragraph (b) of this section, the Administrator will record a NO<sub>x</sub> allowance transfer by moving each NO<sub>x</sub> allowance from the transferor account to the transferee account as specified by the request, provided that:

(1) The transfer is correctly submitted under § 96.60;

(2) The transferor account includes each NO<sub>x</sub> allowance identified by serial number in the transfer; and

(3) The transfer meets all other requirements of this part.

(b) A NO<sub>x</sub> allowance transfer that is submitted for recordation following the NO<sub>x</sub> allowance transfer deadline and that includes any NO<sub>x</sub> allowances allocated for a control period prior to or the same as the control period to which the NO<sub>x</sub> allowance transfer deadline applies will not be recorded until after completion of the process of recordation of NO<sub>x</sub> allowance allocations in § 96.53(b).

(c) Where a NO<sub>x</sub> allowance transfer submitted for recordation fails to meet the requirements of paragraph (a) of this section, the Administrator will not record such transfer.

### § 96.62 Notification.

(a) *Notification of recordation.* Within 5 business days of recordation of a NO<sub>x</sub> allowance transfer under § 96.61, the Administrator will notify each party to the transfer. Notice will be given to the NO<sub>x</sub> authorized account representatives of both the transferor and transferee accounts.

(b) *Notification of non-recordation.* Within 10 business days of receipt of a NO<sub>x</sub> allowance transfer that fails to meet the requirements of § 96.61(a), the

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Administrator will notify the NO<sub>x</sub> authorized account representatives of both accounts subject to the transfer of:

(1) A decision not to record the transfer, and (2) The reasons for such non-recording.

(c) Nothing in this section shall preclude the submission of a NO<sub>x</sub> allowance transfer for recording following notification of non-recording.

### Subpart H—Monitoring and Reporting

#### § 96.70 General requirements.

The owners and operators, and to the extent applicable, the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget unit, shall comply with the monitoring and reporting requirements as provided in this subpart and in subpart H of part 75 of this chapter. For purposes of complying with such requirements, the definitions in § 96.2 and in § 72.2 of this chapter shall apply, and the terms “affected unit,” “designated representative,” and “continuous emission monitoring system” (or “CEMS”) in part 75 of this chapter shall be replaced by the terms “NO<sub>x</sub> Budget unit,” “NO<sub>x</sub> authorized account representative,” and “continuous emission monitoring system” (or “CEMS”), respectively, as defined in § 96.2.

(a) *Requirements for installation, certification, and data accounting.* The owner or operator of each NO<sub>x</sub> Budget unit must meet the following requirements. These provisions also apply to a unit for which an application for a NO<sub>x</sub> Budget opt-in permit is submitted and not denied or withdrawn, as provided in subpart I of this part:

(1) Install all monitoring systems required under this subpart for monitoring NO<sub>x</sub> mass. This includes all systems required to monitor NO<sub>x</sub> emission rate, NO<sub>x</sub> concentration, heat input, and flow, in accordance with §§ 75.72 and 75.76.

(2) Install all monitoring systems for monitoring heat input, if required under § 96.76 for developing NO<sub>x</sub> allowance allocations.

(3) Successfully complete all certification tests required under § 96.71 and meet all other provisions of this subpart and part 75 of this chapter applica-

ble to the monitoring systems under paragraphs (a)(1) and (2) of this section.

(4) Record, and report data from the monitoring systems under paragraphs (a)(1) and (2) of this section.

(b) *Compliance dates.* The owner or operator must meet the requirements of paragraphs (a)(1) through (a)(3) of this section on or before the following dates and must record and report data on and after the following dates:

(1) NO<sub>x</sub> Budget units for which the owner or operator intends to apply for early reduction credits under § 96.55(d) must comply with the requirements of this subpart by May 1, 2000.

(2) Except for NO<sub>x</sub> Budget units under paragraph (b)(1) of this section, NO<sub>x</sub> Budget units under § 96.4 that commence operation before January 1, 2002, must comply with the requirements of this subpart by May 1, 2002.

(3) NO<sub>x</sub> Budget units under § 96.4 that commence operation on or after January 1, 2002 and that report on an annual basis under § 96.74(d) must comply with the requirements of this subpart by the later of the following dates:

(i) May 1, 2002; or

(ii) The earlier of:

(A) 180 days after the date on which the unit commences operation or, (B) For units under § 96.4(a)(1), 90 days after the date on which the unit commences commercial operation.

(4) NO<sub>x</sub> Budget units under § 96.4 that commence operation on or after January 1, 2002 and that report on a control season basis under § 96.74(d) must comply with the requirements of this subpart by the later of the following dates:

(i) The earlier of:

(A) 180 days after the date on which the unit commences operation or,

(B) For units under § 96.4(a)(1), 90 days after the date on which the unit commences commercial operation.

(ii) However, if the applicable deadline under paragraph (b)(4)(i) section does not occur during a control period, May 1; immediately following the date determined in accordance with paragraph (b)(4)(i) of this section.

(5) For a NO<sub>x</sub> Budget unit with a new stack or flue for which construction is completed after the applicable deadline under paragraph (b)(1), (b)(2) or (b)(3) of this section or subpart I of this part:



(i) 90 days after the date on which emissions first exit to the atmosphere through the new stack or flue;

(ii) However, if the unit reports on a control season basis under § 96.74(d) and the applicable deadline under paragraph (b)(5)(i) of this section does not occur during the control period, May 1 immediately following the applicable deadline in paragraph (b)(5)(i) of this section.

(6) For a unit for which an application for a NO<sub>x</sub> Budget opt in permit is submitted and not denied or withdrawn, the compliance dates specified under subpart I of this part.

(c) *Reporting data prior to initial certification.* (1) The owner or operator of a NO<sub>x</sub> Budget unit that misses the certification deadline under paragraph (b)(1) of this section is not eligible to apply for early reduction credits. The owner or operator of the unit becomes subject to the certification deadline under paragraph (b)(2) of this section.

(2) The owner or operator of a NO<sub>x</sub> Budget under paragraphs (b)(3) or (b)(4) of this section must determine, record and report NO<sub>x</sub> mass, heat input (if required for purposes of allocations) and any other values required to determine NO<sub>x</sub> Mass (e.g. NO<sub>x</sub> emission rate and heat input or NO<sub>x</sub> concentration and stack flow) using the provisions of § 75.70(g) of this chapter, from the date and hour that the unit starts operating until all required certification tests are successfully completed.

(d) *Prohibitions.* (1) No owner or operator of a NO<sub>x</sub> Budget unit or a non-NO<sub>x</sub> Budget unit monitored under § 75.72(b)(2)(ii) shall use any alternative monitoring system, alternative reference method, or any other alternative for the required continuous emission monitoring system without having obtained prior written approval in accordance with § 96.75.

(2) No owner or operator of a NO<sub>x</sub> Budget unit or a non-NO<sub>x</sub> Budget unit monitored under § 75.72(b)(2)(ii) shall operate the unit so as to discharge, or allow to be discharged, NO<sub>x</sub> emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this subpart and part 75 of this chapter except as provided for in § 75.74 of this chapter.

(3) No owner or operator of a NO<sub>x</sub> Budget unit or a non-NO<sub>x</sub> Budget unit monitored under § 75.72(b)(2)(ii) shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording NO<sub>x</sub> mass emissions discharged into the atmosphere, except for periods of recertification or periods when calibration, quality assurance testing, or maintenance is performed in accordance with the applicable provisions of this subpart and part 75 of this chapter except as provided for in § 75.74 of this chapter.

(4) No owner or operator of a NO<sub>x</sub> Budget unit or a non-NO<sub>x</sub> Budget unit monitored under § 75.72(b)(2)(ii) shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved emission monitoring system under this subpart, except under any one of the following circumstances:

(i) During the period that the unit is covered by a retired unit exemption under § 96.5 that is in effect;

(ii) The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this subpart and part 75 of this chapter, by the permitting authority for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system; or

(iii) The NO<sub>x</sub> authorized account representative submits notification of the date of certification testing of a replacement monitoring system in accordance with § 96.71(b)(2).

#### **§ 96.71 Initial certification and recertification procedures.**

(a) The owner or operator of a NO<sub>x</sub> Budget unit that is subject to an Acid Rain emissions limitation shall comply with the initial certification and recertification procedures of part 75 of this chapter, except that:

(1) If, prior to January 1, 1998, the Administrator approved a petition under § 75.17(a) or (b) of this chapter for apportioning the NO<sub>x</sub> emission rate measured in a common stack or a petition under § 75.66 of this chapter for an

alternative to a requirement in § 75.17 of this chapter, the NO<sub>x</sub> authorized account representative shall resubmit the petition to the Administrator under § 96.75(a) to determine if the approval applies under the NO<sub>x</sub> Budget Trading Program.

(2) For any additional CEMS required under the common stack provisions in § 75.72 of this chapter, or for any NO<sub>x</sub> concentration CEMS used under the provisions of § 75.71(a)(2) of this chapter, the owner or operator shall meet the requirements of paragraph (b) of this section.

(b) The owner or operator of a NO<sub>x</sub> Budget unit that is not subject to an Acid Rain emissions limitation shall comply with the following initial certification and recertification procedures, except that the owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under § 75.19 shall also meet the requirements of paragraph (c) of this section and the owner or operator of a unit that qualifies to use an alternative monitoring system under subpart E of part 75 of this chapter shall also meet the requirements of paragraph (d) of this section. The owner or operator of a NO<sub>x</sub> Budget unit that is subject to an Acid Rain emissions limitation, but requires additional CEMS under the common stack provisions in § 75.72 of this chapter, or that uses a NO<sub>x</sub> concentration CEMS under § 75.71(a)(2) of this chapter also shall comply with the following initial certification and recertification procedures.

(1) *Requirements for initial certification.* The owner or operator shall ensure that each monitoring system required by subpart H of part 75 of this chapter (which includes the automated data acquisition and handling system) successfully completes all of the initial certification testing required under § 75.20 of this chapter. The owner or operator shall ensure that all applicable certification tests are successfully completed by the deadlines specified in § 96.70(b). In addition, whenever the owner or operator installs a monitoring system in order to meet the requirements of this part in a location where no such monitoring system was previously installed,

initial certification according to § 75.20 is required.

(2) *Requirements for recertification.* Whenever the owner or operator makes a replacement, modification, or change in a certified monitoring system that the Administrator or the permitting authority determines significantly affects the ability of the system to accurately measure or record NO<sub>x</sub> mass emissions or heat input or to meet the requirements of § 75.21 of this chapter or appendix B to part 75 of this chapter, the owner or operator shall recertify the monitoring system according to § 75.20(b) of this chapter. Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that the Administrator or the permitting authority determines to significantly change the flow or concentration profile, the owner or operator shall recertify the continuous emissions monitoring system according to § 75.20(b) of this chapter. Examples of changes which require recertification include: replacement of the analyzer, change in location or orientation of the sampling probe or site, or changing of flow rate monitor polynomial coefficients.

(3) *Certification approval process for initial certifications and recertification—*

(i) *Notification of certification.* The NO<sub>x</sub> authorized account representative shall submit to the permitting authority, the appropriate EPA Regional Office and the permitting authority a written notice of the dates of certification in accordance with § 96.73.

(ii) *Certification application.* The NO<sub>x</sub> authorized account representative shall submit to the permitting authority a certification application for each monitoring system required under subpart H of part 75 of this chapter. A complete certification application shall include the information specified in subpart H of part 75 of this chapter.

(iii) Except for units using the low mass emission excepted methodology under § 75.19 of this chapter, the provisional certification date for a monitor shall be determined using the procedures set forth in § 75.20(a)(3) of this chapter. A provisionally certified monitor may be used under the NO<sub>x</sub> Budget Trading Program for a period not to

exceed 120 days after receipt by the permitting authority of the complete certification application for the monitoring system or component thereof under paragraph (b)(3)(ii) of this section. Data measured and recorded by the provisionally certified monitoring system or component thereof, in accordance with the requirements of part 75 of this chapter, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the permitting authority does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of receipt of the complete certification application by the permitting authority.

(iv) *Certification application formal approval process.* The permitting authority will issue a written notice of approval or disapproval of the certification application to the owner or operator within 120 days of receipt of the complete certification application under paragraph (b)(3)(ii) of this section. In the event the permitting authority does not issue such a notice within such 120-day period, each monitoring system which meets the applicable performance requirements of part 75 of this chapter and is included in the certification application will be deemed certified for use under the NO<sub>x</sub> Budget Trading Program.

(A) *Approval notice.* If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of part 75 of this chapter, then the permitting authority will issue a written notice of approval of the certification application within 120 days of receipt.

(B) *Incomplete application notice.* A certification application will be considered complete when all of the applicable information required to be submitted under paragraph (b)(3)(ii) of this section has been received by the permitting authority. If the certification application is not complete, then the permitting authority will issue a written notice of incompleteness that sets a reasonable date by which the NO<sub>x</sub> authorized account representative must submit the additional information required to complete the certification ap-

plication. If the NO<sub>x</sub> authorized account representative does not comply with the notice of incompleteness by the specified date, then the permitting authority may issue a notice of disapproval under paragraph (b)(3)(iv)(C) of this section.

(C) *Disapproval notice.* If the certification application shows that any monitoring system or component thereof does not meet the performance requirements of this part, or if the certification application is incomplete and the requirement for disapproval under paragraph (b)(3)(iv)(B) of this section has been met, the permitting authority will issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the permitting authority and the data measured and recorded by each uncertified monitoring system or component thereof shall not be considered valid quality-assured data beginning with the date and hour of provisional certification. The owner or operator shall follow the procedures for loss of certification in paragraph (b)(3)(v) of this section for each monitoring system or component thereof which is disapproved for initial certification.

(D) *Audit decertification.* The permitting authority may issue a notice of disapproval of the certification status of a monitor in accordance with § 96.72(b).

(v) *Procedures for loss of certification.* If the permitting authority issues a notice of disapproval of a certification application under paragraph (b)(3)(iv)(C) of this section or a notice of disapproval of certification status under paragraph (b)(3)(iv)(D) of this section, then:

(A) The owner or operator shall substitute the following values, for each hour of unit operation during the period of invalid data beginning with the date and hour of provisional certification and continuing until the time, date, and hour specified under § 75.20(a)(5)(i) of this chapter:

(I) For units using or intending to monitor for NO<sub>x</sub> emission rate and heat input or for units using the low mass emission excepted methodology

under § 75.19 of this chapter, the maximum potential NO<sub>x</sub> emission rate and the maximum potential hourly heat input of the unit.

(2) For units intending to monitor for NO<sub>x</sub> mass emissions using a NO<sub>x</sub> pollutant concentration monitor and a flow monitor, the maximum potential concentration of NO<sub>x</sub> and the maximum potential flow rate of the unit under section 2.1 of appendix A of part 75 of this chapter;

(B) The NO<sub>x</sub> authorized account representative shall submit a notification of certification retest dates and a new certification application in accordance with paragraphs (b)(3)(i) and (ii) of this section; and

(C) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the permitting authority's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.

(c) *Initial certification and recertification procedures for low mass emission units using the excepted methodologies under § 75.19 of this chapter.* The owner or operator of a gas-fired or oil-fired unit using the low mass emissions excepted methodology under § 75.19 of this chapter shall meet the applicable general operating requirements of § 75.10 of this chapter, the applicable requirements of § 75.19 of this chapter, and the applicable certification requirements of § 96.71 of this chapter, except that the excepted methodology shall be deemed provisionally certified for use under the NO<sub>x</sub> Budget Trading Program, as of the following dates:

(1) For units that are reporting on an annual basis under § 96.74(d);

(i) For a unit that has commences operation before its compliance deadline under § 96.71(b), from January 1 of the year following submission of the certification application for approval to use the low mass emissions excepted methodology under § 75.19 of this chapter until the completion of the period for the permitting authority review; or

(ii) For a unit that commences operation after its compliance deadline under § 96.71(b), the date of submission of the certification application for approval to use the low mass emissions

excepted methodology under § 75.19 of this chapter until the completion of the period for permitting authority review, or

(2) For units that are reporting on a control period basis under § 96.74(b)(3)(ii) of this part:

(i) For a unit that commenced operation before its compliance deadline under § 96.71(b), where the certification application is submitted before May 1, from May 1 of the year of the submission of the certification application for approval to use the low mass emissions excepted methodology under § 75.19 of this chapter until the completion of the period for the permitting authority review; or

(ii) For a unit that commenced operation before its compliance deadline under § 96.71(b), where the certification application is submitted after May 1, from May 1 of the year following submission of the certification application for approval to use the low mass emissions excepted methodology under § 75.19 of this chapter until the completion of the period for the permitting authority review; or

(iii) For a unit that commences operation after its compliance deadline under § 96.71(b), where the unit commences operation before May 1, from May 1 of the year that the unit commenced operation, until the completion of the period for the permitting authority's review.

(iv) For a unit that has not operated after its compliance deadline under § 96.71(b), where the certification application is submitted after May 1, but before October 1st, from the date of submission of a certification application for approval to use the low mass emissions excepted methodology under § 75.19 of this chapter until the completion of the period for the permitting authority's review.

(d) *Certification/recertification procedures for alternative monitoring systems.* The NO<sub>x</sub> authorized account representative representing the owner or operator of each unit applying to monitor using an alternative monitoring system approved by the Administrator and, if applicable, the permitting authority under subpart E of part 75 of this chapter shall apply for certification to the permitting authority

prior to use of the system under the NO<sub>x</sub> Trading Program. The NO<sub>x</sub> authorized account representative shall apply for recertification following a replacement, modification or change according to the procedures in paragraph (b) of this section. The owner or operator of an alternative monitoring system shall comply with the notification and application requirements for certification according to the procedures specified in paragraph (b)(3) of this section and § 75.20(f) of this chapter .

**§ 96.72 Out of control periods.**

(a) Whenever any monitoring system fails to meet the quality assurance requirements of appendix B of part 75 of this chapter, data shall be substituted using the applicable procedures in subpart D, appendix D, or appendix E of part 75 of this chapter.

(b) *Audit decertification.* Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any system or component should not have been certified or recertified because it did not meet a particular performance specification or other requirement under § 96.71 or the applicable provisions of part 75 of this chapter, both at the time of the initial certification or recertification application submission and at the time of the audit, the permitting authority will issue a notice of disapproval of the certification status of such system or component. For the purposes of this paragraph, an audit shall be either a field audit or an audit of any information submitted to the permitting authority or the Administrator. By issuing the notice of disapproval, the permitting authority revokes prospectively the certification status of the system or component. The data measured and recorded by the system or component shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests. The owner or operator shall follow the initial certification or recertification procedures in § 96.71 for each disapproved system.

**§ 96.73 Notifications.**

The NO<sub>x</sub> authorized account representative for a NO<sub>x</sub> Budget unit shall submit written notice to the permitting authority and the Administrator in accordance with § 75.61 of this chapter, except that if the unit is not subject to an Acid Rain emissions limitation, the notification is only required to be sent to the permitting authority.

**§ 96.74 Recordkeeping and reporting.**

(a) *General provisions.* (1) The NO<sub>x</sub> authorized account representative shall comply with all recordkeeping and reporting requirements in this section and with the requirements of § 96.10(e).

(2) If the NO<sub>x</sub> authorized account representative for a NO<sub>x</sub> Budget unit subject to an Acid Rain Emission limitation who signed and certified any submission that is made under subpart F or G of part 75 of this chapter and which includes data and information required under this subpart or subpart H of part 75 of this chapter is not the same person as the designated representative or the alternative designated representative for the unit under part 72 of this chapter, the submission must also be signed by the designated representative or the alternative designated representative.

(b) *Monitoring plans.* (1) The owner or operator of a unit subject to an Acid Rain emissions limitation shall comply with requirements of § 75.62 of this chapter, except that the monitoring plan shall also include all of the information required by subpart H of part 75 of this chapter.

(2) The owner or operator of a unit that is not subject to an Acid Rain emissions limitation shall comply with requirements of § 75.62 of this chapter, except that the monitoring plan is only required to include the information required by subpart H of part 75 of this chapter.

(c) *Certification applications.* The NO<sub>x</sub> authorized account representative shall submit an application to the permitting authority within 45 days after completing all initial certification or recertification tests required under § 96.71 including the information required under subpart H of part 75 of this chapter.

(d) *Quarterly reports.* The NO<sub>x</sub> authorized account representative shall submit quarterly reports, as follows:

(1) If a unit is subject to an Acid Rain emission limitation or if the owner or operator of the NO<sub>x</sub> budget unit chooses to meet the annual reporting requirements of this subpart H, the NO<sub>x</sub> authorized account representative shall submit a quarterly report for each calendar quarter beginning with:

(i) For units that elect to comply with the early reduction credit provisions under § 96.55 of this part, the CALENDER quarter that includes the date of initial provisional certification under § 96.71(b)(3)(iii). Data shall be reported from the date and hour corresponding to the date and hour of provisional certification; or

(ii) For units commencing operation prior to May 1, 2002 that are not required to certify monitors by May 1, 2000 under § 96.70(b)(1), the earlier of the CALENDER quarter that includes the date of initial provisional certification under § 96.71(b)(3)(iii) or, if the certification tests are not completed by May 1, 2002, the partial CALENDER quarter from May 1, 2002 through June 30, 2002. Data shall be recorded and reported from the earlier of the date and hour corresponding to the date and hour of provisional certification or the first hour on May 1, 2002; or

(iii) For a unit that commences operation after May 1, 2002, the calendar quarter in which the unit commences operation. Data shall be reported from the date and hour corresponding to when the unit commenced operation.

(2) If a NO<sub>x</sub> budget unit is not subject to an Acid Rain emission limitation, then the NO<sub>x</sub> authorized account representative shall either:

(i) Meet all of the requirements of part 75 related to monitoring and reporting NO<sub>x</sub> mass emissions during the entire year and meet the reporting deadlines specified in paragraph (d)(1) of this section; or

(ii) Submit quarterly reports only for the periods from the earlier of May 1 or the date and hour that the owner or operator successfully completes all of the recertification tests required under § 75.74(d)(3) through September 30 of each year in accordance with the provisions of § 75.74(b) of this chapter. The

NO<sub>x</sub> authorized account representative shall submit a quarterly report for each calendar quarter, beginning with:

(A) For units that elect to comply with the early reduction credit provisions under § 96.55, the CALENDER quarter that includes the date of initial provisional certification under § 96.71(b)(3)(iii). Data shall be reported from the date and hour corresponding to the date and hour of provisional certification; or

(B) For units commencing operation prior to May 1, 2002 that are not required to certify monitors by May 1, 2000 under § 96.70(b)(1), the earlier of the CALENDER quarter that includes the date of initial provisional certification under § 96.71(b)(3)(iii), or if the certification tests are not completed by May 1, 2002, the partial CALENDER quarter from May 1, 2002 through June 30, 2002. Data shall be reported from the earlier of the date and hour corresponding to the date and hour of provisional certification or the first hour of May 1, 2002; or

(C) For units that commence operation after May 1, 2002 during the control period, the CALENDER quarter in which the unit commences operation. Data shall be reported from the date and hour corresponding to when the unit commenced operation; or

(D) For units that commence operation after May 1, 2002 and before May 1 of the year in which the unit commences operation, the earlier of the CALENDER quarter that includes the date of initial provisional certification under § 96.71(b)(3)(iii) or, if the certification tests are not completed by May 1 of the year in which the unit commences operation, May 1 of the year in which the unit commences operation. Data shall be reported from the earlier of the date and hour corresponding to the date and hour of provisional certification or the first hour of May 1 of the year after the unit commences operation.

(E) For units that commence operation after May 1, 2002 and after September 30 of the year in which the unit commences operation, the earlier of the CALENDER quarter that includes the date of initial provisional certification under § 96.71(b)(3)(iii) or, if the certification tests are not completed

by May 1 of the year after the unit commences operation, May 1 of the year after the unit commences operation. Data shall be reported from the earlier of the date and hour corresponding to the date and hour of provisional certification or the first hour of May 1 of the year after the unit commences operation.

(3) The NO<sub>x</sub> authorized account representative shall submit each quarterly report to the Administrator within 30 days following the end of the calendar quarter covered by the report. Quarterly reports shall be submitted in the manner specified in subpart H of part 75 of this chapter and § 75.64 of this chapter.

(i) For units subject to an Acid Rain Emissions limitation, quarterly reports shall include all of the data and information required in subpart H of part 75 of this chapter for each NO<sub>x</sub> Budget unit (or group of units using a common stack) as well as information required in subpart G of part 75 of this chapter.

(ii) For units not subject to an Acid Rain Emissions limitation, quarterly reports are only required to include all of the data and information required in subpart H of part 75 of this chapter for each NO<sub>x</sub> Budget unit (or group of units using a common stack).

(4) *Compliance certification.* The NO<sub>x</sub> authorized account representative shall submit to the Administrator a compliance certification in support of each quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

(i) The monitoring data submitted were recorded in accordance with the applicable requirements of this subpart and part 75 of this chapter, including the quality assurance procedures and specifications; and

(ii) For a unit with add-on NO<sub>x</sub> emission controls and for all hours where data are substituted in accordance with § 75.34(a)(1) of this chapter, the add-on emission controls were operating within the range of parameters listed in the monitoring plan and the substitute values do not systematically underestimate NO<sub>x</sub> emissions; and

(iii) For a unit that is reporting on a control period basis under § 96.74(d) the NO<sub>x</sub> emission rate and NO<sub>x</sub> concentration values substituted for missing data under subpart D of part 75 of this chapter are calculated using only values from a control period and do not systematically underestimate NO<sub>x</sub> emissions.

#### § 96.75 Petitions.

(a) The NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget unit that is subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the Administrator requesting approval to apply an alternative to any requirement of this subpart.

(1) Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent that the petition is approved by the Administrator, in consultation with the permitting authority.

(2) Notwithstanding paragraph (a)(1) of this section, if the petition requests approval to apply an alternative to a requirement concerning any additional CEMS required under the common stack provisions of § 75.72 of this chapter, the petition is governed by paragraph (b) of this section.

(b) The NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget unit that is not subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the permitting authority and the Administrator requesting approval to apply an alternative to any requirement of this subpart.

(1) The NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget unit that is subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the permitting authority and the Administrator requesting approval to apply an alternative to a requirement concerning any additional CEMS required under the common stack provisions of § 75.72 of this chapter or a NO<sub>x</sub> concentration CEMS used under 75.71(a)(2) of this chapter.

(2) Application of an alternative to any requirement of this subpart is in accordance with this subpart only to

the extent the petition under paragraph (b) of this section is approved by both the permitting authority and the Administrator.

**§ 96.76 Additional requirements to provide heat input data for allocations purposes.**

(a) The owner or operator of a unit that elects to monitor and report NO<sub>x</sub> Mass emissions using a NO<sub>x</sub> concentration system and a flow system shall also monitor and report heat input at the unit level using the procedures set forth in part 75 of this chapter for any source located in a state developing source allocations based upon heat input.

(b) The owner or operator of a unit that monitor and report NO<sub>x</sub> Mass emissions using a NO<sub>x</sub> concentration system and a flow system shall also monitor and report heat input at the unit level using the procedures set forth in part 75 of this chapter for any source that is applying for early reduction credits under § 96.55.

**Subpart I—Individual Unit Opt-ins**

**§ 96.80 Applicability.**

A unit that is in the State, is not a NO<sub>x</sub> Budget unit under § 96.4, vents all of its emissions to a stack, and is operating, may qualify, under this subpart, to become a NO<sub>x</sub> Budget opt-in source. A unit that is a NO<sub>x</sub> Budget unit, is covered by a retired unit exemption under § 96.5 that is in effect, or is not operating is not eligible to become a NO<sub>x</sub> Budget opt-in source.

**§ 96.81 General.**

Except otherwise as provided in this part, a NO<sub>x</sub> Budget opt-in source shall be treated as a NO<sub>x</sub> Budget unit for purposes of applying subparts A through H of this part.

**§ 96.82 NO<sub>x</sub> authorized account representative.**

A unit for which an application for a NO<sub>x</sub> Budget opt-in permit is submitted and not denied or withdrawn, or a NO<sub>x</sub> Budget opt-in source, located at the same source as one or more NO<sub>x</sub> Budget units, shall have the same NO<sub>x</sub> authorized account representative as such NO<sub>x</sub> Budget units.

**§ 96.83 Applying for NO<sub>x</sub> Budget opt-in permit.**

(a) *Applying for initial NO<sub>x</sub> Budget opt-in permit.* In order to apply for an initial NO<sub>x</sub> Budget opt-in permit, the NO<sub>x</sub> authorized account representative of a unit qualified under § 96.80 may submit to the permitting authority at any time, except as provided under § 96.86(g):

(1) A complete NO<sub>x</sub> Budget permit application under § 96.22;

(2) A monitoring plan submitted in accordance with subpart H of this part; and

(3) A complete account certificate of representation under § 96.13, if no NO<sub>x</sub> authorized account representative has been previously designated for the unit.

(b) *Duty to reapply.* The NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget opt-in source shall submit a complete NO<sub>x</sub> Budget permit application under § 96.22 to renew the NO<sub>x</sub> Budget opt-in permit in accordance with § 96.21(c) and, if applicable, an updated monitoring plan in accordance with subpart H of this part.

**§ 96.84 Opt-in process.**

The permitting authority will issue or deny a NO<sub>x</sub> Budget opt-in permit for a unit for which an initial application for a NO<sub>x</sub> Budget opt-in permit under § 96.83 is submitted, in accordance with § 96.20 and the following:

(a) *Interim review of monitoring plan.* The permitting authority will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a NO<sub>x</sub> Budget opt-in permit under § 96.83. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the NO<sub>x</sub> emissions rate and heat input of the unit are monitored and reported in accordance with subpart H of this part. A determination of sufficiency shall not be construed as acceptance or approval of the unit's monitoring plan.

(b) If the permitting authority determines that the unit's monitoring plan is sufficient under paragraph (a) of this section and after completion of monitoring system certification under subpart H of this part, the NO<sub>x</sub> emissions



rate and the heat input of the unit shall be monitored and reported in accordance with subpart H of this part for one full control period during which monitoring system availability is not less than 90 percent and during which the unit is in full compliance with any applicable State or Federal emissions or emissions-related requirements. Solely for purposes of applying the requirements in the prior sentence, the unit shall be treated as a “NO<sub>x</sub> Budget unit” prior to issuance of a NO<sub>x</sub> Budget opt-in permit covering the unit.

(c) Based on the information monitored and reported under paragraph (b) of this section, the unit’s baseline heat rate shall be calculated as the unit’s total heat input (in mmBtu) for the control period and the unit’s baseline NO<sub>x</sub> emissions rate shall be calculated as the unit’s total NO<sub>x</sub> emissions (in lb) for the control period divided by the unit’s baseline heat rate.

(d) After calculating the baseline heat input and the baseline NO<sub>x</sub> emissions rate for the unit under paragraph (c) of this section, the permitting authority will serve a draft NO<sub>x</sub> Budget opt-in permit on the NO<sub>x</sub> authorized account representative of the unit.

(e) *Confirmation of intention to opt-in.* Within 20 days after the issuance of the draft NO<sub>x</sub> Budget opt-in permit, the NO<sub>x</sub> authorized account representative of the unit must submit to the permitting authority a confirmation of the intention to opt in the unit or a withdrawal of the application for a NO<sub>x</sub> Budget opt-in permit under § 96.83. The permitting authority will treat the failure to make a timely submission as a withdrawal of the NO<sub>x</sub> Budget opt-in permit application.

(f) *Issuance of draft NO<sub>x</sub> Budget opt-in permit.* If the NO<sub>x</sub> authorized account representative confirms the intention to opt-in the unit under paragraph (e) of this section, the permitting authority will issue the draft NO<sub>x</sub> Budget opt-in permit in accordance with § 96.20.

(g) Notwithstanding paragraphs (a) through (f) of this section, if at any time before issuance of a draft NO<sub>x</sub> Budget opt-in permit for the unit, the permitting authority determines that the unit does not qualify as a NO<sub>x</sub> Budget opt-in source under § 96.80, the permitting authority will issue a draft

denial of a NO<sub>x</sub> Budget opt-in permit for the unit in accordance with § 96.20.

(h) *Withdrawal of application for NO<sub>x</sub> Budget opt-in permit.* A NO<sub>x</sub> authorized account representative of a unit may withdraw its application for a NO<sub>x</sub> Budget opt-in permit under § 96.83 at any time prior to the issuance of the final NO<sub>x</sub> Budget opt-in permit. Once the application for a NO<sub>x</sub> Budget opt-in permit is withdrawn, a NO<sub>x</sub> authorized account representative wanting to re-apply must submit a new application for a NO<sub>x</sub> Budget permit under § 96.83.

(i) *Effective date.* The effective date of the initial NO<sub>x</sub> Budget opt-in permit shall be May 1 of the first control period starting after the issuance of the initial NO<sub>x</sub> Budget opt-in permit by the permitting authority. The unit shall be a NO<sub>x</sub> Budget opt-in source and a NO<sub>x</sub> Budget unit as of the effective date of the initial NO<sub>x</sub> Budget opt-in permit.

**§ 96.85 NO<sub>x</sub> Budget opt-in permit contents.**

(a) Each NO<sub>x</sub> Budget opt-in permit (including any draft or proposed NO<sub>x</sub> Budget opt-in permit, if applicable) will contain all elements required for a complete NO<sub>x</sub> Budget opt-in permit application under § 96.22 as approved or adjusted by the permitting authority.

(b) Each NO<sub>x</sub> Budget opt-in permit is deemed to incorporate automatically the definitions of terms under § 96.2 and, upon recordation by the Administrator under subpart F, G, or I of this part, every allocation, transfer, or deduction of NO<sub>x</sub> allowances to or from the compliance accounts of each NO<sub>x</sub> Budget opt-in source covered by the NO<sub>x</sub> Budget opt-in permit or the over-draft account of the NO<sub>x</sub> Budget source where the NO<sub>x</sub> Budget opt-in source is located.

**§ 96.86 Withdrawal from NO<sub>x</sub> Budget Trading Program.**

(a) *Requesting withdrawal.* To withdraw from the NO<sub>x</sub> Budget Trading Program, the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget opt-in source shall submit to 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<sub>x</sub> Budget opt-in source covered by a request under paragraph (a) of this section may withdraw from the NO<sub>x</sub> Budget Trading Program and the NO<sub>x</sub> 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<sub>x</sub> authorized account representative must submit or must have submitted to the permitting authority an annual compliance certification report in accordance with § 96.30.

(2) If the NO<sub>x</sub> Budget opt-in source 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<sub>x</sub> Budget opt-in source's compliance account, or the overdraft account of the NO<sub>x</sub> Budget source where the NO<sub>x</sub> Budget opt-in source is located, the full amount required under § 96.54(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<sub>x</sub> Budget opt-in source's compliance account, or the overdraft account of the NO<sub>x</sub> Budget source where the NO<sub>x</sub> Budget opt-in source is located, NO<sub>x</sub> allowances equal in number to and allocated for the same or a prior control period as any NO<sub>x</sub> allowances allocated to that source under § 96.88 for any control period for which the withdrawal is to be effective. The Administrator will close the NO<sub>x</sub> Budget opt-in source's compliance account and will establish, and transfer any remaining allowances to, a new general account for the owners and operators of the NO<sub>x</sub> Budget opt-in source. The NO<sub>x</sub> authorized account representative for the NO<sub>x</sub> Budget opt-in source shall become the NO<sub>x</sub> authorized account representative for the general account.

(c) A NO<sub>x</sub> Budget opt-in source that withdraws from the NO<sub>x</sub> Budget Trading Program shall comply with all requirements under the NO<sub>x</sub> Budget Trading Program concerning all years for which such NO<sub>x</sub> Budget opt-in source was a NO<sub>x</sub> Budget opt-in source,

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<sub>x</sub> allowances required), the permitting authority will issue a notification to the NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> Budget opt-in source of the acceptance of the withdrawal of the NO<sub>x</sub> Budget opt-in source 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 permitting authority will issue a notification to the NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> Budget opt-in source that the NO<sub>x</sub> Budget opt-in source's request to withdraw is denied. If the NO<sub>x</sub> Budget opt-in source's request to withdraw is denied, the NO<sub>x</sub> Budget opt-in source shall remain subject to the requirements for a NO<sub>x</sub> Budget opt-in source.

(e) *Permit amendment.* After the permitting authority 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<sub>x</sub> Budget permit covering the NO<sub>x</sub> Budget opt-in source to terminate the NO<sub>x</sub> Budget opt-in permit as of the effective date specified under paragraph (d)(1) of this section. A NO<sub>x</sub> Budget opt-in source shall continue to be a NO<sub>x</sub> Budget opt-in source until the effective date of the termination.

(f) *Reapplication upon failure to meet conditions of withdrawal.* If the permitting authority denies the NO<sub>x</sub> Budget opt-in source's request to withdraw, the NO<sub>x</sub> 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<sub>x</sub> Budget Trading Program.* Once a NO<sub>x</sub> Budget opt-in source withdraws from the NO<sub>x</sub> Budget Trading Program and its NO<sub>x</sub> Budget opt-in permit is terminated under this section, the NO<sub>x</sub> authority account representative may not submit

another application for a NO<sub>x</sub> Budget opt-in permit under § 96.83 for the unit prior to the date that is 4 years after the date on which the terminated NO<sub>x</sub> Budget opt-in permit became effective.

**§ 96.87 Change in regulatory status.**

(a) *Notification.* When a NO<sub>x</sub> Budget opt-in source becomes a NO<sub>x</sub> Budget unit under § 96.4, the NO<sub>x</sub> authorized account representative shall notify in writing the permitting authority and the Administrator of such change in the NO<sub>x</sub> Budget opt-in source's regulatory status, within 30 days of such change.

(b) *Permitting authority's and Administrator's action.* (1)(i) When the NO<sub>x</sub> Budget opt-in source becomes a NO<sub>x</sub> Budget unit under § 96.4, the permitting authority will revise the NO<sub>x</sub> Budget opt-in source's NO<sub>x</sub> Budget opt-in permit to meet the requirements of a NO<sub>x</sub> Budget permit under § 96.23 as of an effective date that is the date on which such NO<sub>x</sub> Budget opt-in source becomes a NO<sub>x</sub> Budget unit under § 96.4.

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

(1) Any NO<sub>x</sub> allowances allocated to the NO<sub>x</sub> Budget unit (as a NO<sub>x</sub> Budget opt-in source) under § 96.88 for any control period after the last control period during which the unit's NO<sub>x</sub> Budget opt-in permit was effective; and

(2) If the effective date of the NO<sub>x</sub> Budget permit revision under paragraph (b)(1)(i) of this section is during a control period, the NO<sub>x</sub> allowances allocated to the NO<sub>x</sub> Budget unit (as a NO<sub>x</sub> Budget opt-in source) under § 96.88 for the control period multiplied by the ratio of 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.

(B) The NO<sub>x</sub> authorized account representative shall ensure that the compliance account of the NO<sub>x</sub> Budget unit under paragraph (b)(1)(i) of this sec-

tion, or the overdraft account of the NO<sub>x</sub> Budget source where the unit is located, includes the NO<sub>x</sub> 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 sufficient NO<sub>x</sub> allowances, the Administrator will deduct the required number of NO<sub>x</sub> allowances, regardless of the control period for which they were allocated, whenever NO<sub>x</sub> allowances are recorded in either account.

(iii)(A) For every control period during which the NO<sub>x</sub> Budget permit revised under paragraph (b)(1)(i) of this section is effective, the NO<sub>x</sub> Budget unit under paragraph (b)(1)(i) of this section will be treated, solely for purposes of NO<sub>x</sub> allowance allocations under § 96.42, as a unit that commenced operation on the effective date of the NO<sub>x</sub> Budget permit revision under paragraph (b)(1)(i) of this section and will be allocated NO<sub>x</sub> allowances under § 96.42.

(B) Notwithstanding paragraph (b)(1)(iii)(A) of this section, if the effective date of the NO<sub>x</sub> Budget permit revision under paragraph (b)(1)(i) of this section is during a control period, the following number of NO<sub>x</sub> allowances will be allocated to the NO<sub>x</sub> Budget unit under paragraph (b)(1)(i) of this section under § 96.42 for the control period: the number of NO<sub>x</sub> allowances otherwise allocated to the NO<sub>x</sub> Budget unit under § 96.42 for the control period multiplied by the ratio of 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.

(2)(i) When the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget opt-in source does not renew its NO<sub>x</sub> Budget opt-in permit under § 96.83(b), the Administrator will deduct from the NO<sub>x</sub> Budget opt-in unit's compliance account, or the overdraft account of the NO<sub>x</sub> Budget source where the NO<sub>x</sub> Budget opt-in source is located, NO<sub>x</sub> allowances equal in number to and allocated for the same or a prior control period as any NO<sub>x</sub> allowances allocated to the NO<sub>x</sub> Budget opt-in source under § 96.88 for any control period after the last control period for which the NO<sub>x</sub>

## Environmental Protection Agency

## § 96.101

Budget opt-in permit is effective. The NO<sub>x</sub> authorized account representative shall ensure that the NO<sub>x</sub> Budget opt-in source's compliance account or the overdraft account of the NO<sub>x</sub> Budget source where the NO<sub>x</sub> Budget opt-in source is located includes the NO<sub>x</sub> allowances necessary for completion of such deduction. If the compliance account or overdraft account does not contain sufficient NO<sub>x</sub> allowances, the Administrator will deduct the required number of NO<sub>x</sub> allowances, regardless of the control period for which they were allocated, whenever NO<sub>x</sub> allowances are recorded in either account.

(ii) After the deduction under paragraph (b)(2)(i) of this section is completed, the Administrator will close the NO<sub>x</sub> Budget opt-in source's compliance account. If any NO<sub>x</sub> allowances remain in the compliance account after completion of such deduction and any deduction under § 96.54, the Administrator will close the NO<sub>x</sub> Budget opt-in source's compliance account and will establish, and transfer any remaining allowances to, a new general account for the owners and operators of the NO<sub>x</sub> Budget opt-in source. The NO<sub>x</sub> authorized account representative for the NO<sub>x</sub> Budget opt-in source shall become the NO<sub>x</sub> authorized account representative for the general account.

### § 96.88 NO<sub>x</sub> allowance allocations to opt-in units.

(a) *NO<sub>x</sub> allowance allocation.* (1) By December 31 immediately before the first control period for which the NO<sub>x</sub> Budget opt-in permit is effective, the permitting authority will allocate NO<sub>x</sub> allowances to the NO<sub>x</sub> Budget opt-in source and submit to the Administrator the allocation for the control period in accordance with paragraph (b) of this section.

(2) By no later than December 31, after the first control period for which the NO<sub>x</sub> Budget opt-in permit is in effect, and December 31 of each year thereafter, the permitting authority will allocate NO<sub>x</sub> allowances to the NO<sub>x</sub> Budget opt-in source, and submit to the Administrator allocations for the next control period, in accordance with paragraph (b) of this section.

(b) For each control period for which the NO<sub>x</sub> Budget opt-in source has an

approved NO<sub>x</sub> Budget opt-in permit, the NO<sub>x</sub> Budget opt-in source will be allocated NO<sub>x</sub> allowances in accordance with the following procedures:

(1) The heat input (in mmBtu) used for calculating NO<sub>x</sub> allowance allocations will be the lesser of:

(i) The NO<sub>x</sub> Budget opt-in source's baseline heat input determined pursuant to § 96.84(c); or

(ii) The NO<sub>x</sub> Budget opt-in source's heat input, as determined in accordance with subpart H of this part, for the control period in the year prior to the year of the control period for which the NO<sub>x</sub> allocations are being calculated.

(2) The permitting authority will allocate NO<sub>x</sub> allowances to the NO<sub>x</sub> Budget opt-in source in an amount equaling the heat input (in mmBtu) determined under paragraph (b)(1) of this section multiplied by the lesser of:

(i) The NO<sub>x</sub> Budget opt-in source's baseline NO<sub>x</sub> emissions rate (in lb/mmBtu) determined pursuant to § 96.84(c); or

(ii) The most stringent State or Federal NO<sub>x</sub> emissions limitation applicable to the NO<sub>x</sub> Budget opt-in source during the control period.

### Subpart J—Mobile and Area Sources [Reserved]

### Subparts K–Z [Reserved]

### Subpart AA—CAIR NO<sub>x</sub> Annual Trading Program General Provisions

SOURCE: 70 FR 25339, May 12, 2005, unless otherwise noted.

#### § 96.101 Purpose.

This subpart and subparts BB through II establish the model rule comprising general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the State Clean Air Interstate Rule (CAIR) NO<sub>x</sub> Annual Trading Program, under section 110 of the Clean Air Act and § 51.123 of this chapter, as a means of mitigating interstate transport of fine particulates and nitrogen oxides. The owner or operator of a unit

or a source shall comply with the requirements of this subpart and subparts BB through II as a matter of federal law only if the State with jurisdiction over the unit and the source incorporates by reference such subparts or otherwise adopts the requirements of such subparts in accordance with § 51.123(o)(1) or (2) of this chapter, the State submits to the Administrator one or more revisions of the State implementation plan that include such adoption, and the Administrator approves such revisions. If the State adopts the requirements of such subparts in accordance with § 51.123(o)(1) or (2) of this chapter, then the State authorizes the Administrator to assist the State in implementing the CAIR NO<sub>x</sub> Annual Trading Program by carrying out the functions set forth for the Administrator in such subparts.

#### § 96.102 Definitions.

The terms used in this subpart and subparts BB through II shall have the meanings set forth in this section as follows:

*Account number* means the identification number given by the Administrator to each CAIR NO<sub>x</sub> Allowance Tracking System account.

*Acid Rain emissions limitation* means a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program.

*Acid Rain Program* means a multi-state sulfur dioxide and nitrogen oxides air pollution control and emission reduction program established by the Administrator under title IV of the CAA and parts 72 through 78 of this chapter.

*Administrator* means the Administrator of the United States Environmental Protection Agency or the Administrator's duly authorized representative.

*Allocate* or *allocation* means, with regard to CAIR NO<sub>x</sub> allowances, the determination by a permitting authority or the Administrator of the amount of such CAIR NO<sub>x</sub> allowances to be initially credited to a CAIR NO<sub>x</sub> unit, a new unit set-aside, or other entity.

*Allowance transfer deadline* means, for a control period, midnight of March 1 (if it is a business day), or midnight of the first business day thereafter (if March 1 is not a business day), imme-

diately following the control period and is the deadline by which a CAIR NO<sub>x</sub> allowance transfer must be submitted for recordation in a CAIR NO<sub>x</sub> source's compliance account in order to be used to meet the source's CAIR NO<sub>x</sub> emissions limitation for such control period in accordance with § 96.154.

*Alternate CAIR designated representative* means, for a CAIR NO<sub>x</sub> source and each CAIR NO<sub>x</sub> unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with subparts BB and II of this part, to act on behalf of the CAIR designated representative in matters pertaining to the CAIR NO<sub>x</sub> Annual Trading Program. If the CAIR NO<sub>x</sub> source is also a CAIR SO<sub>2</sub> source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR SO<sub>2</sub> Trading Program. If the CAIR NO<sub>x</sub> source is also a CAIR NO<sub>x</sub> Ozone Season source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO<sub>x</sub> Ozone Season Trading Program. If the CAIR NO<sub>x</sub> source is also subject to the Acid Rain Program, then this natural person shall be the same person as the alternate designated representative under the Acid Rain Program. If the CAIR NO<sub>x</sub> source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the alternate Hg designated representative under the Hg Budget Trading Program.

*Automated data acquisition and handling system* or *DAHS* means that component of the continuous emission monitoring system, or other emissions monitoring system approved for use under subpart HH of this part, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by subpart HH of this part.

*Biomass* means—

(1) Any organic material grown for the purpose of being converted to energy;

(2) Any organic byproduct of agriculture that can be converted into energy; or

(3) Any material that can be converted into energy and is nonmerchantable for other purposes, that is segregated from other nonmerchantable material, and that is;

(i) A forest-related organic resource, including mill residues, precommercial thinnings, slash, brush, or byproduct from conversion of trees to merchantable material; or

(ii) A wood material, including pallets, crates, dunnage, manufacturing and construction materials (other than pressure-treated, chemically-treated, or painted wood products), and landscape or right-of-way tree trimmings.

*Boiler* means an enclosed fossil- or other-fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

*Bottoming-cycle cogeneration unit* means a cogeneration unit in which the energy input to the unit is first used to produce useful thermal energy and at least some of the reject heat from the useful thermal energy application or process is then used for electricity production.

*CAIR authorized account representative* means, with regard to a general account, a responsible natural person who is authorized, in accordance with subparts BB, FF, and II of this part, to transfer and otherwise dispose of CAIR NO<sub>x</sub> allowances held in the general account and, with regard to a compliance account, the CAIR designated representative of the source.

*CAIR designated representative* means, for a CAIR NO<sub>x</sub> source and each CAIR NO<sub>x</sub> unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with subparts BB and II of this part, to represent and legally bind each owner and operator in matters pertaining to the CAIR NO<sub>x</sub> Annual Trading Program. If the CAIR NO<sub>x</sub> source is also a CAIR SO<sub>2</sub> source, then this natural person shall be the same person as the CAIR designated representative under

the CAIR SO<sub>2</sub> Trading Program. If the CAIR NO<sub>x</sub> source is also a CAIR NO<sub>x</sub> Ozone Season source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO<sub>x</sub> Ozone Season Trading Program. If the CAIR NO<sub>x</sub> source is also subject to the Acid Rain Program, then this natural person shall be the same person as the designated representative under the Acid Rain Program. If the CAIR NO<sub>x</sub> source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the Hg designated representative under the Hg Budget Trading Program.

*CAIR NO<sub>x</sub> allowance* means a limited authorization issued by a permitting authority or the Administrator under provisions of a State implementation plan that are approved under § 51.123(o)(1) or (2) or (p) of this chapter, or under subpart EE of part 97 or § 97.188 of this chapter, to emit one ton of nitrogen oxides during a control period of the specified calendar year for which the authorization is allocated or of any calendar year thereafter under the CAIR NO<sub>x</sub> Program. An authorization to emit nitrogen oxides that is not issued under provisions of a State implementation plan that are approved under § 51.123(o)(1) or (2) or (p) of this chapter or subpart EE of part 97 or § 97.188 of this chapter shall not be a CAIR NO<sub>x</sub> allowance.

*CAIR NO<sub>x</sub> allowance deduction or deduct CAIR NO<sub>x</sub> allowances* means the permanent withdrawal of CAIR NO<sub>x</sub> allowances by the Administrator from a compliance account, *e.g.*, in order to account for a specified number of tons of total nitrogen oxides emissions from all CAIR NO<sub>x</sub> units at a CAIR NO<sub>x</sub> source for a control period, determined in accordance with subpart HH of this part, or to account for excess emissions.

*CAIR NO<sub>x</sub> Allowance Tracking System* means the system by which the Administrator records allocations, deductions, and transfers of CAIR NO<sub>x</sub> allowances under the CAIR NO<sub>x</sub> Annual Trading Program. Such allowances will be allocated, held, deducted, or transferred only as whole allowances.

*CAIR NO<sub>x</sub> Allowance Tracking System account* means an account in the CAIR

NO<sub>x</sub> Allowance Tracking System established by the Administrator for purposes of recording the allocation, holding, transferring, or deducting of CAIR NO<sub>x</sub> allowances.

*CAIR NO<sub>x</sub> allowances held or hold* means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts FF, GG, and II of this part, in a CAIR NO<sub>x</sub> Allowance Tracking System account.

*CAIR NO<sub>x</sub> Annual Trading Program* means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts AA through II of this part and § 51.123(o)(1) or (2) of this chapter or established by the Administrator in accordance with subparts AA through II of part 97 of this chapter and §§ 51.123(p) and 52.35 of this chapter, as a means of mitigating interstate transport of fine particulates and nitrogen oxides.

*CAIR NO<sub>x</sub> emissions limitation* means, for a CAIR NO<sub>x</sub> source, the tonnage equivalent, in NO<sub>x</sub> emissions in a control period, of the CAIR NO<sub>x</sub> allowances available for deduction for the source under § 96.154(a) and (b) for the control period.

*CAIR NO<sub>x</sub> Ozone Season source* means a source that is subject to the CAIR NO<sub>x</sub> Ozone Season Trading Program.

*CAIR NO<sub>x</sub> Ozone Season Trading Program* means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts AAAA through IIII of this part and § 51.123(aa)(1) or (2) (and (bb)(1)), (bb)(2), or (dd) of this chapter or established by the Administrator in accordance with subparts AAAA through IIII of part 97 of this chapter and §§ 51.123(ee) and 52.35 of this chapter, as a means of mitigating interstate transport of ozone and nitrogen oxides.

*CAIR NO<sub>x</sub> source* means a source that includes one or more CAIR NO<sub>x</sub> units.

*CAIR NO<sub>x</sub> unit* means a unit that is subject to the CAIR NO<sub>x</sub> Annual Trading Program under § 96.104 and, except for purposes of § 96.105 and subpart EE

of this part, a CAIR NO<sub>x</sub> opt-in unit under subpart II of this part.

*CAIR permit* means the legally binding and federally enforceable written document, or portion of such document, issued by the permitting authority under subpart CC of this part, including any permit revisions, specifying the CAIR NO<sub>x</sub> Annual Trading Program requirements applicable to a CAIR NO<sub>x</sub> source, to each CAIR NO<sub>x</sub> unit at the source, and to the owners and operators and the CAIR designated representative of the source and each such unit.

*CAIR SO<sub>2</sub> source* means a source that is subject to the CAIR SO<sub>2</sub> Trading Program.

*CAIR SO<sub>2</sub> Trading Program* means a multi-state sulfur dioxide air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts AAA through III of this part and § 51.124(o)(1) or (2) of this chapter or established by the Administrator in accordance with subparts AAA through III of part 97 of this chapter and §§ 51.124(r) and 52.36 of this chapter, as a means of mitigating interstate transport of fine particulates and sulfur dioxide.

*Clean Air Act* or *CAA* means the Clean Air Act, 42 U.S.C. 7401, *et seq.*

*Coal* means any solid fuel classified as anthracite, bituminous, subbituminous, or lignite.

*Coal-derived fuel* means any fuel (whether in a solid, liquid, or gaseous state) produced by the mechanical, thermal, or chemical processing of coal.

*Coal-fired means:*

(1) Except for purposes of subpart EE of this part, combusting any amount of coal or coal-derived fuel, alone or in combination with any amount of any other fuel, during any year; or

(2) For purposes of subpart EE of this part, combusting any amount of coal or coal-derived fuel, alone or in combination with any amount of any other fuel, during a specified year.

*Cogeneration unit* means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine:

(1) Having equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or

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cooling purposes through the sequential use of energy; and

(2) Producing during the 12-month period starting on the date the unit first produces electricity and during any calendar year after the calendar year in which the unit first produces electricity—

(i) For a topping-cycle cogeneration unit,

(A) Useful thermal energy not less than 5 percent of total energy output; and

(B) Useful power that, when added to one-half of useful thermal energy produced, is not less than 42.5 percent of total energy input, if useful thermal energy produced is 15 percent or more of total energy output, or not less than 45 percent of total energy input, if useful thermal energy produced is less than 15 percent of total energy output.

(ii) For a bottoming-cycle cogeneration unit, useful power not less than 45 percent of total energy input;

(3) Provided that the total energy input under paragraphs (2)(i)(B) and (2)(ii) of this definition shall equal the unit's total energy input from all fuel except biomass if the unit is a boiler.

*Combustion turbine means:*

(1) An enclosed device comprising a compressor, a combustor, and a turbine and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine; and

(2) If the enclosed device under paragraph (1) of this definition is combined cycle, any associated duct burner, heat recovery steam generator, and steam turbine.

*Commence commercial operation means, with regard to a unit:*

(1) To have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation, except as provided in § 96.105 and § 96.184(h).

(i) For a unit that is a CAIR NO<sub>x</sub> unit under § 96.104 on the later of November 15, 1990 or the date the unit commences commercial operation as defined in paragraph (1) of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the date of commencement of commercial operation of

the unit, which shall continue to be treated as the same unit.

(ii) For a unit that is a CAIR NO<sub>x</sub> unit under § 96.104 on the later of November 15, 1990 or the date the unit commences commercial operation as defined in paragraph (1) of this definition and that is subsequently replaced by a unit at the same source (*e.g.*, repowered), such date shall remain the replaced unit's date of commencement of commercial operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in paragraph (1) or (2) of this definition as appropriate.

(2) Notwithstanding paragraph (1) of this definition and except as provided in § 96.105, for a unit that is not a CAIR NO<sub>x</sub> unit under § 96.104 on the later of November 15, 1990 or the date the unit commences commercial operation as defined in paragraph (1) of this definition, the unit's date for commencement of commercial operation shall be the date on which the unit becomes a CAIR NO<sub>x</sub> unit under § 96.104.

(i) For a unit with a date for commencement of commercial operation as defined in paragraph (2) of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the date of commencement of commercial operation of the unit, which shall continue to be treated as the same unit.

(ii) For a unit with a date for commencement of commercial operation as defined in paragraph (2) of this definition and that is subsequently replaced by a unit at the same source (*e.g.*, repowered), such date shall remain the replaced unit's date of commencement of commercial operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in paragraph (1) or (2) of this definition as appropriate.

*Commence operation means:*

(1) To have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a unit's combustion chamber, except as provided in § 96.184(h).

(2) For a unit that undergoes a physical change (other than replacement of



the unit by a unit at the same source) after the date the unit commences operation as defined in paragraph (1) of this definition, such date shall remain the date of commencement of operation of the unit, which shall continue to be treated as the same unit.

(3) For a unit that is replaced by a unit at the same source (*e.g.*, repowered) after the date the unit commences operation as defined in paragraph (1) of this definition, such date shall remain the replaced unit's date of commencement of operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in paragraph (1), (2), or (3) of this definition as appropriate, except as provided in § 96.184(h).

*Compliance account* means a CAIR NO<sub>x</sub> Allowance Tracking System account, established by the Administrator for a CAIR NO<sub>x</sub> source under subpart FF or II of this part, in which any CAIR NO<sub>x</sub> allowance allocations for the CAIR NO<sub>x</sub> units at the source are initially recorded and in which are held any CAIR NO<sub>x</sub> allowances available for use for a control period in order to meet the source's CAIR NO<sub>x</sub> emissions limitation in accordance with § 96.154.

*Continuous emission monitoring system* or *CEMS* means the equipment required under subpart HH of this part to sample, analyze, measure, and provide, by means of readings recorded at least once every 15 minutes (using an automated data acquisition and handling system (DAHS)), a permanent record of nitrogen oxides emissions, stack gas volumetric flow rate, stack gas moisture content, and oxygen or carbon dioxide concentration (as applicable), in a manner consistent with part 75 of this chapter. The following systems are the principal types of continuous emission monitoring systems required under subpart HH of this part:

(1) A flow monitoring system, consisting of a stack flow rate monitor and an automated data acquisition and handling system and providing a permanent, continuous record of stack gas volumetric flow rate, in standard cubic feet per hour (scfh);

(2) A nitrogen oxides concentration monitoring system, consisting of a NO<sub>x</sub>

pollutant concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of NO<sub>x</sub> emissions, in parts per million (ppm);

(3) A nitrogen oxides emission rate (or NO<sub>x</sub>-diluent) monitoring system, consisting of a NO<sub>x</sub> pollutant concentration monitor, a diluent gas (CO<sub>2</sub> or O<sub>2</sub>) monitor, and an automated data acquisition and handling system and providing a permanent, continuous record of NO<sub>x</sub> concentration, in parts per million (ppm), diluent gas concentration, in percent CO<sub>2</sub> or O<sub>2</sub>; and NO<sub>x</sub> emission rate, in pounds per million British thermal units (lb/mmBtu);

(4) A moisture monitoring system, as defined in § 75.11(b)(2) of this chapter and providing a permanent, continuous record of the stack gas moisture content, in percent H<sub>2</sub>O;

(5) A carbon dioxide monitoring system, consisting of a CO<sub>2</sub> pollutant concentration monitor (or an oxygen monitor plus suitable mathematical equations from which the CO<sub>2</sub> concentration is derived) and an automated data acquisition and handling system and providing a permanent, continuous record of CO<sub>2</sub> emissions, in percent CO<sub>2</sub>; and

(6) An oxygen monitoring system, consisting of an O<sub>2</sub> concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of O<sub>2</sub>, in percent O<sub>2</sub>.

*Control period* means the period beginning January 1 of a calendar year, except as provided in § 96.106(c)(2), and ending on December 31 of the same year, inclusive.

*Emissions* means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the Administrator by the CAIR designated representative and as determined by the Administrator in accordance with subpart HH of this part.

*Excess emissions* means any ton of nitrogen oxides emitted by the CAIR NO<sub>x</sub> units at a CAIR NO<sub>x</sub> source during a control period that exceeds the CAIR NO<sub>x</sub> emissions limitation for the source.

*Fossil fuel* means natural gas, petroleum, coal, or any form of solid, liquid,

or gaseous fuel derived from such material.

*Fossil-fuel-fired* means, with regard to a unit, combusting any amount of fossil fuel in any calendar year.

*Fuel oil* means any petroleum-based fuel (including diesel fuel or petroleum derivatives such as oil tar) and any recycled or blended petroleum products or petroleum by-products used as a fuel whether in a liquid, solid, or gaseous state.

*General account* means a CAIR NO<sub>x</sub> Allowance Tracking System account, established under subpart FF of this part, that is not a compliance account.

*Generator* means a device that produces electricity.

*Gross electrical output* means, with regard to a cogeneration unit, electricity made available for use, including any such electricity used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

*Heat input* means, with regard to a specified period of time, the product (in mmBtu/time) of the gross calorific value of the fuel (in Btu/lb) divided by 1,000,000 Btu/mmBtu and multiplied by the fuel feed rate into a combustion device (in lb of fuel/time), as measured, recorded, and reported to the Administrator by the CAIR designated representative and determined by the Administrator in accordance with subpart HH of this part and excluding the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

*Heat input rate* means the amount of heat input (in mmBtu) divided by unit operating time (in hr) or, with regard to a specific fuel, the amount of heat input attributed to the fuel (in mmBtu) divided by the unit operating time (in hr) during which the unit combusts the fuel.

*Hg Budget Trading Program* means a multi-state Hg air pollution control and emission reduction program approved and administered by the Administrator in accordance subpart HHHH of part 60 of this chapter and § 60.24(h)(6), or established by the Administrator under section 111 of the

Clean Air Act, as a means of reducing national Hg emissions.

*Life-of-the-unit, firm power contractual arrangement* means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy generated by any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

- (1) For the life of the unit;
- (2) For a cumulative term of no less than 30 years, including contracts that permit an election for early termination; or
- (3) For a period no less than 25 years or 70 percent of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

*Maximum design heat input* means the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis as of the initial installation of the unit as specified by the manufacturer of the unit.

*Monitoring system* means any monitoring system that meets the requirements of subpart HH of this part, including a continuous emissions monitoring system, an alternative monitoring system, or an excepted monitoring system under part 75 of this chapter.

*Most stringent State or Federal NO<sub>x</sub> emissions limitation* means, with regard to a unit, the lowest NO<sub>x</sub> emissions limitation (in terms of lb/mmBtu) that is applicable to the unit under State or Federal law, regardless of the averaging period to which the emissions limitation applies.

*Nameplate capacity* means, starting from the initial installation of a generator, the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings) as of such installation as specified by the manufacturer of the generator or, starting from the completion of any subsequent

physical change in the generator resulting in an increase in the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings), such increased maximum amount as of such completion as specified by the person conducting the physical change.

*Oil-fired* means, for purposes of subpart EE of this part, combusting fuel oil for more than 15.0 percent of the annual heat input in a specified year and not qualifying as coal-fired.

*Operator* means any person who operates, controls, or supervises a CAIR NO<sub>x</sub> unit or a CAIR NO<sub>x</sub> source and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

*Owner* means any of the following persons:

(1) With regard to a CAIR NO<sub>x</sub> source or a CAIR NO<sub>x</sub> unit at a source, respectively:

(i) Any holder of any portion of the legal or equitable title in a CAIR NO<sub>x</sub> unit at the source or the CAIR NO<sub>x</sub> unit;

(ii) Any holder of a leasehold interest in a CAIR NO<sub>x</sub> unit at the source or the CAIR NO<sub>x</sub> unit; or

(iii) Any purchaser of power from a CAIR NO<sub>x</sub> unit at the source or the CAIR NO<sub>x</sub> unit under a life-of-the-unit, firm power contractual arrangement; provided that, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based (either directly or indirectly) on the revenues or income from such CAIR NO<sub>x</sub> unit; or

(2) With regard to any general account, any person who has an ownership interest with respect to the CAIR NO<sub>x</sub> allowances held in the general account and who is subject to the binding agreement for the CAIR authorized account representative to represent the person's ownership interest with respect to CAIR NO<sub>x</sub> allowances.

*Permitting authority* means the State air pollution control agency, local agency, other State agency, or other

agency authorized by the Administrator to issue or revise permits to meet the requirements of the CAIR NO<sub>x</sub> Annual Trading Program or, if no such agency has been so authorized, the Administrator.

*Potential electrical output capacity* means 33 percent of a unit's maximum design heat input, divided by 3,413 Btu/kWh, divided by 1,000 kWh/MWh, and multiplied by 8,760 hr/yr.

*Receive or receipt of* means, when referring to the permitting authority or the Administrator, to come into possession of a document, information, or correspondence (whether sent in hard copy or by authorized electronic transmission), as indicated in an official log, or by a notation made on the document, information, or correspondence, by the permitting authority or the Administrator in the regular course of business.

*Recordation, record, or recorded* means, with regard to CAIR NO<sub>x</sub> allowances, the movement of CAIR NO<sub>x</sub> allowances by the Administrator into or between CAIR NO<sub>x</sub> Allowance Tracking System accounts, for purposes of allocation, transfer, or deduction.

*Reference method* means any direct test method of sampling and analyzing for an air pollutant as specified in § 75.22 of this chapter.

*Replacement, replace, or replaced* means, with regard to a unit, the demolishing of a unit, or the permanent shutdown and permanent disabling of a unit, and the construction of another unit (the replacement unit) to be used instead of the demolished or shutdown unit (the replaced unit).

*Repowered* means, with regard to a unit, replacement of a coal-fired boiler with one of the following coal-fired technologies at the same source as the coal-fired boiler:

(1) Atmospheric or pressurized fluidized bed combustion;

(2) Integrated gasification combined cycle;

(3) Magnetohydrodynamics;

(4) Direct and indirect coal-fired turbines;

(5) Integrated gasification fuel cells; or

(6) As determined by the Administrator in consultation with the Secretary of Energy, a derivative of one or

more of the technologies under paragraphs (1) through (5) of this definition and any other coal-fired technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of January 1, 2005.

*Serial number* means, for a CAIR NO<sub>x</sub> allowance, the unique identification number assigned to each CAIR NO<sub>x</sub> allowance by the Administrator.

*Sequential use of energy* means:

(1) For a topping-cycle cogeneration unit, the use of reject heat from electricity production in a useful thermal energy application or process; or

(2) For a bottoming-cycle cogeneration unit, the use of reject heat from useful thermal energy application or process in electricity production.

*Solid waste incineration unit* means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine that is a "solid waste incineration unit" as defined in section 129(g)(1) of the Clean Air Act.

*Source* means all buildings, structures, or installations located in one or more contiguous or adjacent properties under common control of the same person or persons. For purposes of section 502(c) of the Clean Air Act, a "source," including a "source" with multiple units, shall be considered a single "facility."

*State* means one of the States or the District of Columbia that adopts the CAIR NO<sub>x</sub> Annual Trading Program pursuant to § 51.123(o)(1) or (2) of this chapter.

*Submit or serve* means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable regulation:

(1) In person;

(2) By United States Postal Service; or

(3) By other means of dispatch or transmission and delivery. Compliance with any "submission" or "service" deadline shall be determined by the date of dispatch, transmission, or mailing and not the date of receipt.

*Title V operating permit* means a permit issued under title V of the Clean

Air Act and part 70 or part 71 of this chapter.

*Title V operating permit regulations* means the regulations that the Administrator has approved or issued as meeting the requirements of title V of the Clean Air Act and part 70 or 71 of this chapter.

*Ton* means 2,000 pounds. For the purpose of determining compliance with the CAIR NO<sub>x</sub> emissions limitation, total tons of nitrogen oxides emissions for a control period shall be calculated as the sum of all recorded hourly emissions (or the mass equivalent of the recorded hourly emission rates) in accordance with subpart HH of this part, but with any remaining fraction of a ton equal to or greater than 0.50 tons deemed to equal one ton and any remaining fraction of a ton less than 0.50 tons deemed to equal zero tons.

*Topping-cycle cogeneration unit* means a cogeneration unit in which the energy input to the unit is first used to produce useful power, including electricity, and at least some of the reject heat from the electricity production is then used to provide useful thermal energy.

*Total energy input* means, with regard to a cogeneration unit, total energy of all forms supplied to the cogeneration unit, excluding energy produced by the cogeneration unit itself. Each form of energy supplied shall be measured by the lower heating value of that form of energy calculated as follows:

$$\text{LHV} = \text{HHV} - 10.55(\text{W} + 9\text{H})$$

Where:

LHV = lower heating value of fuel in Btu/lb,

HHV = higher heating value of fuel in Btu/lb,

W = Weight % of moisture in fuel, and

H = Weight % of hydrogen in fuel.

*Total energy output* means, with regard to a cogeneration unit, the sum of useful power and useful thermal energy produced by the cogeneration unit.

*Unit* means a stationary, fossil-fuel-fired boiler or combustion turbine or other stationary, fossil-fuel-fired combustion device.

*Unit operating day* means a calendar day in which a unit combusts any fuel.

*Unit operating hour* or *hour of unit operation* means an hour in which a unit combusts any fuel.

*Useful power* means, with regard to a cogeneration unit, electricity or mechanical energy made available for use, excluding any such energy used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

*Useful thermal energy* means, with regard to a cogeneration unit, thermal energy that is:

(1) Made available to an industrial or commercial process (not a power production process), excluding any heat contained in condensate return or makeup water;

(2) Used in a heating application (*e.g.*, space heating or domestic hot water heating); or

(3) Used in a space cooling application (*i.e.*, thermal energy used by an absorption chiller).

*Utility power distribution system* means the portion of an electricity grid owned or operated by a utility and dedicated to delivering electricity to customers.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25380, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006; 72 FR 59205, Oct. 19, 2007]

**§ 96.103 Measurements, abbreviations, and acronyms.**

Measurements, abbreviations, and acronyms used in this subpart and subparts BB through II are defined as follows:

Btu—British thermal unit.

CO<sub>2</sub>—carbon dioxide

H<sub>2</sub>O—water

Hg—mercury

hr—hour

kW—kilowatt electrical

kWh—kilowatt hour

lb—pound

mmBtu—million Btu

MWe—megawatt electrical

MWh—megawatt hour

NO<sub>x</sub>—nitrogen oxides

O<sub>2</sub>—oxygen

ppm—parts per million

scfh—standard cubic feet per hour

SO<sub>2</sub>—sulfur dioxide

yr—year

[71 FR 25381, Apr. 28, 2006]

**§ 96.104 Applicability.**

(a) Except as provided in paragraph (b) of this section:

(1) The following units in a State shall be CAIR NO<sub>x</sub> units, and any source that includes one or more such units shall be a CAIR NO<sub>x</sub> source, subject to the requirements of this subpart and subparts BB through HH of this part: any stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine serving at any time, since the later of November 15, 1990 or the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe producing electricity for sale.

(2) If a stationary boiler or stationary combustion turbine that, under paragraph (a)(1) of this section, is not a CAIR NO<sub>x</sub> unit begins to combust fossil fuel or to serve a generator with nameplate capacity of more than 25 MWe producing electricity for sale, the unit shall become a CAIR NO<sub>x</sub> unit as provided in paragraph (a)(1) of this section on the first date on which it both combusts fossil fuel and serves such generator.

(b) The units in a State that meet the requirements set forth in paragraph (b)(1)(i), (b)(2)(i), or (b)(2)(ii) of this section shall not be CAIR NO<sub>x</sub> units:

(1)(i) Any unit that is a CAIR NO<sub>x</sub> unit under paragraph (a)(1) or (2) of this section:

(A) Qualifying as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continuing to qualify as a cogeneration unit; and

(B) Not serving at any time, since the later of November 15, 1990 or the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale.

(ii) If a unit qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and meets the requirements of paragraphs (b)(1)(i) of this section for at least one calendar year, but subsequently no longer meets all such requirements, the unit shall become a CAIR NO<sub>x</sub> unit starting on the earlier of January 1 after the first

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calendar year during which the unit first no longer qualifies as a cogeneration unit or January 1 after the first calendar year during which the unit no longer meets the requirements of paragraph (b)(1)(i)(B) of this section.

(2)(i) Any unit that is a CAIR NO<sub>x</sub> unit under paragraph (a)(1) or (2) of this section commencing operation before January 1, 1985:

(A) Qualifying as a solid waste incineration unit; and

(B) With an average annual fuel consumption of non-fossil fuel for 1985–1987 exceeding 80 percent (on a Btu basis) and an average annual fuel consumption of non-fossil fuel for any 3 consecutive calendar years after 1990 exceeding 80 percent (on a Btu basis).

(ii) Any unit that is a CAIR NO<sub>x</sub> unit under paragraph (a)(1) or (2) of this section commencing operation on or after January 1, 1985:

(A) Qualifying as a solid waste incineration unit; and

(B) With an average annual fuel consumption of non-fossil fuel for the first 3 calendar years of operation exceeding 80 percent (on a Btu basis) and an average annual fuel consumption of non-fossil fuel for any 3 consecutive calendar years after 1990 exceeding 80 percent (on a Btu basis).

(iii) If a unit qualifies as a solid waste incineration unit and meets the requirements of paragraph (b)(2)(i) or (ii) of this section for at least 3 consecutive calendar years, but subsequently no longer meets all such requirements, the unit shall become a CAIR NO<sub>x</sub> unit starting on the earlier of January 1 after the first calendar year during which the unit first no longer qualifies as a solid waste incineration unit or January 1 after the first 3 consecutive calendar years after 1990 for which the unit has an average annual fuel consumption of fossil fuel of 20 percent or more.

[71 FR 25382, Apr. 28, 2006]

### § 96.105 Retired unit exemption.

(a)(1) Any CAIR NO<sub>x</sub> unit that is permanently retired and is not a CAIR NO<sub>x</sub> opt-in unit under subpart II of this part shall be exempt from the CAIR NO<sub>x</sub> Annual Trading Program, except for the provisions of this section, § 96.102, § 96.103, § 96.104, § 96.106(c)(4)

through (7), § 96.107, § 96.108, and subparts BB and EE through GG.

(2) The exemption under paragraph (a)(1) of this section shall become effective the day on which the CAIR NO<sub>x</sub> unit is permanently retired. Within 30 days of the unit's permanent retirement, the CAIR designated representative shall submit a statement to the permitting authority otherwise responsible for administering any CAIR permit for the unit and shall submit a copy of the statement to the Administrator. The statement shall state, in a format prescribed by the permitting authority, that the unit was permanently retired on a specific date and will comply with the requirements of paragraph (b) of this section.

(3) After receipt of the statement under paragraph (a)(2) of this section, the permitting authority will amend any permit under subpart CC of this part covering the source at which the unit is located to add the provisions and requirements of the exemption under paragraphs (a)(1) and (b) of this section.

(b) *Special provisions.* (1) A unit exempt under paragraph (a) of this section shall not emit any nitrogen oxides, starting on the date that the exemption takes effect.

(2) The permitting authority will allocate CAIR NO<sub>x</sub> allowances under subpart EE of this part to a unit exempt under paragraph (a) of this section.

(3) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under paragraph (a) of this section shall retain, at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the permitting authority or the Administrator. The owners and operators bear the burden of proof that the unit is permanently retired.

(4) The owners and operators and, to the extent applicable, the CAIR designated representative of a unit exempt under paragraph (a) of this section shall comply with the requirements of the CAIR NO<sub>x</sub> Annual Trading Program concerning all periods for which the exemption is not in effect, even if

such requirements arise, or must be complied with, after the exemption takes effect.

(5) A unit exempt under paragraph (a) of this section and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR permit application under § 96.122 for the unit not less than 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2009 or the date on which the unit resumes operation.

(6) On the earlier of the following dates, a unit exempt under paragraph (a) of this section shall lose its exemption:

(i) The date on which the CAIR designated representative submits a CAIR permit application for the unit under paragraph (b)(5) of this section;

(ii) The date on which the CAIR designated representative is required under paragraph (b)(5) of this section to submit a CAIR permit application for the unit; or

(iii) The date on which the unit resumes operation, if the CAIR designated representative is not required to submit a CAIR permit application for the unit.

(7) For the purpose of applying monitoring, reporting, and recordkeeping requirements under subpart HH of this part, a unit that loses its exemption under paragraph (a) of this section shall be treated as a unit that commences commercial operation on the first date on which the unit resumes operation.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25382, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

**§ 96.106 Standard requirements.**

(a) *Permit requirements.* (1) The CAIR designated representative of each CAIR NO<sub>x</sub> source required to have a title V operating permit and each CAIR NO<sub>x</sub> unit required to have a title V operating permit at the source shall:

(i) Submit to the permitting authority a complete CAIR permit application under § 96.122 in accordance with the deadlines specified in § 96.121; and

(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR permit.

(2) The owners and operators of each CAIR NO<sub>x</sub> source required to have a title V operating permit and each CAIR NO<sub>x</sub> unit required to have a title V operating permit at the source shall have a CAIR permit issued by the permitting authority under subpart CC of this part for the source and operate the source and the unit in compliance with such CAIR permit.

(3) Except as provided in subpart II of this part, the owners and operators of a CAIR NO<sub>x</sub> source that is not otherwise required to have a title V operating permit and each CAIR NO<sub>x</sub> unit that is not otherwise required to have a title V operating permit are not required to submit a CAIR permit application, and to have a CAIR permit, under subpart CC of this part for such CAIR NO<sub>x</sub> source and such CAIR NO<sub>x</sub> unit.

(b) *Monitoring, reporting, and recordkeeping requirements.* (1) The owners and operators, and the CAIR designated representative, of each CAIR NO<sub>x</sub> source and each CAIR NO<sub>x</sub> unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements of subpart HH of this part.

(2) The emissions measurements recorded and reported in accordance with subpart HH of this part shall be used to determine compliance by each CAIR NO<sub>x</sub> source with the CAIR NO<sub>x</sub> emissions limitation under paragraph (c) of this section.

(c) *Nitrogen oxides emission requirements.* (1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO<sub>x</sub> source and each CAIR NO<sub>x</sub> unit at the source shall hold, in the source's compliance account, CAIR NO<sub>x</sub> allowances available for compliance deductions for the control period under § 96.154(a) in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO<sub>x</sub> units at the source, as determined in accordance with subpart HH of this part.

(2) A CAIR NO<sub>x</sub> unit shall be subject to the requirements under paragraph

(c)(1) of this section for the control period starting on the later of January 1, 2009 or the deadline for meeting the unit's monitor certification requirements under § 96.170(b)(1), (2), or (5) and for each control period thereafter.

(3) A CAIR NO<sub>x</sub> allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of this section, for a control period in a calendar year before the year for which the CAIR NO<sub>x</sub> allowance was allocated.

(4) CAIR NO<sub>x</sub> allowances shall be held in, deducted from, or transferred into or among CAIR NO<sub>x</sub> Allowance Tracking System accounts in accordance with subparts FF, GG, and II of this part.

(5) A CAIR NO<sub>x</sub> allowance is a limited authorization to emit one ton of nitrogen oxides in accordance with the CAIR NO<sub>x</sub> Annual Trading Program. No provision of the CAIR NO<sub>x</sub> Annual Trading Program, the CAIR permit application, the CAIR permit, or an exemption under § 96.105 and no provision of law shall be construed to limit the authority of the State or the United States to terminate or limit such authorization.

(6) A CAIR NO<sub>x</sub> allowance does not constitute a property right.

(7) Upon recordation by the Administrator under subpart EE, FF, GG, or II of this part, every allocation, transfer, or deduction of a CAIR NO<sub>x</sub> allowance to or from a CAIR NO<sub>x</sub> source's compliance account is incorporated automatically in any CAIR permit of the source.

(d) *Excess emissions requirements.* If a CAIR NO<sub>x</sub> source emits nitrogen oxides during any control period in excess of the CAIR NO<sub>x</sub> emissions limitation, then:

(1) The owners and operators of the source and each CAIR NO<sub>x</sub> unit at the source shall surrender the CAIR NO<sub>x</sub> allowances required for deduction under § 96.154(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and

(2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

(e) *Recordkeeping and reporting requirements.* (1) Unless otherwise provided, the owners and operators of the CAIR NO<sub>x</sub> source and each CAIR NO<sub>x</sub> unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time before the end of 5 years, in writing by the permitting authority or the Administrator.

(i) The certificate of representation under § 96.113 for the CAIR designated representative for the source and each CAIR NO<sub>x</sub> unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation under § 96.113 changing the CAIR designated representative.

(ii) All emissions monitoring information, in accordance with subpart HH of this part, provided that to the extent that subpart HH of this part provides for a 3-year period for recordkeeping, the 3-year period shall apply.

(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR NO<sub>x</sub> Annual Trading Program.

(iv) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR NO<sub>x</sub> Annual Trading Program or to demonstrate compliance with the requirements of the CAIR NO<sub>x</sub> Annual Trading Program.

(2) The CAIR designated representative of a CAIR NO<sub>x</sub> source and each CAIR NO<sub>x</sub> unit at the source shall submit the reports required under the CAIR NO<sub>x</sub> Annual Trading Program, including those under subpart HH of this part.

(f) *Liability.* (1) Each CAIR NO<sub>x</sub> source and each CAIR NO<sub>x</sub> unit shall meet the requirements of the CAIR NO<sub>x</sub> Annual Trading Program.

(2) Any provision of the CAIR NO<sub>x</sub> Annual Trading Program that applies to a CAIR NO<sub>x</sub> source or the CAIR designated representative of a CAIR NO<sub>x</sub>



source shall also apply to the owners and operators of such source and of the CAIR NO<sub>x</sub> units at the source.

(3) Any provision of the CAIR NO<sub>x</sub> Annual Trading Program that applies to a CAIR NO<sub>x</sub> unit or the CAIR designated representative of a CAIR NO<sub>x</sub> unit shall also apply to the owners and operators of such unit.

(g) *Effect on other authorities.* No provision of the CAIR NO<sub>x</sub> Annual Trading Program, a CAIR permit application, a CAIR permit, or an exemption under § 96.105 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR NO<sub>x</sub> source or CAIR NO<sub>x</sub> unit from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25382, Apr. 28, 2006]

**§ 96.107 Computation of time.**

(a) Unless otherwise stated, any time period scheduled, under the CAIR NO<sub>x</sub> Annual Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

(b) Unless otherwise stated, any time period scheduled, under the CAIR NO<sub>x</sub> Annual Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

(c) Unless otherwise stated, if the final day of any time period, under the CAIR NO<sub>x</sub> Annual Trading Program, falls on a weekend or a State or Federal holiday, the time period shall be extended to the next business day.

**§ 96.108 Appeal procedures.**

The appeal procedures for decisions of the Administrator under the CAIR NO<sub>x</sub> Annual Trading Program are set forth in part 78 of this chapter.

**Subpart BB—CAIR Designated Representative for CAIR NO<sub>x</sub> Sources**

SOURCE: 70 FR 25339, May 12, 2005, unless otherwise noted.

**§ 96.110 Authorization and responsibilities of CAIR designated representative.**

(a) Except as provided under § 96.111, each CAIR NO<sub>x</sub> source, including all CAIR NO<sub>x</sub> units at the source, shall have one and only one CAIR designated representative, with regard to all matters under the CAIR NO<sub>x</sub> Annual Trading Program concerning the source or any CAIR NO<sub>x</sub> unit at the source.

(b) The CAIR designated representative of the CAIR NO<sub>x</sub> source shall be selected by an agreement binding on the owners and operators of the source and all CAIR NO<sub>x</sub> units at the source and shall act in accordance with the certification statement in § 96.113(a)(4)(iv).

(c) Upon receipt by the Administrator of a complete certificate of representation under § 96.113, the CAIR designated representative of the source shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each owner and operator of the CAIR NO<sub>x</sub> source represented and each CAIR NO<sub>x</sub> unit at the source in all matters pertaining to the CAIR NO<sub>x</sub> Annual Trading Program, notwithstanding any agreement between the CAIR designated representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the CAIR designated representative by the permitting authority, the Administrator, or a court regarding the source or unit.

(d) No CAIR permit will be issued, no emissions data reports will be accepted, and no CAIR NO<sub>x</sub> Allowance Tracking System account will be established for a CAIR NO<sub>x</sub> unit at a source, until the Administrator has received a complete certificate of representation under § 96.113 for a CAIR designated representative of the source and the CAIR NO<sub>x</sub> units at the source.

(e)(1) Each submission under the CAIR NO<sub>x</sub> Annual Trading Program shall be submitted, signed, and certified by the CAIR designated representative for each CAIR NO<sub>x</sub> source on behalf of which the submission is made. Each such submission shall include the following certification statement by the CAIR designated representative: “I am authorized to make

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this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.”

(2) The permitting authority and the Administrator will accept or act on a submission made on behalf of owner or operators of a CAIR NO<sub>x</sub> source or a CAIR NO<sub>x</sub> unit only if the submission has been made, signed, and certified in accordance with paragraph (e)(1) of this section.

### § 96.111 Alternate CAIR designated representative.

(a) A certificate of representation under § 96.113 may designate one and only one alternate CAIR designated representative, who may act on behalf of the CAIR designated representative. The agreement by which the alternate CAIR designated representative is selected shall include a procedure for authorizing the alternate CAIR designated representative to act in lieu of the CAIR designated representative.

(b) Upon receipt by the Administrator of a complete certificate of representation under § 96.113, any representation, action, inaction, or submission by the alternate CAIR designated representative shall be deemed to be a representation, action, inaction, or submission by the CAIR designated representative.

(c) Except in this section and §§ 96.102, 96.110(a) and (d), 96.112, 96.113, 96.115, 96.151, and 96.182, whenever the term “CAIR designated representative” is used in subparts AA through II of this part, the term shall be construed to include the CAIR designated

representative or any alternate CAIR designated representative.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25382, Apr. 28, 2006]

### § 96.112 Changing CAIR designated representative and alternate CAIR designated representative; changes in owners and operators.

(a) *Changing CAIR designated representative.* The CAIR designated representative may be changed at any time upon receipt by the Administrator of a superseding complete certificate of representation under § 96.113. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR designated representative before the time and date when the Administrator receives the superseding certificate of representation shall be binding on the new CAIR designated representative and the owners and operators of the CAIR NO<sub>x</sub> source and the CAIR NO<sub>x</sub> units at the source.

(b) *Changing alternate CAIR designated representative.* The alternate CAIR designated representative may be changed at any time upon receipt by the Administrator of a superseding complete certificate of representation under § 96.113. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR designated representative before the time and date when the Administrator receives the superseding certificate of representation shall be binding on the new alternate CAIR designated representative and the owners and operators of the CAIR NO<sub>x</sub> source and the CAIR NO<sub>x</sub> units at the source.

(c) *Changes in owners and operators.*

(1) In the event an owner or operator of a CAIR NO<sub>x</sub> source or a CAIR NO<sub>x</sub> unit is not included in the list of owners and operators in the certificate of representation under § 96.113, such owner or operator shall be deemed to be subject to and bound by the certificate of representation, the representations, actions, inactions, and submissions of the CAIR designated representative and any alternate CAIR designated representative of the source or unit, and the decisions and orders of the permitting authority, the Administrator, or a

court, as if the owner or operator were included in such list.

(2) Within 30 days following any change in the owners and operators of a CAIR NO<sub>x</sub> source or a CAIR NO<sub>x</sub> unit, including the addition of a new owner or operator, the CAIR designated representative or any alternate CAIR designated representative shall submit a revision to the certificate of representation under § 96.113 amending the list of owners and operators to include the change.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25382, Apr. 28, 2006]

**§ 96.113 Certificate of representation.**

(a) A complete certificate of representation for a CAIR designated representative or an alternate CAIR designated representative shall include the following elements in a format prescribed by the Administrator:

(1) Identification of the CAIR NO<sub>x</sub> source, and each CAIR NO<sub>x</sub> unit at the source, for which the certificate of representation is submitted, including identification and nameplate capacity of each generator served by each such unit.

(2) The name, address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR designated representative and any alternate CAIR designated representative.

(3) A list of the owners and operators of the CAIR NO<sub>x</sub> source and of each CAIR NO<sub>x</sub> unit at the source.

(4) The following certification statements by the CAIR designated representative and any alternate CAIR designated representative—

(i) “I certify that I was selected as the CAIR designated representative or alternate CAIR designated representative, as applicable, by an agreement binding on the owners and operators of the source and each CAIR NO<sub>x</sub> unit at the source.”

(ii) “I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR NO<sub>x</sub> Annual Trading Program on behalf of the owners and operators of the source and of each CAIR NO<sub>x</sub> unit at the source and that each such owner and operator shall be fully bound by

my representations, actions, inactions, or submissions.”

(iii) “I certify that the owners and operators of the source and of each CAIR NO<sub>x</sub> unit at the source shall be bound by any order issued to me by the Administrator, the permitting authority, or a court regarding the source or unit.”

(iv) “Where there are multiple holders of a legal or equitable title to, or a leasehold interest in, a CAIR NO<sub>x</sub> unit, or where a utility or industrial customer purchases power from a CAIR NO<sub>x</sub> unit under a life-of-the-unit, firm power contractual arrangement, I certify that: I have given a written notice of my selection as the ‘CAIR designated representative’ or ‘alternate CAIR designated representative’, as applicable, and of the agreement by which I was selected to each owner and operator of the source and of each CAIR NO<sub>x</sub> unit at the source; and CAIR NO<sub>x</sub> allowances and proceeds of transactions involving CAIR NO<sub>x</sub> allowances will be deemed to be held or distributed in proportion to each holder’s legal, equitable, leasehold, or contractual reservation or entitlement, except that, if such multiple holders have expressly provided for a different distribution of CAIR NO<sub>x</sub> allowances by contract, CAIR NO<sub>x</sub> allowances and proceeds of transactions involving CAIR NO<sub>x</sub> allowances will be deemed to be held or distributed in accordance with the contract.”

(5) The signature of the CAIR designated representative and any alternate CAIR designated representative and the dates signed.

(b) Unless otherwise required by the permitting authority or the Administrator, documents of agreement referred to in the certificate of representation shall not be submitted to the permitting authority or the Administrator. Neither the permitting authority nor the Administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25382, Apr. 28, 2006]

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### **§ 96.114 Objections concerning CAIR designated representative.**

(a) Once a complete certificate of representation under § 96.113 has been submitted and received, the permitting authority and the Administrator will rely on the certificate of representation unless and until a superseding complete certificate of representation under § 96.113 is received by the Administrator.

(b) Except as provided in § 96.112(a) or (b), no objection or other communication submitted to the permitting authority or the Administrator concerning the authorization, or any representation, action, inaction, or submission, of the CAIR designated representative shall affect any representation, action, inaction, or submission of the CAIR designated representative or the finality of any decision or order by the permitting authority or the Administrator under the CAIR NO<sub>x</sub> Annual Trading Program.

(c) Neither the permitting authority nor the Administrator will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any CAIR designated representative, including private legal disputes concerning the proceeds of CAIR NO<sub>x</sub> allowance transfers.

### **§ 96.115 Delegation by CAIR designated representative and alternate CAIR designated representative.**

(a) A CAIR designated representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under this part.

(b) An alternate CAIR designated representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under this part.

(c) In order to delegate authority to make an electronic submission to the Administrator in accordance with paragraph (a) or (b) of this section, the CAIR designated representative or alternate CAIR designated representative, as appropriate, must submit to the Administrator a notice of delega-

tion, in a format prescribed by the Administrator, that includes the following elements:

(1) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of such CAIR designated representative or alternate CAIR designated representative;

(2) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of each such natural person (referred to as an "agent");

(3) For each such natural person, a list of the type or types of electronic submissions under paragraph (a) or (b) of this section for which authority is delegated to him or her; and

(4) The following certification statements by such CAIR designated representative or alternate CAIR designated representative:

(i) "I agree that any electronic submission to the Administrator that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR designated representative or alternate CAIR designated representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 40 CFR 96.115(d) shall be deemed to be an electronic submission by me."

(ii) "Until this notice of delegation is superseded by another notice of delegation under 40 CFR 96.115(d), I agree to maintain an e-mail account and to notify the Administrator immediately of any change in my e-mail address unless all delegation of authority by me under 40 CFR 96.115 is terminated."

(d) A notice of delegation submitted under paragraph (c) of this section shall be effective, with regard to the CAIR designated representative or alternate CAIR designated representative identified in such notice, upon receipt of such notice by the Administrator and until receipt by the Administrator of a superseding notice of delegation submitted by such CAIR designated representative or alternate CAIR designated representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or

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eliminate entirely any delegation of authority.

(e) Any electronic submission covered by the certification in paragraph (c)(4)(i) of this section and made in accordance with a notice of delegation effective under paragraph (d) of this section shall be deemed to be an electronic submission by the CAIR designated representative or alternate CAIR designated representative submitting such notice of delegation.

[71 FR 25382, Apr. 28, 2006, as amended at 71 FR 74794, Dec. 13, 2006]

### Subpart CC—Permits

SOURCE: 70 FR 25339, May 12, 2005, unless otherwise noted.

#### § 96.120 General CAIR NO<sub>x</sub> Annual Trading Program permit requirements.

(a) For each CAIR NO<sub>x</sub> source required to have a title V operating permit or required, under subpart II of this part, to have a title V operating permit or other federally enforceable permit, such permit shall include a CAIR permit administered by the permitting authority for the title V operating permit or the federally enforceable permit as applicable. The CAIR portion of the title V permit or other federally enforceable permit as applicable shall be administered in accordance with the permitting authority's title V operating permits regulations promulgated under part 70 or 71 of this chapter or the permitting authority's regulations for other federally enforceable permits as applicable, except as provided otherwise by § 96.105, this subpart, and subpart II of this part.

(b) Each CAIR permit shall contain, with regard to the CAIR NO<sub>x</sub> source and the CAIR NO<sub>x</sub> units at the source covered by the CAIR permit, all applicable CAIR NO<sub>x</sub> Annual Trading Program, CAIR NO<sub>x</sub> Ozone Season Trading Program, and CAIR SO<sub>2</sub> Trading Program requirements and shall be a complete and separable portion of the title V operating permit or other federally enforceable permit under paragraph (a) of this section.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25383, Apr. 28, 2006]

#### § 96.121 Submission of CAIR permit applications.

(a) *Duty to apply.* The CAIR designated representative of any CAIR NO<sub>x</sub> source required to have a title V operating permit shall submit to the permitting authority a complete CAIR permit application under § 96.122 for the source covering each CAIR NO<sub>x</sub> unit at the source at least 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2009 or the date on which the CAIR NO<sub>x</sub> unit commences commercial operation, except as provided in § 96.183(a).

(b) *Duty to Reapply.* For a CAIR NO<sub>x</sub> source required to have a title V operating permit, the CAIR designated representative shall submit a complete CAIR permit application under § 96.122 for the source covering each CAIR NO<sub>x</sub> unit at the source to renew the CAIR permit in accordance with the permitting authority's title V operating permits regulations addressing permit renewal, except as provided in § 96.183(b).

[70 FR 25339, May 12, 2005, as amended at 71 FR 25383, Apr. 28, 2006]

#### § 96.122 Information requirements for CAIR permit applications.

A complete CAIR permit application shall include the following elements concerning the CAIR NO<sub>x</sub> source for which the application is submitted, in a format prescribed by the permitting authority:

(a) Identification of the CAIR NO<sub>x</sub> source;

(b) Identification of each CAIR NO<sub>x</sub> unit at the CAIR NO<sub>x</sub> source; and

(c) The standard requirements under § 96.106.

#### § 96.123 CAIR permit contents and term.

(a) Each CAIR permit will contain, in a format prescribed by the permitting authority, all elements required for a complete CAIR permit application under § 96.122.

(b) Each CAIR permit is deemed to incorporate automatically the definitions of terms under § 96.102 and, upon recordation by the Administrator under subpart EE, FF, GG, or II of this part, every allocation, transfer, or deduction of a CAIR NO<sub>x</sub> allowance to or from the compliance account of the

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CAIR NO<sub>x</sub> source covered by the permit.

(c) The term of the CAIR permit will be set by the permitting authority, as necessary to facilitate coordination of the renewal of the CAIR permit with issuance, revision, or renewal of the CAIR NO<sub>x</sub> source's title V operating permit or other federally enforceable permit as applicable.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25383, Apr. 28, 2006]

### § 96.124 CAIR permit revisions.

Except as provided in § 96.123(b), the permitting authority will revise the CAIR permit, as necessary, in accordance with the permitting authority's title V operating permits regulations or the permitting authority's regulations for other federally enforceable permits as applicable addressing permit revisions.

## Subpart DD [Reserved]

## Subpart EE—CAIR NO<sub>x</sub> Allowance Allocations

SOURCE: 70 FR 25339, May 12, 2005, unless otherwise noted.

### § 96.140 State trading budgets.

The State trading budgets for annual allocations of CAIR NO<sub>x</sub> allowances for the control periods in 2009 through 2014 and in 2015 and thereafter are respectively as follows:

State	State trading budget for 2009–2014 (tons)	State trading budget for 2015 and thereafter (tons)
Alabama .....	69,020	57,517
Delaware .....	4,166	3,472
District of Columbia ...	144	120
Florida .....	99,445	82,871
Georgia .....	66,321	55,268
Illinois .....	76,230	63,525
Indiana .....	108,935	90,779
Iowa .....	32,692	27,243
Kentucky .....	83,205	69,337
Louisiana .....	35,512	29,593
Maryland .....	27,724	23,104
Michigan .....	65,304	54,420
Minnesota .....	31,443	26,203
Mississippi .....	17,807	14,839
Missouri .....	59,871	49,892
New Jersey .....	12,670	10,558
New York .....	45,617	38,014
North Carolina .....	62,183	51,819
Ohio .....	108,667	90,556
Pennsylvania .....	99,049	82,541

State	State trading budget for 2009–2014 (tons)	State trading budget for 2015 and thereafter (tons)
South Carolina .....	32,662	27,219
Tennessee .....	50,973	42,478
Texas .....	181,014	150,845
Virginia .....	36,074	30,062
West Virginia .....	74,220	61,850
Wisconsin .....	40,759	33,966

[70 FR 25339, May 12, 2005, as amended at 71 FR 25302, Apr. 28, 2006]

### § 96.141 Timing requirements for CAIR NO<sub>x</sub> allowance allocations.

(a) By October 31, 2006, the permitting authority will submit to the Administrator the CAIR NO<sub>x</sub> allowance allocations, in a format prescribed by the Administrator and in accordance with § 96.142(a) and (b), for the control periods in 2009, 2010, 2011, 2012, 2013, and 2014.

(b) By October 31, 2009 and October 31 of each year thereafter, the permitting authority will submit to the Administrator the CAIR NO<sub>x</sub> allowance allocations, in a format prescribed by the Administrator and in accordance with § 96.142(a) and (b), for the control period in the sixth year after the year of the applicable deadline for submission under this paragraph.

(c) By October 31, 2009 and October 31 of each year thereafter, the permitting authority will submit to the Administrator the CAIR NO<sub>x</sub> allowance allocations, in a format prescribed by the Administrator and in accordance with § 96.142(a), (c), and (d), for the control period in the year of the applicable deadline for submission under this paragraph.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25383, Apr. 28, 2006]

### § 96.142 CAIR NO<sub>x</sub> allowance allocations.

(a)(1) The baseline heat input (in mmBtu) used with respect to CAIR NO<sub>x</sub> allowance allocations under paragraph (b) of this section for each CAIR NO<sub>x</sub> unit will be:

(i) For units commencing operation before January 1, 2001 the average of the 3 highest amounts of the unit's adjusted control period heat input for 2000 through 2004, with the adjusted

control period heat input for each year calculated as follows:

(A) If the unit is coal-fired during the year, the unit's control period heat input for such year is multiplied by 100 percent;

(B) If the unit is oil-fired during the year, the unit's control period heat input for such year is multiplied by 60 percent; and

(C) If the unit is not subject to paragraph (a)(1)(i)(A) or (B) of this section, the unit's control period heat input for such year is multiplied by 40 percent.

(ii) For units commencing operation on or after January 1, 2001 and operating each calendar year during a period of 5 or more consecutive calendar years, the average of the 3 highest amounts of the unit's total converted control period heat input over the first such 5 years.

(2)(i) A unit's control period heat input, and a unit's status as coal-fired or oil-fired, for a calendar year under paragraph (a)(1)(i) of this section, and a unit's total tons of NO<sub>x</sub> emissions during a calendar year under paragraph (c)(3) of this section, will be determined in accordance with part 75 of this chapter, to the extent the unit was otherwise subject to the requirements of part 75 of this chapter for the year, or will be based on the best available data reported to the permitting authority for the unit, to the extent the unit was not otherwise subject to the requirements of part 75 of this chapter for the year.

(ii) A unit's converted control period heat input for a calendar year specified under paragraph (a)(1)(ii) of this section equals:

(A) Except as provided in paragraph (a)(2)(ii)(B) or (C) of this section, the control period gross electrical output of the generator or generators served by the unit multiplied by 7,900 Btu/kWh, if the unit is coal-fired for the year, or 6,675 Btu/kWh, if the unit is not coal-fired for the year, and divided by 1,000,000 Btu/mmBtu, provided that if a generator is served by 2 or more units, then the gross electrical output of the generator will be attributed to each unit in proportion to the unit's share of the total control period heat input of such units for the year;

(B) For a unit that is a boiler and has equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy, the total heat energy (in Btu) of the steam produced by the boiler during the control period, divided by 0.8 and by 1,000,000 Btu/mmBtu; or

(C) For a unit that is a combustion turbine and has equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy, the control period gross electrical output of the enclosed device comprising the compressor, combustor, and turbine multiplied by 3,413 Btu/kWh, plus the total heat energy (in Btu) of the steam produced by any associated heat recovery steam generator during the control period divided by 0.8, and with the sum divided by 1,000,000 Btu/mmBtu.

(b)(1) For each control period in 2009 and thereafter, the permitting authority will allocate to all CAIR NO<sub>x</sub> units in the State that have a baseline heat input (as determined under paragraph (a) of this section) a total amount of CAIR NO<sub>x</sub> allowances equal to 95 percent for a control period during 2009 through 2014, and 97 percent for a control period during 2015 and thereafter, of the tons of NO<sub>x</sub> emissions in the State trading budget under § 96.140 (except as provided in paragraph (d) of this section).

(2) The permitting authority will allocate CAIR NO<sub>x</sub> allowances to each CAIR NO<sub>x</sub> unit under paragraph (b)(1) of this section in an amount determined by multiplying the total amount of CAIR NO<sub>x</sub> allowances allocated under paragraph (b)(1) of this section by the ratio of the baseline heat input of such CAIR NO<sub>x</sub> unit to the total amount of baseline heat input of all such CAIR NO<sub>x</sub> units in the State and rounding to the nearest whole allowance as appropriate.

(c) For each control period in 2009 and thereafter, the permitting authority will allocate CAIR NO<sub>x</sub> allowances to CAIR NO<sub>x</sub> units in a State that are not allocated CAIR NO<sub>x</sub> allowances under paragraph (b) of this section because the units do not yet have a baseline heat input under paragraph (a) of

this section or because the units have a baseline heat input but all CAIR NO<sub>x</sub> allowances available under paragraph (b) of this section for the control period are already allocated, in accordance with the following procedures:

(1) The permitting authority will establish a separate new unit set-aside for each control period. Each new unit set-aside will be allocated CAIR NO<sub>x</sub> allowances equal to 5 percent for a control period in 2009 through 2014, and 3 percent for a control period in 2015 and thereafter, of the amount of tons of NO<sub>x</sub> emissions in the State trading budget under § 96.140.

(2) The CAIR designated representative of such a CAIR NO<sub>x</sub> unit may submit to the permitting authority a request, in a format specified by the permitting authority, to be allocated CAIR NO<sub>x</sub> allowances, starting with the later of the control period in 2009 or the first control period after the control period in which the CAIR NO<sub>x</sub> unit commences commercial operation and until the first control period for which the unit is allocated CAIR NO<sub>x</sub> allowances under paragraph (b) of this section. A separate CAIR NO<sub>x</sub> allowance allocation request for each control period for which CAIR NO<sub>x</sub> allowances are sought must be submitted on or before May 1 of such control period and after the date on which the CAIR NO<sub>x</sub> unit commences commercial operation.

(3) In a CAIR NO<sub>x</sub> allowance allocation request under paragraph (c)(2) of this section, the CAIR designated representative may request for a control period CAIR NO<sub>x</sub> allowances in an amount not exceeding the CAIR NO<sub>x</sub> unit's total tons of NO<sub>x</sub> emissions during the calendar year immediately before such control period.

(4) The permitting authority will review each CAIR NO<sub>x</sub> allowance allocation request under paragraph (c)(2) of this section and will allocate CAIR NO<sub>x</sub> allowances for each control period pursuant to such request as follows:

(i) The permitting authority will accept an allowance allocation request only if the request meets, or is adjusted by the permitting authority as necessary to meet, the requirements of paragraphs (c)(2) and (3) of this section.

(ii) On or after May 1 of the control period, the permitting authority will determine the sum of the CAIR NO<sub>x</sub> allowances requested (as adjusted under paragraph (c)(4)(i) of this section) in all allowance allocation requests accepted under paragraph (c)(4)(i) of this section for the control period.

(iii) If the amount of CAIR NO<sub>x</sub> allowances in the new unit set-aside for the control period is greater than or equal to the sum under paragraph (c)(4)(ii) of this section, then the permitting authority will allocate the amount of CAIR NO<sub>x</sub> allowances requested (as adjusted under paragraph (c)(4)(i) of this section) to each CAIR NO<sub>x</sub> unit covered by an allowance allocation request accepted under paragraph (c)(4)(i) of this section.

(iv) If the amount of CAIR NO<sub>x</sub> allowances in the new unit set-aside for the control period is less than the sum under paragraph (c)(4)(ii) of this section, then the permitting authority will allocate to each CAIR NO<sub>x</sub> unit covered by an allowance allocation request accepted under paragraph (c)(4)(i) of this section the amount of the CAIR NO<sub>x</sub> allowances requested (as adjusted under paragraph (c)(4)(i) of this section), multiplied by the amount of CAIR NO<sub>x</sub> allowances in the new unit set-aside for the control period, divided by the sum determined under paragraph (c)(4)(ii) of this section, and rounded to the nearest whole allowance as appropriate.

(v) The permitting authority will notify each CAIR designated representative that submitted an allowance allocation request of the amount of CAIR NO<sub>x</sub> allowances (if any) allocated for the control period to the CAIR NO<sub>x</sub> unit covered by the request.

(d) If, after completion of the procedures under paragraph (c)(4) of this section for a control period, any unallocated CAIR NO<sub>x</sub> allowances remain in the new unit set-aside for the control period, the permitting authority will allocate to each CAIR NO<sub>x</sub> unit that was allocated CAIR NO<sub>x</sub> allowances under paragraph (b) of this section an amount of CAIR NO<sub>x</sub> allowances equal to the total amount of such remaining unallocated CAIR NO<sub>x</sub> allowances, multiplied by the unit's allocation under paragraph (b) of this



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section, divided by 95 percent for a control period during 2009 through 2014, and 97 percent for a control period during 2015 and thereafter, of the amount of tons of NO<sub>x</sub> emissions in the State trading budget under § 96.140, and rounded to the nearest whole allowance as appropriate.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25383, Apr. 28, 2006]

**§ 96.143 Compliance supplement pool.**

(a) In addition to the CAIR NO<sub>x</sub> allowances allocated under § 96.142, the permitting authority may allocate for the control period in 2009 up to the following amount of CAIR NO<sub>x</sub> allowances to CAIR NO<sub>x</sub> units in the respective State:

State	Compliance supplement pool
Alabama .....	10,166
Delaware .....	843
District Of Columbia .....	0
Florida .....	8,335
Georgia .....	12,397
Illinois .....	11,299
Indiana .....	20,155
Iowa .....	6,978
Kentucky .....	14,935
Louisiana .....	2,251
Maryland .....	4,670
Michigan .....	8,347
Minnesota .....	6,528
Mississippi .....	3,066
Missouri .....	9,044
New Jersey .....	660
New York .....	0
North Carolina .....	0
Ohio .....	25,037
Pennsylvania .....	16,009
South Carolina .....	2,600
Tennessee .....	8,944
Texas .....	772
Virginia .....	5,134
West Virginia .....	16,929
Wisconsin .....	4,898

(b) For any CAIR NO<sub>x</sub> unit in the State that achieves NO<sub>x</sub> emission reductions in 2007 and 2008 that are not necessary to comply with any State or federal emissions limitation applicable during such years, the CAIR designated representative of the unit may request early reduction credits, and allocation of CAIR NO<sub>x</sub> allowances from the compliance supplement pool under paragraph (a) of this section for such early reduction credits, in accordance with the following:

(1) The owners and operators of such CAIR NO<sub>x</sub> unit shall monitor and re-

port the NO<sub>x</sub> emissions rate and the heat input of the unit in accordance with subpart HH of this part in each control period for which early reduction credit is requested.

(2) The CAIR designated representative of such CAIR NO<sub>x</sub> unit shall submit to the permitting authority by May 1, 2009 a request, in a format specified by the permitting authority, for allocation of an amount of CAIR NO<sub>x</sub> allowances from the compliance supplement pool not exceeding the sum of the amounts (in tons) of the unit's NO<sub>x</sub> emission reductions in 2007 and 2008 that are not necessary to comply with any State or federal emissions limitation applicable during such years, determined in accordance with subpart HH of this part.

(c) For any CAIR NO<sub>x</sub> unit in the State whose compliance with the CAIR NO<sub>x</sub> emissions limitation for the control period in 2009 would create an undue risk to the reliability of electricity supply during such control period, the CAIR designated representative of the unit may request the allocation of CAIR NO<sub>x</sub> allowances from the compliance supplement pool under paragraph (a) of this section, in accordance with the following:

(1) The CAIR designated representative of such CAIR NO<sub>x</sub> unit shall submit to the permitting authority by May 1, 2009 a request, in a format specified by the permitting authority, for allocation of an amount of CAIR NO<sub>x</sub> allowances from the compliance supplement pool not exceeding the minimum amount of CAIR NO<sub>x</sub> allowances necessary to remove such undue risk to the reliability of electricity supply.

(2) In the request under paragraph (c)(1) of this section, the CAIR designated representative of such CAIR NO<sub>x</sub> unit shall demonstrate that, in the absence of allocation to the unit of the amount of CAIR NO<sub>x</sub> allowances requested, the unit's compliance with the CAIR NO<sub>x</sub> emissions limitation for the control period in 2009 would create an undue risk to the reliability of electricity supply during such control period. This demonstration must include a showing that it would not be feasible for the owners and operators of the unit to:

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(i) Obtain a sufficient amount of electricity from other electricity generation facilities, during the installation of control technology at the unit for compliance with the CAIR NO<sub>x</sub> emissions limitation, to prevent such undue risk; or

(ii) Obtain under paragraphs (b) and (d) of this section, or otherwise obtain, a sufficient amount of CAIR NO<sub>x</sub> allowances to prevent such undue risk.

(d) The permitting authority will review each request under paragraph (b) or (c) of this section submitted by May 1, 2009 and will allocate CAIR NO<sub>x</sub> allowances for the control period in 2009 to CAIR NO<sub>x</sub> units in the State and covered by such request as follows:

(1) Upon receipt of each such request, the permitting authority will make any necessary adjustments to the request to ensure that the amount of the CAIR NO<sub>x</sub> allowances requested meets the requirements of paragraph (b) or (c) of this section.

(2) If the State's compliance supplement pool under paragraph (a) of this section has an amount of CAIR NO<sub>x</sub> allowances not less than the total amount of CAIR NO<sub>x</sub> allowances in all such requests (as adjusted under paragraph (d)(1) of this section), the permitting authority will allocate to each CAIR NO<sub>x</sub> unit covered by such requests the amount of CAIR NO<sub>x</sub> allowances requested (as adjusted under paragraph (d)(1) of this section).

(3) If the State's compliance supplement pool under paragraph (a) of this section has a smaller amount of CAIR NO<sub>x</sub> allowances than the total amount of CAIR NO<sub>x</sub> allowances in all such requests (as adjusted under paragraph (d)(1) of this section), the permitting authority will allocate CAIR NO<sub>x</sub> allowances to each CAIR NO<sub>x</sub> unit covered by such requests according to the following formula and rounding to the nearest whole allowance as appropriate:

Unit's allocation = Unit's adjusted allocation × (State's compliance supplement pool ÷ Total adjusted allocations for all units)

Where:

'Unit's allocation' is the amount of CAIR NO<sub>x</sub> allowances allocated to the unit from the State's compliance supplement pool. Unit's adjusted allocation" is the

amount of CAIR NO<sub>x</sub> allowances requested for the unit under paragraph (b) or (c) of this section, as adjusted under paragraph (d)(1) of this section. "State's compliance supplement pool" is the amount of CAIR NO<sub>x</sub> allowances in the State's compliance supplement pool. "Total adjusted allocations for all units" is the sum of the amounts of allocations requested for all units under paragraph (b) or (c) of this section, as adjusted under paragraph (d)(1) of this section.

(4) By November 30, 2009, the permitting authority will determine, and submit to the Administrator, the allocations under paragraph (d)(2) or (3) of this section.

(5) By January 1, 2010, the Administrator will record the allocations under paragraph (d)(4) of this section.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25302, 25383, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

### Subpart FF—CAIR NO<sub>x</sub> Allowance Tracking System

SOURCE: 70 FR 25339, May 12, 2005, unless otherwise noted.

#### § 96.150 [Reserved]

#### § 96.151 Establishment of accounts.

(a) *Compliance accounts.* Except as provided in § 96.184(e), upon receipt of a complete certificate of representation under § 96.113, the Administrator will establish a compliance account for the CAIR NO<sub>x</sub> source for which the certificate of representation was submitted unless the source already has a compliance account.

(b) *General accounts—(1) Application for general account.* (i) Any person may apply to open a general account for the purpose of holding and transferring CAIR NO<sub>x</sub> allowances. An application for a general account may designate one and only one CAIR authorized account representative and one and only one alternate CAIR authorized account representative who may act on behalf of the CAIR authorized account representative. The agreement by which the alternate CAIR authorized account representative is selected shall include a procedure for authorizing the alternate CAIR authorized account representative to act in lieu of the CAIR authorized account representative.

(ii) A complete application for a general account shall be submitted to the Administrator and shall include the following elements in a format prescribed by the Administrator:

(A) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR authorized account representative and any alternate CAIR authorized account representative;

(B) Organization name and type of organization, if applicable;

(C) A list of all persons subject to a binding agreement for the CAIR authorized account representative and any alternate CAIR authorized account representative to represent their ownership interest with respect to the CAIR NO<sub>x</sub> allowances held in the general account;

(D) The following certification statement by the CAIR authorized account representative and any alternate CAIR authorized account representative: “I certify that I was selected as the CAIR authorized account representative or the alternate CAIR authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CAIR NO<sub>x</sub> allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR NO<sub>x</sub> Annual Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the Administrator or a court regarding the general account.”

(E) The signature of the CAIR authorized account representative and any alternate CAIR authorized account representative and the dates signed.

(iii) Unless otherwise required by the permitting authority or the Administrator, documents of agreement referred to in the application for a general account shall not be submitted to the permitting authority or the Administrator. Neither the permitting authority nor the Administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

(2) *Authorization of CAIR authorized account representative and alternate CAIR authorized account representative.*

(i) Upon receipt by the Administrator of a complete application for a general account under paragraph (b)(1) of this section:

(A) The Administrator will establish a general account for the person or persons for whom the application is submitted.

(B) The CAIR authorized account representative and any alternate CAIR authorized account representative for the general account shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each person who has an ownership interest with respect to CAIR NO<sub>x</sub> allowances held in the general account in all matters pertaining to the CAIR NO<sub>x</sub> Annual Trading Program, notwithstanding any agreement between the CAIR authorized account representative or any alternate CAIR authorized account representative and such person. Any such person shall be bound by any order or decision issued to the CAIR authorized account representative or any alternate CAIR authorized account representative by the Administrator or a court regarding the general account.

(C) Any representation, action, inaction, or submission by any alternate CAIR authorized account representative shall be deemed to be a representation, action, inaction, or submission by the CAIR authorized account representative.

(ii) Each submission concerning the general account shall be submitted, signed, and certified by the CAIR authorized account representative or any alternate CAIR authorized account representative for the persons having an ownership interest with respect to CAIR NO<sub>x</sub> allowances held in the general account. Each such submission shall include the following certification statement by the CAIR authorized account representative or any alternate CAIR authorized account representative: “I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the CAIR NO<sub>x</sub> allowances held in the general account. I certify

under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.”

(iii) The Administrator will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with paragraph (b)(2)(ii) of this section.

(3) *Changing CAIR authorized account representative and alternate CAIR authorized account representative; changes in persons with ownership interest.* (i) The CAIR authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR authorized account representative before the time and date when the Administrator receives the superseding application for a general account shall be binding on the new CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR NO<sub>x</sub> allowances in the general account.

(ii) The alternate CAIR authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR authorized account representative before the time and date when the Administrator receives the superseding application for a general account shall be binding on the new alternate CAIR authorized account

representative and the persons with an ownership interest with respect to the CAIR NO<sub>x</sub> allowances in the general account.

(iii)(A) In the event a person having an ownership interest with respect to CAIR NO<sub>x</sub> allowances in the general account is not included in the list of such persons in the application for a general account, such person shall be deemed to be subject to and bound by the application for a general account, the representation, actions, inactions, and submissions of the CAIR authorized account representative and any alternate CAIR authorized account representative of the account, and the decisions and orders of the Administrator or a court, as if the person were included in such list.

(B) Within 30 days following any change in the persons having an ownership interest with respect to CAIR NO<sub>x</sub> allowances in the general account, including the addition of a new person, the CAIR authorized account representative or any alternate CAIR authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the CAIR NO<sub>x</sub> allowances in the general account to include the change.

(4) *Objections concerning CAIR authorized account representative and alternate CAIR authorized account representative.*

(i) Once a complete application for a general account under paragraph (b)(1) of this section has been submitted and received, the Administrator will rely on the application unless and until a superseding complete application for a general account under paragraph (b)(1) of this section is received by the Administrator.

(ii) Except as provided in paragraph (b)(3)(i) or (ii) of this section, no objection or other communication submitted to the Administrator concerning the authorization, or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternate CAIR authorized account representative for a general account shall affect any representation, action, inaction, or submission of the CAIR authorized account representative or any alternate

CAIR authorized account representative or the finality of any decision or order by the Administrator under the CAIR NO<sub>x</sub> Annual Trading Program.

(iii) The Administrator will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternate CAIR authorized account representative for a general account, including private legal disputes concerning the proceeds of CAIR NO<sub>x</sub> allowance transfers.

(5) *Delegation by CAIR authorized account representative and alternate CAIR authorized account representative.* (i) A CAIR authorized account representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under subparts FF and GG of this part.

(ii) An alternate CAIR authorized account representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under subparts FF and GG of this part.

(iii) In order to delegate authority to make an electronic submission to the Administrator in accordance with paragraph (b)(5)(i) or (ii) of this section, the CAIR authorized account representative or alternate CAIR authorized account representative, as appropriate, must submit to the Administrator a notice of delegation, in a format prescribed by the Administrator, that includes the following elements:

(A) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of such CAIR authorized account representative or alternate CAIR authorized account representative;

(B) The name, address, e-mail address, telephone number, and, facsimile transmission number (if any) of each such natural person (referred to as an “agent”);

(C) For each such natural person, a list of the type or types of electronic submissions under paragraph (b)(5)(i) or (ii) of this section for which authority is delegated to him or her;

(D) The following certification statement by such CAIR authorized account representative or alternate CAIR authorized account representative: “I agree that any electronic submission to the Administrator that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR authorized account representative or alternate CAIR authorized representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 40 CFR 96.151(b)(5)(iv) shall be deemed to be an electronic submission by me.”; and

(E) The following certification statement by such CAIR authorized account representative or alternate CAIR authorized account representative: “Until this notice of delegation is superseded by another notice of delegation under 40 CFR 96.151 (b)(5)(iv), I agree to maintain an e-mail account and to notify the Administrator immediately of any change in my e-mail address unless all delegation of authority by me under 40 CFR 96.151 (b)(5) is terminated.”

(iv) A notice of delegation submitted under paragraph (b)(5)(iii) of this section shall be effective, with regard to the CAIR authorized account representative or alternate CAIR authorized account representative identified in such notice, upon receipt of such notice by the Administrator and until receipt by the Administrator of a superseding notice of delegation submitted by such CAIR authorized account representative or alternate CAIR authorized account representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or eliminate entirely any delegation of authority.

(v) Any electronic submission covered by the certification in paragraph (b)(5)(iii)(D) of this section and made in accordance with a notice of delegation effective under paragraph (b)(5)(iv) of this section shall be deemed to be an electronic submission by the CAIR designated representative or alternate CAIR designated representative submitting such notice of delegation.

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(c) *Account identification.* The Administrator will assign a unique identifying number to each account established under paragraph (a) or (b) of this section.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25383, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

### § 96.152 Responsibilities of CAIR authorized account representative.

Following the establishment of a CAIR NO<sub>x</sub> Allowance Tracking System account, all submissions to the Administrator pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of CAIR NO<sub>x</sub> allowances in the account, shall be made only by the CAIR authorized account representative for the account.

### § 96.153 Recordation of CAIR NO<sub>x</sub> allowance allocations.

(a) By September 30, 2007, the Administrator will record in the CAIR NO<sub>x</sub> source's compliance account the CAIR NO<sub>x</sub> allowances allocated for the CAIR NO<sub>x</sub> units at the source, as submitted by the permitting authority in accordance with § 96.141(a), for the control periods in 2009, 2010, 2011, 2012, 2013, and 2014.

(b) By December 1, 2009, the Administrator will record in the CAIR NO<sub>x</sub> source's compliance account the CAIR NO<sub>x</sub> allowances allocated for the CAIR NO<sub>x</sub> units at the source, as submitted by the permitting authority in accordance with § 96.141(b), for the control period in 2015.

(c) By December 1, 2009 and December 1 of each year thereafter, the Administrator will record in the CAIR NO<sub>x</sub> source's compliance account the CAIR NO<sub>x</sub> allowances allocated for the CAIR NO<sub>x</sub> units at the source, as submitted by the permitting authority in accordance with § 96.141(b), for the control period in the sixth year after the year of the applicable deadline for recordation under this paragraph.

(d) By December 1, 2009 and December 1 of each year thereafter, the Administrator will record in the CAIR NO<sub>x</sub> source's compliance account the CAIR NO<sub>x</sub> allowances allocated for the CAIR NO<sub>x</sub> units at the source, as submitted by the permitting authority or deter-

mined by the Administrator in accordance with § 96.141(c), for the control period in the year of the applicable deadline for recordation under this paragraph.

(e) *Serial numbers for allocated CAIR NO<sub>x</sub> allowances.* When recording the allocation of CAIR NO<sub>x</sub> allowances for a CAIR NO<sub>x</sub> unit in a compliance account, the Administrator will assign each CAIR NO<sub>x</sub> allowance a unique identification number that will include digits identifying the year of the control period for which the CAIR NO<sub>x</sub> allowance is allocated.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25384, Apr. 28, 2006]

EDITORIAL NOTE: At 71 FR 25384, Apr. 28, 2006, § 196.153 was amended; however, the amendment could not be incorporated due to inaccurate amendatory instruction.

### § 96.154 Compliance with CAIR NO<sub>x</sub> emissions limitation.

(a) *Allowance transfer deadline.* The CAIR NO<sub>x</sub> allowances are available to be deducted for compliance with a source's CAIR NO<sub>x</sub> emissions limitation for a control period in a given calendar year only if the CAIR NO<sub>x</sub> allowances:

(1) Were allocated for the control period in the year or a prior year; and

(2) Are held in the compliance account as of the allowance transfer deadline for the control period or are transferred into the compliance account by a CAIR NO<sub>x</sub> allowance transfer correctly submitted for recordation under §§ 96.160 and 96.161 by the allowance transfer deadline for the control period.

(b) *Deductions for compliance.* Following the recordation, in accordance with § 96.161, of CAIR NO<sub>x</sub> allowance transfers submitted for recordation in a source's compliance account by the allowance transfer deadline for a control period, the Administrator will deduct from the compliance account CAIR NO<sub>x</sub> allowances available under paragraph (a) of this section in order to determine whether the source meets the CAIR NO<sub>x</sub> emissions limitation for the control period, as follows:

(1) Until the amount of CAIR NO<sub>x</sub> allowances deducted equals the number of tons of total nitrogen oxides emissions, determined in accordance with

subpart HH of this part, from all CAIR NO<sub>x</sub> units at the source for the control period; or

(2) If there are insufficient CAIR NO<sub>x</sub> allowances to complete the deductions in paragraph (b)(1) of this section, until no more CAIR NO<sub>x</sub> allowances available under paragraph (a) of this section remain in the compliance account.

(c)(1) *Identification of CAIR NO<sub>x</sub> allowances by serial number.* The CAIR authorized account representative for a source's compliance account may request that specific CAIR NO<sub>x</sub> allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in accordance with paragraph (b) or (d) of this section. Such request shall be submitted to the Administrator by the allowance transfer deadline for the control period and include, in a format prescribed by the Administrator, the identification of the CAIR NO<sub>x</sub> source and the appropriate serial numbers.

(2) *First-in, first-out.* The Administrator will deduct CAIR NO<sub>x</sub> allowances under paragraph (b) or (d) of this section from the source's compliance account, in the absence of an identification or in the case of a partial identification of CAIR NO<sub>x</sub> allowances by serial number under paragraph (c)(1) of this section, on a first-in, first-out (FIFO) accounting basis in the following order:

(i) Any CAIR NO<sub>x</sub> allowances that were allocated to the units at the source, in the order of recordation; and then

(ii) Any CAIR NO<sub>x</sub> allowances that were allocated to any entity and transferred and recorded in the compliance account pursuant to subpart GG of this part, in the order of recordation.

(d) *Deductions for excess emissions.* (1) After making the deductions for compliance under paragraph (b) of this section for a control period in a calendar year in which the CAIR NO<sub>x</sub> source has excess emissions, the Administrator will deduct from the source's compliance account an amount of CAIR NO<sub>x</sub> allowances, allocated for the control period in the immediately following calendar year, equal to 3 times the number of tons of the source's excess emissions.

(2) Any allowance deduction required under paragraph (d)(1) of this section shall not affect the liability of the owners and operators of the CAIR NO<sub>x</sub> source or the CAIR NO<sub>x</sub> units at the source for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same violations, as ordered under the Clean Air Act or applicable State law.

(e) *Recordation of deductions.* The Administrator will record in the appropriate compliance account all deductions from such an account under paragraphs (b) and (d) of this section and subpart II.

(f) *Administrator's action on submissions.* (1) The Administrator may review and conduct independent audits concerning any submission under the CAIR NO<sub>x</sub> Annual Trading Program and make appropriate adjustments of the information in the submissions.

(2) The Administrator may deduct CAIR NO<sub>x</sub> allowances from or transfer CAIR NO<sub>x</sub> allowances to a source's compliance account based on the information in the submissions, as adjusted under paragraph (f)(1) of this section, and record such deductions and transfers.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25384, Apr. 28, 2006]

#### § 96.155 Banking.

(a) CAIR NO<sub>x</sub> allowances may be banked for future use or transfer in a compliance account or a general account in accordance with paragraph (b) of this section.

(b) Any CAIR NO<sub>x</sub> allowance that is held in a compliance account or a general account will remain in such account unless and until the CAIR NO<sub>x</sub> allowance is deducted or transferred under § 96.154, § 96.156, or subpart GG or II of this part.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25384, Apr. 28, 2006]

#### § 96.156 Account error.

The Administrator may, at his or her sole discretion and on his or her own motion, correct any error in any CAIR NO<sub>x</sub> Allowance Tracking System account. Within 10 business days of making such correction, the Administrator

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will notify the CAIR authorized account representative for the account.

### § 96.157 Closing of general accounts.

(a) The CAIR authorized account representative of a general account may submit to the Administrator a request to close the account, which shall include a correctly submitted allowance transfer under §§ 96.160 and 96.161 for any CAIR NO<sub>x</sub> allowances in the account to one or more other CAIR NO<sub>x</sub> Allowance Tracking System accounts.

(b) If a general account has no allowance transfers in or out of the account for a 12-month period or longer and does not contain any CAIR NO<sub>x</sub> allowances, the Administrator may notify the CAIR authorized account representative for the account that the account will be closed following 20 business days after the notice is sent. The account will be closed after the 20-day period unless, before the end of the 20-day period, the Administrator receives a correctly submitted transfer of CAIR NO<sub>x</sub> allowances into the account under §§ 96.160 and 96.161 or a statement submitted by the CAIR authorized account representative demonstrating to the satisfaction of the Administrator good cause as to why the account should not be closed.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25384, Apr. 28, 2006]

## Subpart GG—CAIR NO<sub>x</sub> Allowance Transfers

SOURCE: 70 FR 25339, May 12, 2005, unless otherwise noted.

### § 96.160 Submission of CAIR NO<sub>x</sub> allowance transfers.

A CAIR authorized account representative seeking recordation of a CAIR NO<sub>x</sub> allowance transfer shall submit the transfer to the Administrator. To be considered correctly submitted, the CAIR NO<sub>x</sub> allowance transfer shall include the following elements, in a format specified by the Administrator:

(a) The account numbers for both the transferor and transferee accounts;

(b) The serial number of each CAIR NO<sub>x</sub> allowance that is in the transferor account and is to be transferred; and

(c) The name and signature of the CAIR authorized account representative of the transferor account and the date signed.

### § 96.161 EPA recordation.

(a) Within 5 business days (except as provided in paragraph (b) of this section) of receiving a CAIR NO<sub>x</sub> allowance transfer, the Administrator will record a CAIR NO<sub>x</sub> allowance transfer by moving each CAIR NO<sub>x</sub> allowance from the transferor account to the transferee account as specified by the request, provided that:

(1) The transfer is correctly submitted under § 96.160; and

(2) The transferor account includes each CAIR NO<sub>x</sub> allowance identified by serial number in the transfer.

(b) A CAIR NO<sub>x</sub> allowance transfer that is submitted for recordation after the allowance transfer deadline for a control period and that includes any CAIR NO<sub>x</sub> allowances allocated for any control period before such allowance transfer deadline will not be recorded until after the Administrator completes the deductions under § 96.154 for the control period immediately before such allowance transfer deadline.

(c) Where a CAIR NO<sub>x</sub> allowance transfer submitted for recordation fails to meet the requirements of paragraph (a) of this section, the Administrator will not record such transfer.

### § 96.162 Notification.

(a) *Notification of recordation.* Within 5 business days of recordation of a CAIR NO<sub>x</sub> allowance transfer under § 96.161, the Administrator will notify the CAIR authorized account representatives of both the transferor and transferee accounts.

(b) *Notification of non-recordation.* Within 10 business days of receipt of a CAIR NO<sub>x</sub> allowance transfer that fails to meet the requirements of § 96.161(a), the Administrator will notify the CAIR authorized account representatives of both accounts subject to the transfer of:

(1) A decision not to record the transfer, and

(2) The reasons for such non-recordation.



(c) Nothing in this section shall preclude the submission of a CAIR NO<sub>x</sub> allowance transfer for recordation following notification of non-recordation.

### Subpart HH—Monitoring and Reporting

SOURCE: 70 FR 25339, May 12, 2005, unless otherwise noted.

#### § 96.170 General requirements.

The owners and operators, and to the extent applicable, the CAIR designated representative, of a CAIR NO<sub>x</sub> unit, shall comply with the monitoring, recordkeeping, and reporting requirements as provided in this subpart and in subpart H of part 75 of this chapter. For purposes of complying with such requirements, the definitions in § 96.102 and in § 72.2 of this chapter shall apply, and the terms “affected unit,” “designated representative,” and “continuous emission monitoring system” (or “CEMS”) in part 75 of this chapter shall be deemed to refer to the terms “CAIR NO<sub>x</sub> unit,” “CAIR designated representative,” and “continuous emission monitoring system” (or “CEMS”) respectively, as defined in § 96.102. The owner or operator of a unit that is not a CAIR NO<sub>x</sub> unit but that is monitored under § 75.72(b)(2)(ii) of this chapter shall comply with the same monitoring, recordkeeping, and reporting requirements as a CAIR NO<sub>x</sub> unit.

(a) *Requirements for installation, certification, and data accounting.* The owner or operator of each CAIR NO<sub>x</sub> unit shall:

(1) Install all monitoring systems required under this subpart for monitoring NO<sub>x</sub> mass emissions and individual unit heat input (including all systems required to monitor NO<sub>x</sub> emission rate, NO<sub>x</sub> concentration, stack gas moisture content, stack gas flow rate, CO<sub>2</sub> or O<sub>2</sub> concentration, and fuel flow rate, as applicable, in accordance with §§ 75.71 and 75.72 of this chapter);

(2) Successfully complete all certification tests required under § 96.171 and meet all other requirements of this subpart and part 75 of this chapter applicable to the monitoring systems under paragraph (a)(1) of this section; and

(3) Record, report, and quality-assure the data from the monitoring systems under paragraph (a)(1) of this section.

(b) *Compliance deadlines.* Except as provided in paragraph (e) of this section, the owner or operator shall meet the monitoring system certification and other requirements of paragraphs (a)(1) and (2) of this section on or before the following dates. The owner or operator shall record, report, and quality-assure the data from the monitoring systems under paragraph (a)(1) of this section on and after the following dates.

(1) For the owner or operator of a CAIR NO<sub>x</sub> unit that commences commercial operation before July 1, 2007, by January 1, 2008.

(2) For the owner or operator of a CAIR NO<sub>x</sub> unit that commences commercial operation on or after July 1, 2007, by the later of the following dates:

(i) January 1, 2008; or

(ii) 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which the unit commences commercial operation.

(3) For the owner or operator of a CAIR NO<sub>x</sub> unit for which construction of a new stack or flue or installation of add-on NO<sub>x</sub> emission controls is completed after the applicable deadline under paragraph (b)(1), (2), (4), or (5) of this section, by 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on NO<sub>x</sub> emissions controls.

(4) Notwithstanding the dates in paragraphs (b)(1) and (2) of this section, for the owner or operator of a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart II of this part, by the date specified in § 96.184(b).

(5) Notwithstanding the dates in paragraphs (b)(1) and (2) of this section, for the owner or operator of a CAIR NO<sub>x</sub> opt-in unit under subpart II of this part, by the date on which the CAIR NO<sub>x</sub> opt-in unit enters the CAIR NO<sub>x</sub> Annual Trading Program as provided in § 96.184(g).

(c) *Reporting data.* The owner or operator of a CAIR NO<sub>x</sub> unit that does not

meet the applicable compliance date set forth in paragraph (b) of this section for any monitoring system under paragraph (a)(1) of this section shall, for each such monitoring system, determine, record, and report maximum potential (or, as appropriate, minimum potential) values for NO<sub>x</sub> concentration, NO<sub>x</sub> emission rate, stack gas flow rate, stack gas moisture content, fuel flow rate, and any other parameters required to determine NO<sub>x</sub> mass emissions and heat input in accordance with § 75.31(b)(2) or (c)(3) of this chapter, section 2.4 of appendix D to part 75 of this chapter, or section 2.5 of appendix E to part 75 of this chapter, as applicable.

(d) *Prohibitions.* (1) No owner or operator of a CAIR NO<sub>x</sub> unit shall use any alternative monitoring system, alternative reference method, or any other alternative to any requirement of this subpart without having obtained prior written approval in accordance with § 96.175.

(2) No owner or operator of a CAIR NO<sub>x</sub> unit shall operate the unit so as to discharge, or allow to be discharged, NO<sub>x</sub> emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this subpart and part 75 of this chapter.

(3) No owner or operator of a CAIR NO<sub>x</sub> unit shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording NO<sub>x</sub> mass emissions discharged into the atmosphere or heat input, except for periods of recertification or periods when calibration, quality assurance testing, or maintenance is performed in accordance with the applicable provisions of this subpart and part 75 of this chapter.

(4) No owner or operator of a CAIR NO<sub>x</sub> unit shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved monitoring system under this subpart, except under any one of the following circumstances:

(i) During the period that the unit is covered by an exemption under § 96.105 that is in effect;

(ii) The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this subpart and part 75 of this chapter, by the permitting authority for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system; or

(iii) The CAIR designated representative submits notification of the date of certification testing of a replacement monitoring system for the retired or discontinued monitoring system in accordance with § 96.171(d)(3)(i).

(e) *Long-term cold storage.* The owner or operator of a CAIR NO<sub>x</sub> unit is subject to the applicable provisions of part 75 of this chapter concerning units in long-term cold storage.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25384, Apr. 28, 2006]

#### **§ 96.171 Initial certification and recertification procedures.**

(a) The owner or operator of a CAIR NO<sub>x</sub> unit shall be exempt from the initial certification requirements of this section for a monitoring system under § 96.170(a)(1) if the following conditions are met:

(1) The monitoring system has been previously certified in accordance with part 75 of this chapter; and

(2) The applicable quality-assurance and quality-control requirements of § 75.21 of this chapter and appendix B, appendix D, and appendix E to part 75 of this chapter are fully met for the certified monitoring system described in paragraph (a)(1) of this section.

(b) The recertification provisions of this section shall apply to a monitoring system under § 96.170(a)(1) exempt from initial certification requirements under paragraph (a) of this section.

(c) If the Administrator has previously approved a petition under § 75.17(a) or (b) of this chapter for apportioning the NO<sub>x</sub> emission rate measured in a common stack or a petition under § 75.66 of this chapter for an alternative to a requirement in § 75.12 or § 75.17 of this chapter, the CAIR designated representative shall resubmit the petition to the Administrator under § 96.175(a) to determine whether

the approval applies under the CAIR NO<sub>x</sub> Annual Trading Program.

(d) Except as provided in paragraph (a) of this section, the owner or operator of a CAIR NO<sub>x</sub> unit shall comply with the following initial certification and recertification procedures for a continuous monitoring system (*i.e.*, a continuous emission monitoring system and an excepted monitoring system under appendices D and E to part 75 of this chapter) under § 96.170(a)(1). The owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under § 75.19 of this chapter or that qualifies to use an alternative monitoring system under subpart E of part 75 of this chapter shall comply with the procedures in paragraph (e) or (f) of this section respectively.

(1) *Requirements for initial certification.* The owner or operator shall ensure that each continuous monitoring system under § 96.170(a)(1) (including the automated data acquisition and handling system) successfully completes all of the initial certification testing required under § 75.20 of this chapter by the applicable deadline in § 96.170(b). In addition, whenever the owner or operator installs a monitoring system to meet the requirements of this subpart in a location where no such monitoring system was previously installed, initial certification in accordance with § 75.20 of this chapter is required.

(2) *Requirements for recertification.* Whenever the owner or operator makes a replacement, modification, or change in any certified continuous emission monitoring system under § 96.170(a)(1) that may significantly affect the ability of the system to accurately measure or record NO<sub>x</sub> mass emissions or heat input rate or to meet the quality-assurance and quality-control requirements of § 75.21 of this chapter or appendix B to part 75 of this chapter, the owner or operator shall recertify the monitoring system in accordance with § 75.20(b) of this chapter. Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the stack flow or concentration profile, the owner or operator shall recertify each continuous emission moni-

toring system whose accuracy is potentially affected by the change, in accordance with § 75.20(b) of this chapter. Examples of changes to a continuous emission monitoring system that require recertification include replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site. Any fuel flowmeter system, and any excepted NO<sub>x</sub> monitoring system under appendix E to part 75 of this chapter, under § 96.170(a)(1) are subject to the recertification requirements in § 75.20(g)(6) of this chapter.

(3) *Approval process for initial certification and recertification.* Paragraphs (d)(3)(i) through (iv) of this section apply to both initial certification and recertification of a continuous monitoring system under § 96.170(a)(1). For recertifications, replace the words “certification” and “initial certification” with the word “recertification”, replace the word “certified” with the word “recertified,” and follow the procedures in §§ 75.20(b)(5) and (g)(7) of this chapter in lieu of the procedures in paragraph (d)(3)(v) of this section.

(i) *Notification of certification.* The CAIR designated representative shall submit to the permitting authority, the appropriate EPA Regional Office, and the Administrator written notice of the dates of certification testing, in accordance with § 96.173.

(ii) *Certification application.* The CAIR designated representative shall submit to the permitting authority a certification application for each monitoring system. A complete certification application shall include the information specified in § 75.63 of this chapter.

(iii) *Provisional certification date.* The provisional certification date for a monitoring system shall be determined in accordance with § 75.20(a)(3) of this chapter. A provisionally certified monitoring system may be used under the CAIR NO<sub>x</sub> Annual Trading Program for a period not to exceed 120 days after receipt by the permitting authority of the complete certification application for the monitoring system under paragraph (d)(3)(ii) of this section. Data measured and recorded by the provisionally certified monitoring system,

in accordance with the requirements of part 75 of this chapter, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the permitting authority does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of the date of receipt of the complete certification application by the permitting authority.

(iv) *Certification application approval process.* The permitting authority will issue a written notice of approval or disapproval of the certification application to the owner or operator within 120 days of receipt of the complete certification application under paragraph (d)(3)(ii) of this section. In the event the permitting authority does not issue such a notice within such 120-day period, each monitoring system that meets the applicable performance requirements of part 75 of this chapter and is included in the certification application will be deemed certified for use under the CAIR NO<sub>x</sub> Annual Trading Program.

(A) *Approval notice.* If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of part 75 of this chapter, then the permitting authority will issue a written notice of approval of the certification application within 120 days of receipt.

(B) *Incomplete application notice.* If the certification application is not complete, then the permitting authority will issue a written notice of incompleteness that sets a reasonable date by which the CAIR designated representative must submit the additional information required to complete the certification application. If the CAIR designated representative does not comply with the notice of incompleteness by the specified date, then the permitting authority may issue a notice of disapproval under paragraph (d)(3)(iv)(C) of this section. The 120-day review period shall not begin before receipt of a complete certification application.

(C) *Disapproval notice.* If the certification application shows that any monitoring system does not meet the performance requirements of part 75 of

this chapter or if the certification application is incomplete and the requirement for disapproval under paragraph (d)(3)(iv)(B) of this section is met, then the permitting authority will issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the permitting authority and the data measured and recorded by each uncertified monitoring system shall not be considered valid quality-assured data beginning with the date and hour of provisional certification (as defined under § 75.20(a)(3) of this chapter). The owner or operator shall follow the procedures for loss of certification in paragraph (d)(3)(v) of this section for each monitoring system that is disapproved for initial certification.

(D) *Audit decertification.* The permitting authority or, for a CAIR NO<sub>x</sub> opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart II of this part, the Administrator may issue a notice of disapproval of the certification status of a monitor in accordance with § 96.172(b).

(v) *Procedures for loss of certification.* If the permitting authority or the Administrator issues a notice of disapproval of a certification application under paragraph (d)(3)(iv)(C) of this section or a notice of disapproval of certification status under paragraph (d)(3)(iv)(D) of this section, then:

(A) The owner or operator shall substitute the following values, for each disapproved monitoring system, for each hour of unit operation during the period of invalid data specified under § 75.20(a)(4)(iii), § 75.20(g)(7), or § 75.21(e) of this chapter and continuing until the applicable date and hour specified under § 75.20(a)(5)(i) or (g)(7) of this chapter:

(1) For a disapproved NO<sub>x</sub> emission rate (*i.e.*, NO<sub>x</sub>-diluent) system, the maximum potential NO<sub>x</sub> emission rate, as defined in § 72.2 of this chapter.

(2) For a disapproved NO<sub>x</sub> pollutant concentration monitor and disapproved flow monitor, respectively, the maximum potential concentration of NO<sub>x</sub> and the maximum potential flow rate,

as defined in sections 2.1.2.1 and 2.1.4.1 of appendix A to part 75 of this chapter.

(3) For a disapproved moisture monitoring system and disapproved diluent gas monitoring system, respectively, the minimum potential moisture percentage and either the maximum potential CO<sub>2</sub> concentration or the minimum potential O<sub>2</sub> concentration (as applicable), as defined in sections 2.1.5, 2.1.3.1, and 2.1.3.2 of appendix A to part 75 of this chapter.

(4) For a disapproved fuel flowmeter system, the maximum potential fuel flow rate, as defined in section 2.4.2.1 of appendix D to part 75 of this chapter.

(5) For a disapproved excepted NO<sub>x</sub> monitoring system under appendix E to part 75 of this chapter, the fuel-specific maximum potential NO<sub>x</sub> emission rate, as defined in § 72.2 of this chapter.

(B) The CAIR designated representative shall submit a notification of certification retest dates and a new certification application in accordance with paragraphs (d)(3)(i) and (ii) of this section.

(C) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the permitting authority's or the Administrator's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.

(e) *Initial certification and recertification procedures for units using the low mass emission excepted methodology under § 75.19 of this chapter.* The owner or operator of a unit qualified to use the low mass emissions (LME) excepted methodology under § 75.19 of this chapter shall meet the applicable certification and recertification requirements in §§ 75.19(a)(2) and 75.20(h) of this chapter. If the owner or operator of such a unit elects to certify a fuel flowmeter system for heat input determination, the owner or operator shall also meet the certification and recertification requirements in § 75.20(g) of this chapter.

(f) *Certification/recertification procedures for alternative monitoring systems.* The CAIR designated representative of each unit for which the owner or operator intends to use an alternative monitoring system approved by the Admin-

istrator and, if applicable, the permitting authority under subpart E of part 75 of this chapter shall comply with the applicable notification and application procedures of § 75.20(f) of this chapter.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006]

**§ 96.172 Out of control periods.**

(a) Whenever any monitoring system fails to meet the quality-assurance and quality-control requirements or data validation requirements of part 75 of this chapter, data shall be substituted using the applicable missing data procedures in subpart D or subpart H of, or appendix D or appendix E to, part 75 of this chapter.

(b) *Audit decertification.* Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any monitoring system should not have been certified or recertified because it did not meet a particular performance specification or other requirement under § 96.171 or the applicable provisions of part 75 of this chapter, both at the time of the initial certification or recertification application submission and at the time of the audit, the permitting authority or, for a CAIR NO<sub>x</sub> opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart II of this part, the Administrator will issue a notice of disapproval of the certification status of such monitoring system. For the purposes of this paragraph, an audit shall be either a field audit or an audit of any information submitted to the permitting authority or the Administrator. By issuing the notice of disapproval, the permitting authority or the Administrator revokes prospectively the certification status of the monitoring system. The data measured and recorded by the monitoring system shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests for the monitoring system. The owner or

operator shall follow the applicable initial certification or recertification procedures in § 96.171 for each disapproved monitoring system.

#### § 96.173 Notifications.

The CAIR designated representative for a CAIR NO<sub>x</sub> unit shall submit written notice to the permitting authority and the Administrator in accordance with § 75.61 of this chapter.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006]

#### § 96.174 Recordkeeping and reporting.

(a) *General provisions.* The CAIR designated representative shall comply with all recordkeeping and reporting requirements in this section, the applicable recordkeeping and reporting requirements under § 75.73 of this chapter, and the requirements of § 96.110(e)(1).

(b) *Monitoring Plans.* The owner or operator of a CAIR NO<sub>x</sub> unit shall comply with requirements of § 75.73(c) and (e) of this chapter and, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart II of this part, §§ 96.183 and 96.184(a).

(c) *Certification Applications.* The CAIR designated representative shall submit an application to the permitting authority within 45 days after completing all initial certification or recertification tests required under § 96.171, including the information required under § 75.63 of this chapter.

(d) *Quarterly reports.* The CAIR designated representative shall submit quarterly reports, as follows:

(1) The CAIR designated representative shall report the NO<sub>x</sub> mass emissions data and heat input data for the CAIR NO<sub>x</sub> unit, in an electronic quarterly report in a format prescribed by the Administrator, for each calendar quarter beginning with:

(i) For a unit that commences commercial operation before July 1, 2007, the calendar quarter covering January 1, 2008 through March 31, 2008;

(ii) For a unit that commences commercial operation on or after July 1, 2007, the calendar quarter corresponding to the earlier of the date of provisional certification or the applica-

ble deadline for initial certification under § 96.170(b), unless that quarter is the third or fourth quarter of 2007, in which case reporting shall commence in the quarter covering January 1, 2008 through March 31, 2008;

(iii) Notwithstanding paragraphs (d)(1)(i) and (ii) of this section, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart II of this part, the calendar quarter corresponding to the date specified in § 96.184(b); and

(iv) Notwithstanding paragraphs (d)(1)(i) and (ii) of this section, for a CAIR NO<sub>x</sub> opt-in unit under subpart II of this part, the calendar quarter corresponding to the date on which the CAIR NO<sub>x</sub> opt-in unit enters the CAIR NO<sub>x</sub> Annual Trading Program as provided in § 96.184(g).

(2) The CAIR designated representative shall submit each quarterly report to the Administrator within 30 days following the end of the calendar quarter covered by the report. Quarterly reports shall be submitted in the manner specified in § 75.73(f) of this chapter.

(3) For CAIR NO<sub>x</sub> units that are also subject to an Acid Rain emissions limitation or the CAIR NO<sub>x</sub> Ozone Season Trading Program, CAIR SO<sub>2</sub> Trading Program, or Hg Budget Trading Program, quarterly reports shall include the applicable data and information required by subparts F through I of part 75 of this chapter as applicable, in addition to the NO<sub>x</sub> mass emission data, heat input data, and other information required by this subpart.

(e) *Compliance certification.* The CAIR designated representative shall submit to the Administrator a compliance certification (in a format prescribed by the Administrator) in support of each quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

(1) The monitoring data submitted were recorded in accordance with the applicable requirements of this subpart and part 75 of this chapter, including the quality assurance procedures and specifications; and

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(2) For a unit with add-on NO<sub>x</sub> emission controls and for all hours where NO<sub>x</sub> data are substituted in accordance with § 75.34(a)(1) of this chapter, the add-on emission controls were operating within the range of parameters listed in the quality assurance/quality control program under appendix B to part 75 of this chapter and the substitute data values do not systematically underestimate NO<sub>x</sub> emissions.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006]

### § 96.175 Petitions.

(a) Except as provided in paragraph (b)(2) of this section, the CAIR designated representative of a CAIR NO<sub>x</sub> unit that is subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the Administrator requesting approval to apply an alternative to any requirement of this subpart. Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent that the petition is approved in writing by the Administrator, in consultation with the permitting authority.

(b)(1) The CAIR designated representative of a CAIR NO<sub>x</sub> unit that is not subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the permitting authority and the Administrator requesting approval to apply an alternative to any requirement of this subpart. Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent that the petition is approved in writing by both the permitting authority and the Administrator.

(2) The CAIR designated representative of a CAIR NO<sub>x</sub> unit that is subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the permitting authority and the Administrator requesting approval to apply an alternative to a requirement concerning any additional continuous emission monitoring system required under § 75.72 of this chapter. Application of an alternative to any such requirement is in accordance with this subpart only to the extent that the petition is approved in writing

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by both the permitting authority and the Administrator.

### Subpart II—CAIR NO<sub>x</sub> Opt-in Units

SOURCE: 70 FR 25339, May 12, 2005, unless otherwise noted.

#### § 96.180 Applicability.

A CAIR NO<sub>x</sub> opt-in unit must be a unit that:

- (a) Is located in the State;
- (b) Is not a CAIR NO<sub>x</sub> unit under § 96.104 and is not covered by a retired unit exemption under § 96.105 that is in effect;
- (c) Is not covered by a retired unit exemption under § 72.8 of this chapter that is in effect;
- (d) Has or is required or qualified to have a title V operating permit or other federally enforceable permit; and
- (e) Vents all of its emissions to a stack and can meet the monitoring, recordkeeping, and reporting requirements of subpart HH of this part.

#### § 96.181 General.

(a) Except as otherwise provided in §§ 96.101 through 96.104, §§ 96.106 through 96.108, and subparts BB and CC and subparts FF through HH of this part, a CAIR NO<sub>x</sub> opt-in unit shall be treated as a CAIR NO<sub>x</sub> unit for purposes of applying such sections and subparts of this part.

(b) Solely for purposes of applying, as provided in this subpart, the requirements of subpart HH of this part to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this subpart, such unit shall be treated as a CAIR NO<sub>x</sub> unit before issuance of a CAIR opt-in permit for such unit.

#### § 96.182 CAIR designated representative.

Any CAIR NO<sub>x</sub> opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this subpart, located at the same source as one or more CAIR NO<sub>x</sub> units shall have the same CAIR designated representative and alternate CAIR designated representative as such CAIR NO<sub>x</sub> units.

**§ 96.183 Applying for CAIR opt-in permit.**

(a) *Applying for initial CAIR opt-in permit.* The CAIR designated representative of a unit meeting the requirements for a CAIR NO<sub>x</sub> opt-in unit in § 96.180 may apply for an initial CAIR opt-in permit at any time, except as provided under § 96.186(f) and (g), and, in order to apply, must submit the following:

(1) A complete CAIR permit application under § 96.122;

(2) A certification, in a format specified by the permitting authority, that the unit:

(i) Is not a CAIR NO<sub>x</sub> unit under § 96.104 and is not covered by a retired unit exemption under § 96.105 that is in effect;

(ii) Is not covered by a retired unit exemption under § 72.8 of this chapter that is in effect;

(iii) Vents all of its emissions to a stack, and

(iv) Has documented heat input for more than 876 hours during the 6 months immediately preceding submission of the CAIR permit application under § 96.122;

(3) A monitoring plan in accordance with subpart HH of this part;

(4) A complete certificate of representation under § 96.113 consistent with § 96.182, if no CAIR designated representative has been previously designated for the source that includes the unit; and

(5) A statement, in a format specified by the permitting authority, whether the CAIR designated representative requests that the unit be allocated CAIR NO<sub>x</sub> allowances under § 96.188(b) or § 96.188(c) (subject to the conditions in §§ 96.184(h) and 96.186(g)). If allocation under § 96.188(c) is requested, this statement shall include a statement that the owners and operators of the unit intend to repower the unit before January 1, 2015 and that they will provide, upon request, documentation demonstrating such intent.

(b) *Duty to reapply.* (1) The CAIR designated representative of a CAIR NO<sub>x</sub> opt-in unit shall submit a complete CAIR permit application under § 96.122 to renew the CAIR opt-in unit permit in accordance with the permitting authority's regulations for title V operating permits, or the permitting

authority's regulations for other federally enforceable permits if applicable, addressing permit renewal.

(2) Unless the permitting authority issues a notification of acceptance of withdrawal of the CAIR NO<sub>x</sub> opt-in unit from the CAIR NO<sub>x</sub> Annual Trading Program in accordance with § 96.186 or the unit becomes a CAIR NO<sub>x</sub> unit under § 96.104, the CAIR NO<sub>x</sub> opt-in unit shall remain subject to the requirements for a CAIR NO<sub>x</sub> opt-in unit, even if the CAIR designated representative for the CAIR NO<sub>x</sub> opt-in unit fails to submit a CAIR permit application that is required for renewal of the CAIR opt-in permit under paragraph (b)(1) of this section.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006]

**§ 96.184 Opt-in process.**

The permitting authority will issue or deny a CAIR opt-in permit for a unit for which an initial application for a CAIR opt-in permit under § 96.183 is submitted in accordance with the following:

(a) *Interim review of monitoring plan.* The permitting authority and the Administrator will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a CAIR opt-in permit under § 96.183. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the NO<sub>x</sub> emissions rate and heat input of the unit and all other applicable parameters are monitored and reported in accordance with subpart HH of this part. A determination of sufficiency shall not be construed as acceptance or approval of the monitoring plan.

(b) *Monitoring and reporting.* (1)(i) If the permitting authority and the Administrator determine that the monitoring plan is sufficient under paragraph (a) of this section, the owner or operator shall monitor and report the NO<sub>x</sub> emissions rate and the heat input of the unit and all other applicable parameters, in accordance with subpart HH of this part, starting on the date of certification of the appropriate monitoring systems under subpart HH of this part and continuing until a CAIR opt-in permit is denied under § 96.184(f)



or, if a CAIR opt-in permit is issued, the date and time when the unit is withdrawn from the CAIR NO<sub>x</sub> Annual Trading Program in accordance with § 96.186.

(ii) The monitoring and reporting under paragraph (b)(1)(i) of this section shall include the entire control period immediately before the date on which the unit enters the CAIR NO<sub>x</sub> Annual Trading Program under § 96.184(g), during which period monitoring system availability must not be less than 90 percent under subpart HH of this part and the unit must be in full compliance with any applicable State or Federal emissions or emissions-related requirements.

(2) To the extent the NO<sub>x</sub> emissions rate and the heat input of the unit are monitored and reported in accordance with subpart HH of this part for one or more control periods, in addition to the control period under paragraph (b)(1)(ii) of this section, during which control periods monitoring system availability is not less than 90 percent under subpart HH of this part and the unit is in full compliance with any applicable State or Federal emissions or emissions-related requirements and which control periods begin not more than 3 years before the unit enters the CAIR NO<sub>x</sub> Annual Trading Program under § 96.184(g), such information shall be used as provided in paragraphs (c) and (d) of this section.

(c) *Baseline heat input.* The unit's baseline heat input shall equal:

(1) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and reported for only one control period, in accordance with paragraph (b)(1) of this section, the unit's total heat input (in mmBtu) for the control period; or

(2) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and reported for more than one control period, in accordance with paragraphs (b)(1) and (2) of this section, the average of the amounts of the unit's total heat input (in mmBtu) for the control periods under paragraphs (b)(1)(ii) and (2) of this section.

(d) *Baseline NO<sub>x</sub> emission rate.* The unit's baseline NO<sub>x</sub> emission rate shall equal:

(1) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and re-

ported for only one control period, in accordance with paragraph (b)(1) of this section, the unit's NO<sub>x</sub> emissions rate (in lb/mmBtu) for the control period;

(2) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and reported for more than one control period, in accordance with paragraphs (b)(1) and (2) of this section, and the unit does not have add-on NO<sub>x</sub> emission controls during any such control periods, the average of the amounts of the unit's NO<sub>x</sub> emissions rate (in lb/mmBtu) for the control periods under paragraphs (b)(1)(ii) and (2) of this section; or

(3) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and reported for more than one control period, in accordance with paragraphs (b)(1) and (2) of this section, and the unit has add-on NO<sub>x</sub> emission controls during any such control periods, the average of the amounts of the unit's NO<sub>x</sub> emissions rate (in lb/mmBtu) for such control periods during which the unit has add-on NO<sub>x</sub> emission controls.

(e) *Issuance of CAIR opt-in permit.* After calculating the baseline heat input and the baseline NO<sub>x</sub> emissions rate for the unit under paragraphs (c) and (d) of this section and if the permitting authority determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR NO<sub>x</sub> opt-in unit in § 96.180 and meets the elements certified in § 96.183(a)(2), the permitting authority will issue a CAIR opt-in permit. The permitting authority will provide a copy of the CAIR opt-in permit to the Administrator, who will then establish a compliance account for the source that includes the CAIR NO<sub>x</sub> opt-in unit unless the source already has a compliance account.

(f) *Issuance of denial of CAIR opt-in permit.* Notwithstanding paragraphs (a) through (e) of this section, if at any time before issuance of a CAIR opt-in permit for the unit, the permitting authority determines that the CAIR designated representative fails to show that the unit meets the requirements for a CAIR NO<sub>x</sub> opt-in unit in § 96.180 or meets the elements certified in § 96.183(a)(2), the permitting authority

will issue a denial of a CAIR opt-in permit for the unit.

(g) *Date of entry into CAIR NO<sub>x</sub> Annual Trading Program.* A unit for which an initial CAIR opt-in permit is issued by the permitting authority shall become a CAIR NO<sub>x</sub> opt-in unit, and a CAIR NO<sub>x</sub> unit, as of the later of January 1, 2009 or January 1 of the first control period during which such CAIR opt-in permit is issued.

(h) *Repowered CAIR NO<sub>x</sub> opt-in unit.* (1) If CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR NO<sub>x</sub> opt-in unit of CAIR NO<sub>x</sub> allowances under § 96.188(c) and such unit is repowered after its date of entry into the CAIR NO<sub>x</sub> Annual Trading Program under paragraph (g) of this section, the repowered unit shall be treated as a CAIR NO<sub>x</sub> opt-in unit replacing the original CAIR NO<sub>x</sub> opt-in unit, as of the date of start-up of the repowered unit's combustion chamber.

(2) Notwithstanding paragraphs (c) and (d) of this section, as of the date of start-up under paragraph (h)(1) of this section, the repowered unit shall be deemed to have the same date of commencement of operation, date of commencement of commercial operation, baseline heat input, and baseline NO<sub>x</sub> emission rate as the original CAIR NO<sub>x</sub> opt-in unit, and the original CAIR NO<sub>x</sub> opt-in unit shall no longer be treated as a CAIR NO<sub>x</sub> opt-in unit or a CAIR NO<sub>x</sub> unit.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

#### § 96.185 CAIR opt-in permit contents.

(a) Each CAIR opt-in permit will contain:

(1) All elements required for a complete CAIR permit application under § 96.122;

(2) The certification in § 96.183(a)(2);

(3) The unit's baseline heat input under § 96.184(c);

(4) The unit's baseline NO<sub>x</sub> emission rate under § 96.184(d);

(5) A statement whether the unit is to be allocated CAIR NO<sub>x</sub> allowances § 96.188(b) or § 96.188(c) (subject to the conditions in §§ 96.184(h) and 96.186(g));

(6) A statement that the unit may withdraw from the CAIR NO<sub>x</sub> Annual Trading Program only in accordance with § 96.186; and

(7) A statement that the unit is subject to, and the owners and operators of the unit must comply with, the requirements of § 96.187.

(b) Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under § 96.102 and, upon recordation by the Administrator under subpart FF or GG of this part or this subpart, every allocation, transfer, or deduction of CAIR NO<sub>x</sub> allowances to or from the compliance account of the source that includes a CAIR NO<sub>x</sub> opt-in unit covered by the CAIR opt-in permit.

(c) The CAIR opt-in permit shall be included, in a format specified by the permitting authority, in the CAIR permit for the source where the CAIR NO<sub>x</sub> opt-in unit is located and in a title V operating permit or other federally enforceable permit for the source.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006]

#### § 96.186 Withdrawal from CAIR NO<sub>x</sub> Annual Trading Program.

Except as provided under paragraph (g) of this section, a CAIR NO<sub>x</sub> opt-in unit may withdraw from the CAIR NO<sub>x</sub> Annual Trading Program, but only if the permitting authority issues a notification to the CAIR designated representative of the CAIR NO<sub>x</sub> opt-in unit of the acceptance of the withdrawal of the CAIR NO<sub>x</sub> opt-in unit in accordance with paragraph (d) of this section.

(a) *Requesting withdrawal.* In order to withdraw a CAIR NO<sub>x</sub> opt-in unit from the CAIR NO<sub>x</sub> Annual Trading Program, the CAIR designated representative of the CAIR NO<sub>x</sub> 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 NO<sub>x</sub> Annual Trading Program under § 96.184(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 NO<sub>x</sub> opt-in unit covered by a request under paragraph (a) of this section may withdraw from the CAIR NO<sub>x</sub> 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 NO<sub>x</sub> opt-in unit must meet the requirement to hold CAIR NO<sub>x</sub> allowances under § 96.106(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 NO<sub>x</sub> opt-in unit CAIR NO<sub>x</sub> allowances equal in amount to and allocated for the same or a prior control period as any CAIR NO<sub>x</sub> allowances allocated to the CAIR NO<sub>x</sub> opt-in unit under § 96.188 for any control period for which the withdrawal is to be effective. If there are no remaining CAIR NO<sub>x</sub> units at the source, the Administrator will close the compliance account, and the owners and operators of the CAIR NO<sub>x</sub> opt-in unit may submit a CAIR NO<sub>x</sub> allowance transfer for any remaining CAIR NO<sub>x</sub> allowances to another CAIR NO<sub>x</sub> 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 NO<sub>x</sub> allowances required), the permitting authority will issue a notification to the CAIR designated representative of the CAIR NO<sub>x</sub> opt-in unit of the acceptance of the withdrawal of the CAIR NO<sub>x</sub> 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 NO<sub>x</sub> opt-in unit that the CAIR NO<sub>x</sub> opt-in unit's request to withdraw is denied. Such CAIR NO<sub>x</sub> opt-in unit shall continue to be a CAIR NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR NO<sub>x</sub> Annual Trading Program concerning any control periods for which the unit is a CAIR NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> Annual Trading Program.* Once a CAIR NO<sub>x</sub> opt-in unit withdraws from the CAIR NO<sub>x</sub> 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 § 96.183 for such CAIR NO<sub>x</sub> 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 § 96.184.

(g) *Inability to withdraw.* Notwithstanding paragraphs (a) through (f) of this section, a CAIR NO<sub>x</sub> opt-in unit shall not be eligible to withdraw from the CAIR NO<sub>x</sub> Annual Trading Program if the CAIR designated representative of the CAIR NO<sub>x</sub> opt-in unit requests, and the permitting authority issues a CAIR NO<sub>x</sub> opt-in permit providing for, allocation to the CAIR NO<sub>x</sub> opt-in unit of CAIR NO<sub>x</sub> allowances under § 96.188(c).

[70 FR 25339, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006]

**§ 96.187 Change in regulatory status.**

(a) *Notification.* If a CAIR NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104, then the CAIR designated representative shall notify in writing the permitting authority and the Administrator of such change in the CAIR NO<sub>x</sub> opt-in unit's regulatory status, within 30 days of such change.

(b) *Permitting authority's and Administrator's actions.* (1) If a CAIR NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104, the permitting authority will revise the CAIR NO<sub>x</sub> opt-in unit's CAIR NO<sub>x</sub> permit to meet the requirements of a CAIR permit under § 96.123, and remove the CAIR opt-in permit provisions, as of the date on which the CAIR NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104.

(2)(i) The Administrator will deduct from the compliance account of the source that includes the CAIR NO<sub>x</sub> opt-in unit that becomes a CAIR NO<sub>x</sub> unit under § 96.104, CAIR NO<sub>x</sub> allowances equal in amount to and allocated for the same or a prior control period as:

(A) Any CAIR NO<sub>x</sub> allowances allocated to the CAIR NO<sub>x</sub> opt-in unit under § 96.188 for any control period after the date on which the CAIR NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104; and

(B) If the date on which the CAIR NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104 is not December 31, the CAIR NO<sub>x</sub> allowances allocated to the CAIR NO<sub>x</sub> opt-in unit under § 96.188 for the control period that includes the date on which the CAIR NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104 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 NO<sub>x</sub> opt-in unit that becomes a CAIR NO<sub>x</sub> unit under § 96.104 contains the CAIR NO<sub>x</sub> 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 NO<sub>x</sub> opt-in

unit becomes a CAIR NO<sub>x</sub> unit under § 96.104, the CAIR NO<sub>x</sub> opt-in unit will be allocated CAIR NO<sub>x</sub> allowances under § 96.142.

(ii) If the date on which the CAIR NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104 is not December 31, the following amount of CAIR NO<sub>x</sub> allowances will be allocated to the CAIR NO<sub>x</sub> opt-in unit (as a CAIR NO<sub>x</sub> unit) under § 96.142 for the control period that includes the date on which the CAIR NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104:

(A) The amount of CAIR NO<sub>x</sub> allowances otherwise allocated to the CAIR NO<sub>x</sub> opt-in unit (as a CAIR NO<sub>x</sub> unit) under § 96.142 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 NO<sub>x</sub> opt-in unit becomes a CAIR NO<sub>x</sub> unit under § 96.104, divided by the total number of days in the control period; and

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

[70 FR 25339, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

**§ 96.188 CAIR NO<sub>x</sub> allowance allocations to CAIR NO<sub>x</sub> opt-in units.**

(a) *Timing requirements.* (1) When the CAIR opt-in permit is issued under § 96.184(e), the permitting authority will allocate CAIR NO<sub>x</sub> allowances to the CAIR NO<sub>x</sub> opt-in unit, and submit to the Administrator the allocation for the control period in which a CAIR NO<sub>x</sub> opt-in unit enters the CAIR NO<sub>x</sub> Annual Trading Program under § 96.184(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<sub>x</sub> opt-in unit enters the CAIR NO<sub>x</sub> Annual Trading Program under § 96.184(g) and October 31 of each year thereafter, the permitting authority will allocate CAIR NO<sub>x</sub> allowances to the CAIR NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> opt-in unit is to be allocated CAIR NO<sub>x</sub> allowances, the permitting authority will allocate in accordance with the following procedures:

(1) The heat input (in mmBtu) used for calculating the CAIR NO<sub>x</sub> allowance allocation will be the lesser of:

(i) The CAIR NO<sub>x</sub> opt-in unit's baseline heat input determined under § 96.184(c); or

(ii) The CAIR NO<sub>x</sub> 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<sub>x</sub> opt-in unit enters the CAIR NO<sub>x</sub> Annual Trading Program under § 96.184(g).

(2) The NO<sub>x</sub> emission rate (in lb/mmBtu) used for calculating CAIR NO<sub>x</sub> allowance allocations will be the lesser of:

(i) The CAIR NO<sub>x</sub> opt-in unit's baseline NO<sub>x</sub> emissions rate (in lb/mmBtu) determined under § 96.184(d) and multiplied by 70 percent; or

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

(3) The permitting authority will allocate CAIR NO<sub>x</sub> allowances to the CAIR NO<sub>x</sub> opt-in unit in an amount equaling the heat input under paragraph (b)(1) of this section, multiplied by the NO<sub>x</sub> 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 § 96.183(a)(5)) providing for, allocation to a CAIR NO<sub>x</sub> opt-in unit of CAIR NO<sub>x</sub> allowances under this paragraph (subject to the conditions in §§ 96.184(h) and 96.186(g)), the permitting authority will allocate to the CAIR NO<sub>x</sub> opt-in unit as follows:

(1) For each control period in 2009 through 2014 for which the CAIR NO<sub>x</sub>

opt-in unit is to be allocated CAIR NO<sub>x</sub> allowances,

(i) The heat input (in mmBtu) used for calculating CAIR NO<sub>x</sub> allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NO<sub>x</sub> emission rate (in lb/mmBtu) used for calculating CAIR NO<sub>x</sub> allowance allocations will be the lesser of:

(A) The CAIR NO<sub>x</sub> opt-in unit's baseline NO<sub>x</sub> emissions rate (in lb/mmBtu) determined under § 96.184(d); or

(B) The most stringent State or Federal NO<sub>x</sub> emissions limitation applicable to the CAIR NO<sub>x</sub> opt-in unit at any time during the control period in which the CAIR NO<sub>x</sub> opt-in unit enters the CAIR NO<sub>x</sub> Annual Trading Program under § 96.184(g).

(iii) The permitting authority will allocate CAIR NO<sub>x</sub> allowances to the CAIR NO<sub>x</sub> opt-in unit in an amount equaling the heat input under paragraph (c)(1)(i) of this section, multiplied by the NO<sub>x</sub> 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<sub>x</sub> opt-in unit is to be allocated CAIR NO<sub>x</sub> allowances,

(i) The heat input (in mmBtu) used for calculating the CAIR NO<sub>x</sub> allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NO<sub>x</sub> emission rate (in lb/mmBtu) used for calculating the CAIR NO<sub>x</sub> allowance allocation will be the lesser of:

(A) 0.15 lb/mmBtu;

(B) The CAIR NO<sub>x</sub> opt-in unit's baseline NO<sub>x</sub> emissions rate (in lb/mmBtu) determined under § 96.184(d); or

(C) The most stringent State or Federal NO<sub>x</sub> emissions limitation applicable to the CAIR NO<sub>x</sub> opt-in unit at any time during the control period for which CAIR NO<sub>x</sub> allowances are to be allocated.

(iii) The permitting authority will allocate CAIR NO<sub>x</sub> allowances to the CAIR NO<sub>x</sub> opt-in unit in an amount

equaling the heat input under paragraph (c)(2)(i) of this section, multiplied by the NO<sub>x</sub> 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.* (1) The Administrator will record, in the compliance account of the source that includes the CAIR NO<sub>x</sub> opt-in unit, the CAIR NO<sub>x</sub> allowances allocated by the permitting authority to the CAIR NO<sub>x</sub> opt-in unit under paragraph (a)(1) of this section.

(2) By December 1 of the control period in which a CAIR NO<sub>x</sub> opt-in unit enters the CAIR NO<sub>x</sub> Annual Trading Program under § 96.184(g) and December 1 of each year thereafter, the Administrator will record, in the compliance account of the source that includes the CAIR NO<sub>x</sub> opt-in unit, the CAIR NO<sub>x</sub> allowances allocated by the permitting authority to the CAIR NO<sub>x</sub> opt-in unit under paragraph (a)(2) of this section.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006]

### Subparts JJ–ZZ [Reserved]

### Subpart AAA—CAIR SO<sub>2</sub> Trading Program General Provisions

SOURCE: 70 FR 25362, May 12, 2005, unless otherwise noted.

#### § 96.201 Purpose.

This subpart and subparts BBB through III establish the model rule comprising general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the State Clean Air Interstate Rule (CAIR) SO<sub>2</sub> Trading Program, under section 110 of the Clean Air Act and § 51.124 of this chapter, as a means of mitigating interstate transport of fine particulates and sulfur dioxide. The owner or operator of a unit or a source shall comply with the requirements of this subpart and subparts BBB through III as a matter of federal law only if the State with jurisdiction over the unit and the source incorporates by reference such subparts or otherwise adopts the requirements of such subparts in accordance with § 51.124(o)(1) or (2) of this chapter, the

State submits to the Administrator one or more revisions of the State implementation plan that include such adoption, and the Administrator approves such revisions. If the State adopts the requirements of such subparts in accordance with § 51.124(o)(1) or (2) of this chapter, then the State authorizes the Administrator to assist the State in implementing the CAIR SO<sub>2</sub> Trading Program by carrying out the functions set forth for the Administrator in such subparts.

#### § 96.202 Definitions.

The terms used in this subpart and subparts BBB through III shall have the meanings set forth in this section as follows:

*Account number* means the identification number given by the Administrator to each CAIR SO<sub>2</sub> Allowance Tracking System account.

*Acid Rain emissions limitation* means a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program.

*Acid Rain Program* means a multi-state sulfur dioxide and nitrogen oxides air pollution control and emission reduction program established by the Administrator under title IV of the CAA and parts 72 through 78 of this chapter.

*Administrator* means the Administrator of the United States Environmental Protection Agency or the Administrator's duly authorized representative.

*Allocate* or *allocation* means, with regard to CAIR SO<sub>2</sub> allowances issued under the Acid Rain Program, the determination by the Administrator of the amount of such CAIR SO<sub>2</sub> allowances to be initially credited to a CAIR SO<sub>2</sub> unit or other entity and, with regard to CAIR SO<sub>2</sub> allowances issued under provisions of a State implementation plan that are approved under § 51.124(o)(1) or (2) or (r) of this chapter or § 97.288 of this chapter, the determination by a permitting authority of the amount of such CAIR SO<sub>2</sub> allowances to be initially credited to a CAIR SO<sub>2</sub> unit or other entity.

*Allowance transfer deadline* means, for a control period, midnight of March 1 (if it is a business day), or midnight of the first business day thereafter (if

March 1 is not a business day), immediately following the control period and is the deadline by which a CAIR SO<sub>2</sub> allowance transfer must be submitted for recordation in a CAIR SO<sub>2</sub> source's compliance account in order to be used to meet the source's CAIR SO<sub>2</sub> emissions limitation for such control period in accordance with § 96.254.

*Alternate CAIR designated representative* means, for a CAIR SO<sub>2</sub> source and each CAIR SO<sub>2</sub> unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with subparts BBB and III of this part, to act on behalf of the CAIR designated representative in matters pertaining to the CAIR SO<sub>2</sub> Trading Program. If the CAIR SO<sub>2</sub> source is also a CAIR NO<sub>x</sub> source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO<sub>x</sub> Annual Trading Program. If the CAIR SO<sub>2</sub> source is also a CAIR NO<sub>x</sub> Ozone Season source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO<sub>x</sub> Ozone Season Trading Program. If the CAIR SO<sub>2</sub> source is also subject to the Acid Rain Program, then this natural person shall be the same person as the alternate designated representative under the Acid Rain Program. If the CAIR SO<sub>2</sub> source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the alternate Hg designated representative under the Hg Budget Trading Program.

*Automated data acquisition and handling system* or *DAHS* means that component of the continuous emission monitoring system, or other emissions monitoring system approved for use under subpart HHH of this part, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by subpart HHH of this part.

*Biomass* means—

(1) Any organic material grown for the purpose of being converted to energy;

(2) Any organic byproduct of agriculture that can be converted into energy; or

(3) Any material that can be converted into energy and is nonmerchandise for other purposes, that is segregated from other nonmerchandise material, and that is;

(i) A forest-related organic resource, including mill residues, precommercial thinnings, slash, brush, or byproduct from conversion of trees to merchantable material; or

(ii) A wood material, including pallets, crates, dunnage, manufacturing and construction materials (other than pressure-treated, chemically-treated, or painted wood products), and landscape or right-of-way tree trimmings.

*Boiler* means an enclosed fossil- or other-fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

*Bottoming-cycle cogeneration unit* means a cogeneration unit in which the energy input to the unit is first used to produce useful thermal energy and at least some of the reject heat from the useful thermal energy application or process is then used for electricity production.

*CAIR authorized account representative* means, with regard to a general account, a responsible natural person who is authorized, in accordance with subparts BBB, FFF, and III of this part, to transfer and otherwise dispose of CAIR SO<sub>2</sub> allowances held in the general account and, with regard to a compliance account, the CAIR designated representative of the source.

*CAIR designated representative* means, for a CAIR SO<sub>2</sub> source and each CAIR SO<sub>2</sub> unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with subparts BBB and III of this part, to represent and legally bind each owner and operator in matters pertaining to the CAIR SO<sub>2</sub> Trading Program. If the CAIR SO<sub>2</sub> source is also a CAIR NO<sub>x</sub> source, then this natural person shall be the same person as the CAIR designated representative under

the CAIR NO<sub>x</sub> Annual Trading Program. If the CAIR SO<sub>2</sub> source is also a CAIR NO<sub>x</sub> Ozone Season source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO<sub>x</sub> Ozone Season Trading Program. If the CAIR SO<sub>2</sub> source is also subject to the Acid Rain Program, then this natural person shall be the same person as the designated representative under the Acid Rain Program. If the CAIR SO<sub>2</sub> source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the Hg designated representative under the Hg Budget Trading Program.

*CAIR NO<sub>x</sub> Annual Trading Program* means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts AA through II of this part and § 51.123(o)(1) or (2) of this chapter or established by the Administrator in accordance with subparts AA through II of part 97 of this chapter and §§ 51.123(p) and 52.35 of this chapter, as a means of mitigating interstate transport of fine particulates and nitrogen oxides.

*CAIR NO<sub>x</sub> Ozone Season source* means a source that includes one or more CAIR NO<sub>x</sub> Ozone Season units.

*CAIR NO<sub>x</sub> Ozone Season Trading Program* means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts AAAA through IIII of this part and § 51.123(aa)(1) or (2) (and (bb)(1)), (bb)(2), or (dd) of this chapter or established by the Administrator in accordance with subparts AA through II of part 97 of this chapter and §§ 51.123(p) and 52.35 of this chapter, as a means of mitigating interstate transport of ozone and nitrogen oxides.

*CAIR NO<sub>x</sub> source* means a source that is subject to the CAIR NO<sub>x</sub> Ozone Season Trading Program.

*CAIR permit* means the legally binding and federally enforceable written document, or portion of such document, issued by the permitting authority under subpart CCC of this part, including any permit revisions, specifying the CAIR SO<sub>2</sub> Trading Program requirements applicable to a CAIR SO<sub>2</sub>

source, to each CAIR SO<sub>2</sub> unit at the source, and to the owners and operators and the CAIR designated representative of the source and each such unit.

*CAIR SO<sub>2</sub> allowance* means a limited authorization issued by the Administrator under the Acid Rain Program, or by a permitting authority under provisions of a State implementation plan that are approved under § 51.124(o)(1) or (2) or (r) of this chapter or § 97.288 of this chapter, by designating the last sentence of the definition as paragraph (4), and by revising in paragraph (4) the words “(Program or under the provisions of a State implementation plan that is approved under § 51.124(o)(1) or (2) of this chapter” to read “(Program, provisions of a State implementation plan that are approved under § 51.124(o)(1) or (2) or (r) of this chapter, or § 97.288 of this chapter, to emit sulfur dioxide during the control period of the specified calendar year for which the authorization is allocated or of any calendar year thereafter under the CAIR SO<sub>2</sub> Trading Program as follows:

(1) For one CAIR SO<sub>2</sub> allowance allocated for a control period in a year before 2010, one ton of sulfur dioxide, except as provided in § 96.254(b);

(2) For one CAIR SO<sub>2</sub> allowance allocated for a control period in 2010 through 2014, 0.50 ton of sulfur dioxide, except as provided in § 96.254(b); and

(3) For one CAIR SO<sub>2</sub> allowance allocated for a control period in 2015 or later, 0.35 ton of sulfur dioxide, except as provided in § 96.254(b).

An authorization to emit sulfur dioxide that is not issued under the Acid Rain Program or under the provisions of a State implementation plan that is approved under § 51.124(o)(1) or (2) of this chapter shall not be a CAIR SO<sub>2</sub> allowance.

*CAIR SO<sub>2</sub> allowance deduction* or *deduct CAIR SO<sub>2</sub> allowances* means the permanent withdrawal of CAIR SO<sub>2</sub> allowances by the Administrator from a compliance account, e.g., in order to account for a specified number of tons of total sulfur dioxide emissions from all CAIR SO<sub>2</sub> units at a CAIR SO<sub>2</sub> source for a control period, determined in accordance with subpart HHH of this part, or to account for excess emissions.



*CAIR SO<sub>2</sub> Allowance Tracking System* means the system by which the Administrator records allocations, deductions, and transfers of CAIR SO<sub>2</sub> allowances under the CAIR SO<sub>2</sub> Trading Program. This is the same system as the Allowance Tracking System under § 72.2 of this chapter by which the Administrator records allocations, deduction, and transfers of Acid Rain SO<sub>2</sub> allowances under the Acid Rain Program.

*CAIR SO<sub>2</sub> Allowance Tracking System account* means an account in the CAIR SO<sub>2</sub> Allowance Tracking System established by the Administrator for purposes of recording the allocation, holding, transferring, or deducting of CAIR SO<sub>2</sub> allowances. Such allowances will be allocated, held, deducted, or transferred only as whole allowances.

*CAIR SO<sub>2</sub> allowances held or hold* CAIR SO<sub>2</sub> allowances means the CAIR SO<sub>2</sub> allowances recorded by the Administrator, or submitted to the Administrator for recordation, in accordance with subparts FFF, GGG, and III of this part or part 73 of this chapter, in a CAIR SO<sub>2</sub> Allowance Tracking System account.

*CAIR SO<sub>2</sub> emissions limitation* means, for a CAIR SO<sub>2</sub> source, the tonnage equivalent, in SO<sub>2</sub> emissions in a control period, of the CAIR SO<sub>2</sub> allowances available for deduction for the source under § 96.254(a) and (b) for the control period.

*CAIR SO<sub>2</sub> source* means a source that includes one or more CAIR SO<sub>2</sub> units.

*CAIR SO<sub>2</sub> Trading Program* means a multi-state sulfur dioxide air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts AAA through III of this part and § 51.124(o)(1) or (2) of this chapter or established by the Administrator in accordance with subparts AAA through III of part 97 of this chapter and §§ 51.124(r) and 52.36 of this chapter, as a means of mitigating interstate transport of fine particulates and sulfur dioxide.

*CAIR SO<sub>2</sub> unit* means a unit that is subject to the CAIR SO<sub>2</sub> Trading Program under § 96.204 and, except for purposes of § 96.205, a CAIR SO<sub>2</sub> opt-in unit under subpart III of this part.

*Clean Air Act or CAA* means the Clean Air Act, 42 U.S.C. 7401, *et seq.*

*Coal* means any solid fuel classified as anthracite, bituminous, subbituminous, or lignite.

*Coal-derived fuel* means any fuel (whether in a solid, liquid, or gaseous state) produced by the mechanical, thermal, or chemical processing of coal.

*Coal-fired* means combusting any amount of coal or coal-derived fuel, alone, or in combination with any amount of any other fuel.

*Cogeneration unit* means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine:

(1) Having equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy; and

(2) Producing during the 12-month period starting on the date the unit first produces electricity and during any calendar year after the calendar year in which the unit first produces electricity—

(i) For a topping-cycle cogeneration unit,

(A) Useful thermal energy not less than 5 percent of total energy output; and

(B) Useful power that, when added to one-half of useful thermal energy produced, is not less than 42.5 percent of total energy input, if useful thermal energy produced is 15 percent or more of total energy output, or not less than 45 percent of total energy input, if useful thermal energy produced is less than 15 percent of total energy output.

(ii) For a bottoming-cycle cogeneration unit, useful power not less than 45 percent of total energy input;

(3) Provided that the total energy input under paragraphs (2)(i)(B) and (2)(ii) of this definition shall equal the unit's total energy input from all fuel except biomass if the unit is a boiler.

*Combustion turbine means:*

(1) An enclosed device comprising a compressor, a combustor, and a turbine and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine; and

(2) If the enclosed device under paragraph (1) of this definition is combined

cycle, any associated duct burner, heat recovery steam generator, and steam turbine.

*Commence commercial operation* means, with regard to a unit:

(1) To have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation, except as provided in § 96.205 and § 96.284(h).

(i) For a unit that is a CAIR SO<sub>2</sub> unit under § 96.204 on the later of November 15, 1990 or the date the unit commences commercial operation as defined in paragraph (1) of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the date of commencement of commercial operation of the unit, which shall continue to be treated as the same unit.

(ii) For a unit that is a CAIR SO<sub>2</sub> unit under § 96.204 on the later of November 15, 1990 or the date the unit commences commercial operation as defined in paragraph (1) of this definition and that is subsequently replaced by a unit at the same source (*e.g.*, repowered), such date shall remain the replaced unit's date of commencement of commercial operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in paragraph (1) or (2) of this definition as appropriate.

(2) Notwithstanding paragraph (1) of this definition and except as provided in § 96.205, for a unit that is not a CAIR SO<sub>2</sub> unit under § 96.204 on the later of November 15, 1990 or the date the unit commences commercial operation as defined in paragraph (1) of this definition, the unit's date for commencement of commercial operation shall be the date on which the unit becomes a CAIR SO<sub>2</sub> unit under § 96.204.

(i) For a unit with a date for commencement of commercial operation as defined in paragraph (2) of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the date of commencement of commercial operation of the unit, which shall continue to be treated as the same unit.

(ii) For a unit with a date for commencement of commercial operation as defined in paragraph (2) of this definition and that is subsequently replaced by a unit at the same source (*e.g.*, repowered), such date shall remain the replaced unit's date of commencement of commercial operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in paragraph (1) or (2) of this definition as appropriate.

*Commence operation* means:

(1) To have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a unit's combustion chamber, except as provided in § 96.284(h).

(2) For a unit that undergoes a physical change (other than replacement of the unit by a unit at the same source) after the date the unit commences operation as defined in paragraph (1) of this definition, such date shall remain the date of commencement of operation of the unit, which shall continue to be treated as the same unit.

(3) For a unit that is replaced by a unit at the same source (*e.g.*, repowered) after the date the unit commences operation as defined in paragraph (1) of this definition, such date shall remain the replaced unit's date of commencement of operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in paragraph (1), (2), or (3) of this definition as appropriate, except as provided in § 96.284(h).

*Compliance account* means a CAIR SO<sub>2</sub> Allowance Tracking System account, established by the Administrator for a CAIR SO<sub>2</sub> source subject to an Acid Rain emissions limitations under § 73.31(a) or (b) of this chapter or for any other CAIR SO<sub>2</sub> source under subpart FFF or III of this part, in which any CAIR SO<sub>2</sub> allowance allocations for the CAIR SO<sub>2</sub> units at the source are initially recorded and in which are held any CAIR SO<sub>2</sub> allowances available for use for a control period in order to meet the source's CAIR SO<sub>2</sub> emissions limitation in accordance with § 96.254.

*Continuous emission monitoring system* or *CEMS* means the equipment required

under subpart HHH of this part to sample, analyze, measure, and provide, by means of readings recorded at least once every 15 minutes (using an automated data acquisition and handling system (DAHS)), a permanent record of sulfur dioxide emissions, stack gas volumetric flow rate, stack gas moisture content, and oxygen or carbon dioxide concentration (as applicable), in a manner consistent with part 75 of this chapter. The following systems are the principal types of continuous emission monitoring systems required under subpart HHH of this part:

(1) A flow monitoring system, consisting of a stack flow rate monitor and an automated data acquisition and handling system and providing a permanent, continuous record of stack gas volumetric flow rate, in standard cubic feet per hour (scfh);

(2) A sulfur dioxide monitoring system, consisting of a SO<sub>2</sub> pollutant concentration monitor and an automated data acquisition handling system and providing a permanent, continuous record of SO<sub>2</sub> emissions, in parts per million (ppm);

(3) A moisture monitoring system, as defined in § 75.11(b)(2) of this chapter and providing a permanent, continuous record of the stack gas moisture content, in percent H<sub>2</sub>O;

(4) A carbon dioxide monitoring system, consisting of a CO<sub>2</sub> pollutant concentration monitor (or an oxygen monitor plus suitable mathematical equations from which the CO<sub>2</sub> concentration is derived) and an automated data acquisition and handling system and providing a permanent, continuous record of CO<sub>2</sub> emissions, in percent CO<sub>2</sub>; and

(5) An oxygen monitoring system, consisting of an O<sub>2</sub> concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of O<sub>2</sub> in percent O<sub>2</sub>.

*Control period* means the period beginning January 1 of a calendar year, except as provided in § 96.206(c)(2), and ending on December 31 of the same year, inclusive.

*Emissions* means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the Administrator by

the CAIR designated representative and as determined by the Administrator in accordance with subpart HHH of this part.

*Excess emissions* means any ton, or portion of a ton, of sulfur dioxide emitted by the CAIR SO<sub>2</sub> units at a CAIR SO<sub>2</sub> source during a control period that exceeds the CAIR SO<sub>2</sub> emissions limitation for the source, provided that any portion of a ton of excess emissions shall be treated as one ton of excess emissions.

*Fossil fuel* means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

*Fossil-fuel-fired* means, with regard to a unit, combusting any amount of fossil fuel in any calendar year.

*General account* means a CAIR SO<sub>2</sub> Allowance Tracking System account, established under subpart FFF of this part, that is not a compliance account.

*Generator* means a device that produces electricity.

*Heat input* means, with regard to a specified period of time, the product (in mmBtu/time) of the gross calorific value of the fuel (in Btu/lb) divided by 1,000,000 Btu/mmBtu and multiplied by the fuel feed rate into a combustion device (in lb of fuel/time), as measured, recorded, and reported to the Administrator by the CAIR designated representative and determined by the Administrator in accordance with subpart HHH of this part and excluding the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

*Heat input rate* means the amount of heat input (in mmBtu) divided by unit operating time (in hr) or, with regard to a specific fuel, the amount of heat input attributed to the fuel (in mmBtu) divided by the unit operating time (in hr) during which the unit combusts the fuel.

*Hg Budget Trading Program* means a multi-state Hg air pollution control and emission reduction program approved and administered by the Administrator in accordance subpart HHHH of part 60 of this chapter and § 60.24(h)(6), or established by the Administrator under section 111 of the Clean Air Act, as a means of reducing national Hg emissions.

*Life-of-the-unit, firm power contractual arrangement* means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy generated by any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

- (1) For the life of the unit;
- (2) For a cumulative term of no less than 30 years, including contracts that permit an election for early termination; or
- (3) For a period no less than 25 years or 70 percent of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

*Maximum design heat input* means the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis as of the initial installation of the unit as specified by the manufacturer of the unit.

*Monitoring system* means any monitoring system that meets the requirements of subpart HHH of this part, including a continuous emissions monitoring system, an alternative monitoring system, or an excepted monitoring system under part 75 of this chapter.

*Most stringent State or Federal SO<sub>2</sub> emissions limitation* means, with regard to a unit, the lowest SO<sub>2</sub> emissions limitation (in terms of lb/mmBtu) that is applicable to the unit under State or Federal law, regardless of the averaging period to which the emissions limitation applies.

*Nameplate capacity* means, starting from the initial installation of a generator, the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings) as of such installation as specified by the manufacturer of the generator or, starting from the completion of any subsequent physical change in the generator resulting in an increase in the maximum

electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings), such increased maximum amount as of such completion as specified by the person conducting the physical change.

*Operator* means any person who operates, controls, or supervises a CAIR SO<sub>2</sub> unit or a CAIR SO<sub>2</sub> source and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

*Owner* means any of the following persons:

(1) With regard to a CAIR SO<sub>2</sub> source or a CAIR SO<sub>2</sub> unit at a source, respectively:

(i) Any holder of any portion of the legal or equitable title in a CAIR SO<sub>2</sub> unit at the source or the CAIR SO<sub>2</sub> unit;

(ii) Any holder of a leasehold interest in a CAIR SO<sub>2</sub> unit at the source or the CAIR SO<sub>2</sub> unit; or

(iii) Any purchaser of power from a CAIR SO<sub>2</sub> unit at the source or the CAIR SO<sub>2</sub> unit under a life-of-the-unit, firm power contractual arrangement; provided that, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based (either directly or indirectly) on the revenues or income from such CAIR SO<sub>2</sub> unit; or

(2) With regard to any general account, any person who has an ownership interest with respect to the CAIR SO<sub>2</sub> allowances held in the general account and who is subject to the binding agreement for the CAIR authorized account representative to represent the person's ownership interest with respect to CAIR SO<sub>2</sub> allowances.

*Permitting authority* means the State air pollution control agency, local agency, other State agency, or other agency authorized by the Administrator to issue or revise permits to meet the requirements of the CAIR SO<sub>2</sub> Trading Program or, if no such agency has been so authorized, the Administrator.

*Potential electrical output capacity* means 33 percent of a unit's maximum design heat input, divided by 3,413 Btu/kWh, divided by 1,000 kWh/MWh, and multiplied by 8,760 hr/yr.

*Receive or receipt of* means, when referring to the permitting authority or the Administrator, to come into possession of a document, information, or correspondence (whether sent in hard copy or by authorized electronic transmission), as indicated in an official log, or by a notation made on the document, information, or correspondence, by the permitting authority or the Administrator in the regular course of business.

*Recordation, record, or recorded* means, with regard to CAIR SO<sub>2</sub> allowances, the movement of CAIR SO<sub>2</sub> allowances by the Administrator into or between CAIR SO<sub>2</sub> Allowance Tracking System accounts, for purposes of allocation, transfer, or deduction.

*Reference method* means any direct test method of sampling and analyzing for an air pollutant as specified in § 75.22 of this chapter.

*Replacement, replace, or replaced* means, with regard to a unit, the demolishing of a unit, or the permanent shutdown and permanent disabling of a unit, and the construction of another unit (the replacement unit) to be used instead of the demolished or shutdown unit (the replaced unit).

*Repowered* means, with regard to a unit, replacement of a coal-fired boiler with one of the following coal-fired technologies at the same source as the coal-fired boiler:

- (1) Atmospheric or pressurized fluidized bed combustion;
- (2) Integrated gasification combined cycle;
- (3) Magnetohydrodynamics;
- (4) Direct and indirect coal-fired turbines;
- (5) Integrated gasification fuel cells; or
- (6) As determined by the Administrator in consultation with the Secretary of Energy, a derivative of one or more of the technologies under paragraphs (1) through (5) of this definition and any other coal-fired technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency

and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of January 1, 2005.

*Serial number* means, for a CAIR SO<sub>2</sub> allowance, the unique identification number assigned to each CAIR SO<sub>2</sub> allowance by the Administrator.

*Sequential use of energy* means:

- (1) For a topping-cycle cogeneration unit, the use of reject heat from electricity production in a useful thermal energy application or process; or
- (2) For a bottoming-cycle cogeneration unit, the use of reject heat from useful thermal energy application or process in electricity production.

*Solid waste incineration unit* means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine that is a "solid waste incineration unit" as defined in section 129(g)(1) of the Clean Air Act.

*Source* means all buildings, structures, or installations located in one or more contiguous or adjacent properties under common control of the same person or persons. For purposes of section 502(c) of the Clean Air Act, a "source," including a "source" with multiple units, shall be considered a single "facility."

*State* means one of the States or the District of Columbia that adopts the CAIR SO<sub>2</sub> Trading Program pursuant to § 51.124 (o)(1) or (2) of this chapter.

*Submit or serve* means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable regulation:

- (1) In person;
- (2) By United States Postal Service; or
- (3) By other means of dispatch or transmission and delivery. Compliance with any "submission" or "service" deadline shall be determined by the date of dispatch, transmission, or mailing and not the date of receipt.

*Title V operating permit* means a permit issued under title V of the Clean Air Act and part 70 or part 71 of this chapter.

*Title V operating permit regulations* means the regulations that the Administrator has approved or issued as meeting the requirements of title V of

the Clean Air Act and part 70 or 71 of this chapter.

*Ton* means 2,000 pounds. For the purpose of determining compliance with the CAIR SO<sub>2</sub> emissions limitation, total tons of sulfur dioxide emissions for a control period shall be calculated as the sum of all recorded hourly emissions (or the mass equivalent of the recorded hourly emission rates) in accordance with subpart HHH of this part, but with any remaining fraction of a ton equal to or greater than 0.50 tons deemed to equal one ton and any remaining fraction of a ton less than 0.50 tons deemed to equal zero tons.

*Topping-cycle cogeneration unit* means a cogeneration unit in which the energy input to the unit is first used to produce useful power, including electricity, and at least some of the reject heat from the electricity production is then used to provide useful thermal energy.

*Total energy input* means, with regard to a cogeneration unit, total energy of all forms supplied to the cogeneration unit, excluding energy produced by the cogeneration unit itself. Each form of energy supplied shall be measured by the lower heating value of that form of energy calculated as follows:

$$\text{LHV} = \text{HHV} - 10.55(\text{W} + 9\text{H})$$

Where:

LHV = lower heating value of fuel in Btu/lb.  
HHV = higher heating value of fuel in Btu/lb.  
W = Weight % of moisture in fuel, and  
H = Weight % of hydrogen in fuel.

*Total energy output* means, with regard to a cogeneration unit, the sum of useful power and useful thermal energy produced by the cogeneration unit.

*Unit* means a stationary, fossil-fuel-fired boiler or combustion turbine or other stationary, fossil-fuel-fired combustion device.

*Unit operating day* means a calendar day in which a unit combusts any fuel.

*Unit operating hour or hour of unit operation* means an hour in which a unit combusts any fuel.

*Useful power* means, with regard to a cogeneration unit, electricity or mechanical energy made available for use, excluding any such energy used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel

combusted at the unit and any on-site emission controls).

*Useful thermal energy* means, with regard to a cogeneration unit, thermal energy that is:

(1) Made available to an industrial or commercial process (not a power production process), excluding any heat contained in condensate return or makeup water;

(2) Used in a heating application (*e.g.*, space heating or domestic hot water heating); or

(3) Used in a space cooling application (*i.e.*, thermal energy used by an absorption chiller).

*Utility power distribution system* means the portion of an electricity grid owned or operated by a utility and dedicated to delivering electricity to customers.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25385, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006; 72 FR 59206, Oct. 19, 2007]

EDITORIAL NOTES: 1. At 71 FR 25386, Apr. 28, 2006, § 96.202 was amended in the definition of “CAIR NO<sub>x</sub> Ozone Season source”, by revising the words “includes one or more CAIR NO<sub>x</sub> Ozone Season unit” to read “is subject to the CAIR NO<sub>x</sub> Ozone Season Trading Program”; however, those words do not exist in this section and the amendment could not be incorporated.

2. At 71 FR 74794, Dec. 13, 2006, § 96.202 was amended in the definition of “CAIR SO<sub>2</sub> allowance” in paragraph (4), by revising the words “(Program, provisions)” to read “Program, provisions”; however, paragraph (4) does not exist in this section and the amendment could not be incorporated.

### § 96.203 Measurements, abbreviations, and acronyms.

Measurements, abbreviations, and acronyms used in this subpart and subparts BBB through III are defined as follows:

Btu—British thermal unit  
CO<sub>2</sub>—carbon dioxide  
H<sub>2</sub>O—water  
Hg—mercury  
hr—hour  
kW—kilowatt electrical  
kWh—kilowatt hour  
lb—pound  
mmBtu—million Btu  
MWe—megawatt electrical  
MWh—megawatt hour  
NO<sub>x</sub>—nitrogen oxides  
O<sub>2</sub>—oxygen  
ppm—parts per million

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scfh—standard cubic feet per hour  
SO<sub>2</sub>—sulfur dioxide  
yr—year

[71 FR 25387, Apr. 28, 2006]

### § 96.204 Applicability.

(a) Except as provided in paragraph (b) of this section:

(1) The following units in a State shall be CAIR SO<sub>2</sub> units, and any source that includes one or more such units shall be a CAIR SO<sub>2</sub> source, subject to the requirements of this subpart and subparts BBB through HHH of this part: any stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine serving at any time, since the later of November 15, 1990 or the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe producing electricity for sale.

(2) If a stationary boiler or stationary combustion turbine that, under paragraph (a)(1) of this section, is not a CAIR SO<sub>2</sub> unit begins to combust fossil fuel or to serve a generator with nameplate capacity of more than 25 MWe producing electricity for sale, the unit shall become a CAIR SO<sub>2</sub> unit as provided in paragraph (a)(1) of this section on the first date on which it both combusts fossil fuel and serves such generator.

(b) The units in a State that meet the requirements set forth in paragraph (b)(1)(i), (b)(2)(i), or (b)(2)(ii) of this section shall not be CAIR SO<sub>2</sub> units:

(1)(i) Any unit that is a CAIR SO<sub>2</sub> unit under paragraph (a)(1) or (2) of this section:

(A) Qualifying as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continuing to qualify as a cogeneration unit; and

(B) Not serving at any time, since the later of November 15, 1990 or the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale.

(ii) If a unit qualifies as a cogeneration unit during the 12-month period

starting on the date the unit first produces electricity and meets the requirements of paragraphs (b)(1)(i) of this section for at least one calendar year, but subsequently no longer meets all such requirements, the unit shall become a CAIR SO<sub>2</sub> unit starting on the earlier of January 1 after the first calendar year during which the unit first no longer qualifies as a cogeneration unit or January 1 after the first calendar year during which the unit no longer meets the requirements of paragraph (b)(1)(i)(B) of this section.

(2)(i) Any unit that is a CAIR SO<sub>2</sub> unit under paragraph (a)(1) or (2) of this section commencing operation before January 1, 1985:

(A) Qualifying as a solid waste incineration unit; and

(B) With an average annual fuel consumption of non-fossil fuel for 1985–1987 exceeding 80 percent (on a Btu basis) and an average annual fuel consumption of non-fossil fuel for any 3 consecutive calendar years after 1990 exceeding 80 percent (on a Btu basis).

(ii) Any unit that is a CAIR SO<sub>2</sub> unit under paragraph (a)(1) or (2) of this section commencing operation on or after January 1, 1985:

(A) Qualifying as a solid waste incineration unit; and

(B) With an average annual fuel consumption of non-fossil fuel for the first 3 calendar years of operation exceeding 80 percent (on a Btu basis) and an average annual fuel consumption of non-fossil fuel for any 3 consecutive calendar years after 1990 exceeding 80 percent (on a Btu basis).

(iii) If a unit qualifies as a solid waste incineration unit and meets the requirements of paragraph (b)(2)(i) or (ii) of this section for at least 3 consecutive calendar years, but subsequently no longer meets all such requirements, the unit shall become a CAIR SO<sub>2</sub> unit starting on the earlier of January 1 after the first calendar year during which the unit first no longer qualifies as a solid waste incineration unit or January 1 after the first 3 consecutive calendar years after 1990 for which the unit has an average annual fuel consumption of fossil fuel of 20 percent or more.

[71 FR 25387, Apr. 28, 2006]

**§ 96.205 Retired unit exemption.**

(a)(1) Any CAIR SO<sub>2</sub> unit that is permanently retired and is not a CAIR SO<sub>2</sub> opt-in unit under subpart III of this part shall be exempt from the CAIR SO<sub>2</sub> Trading Program, except for the provisions of this section, § 96.202, § 96.203, § 96.204, § 96.206(c)(4) through (7), § 96.207, § 96.208, and subparts BBB, FFF, and GGG of this part.

(2) The exemption under paragraph (a)(1) of this section shall become effective the day on which the CAIR SO<sub>2</sub> unit is permanently retired. Within 30 days of the unit's permanent retirement, the CAIR designated representative shall submit a statement to the permitting authority otherwise responsible for administering any CAIR permit for the unit and shall submit a copy of the statement to the Administrator. The statement shall state, in a format prescribed by the permitting authority, that the unit was permanently retired on a specific date and will comply with the requirements of paragraph (b) of this section.

(3) After receipt of the statement under paragraph (a)(2) of this section, the permitting authority will amend any permit under subpart CCC of this part covering the source at which the unit is located to add the provisions and requirements of the exemption under paragraphs (a)(1) and (b) of this section.

(b) *Special provisions.* (1) A unit exempt under paragraph (a) of this section shall not emit any sulfur dioxide, starting on the date that the exemption takes effect.

(2) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under paragraph (a) of this section shall retain, at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the permitting authority or the Administrator. The owners and operators bear the burden of proof that the unit is permanently retired.

(3) The owners and operators and, to the extent applicable, the CAIR designated representative of a unit exempt under paragraph (a) of this section

shall comply with the requirements of the CAIR SO<sub>2</sub> Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.

(4) A unit exempt under paragraph (a) of this section and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR permit application under § 96.222 for the unit not less than 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2010 or the date on which the unit resumes operation.

(5) On the earlier of the following dates, a unit exempt under paragraph (a) of this section shall lose its exemption:

(i) The date on which the CAIR designated representative submits a CAIR permit application for the unit under paragraph (b)(4) of this section;

(ii) The date on which the CAIR designated representative is required under paragraph (b)(4) of this section to submit a CAIR permit application for the unit; or

(iii) The date on which the unit resumes operation, if the CAIR designated representative is not required to submit a CAIR permit application for the unit.

(6) For the purpose of applying monitoring, reporting, and recordkeeping requirements under subpart HHH of this part, a unit that loses its exemption under paragraph (a) of this section shall be treated as a unit that commences commercial operation on the first date on which the unit resumes operation.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25388, Apr. 28, 2006]

**§ 96.206 Standard requirements.**

(a) *Permit requirements.* (1) The CAIR designated representative of each CAIR SO<sub>2</sub> source required to have a title V operating permit and each CAIR SO<sub>2</sub> unit required to have a title V operating permit at the source shall:



(i) Submit to the permitting authority a complete CAIR permit application under § 96.222 in accordance with the deadlines specified in § 96.221; and

(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR permit.

(2) The owners and operators of each CAIR SO<sub>2</sub> source required to have a title V operating permit and each CAIR SO<sub>2</sub> unit required to have a title V operating permit at the source shall have a CAIR permit issued by the permitting authority under subpart CCC of this part for the source and operate the source and the unit in compliance with such CAIR permit.

(3) Except as provided in subpart III of this part, the owners and operators of a CAIR SO<sub>2</sub> source that is not otherwise required to have a title V operating permit and each CAIR SO<sub>2</sub> unit that is not otherwise required to have a title V operating permit are not required to submit a CAIR permit application, and to have a CAIR permit, under subpart CCC of this part for such CAIR SO<sub>2</sub> source and such CAIR SO<sub>2</sub> unit.

(b) *Monitoring, reporting, and record-keeping requirements.* (1) The owners and operators, and the CAIR designated representative, of each CAIR SO<sub>2</sub> source and each CAIR SO<sub>2</sub> unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements of subpart HHH of this part.

(2) The emissions measurements recorded and reported in accordance with subpart HHH of this part shall be used to determine compliance by each CAIR SO<sub>2</sub> source with the CAIR SO<sub>2</sub> emissions limitation under paragraph (c) of this section.

(c) *Sulfur dioxide emission requirements.* (1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR SO<sub>2</sub> source and each CAIR SO<sub>2</sub> unit at the source shall hold, in the source's compliance account, a tonnage equivalent in CAIR SO<sub>2</sub> allowances available for compliance deductions for the control period, as determined in accordance with § 96.254(a) and (b), not less than

the tons of total sulfur dioxide emissions for the control period from all CAIR SO<sub>2</sub> units at the source, as determined in accordance with subpart HHH of this part.

(2) A CAIR SO<sub>2</sub> unit shall be subject to the requirements under paragraph (c)(1) of this section for the control period starting on the later of January 1, 2010 or the deadline for meeting the unit's monitor certification requirements under § 96.270(b)(1), (2), or (5) and for each control period thereafter.

(3) A CAIR SO<sub>2</sub> allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of this section, for a control period in a calendar year before the year for which the CAIR SO<sub>2</sub> allowance was allocated.

(4) CAIR SO<sub>2</sub> allowances shall be held in, deducted from, or transferred into or among CAIR SO<sub>2</sub> Allowance Trading System accounts in accordance with subparts FFF, GGG, and III of this part.

(5) A CAIR SO<sub>2</sub> allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO<sub>2</sub> Trading Program. No provision of the CAIR SO<sub>2</sub> Trading Program, the CAIR permit application, the CAIR permit, or an exemption under § 96.205 and no provision of law shall be construed to limit the authority of the State or the United States to terminate or limit such authorization.

(6) A CAIR SO<sub>2</sub> allowance does not constitute a property right.

(7) Upon recordation by the Administrator under subpart FFF, GGG, or III of this part, every allocation, transfer, or deduction of a CAIR SO<sub>2</sub> allowance to or from a CAIR SO<sub>2</sub> source's compliance account is incorporated automatically in any CAIR permit of the source.

(d) *Excess emissions requirements.*— If a CAIR SO<sub>2</sub> source emits sulfur dioxide during any control period in excess of the CAIR SO<sub>2</sub> emissions limitation, then:

(1) The owners and operators of the source and each CAIR SO<sub>2</sub> unit at the source shall surrender the CAIR SO<sub>2</sub> allowances required for deduction under § 96.254(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and

(2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

(e) *Recordkeeping and reporting requirements.* (1) Unless otherwise provided, the owners and operators of the CAIR SO<sub>2</sub> source and each CAIR SO<sub>2</sub> unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time before the end of 5 years, in writing by the permitting authority or the Administrator.

(i) The certificate of representation under § 96.213 for the CAIR designated representative for the source and each CAIR SO<sub>2</sub> unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation under § 96.213 changing the CAIR designated representative.

(ii) All emissions monitoring information, in accordance with subpart HHH of this part, provided that to the extent that subpart HHH of this part provides for a 3-year period for recordkeeping, the 3-year period shall apply.

(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR SO<sub>2</sub> Trading Program.

(iv) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR SO<sub>2</sub> Trading Program or to demonstrate compliance with the requirements of the CAIR SO<sub>2</sub> Trading Program.

(2) The CAIR designated representative of a CAIR SO<sub>2</sub> source and each CAIR SO<sub>2</sub> unit at the source shall submit the reports required under the CAIR SO<sub>2</sub> Trading Program, including those under subpart HHH of this part.

(f) *Liability.* (1) Each CAIR SO<sub>2</sub> source and each CAIR SO<sub>2</sub> unit shall meet the requirements of the CAIR SO<sub>2</sub> Trading Program.

(2) Any provision of the CAIR SO<sub>2</sub> Trading Program that applies to a CAIR SO<sub>2</sub> source or the CAIR designated representative of a CAIR SO<sub>2</sub> source shall also apply to the owners and operators of such source and of the CAIR SO<sub>2</sub> units at the source.

(3) Any provision of the CAIR SO<sub>2</sub> Trading Program that applies to a CAIR SO<sub>2</sub> unit or the CAIR designated representative of a CAIR SO<sub>2</sub> unit shall also apply to the owners and operators of such unit.

(g) *Effect on other authorities.* No provision of the CAIR SO<sub>2</sub> Trading Program, a CAIR permit application, a CAIR permit, or an exemption under § 96.205 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR SO<sub>2</sub> source or CAIR SO<sub>2</sub> unit from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25388, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

#### § 96.207 Computation of time.

(a) Unless otherwise stated, any time period scheduled, under the CAIR SO<sub>2</sub> Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

(b) Unless otherwise stated, any time period scheduled, under the CAIR SO<sub>2</sub> Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

(c) Unless otherwise stated, if the final day of any time period, under the CAIR SO<sub>2</sub> Trading Program, falls on a weekend or a State or Federal holiday, the time period shall be extended to the next business day.

#### § 96.208 Appeal procedures.

The appeal procedures for decisions of the Administrator under the CAIR SO<sub>2</sub> Trading Program are set forth in part 78 of this chapter.

**Subpart BBB—CAIR Designated Representative for CAIR SO<sub>2</sub> Sources**

SOURCE: 70 FR 25362, May 12, 2005, unless otherwise noted.

**§ 96.210 Authorization and responsibilities of CAIR designated representative.**

(a) Except as provided under § 96.211, each CAIR SO<sub>2</sub> source, including all CAIR SO<sub>2</sub> units at the source, shall have one and only one CAIR designated representative, with regard to all matters under the CAIR SO<sub>2</sub> Trading Program concerning the source or any CAIR SO<sub>2</sub> unit at the source.

(b) The CAIR designated representative of the CAIR SO<sub>2</sub> source shall be selected by an agreement binding on the owners and operators of the source and all CAIR SO<sub>2</sub> units at the source and shall act in accordance with the certification statement in § 96.213(a)(4)(iv).

(c) Upon receipt by the Administrator of a complete certificate of representation under § 96.213, the CAIR designated representative of the source shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each owner and operator of the CAIR SO<sub>2</sub> source represented and each CAIR SO<sub>2</sub> unit at the source in all matters pertaining to the CAIR SO<sub>2</sub> Trading Program, notwithstanding any agreement between the CAIR designated representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the CAIR designated representative by the permitting authority, the Administrator, or a court regarding the source or unit.

(d) No CAIR permit will be issued, no emissions data reports will be accepted, and no CAIR SO<sub>2</sub> Allowance Tracking System account will be established for a CAIR SO<sub>2</sub> unit at a source, until the Administrator has received a complete certificate of representation under § 96.213 for a CAIR designated representative of the source and the CAIR SO<sub>2</sub> units at the source.

(e)(1) Each submission under the CAIR SO<sub>2</sub> Trading Program shall be submitted, signed, and certified by the CAIR designated representative for each CAIR SO<sub>2</sub> source on behalf of

which the submission is made. Each such submission shall include the following certification statement by the CAIR designated representative: “I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.”

(2) The permitting authority and the Administrator will accept or act on a submission made on behalf of owner or operators of a CAIR SO<sub>2</sub> source or a CAIR SO<sub>2</sub> unit only if the submission has been made, signed, and certified in accordance with paragraph (e)(1) of this section.

**§ 96.211 Alternate CAIR designated representative.**

(a) A certificate of representation under § 96.213 may designate one and only one alternate CAIR designated representative, who may act on behalf of the CAIR designated representative. The agreement by which the alternate CAIR designated representative is selected shall include a procedure for authorizing the alternate CAIR designated representative to act in lieu of the CAIR designated representative.

(b) Upon receipt by the Administrator of a complete certificate of representation under § 96.213, any representation, action, inaction, or submission by the alternate CAIR designated representative shall be deemed to be a representation, action, inaction, or submission by the CAIR designated representative.

(c) Except in this section and §§ 96.202, 96.210(a) and (d), 96.212, 96.213, 96.215, 96.251, and 96.282, whenever the

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term “CAIR designated representative” is used in subparts AAA through III of this part, the term shall be construed to include the CAIR designated representative or any alternate CAIR designated representative.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25388, Apr. 28, 2006]

### **§ 96.212 Changing CAIR designated representative and alternate CAIR designated representative; changes in owners and operators.**

(a) *Changing CAIR designated representative.* The CAIR designated representative may be changed at any time upon receipt by the Administrator of a superseding complete certificate of representation under § 96.213. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR designated representative before the time and date when the Administrator receives the superseding certificate of representation shall be binding on the new CAIR designated representative and the owners and operators of the CAIR SO<sub>2</sub> source and the CAIR SO<sub>2</sub> units at the source.

(b) *Changing alternate CAIR designated representative.* The alternate CAIR designated representative may be changed at any time upon receipt by the Administrator of a superseding complete certificate of representation under § 96.213. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR designated representative before the time and date when the Administrator receives the superseding certificate of representation shall be binding on the new alternate CAIR designated representative and the owners and operators of the CAIR SO<sub>2</sub> source and the CAIR SO<sub>2</sub> units at the source.

(c) *Changes in owners and operators.* (1) In the event an owner or operator of a CAIR SO<sub>2</sub> source or a CAIR SO<sub>2</sub> unit is not included in the list of owners and operators in the certificate of representation under § 96.213, such owner or operator shall be deemed to be subject to and bound by the certificate of representation, the representations, actions, inactions, and submissions of the CAIR designated representative and

any alternate CAIR designated representative of the source or unit, and the decisions and orders of the permitting authority, the Administrator, or a court, as if the owner or operator were included in such list.

(2) Within 30 days following any change in the owners and operators of a CAIR SO<sub>2</sub> source or a CAIR SO<sub>2</sub> unit, including the addition of a new owner or operator, the CAIR designated representative or any alternate CAIR designated representative shall submit a revision to the certificate of representation under § 96.213 amending the list of owners and operators to include the change.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25388, Apr. 28, 2006]

### **§ 96.213 Certificate of representation.**

(a) A complete certificate of representation for a CAIR designated representative or an alternate CAIR designated representative shall include the following elements in a format prescribed by the Administrator:

(1) Identification of the CAIR SO<sub>2</sub> source, and each CAIR SO<sub>2</sub> unit at the source, for which the certificate of representation is submitted, including identification and nameplate capacity of each generator served by each such unit.

(2) The name, address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR designated representative and any alternate CAIR designated representative.

(3) A list of the owners and operators of the CAIR SO<sub>2</sub> source and of each CAIR SO<sub>2</sub> unit at the source.

(4) The following certification statements by the CAIR designated representative and any alternate CAIR designated representative—

(i) “I certify that I was selected as the CAIR designated representative or alternate CAIR designated representative, as applicable, by an agreement binding on the owners and operators of the source and each CAIR SO<sub>2</sub> unit at the source.”

(ii) “I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR SO<sub>2</sub> Trading Program on behalf of the owners and operators of the

source and of each CAIR SO<sub>2</sub> unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions.”

(iii) “I certify that the owners and operators of the source and of each CAIR SO<sub>2</sub> unit at the source shall be bound by any order issued to me by the Administrator, the permitting authority, or a court regarding the source or unit.”

(iv) “Where there are multiple holders of a legal or equitable title to, or a leasehold interest in, a CAIR SO<sub>2</sub> unit, or where a utility or industrial customer purchases power from a CAIR SO<sub>2</sub> unit under a life-of-the-unit, firm power contractual arrangement, I certify that: I have given a written notice of my selection as the ‘CAIR designated representative’ or ‘alternate CAIR designated representative’, as applicable, and of the agreement by which I was selected to each owner and operator of the source and of each CAIR SO<sub>2</sub> unit at the source; and CAIR SO<sub>2</sub> allowances and proceeds of transactions involving CAIR SO<sub>2</sub> allowances will be deemed to be held or distributed in proportion to each holder’s legal, equitable, leasehold, or contractual reservation or entitlement, except that, if such multiple holders have expressly provided for a different distribution of CAIR SO<sub>2</sub> allowances by contract, CAIR SO<sub>2</sub> allowances and proceeds of transactions involving CAIR SO<sub>2</sub> allowances will be deemed to be held or distributed in accordance with the contract.”

(5) The signature of the CAIR designated representative and any alternate CAIR designated representative and the dates signed.

(b) Unless otherwise required by the permitting authority or the Administrator, documents of agreement referred to in the certificate of representation shall not be submitted to the permitting authority or the Administrator. Neither the permitting authority nor the Administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25388, Apr. 28, 2006]

**§ 96.214 Objections concerning CAIR designated representative.**

(a) Once a complete certificate of representation under § 96.213 has been submitted and received, the permitting authority and the Administrator will rely on the certificate of representation unless and until a superseding complete certificate of representation under § 96.213 is received by the Administrator.

(b) Except as provided in § 96.212(a) or (b), no objection or other communication submitted to the permitting authority or the Administrator concerning the authorization, or any representation, action, inaction, or submission, of the CAIR designated representative shall affect any representation, action, inaction, or submission of the CAIR designated representative or the finality of any decision or order by the permitting authority or the Administrator under the CAIR SO<sub>2</sub> Trading Program.

(c) Neither the permitting authority nor the Administrator will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any CAIR designated representative, including private legal disputes concerning the proceeds of CAIR SO<sub>2</sub> allowance transfers.

**§ 96.215 Delegation by CAIR designated representative and alternate CAIR designated representative.**

(a) A CAIR designated representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under this part.

(b) An alternate CAIR designated representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under this part.

(c) In order to delegate authority to make an electronic submission to the Administrator in accordance with paragraph (a) or (b) of this section, the CAIR designated representative or alternate CAIR designated representative, as appropriate, must submit to

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the Administrator a notice of delegation, in a format prescribed by the Administrator, that includes the following elements:

(1) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of such CAIR designated representative or alternate CAIR designated representative;

(2) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of each such natural person “referred to as an “agent””;

(3) For each such natural person, a list of the type or types of electronic submissions under paragraph (a) or (b) of this section for which authority is delegated to him or her; and

(4) The following certification statements by such CAIR designated representative or alternate CAIR designated representative:

(i) “I agree that any electronic submission to the Administrator that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR designated representative or alternate CAIR designated representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 40 CFR 96.215(d) shall be deemed to be an electronic submission by me.”

(ii) “Until this notice of delegation is superseded by another notice of delegation under 40 CFR 96.215(d), I agree to maintain an e-mail account and to notify the Administrator immediately of any change in my e-mail address unless all delegation of authority by me under 40 CFR 96.215 is terminated.”

(d) A notice of delegation submitted under paragraph (c) of this section shall be effective, with regard to the CAIR designated representative or alternate CAIR designated representative identified in such notice, upon receipt of such notice by the Administrator and until receipt by the Administrator of a superseding notice of delegation submitted by such CAIR designated representative or alternate CAIR designated representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or

eliminate entirely any delegation of authority.

(e) Any electronic submission covered by the certification in paragraph (c)(4)(i) of this section and made in accordance with a notice of delegation effective under paragraph (d) of this section shall be deemed to be an electronic submission by the CAIR designated representative or alternate CAIR designated representative submitting such notice of delegation.

[71 FR 25388, Apr. 28, 2006, as amended at 71 FR 74794, Dec. 13, 2006]

### Subpart CCC—Permits

SOURCE: 70 FR 25362, May 12, 2005, unless otherwise noted.

#### § 96.220 General CAIR SO<sub>2</sub> Trading Program permit requirements.

(a) For each CAIR SO<sub>2</sub> source required to have a title V operating permit or required, under subpart III of this part, to have a title V operating permit or other federally enforceable permit, such permit shall include a CAIR permit administered by the permitting authority for the title V operating permit or the federally enforceable permit as applicable. The CAIR portion of the title V permit or other federally enforceable permit as applicable shall be administered in accordance with the permitting authority's title V operating permits regulations promulgated under part 70 or 71 of this chapter or the permitting authority's regulations for other federally enforceable permits as applicable, except as provided otherwise by § 96.205, this subpart, and subpart III of this part.

(b) Each CAIR permit shall contain, with regard to the CAIR SO<sub>2</sub> source and the CAIR SO<sub>2</sub> units at the source covered by the CAIR permit, all applicable CAIR SO<sub>2</sub> Trading Program, CAIR NO<sub>x</sub> Annual Trading Program, and CAIR NO<sub>x</sub> Ozone Season Trading Program requirements and shall be a complete and separable portion of the title V operating permit or other federally enforceable permit under paragraph (a) of this section.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25388, Apr. 28, 2006]

**§ 96.221 Submission of CAIR permit applications.**

(a) *Duty to apply.* The CAIR designated representative of any CAIR SO<sub>2</sub> source required to have a title V operating permit shall submit to the permitting authority a complete CAIR permit application under § 96.222 for the source covering each CAIR SO<sub>2</sub> unit at the source at least 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2010 or the date on which the CAIR SO<sub>2</sub> unit commences commercial operation, except as provided in § 96.283(a).

(b) *Duty to Reapply.* For a CAIR SO<sub>2</sub> source required to have a title V operating permit, the CAIR designated representative shall submit a complete CAIR permit application under § 96.222 for the source covering each CAIR SO<sub>2</sub> unit at the source to renew the CAIR permit in accordance with the permitting authority's title V operating permits regulations addressing permit renewal, except as provided in § 96.283(b).

[70 FR 25362, May 12, 2005, as amended at 71 FR 25388, Apr. 28, 2006]

**§ 96.222 Information requirements for CAIR permit applications.**

A complete CAIR permit application shall include the following elements concerning the CAIR SO<sub>2</sub> source for which the application is submitted, in a format prescribed by the permitting authority:

- (a) Identification of the CAIR SO<sub>2</sub> source;
- (b) Identification of each CAIR SO<sub>2</sub> unit at the CAIR SO<sub>2</sub> source; and
- (c) The standard requirements under § 96.206.

**§ 96.223 CAIR permit contents and term.**

(a) Each CAIR permit will contain, in a format prescribed by the permitting authority, all elements required for a complete CAIR permit application under § 96.222.

(b) Each CAIR permit is deemed to incorporate automatically the definitions of terms under § 96.202 and, upon recordation by the Administrator under subpart FFF, GGG, or III of this part, every allocation, transfer, or deduction of a CAIR SO<sub>2</sub> allowance to or from the compliance account of the

CAIR SO<sub>2</sub> source covered by the permit.

(c) The term of the CAIR permit will be set by the permitting authority, as necessary to facilitate coordination of the renewal of the CAIR permit with issuance, revision, or renewal of the CAIR SO<sub>2</sub> source's title V operating permit or other federally enforceable permit as applicable.

**§ 96.224 CAIR permit revisions.**

Except as provided in § 96.223(b), the permitting authority will revise the CAIR permit, as necessary, in accordance with the permitting authority's title V operating permits regulations or the permitting authority's regulations for other federally enforceable permits as applicable addressing permit revisions.

**Subparts DDD–EEE [Reserved]**

**Subpart FFF—CAIR SO<sub>2</sub> Allowance Tracking System**

SOURCE: 70 FR 25362, May 12, 2005, unless otherwise noted.

**§ 96.250 [Reserved]**

**§ 96.251 Establishment of accounts.**

(a) *Compliance accounts.* Except as provided in § 96.284(e), upon receipt of a complete certificate of representation under § 96.213, the Administrator will establish a compliance account for the CAIR SO<sub>2</sub> source for which the certificate of representation was submitted, unless the source already has a compliance account.

(b) *General accounts—(1) Application for general account.* (i) Any person may apply to open a general account for the purpose of holding and transferring CAIR SO<sub>2</sub> allowances. An application for a general account may designate one and only one CAIR authorized account representative and one and only one alternate CAIR authorized account representative who may act on behalf of the CAIR authorized account representative. The agreement by which the alternate CAIR authorized account representative is selected shall include

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a procedure for authorizing the alternate CAIR authorized account representative to act in lieu of the CAIR authorized account representative.

(ii) A complete application for a general account shall be submitted to the Administrator and shall include the following elements in a format prescribed by the Administrator:

(A) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR authorized account representative and any alternate CAIR authorized account representative;

(B) Organization name and type of organization, if applicable;

(C) A list of all persons subject to a binding agreement for the CAIR authorized account representative and any alternate CAIR authorized account representative to represent their ownership interest with respect to the CAIR SO<sub>2</sub> allowances held in the general account;

(D) The following certification statement by the CAIR authorized account representative and any alternate CAIR authorized account representative: "I certify that I was selected as the CAIR authorized account representative or the alternate CAIR authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CAIR SO<sub>2</sub> allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR SO<sub>2</sub> Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the Administrator or a court regarding the general account."

(E) The signature of the CAIR authorized account representative and any alternate CAIR authorized account representative and the dates signed.

(iii) Unless otherwise required by the permitting authority or the Administrator, documents of agreement referred to in the application for a general account shall not be submitted to the permitting authority or the Administrator. Neither the permitting authority nor the Administrator shall

be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

(2) *Authorization of CAIR authorized account representative and alternate CAIR authorized account representative.*

(i) Upon receipt by the Administrator of a complete application for a general account under paragraph (b)(1) of this section:

(A) The Administrator will establish a general account for the person or persons for whom the application is submitted.

(B) The CAIR authorized account representative and any alternate CAIR authorized account representative for the general account shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each person who has an ownership interest with respect to CAIR SO<sub>2</sub> allowances held in the general account in all matters pertaining to the CAIR SO<sub>2</sub> Trading Program, notwithstanding any agreement between the CAIR authorized account representative or any alternate CAIR authorized account representative and such person. Any such person shall be bound by any order or decision issued to the CAIR authorized account representative or any alternate CAIR authorized account representative by the Administrator or a court regarding the general account.

(C) Any representation, action, inaction, or submission by any alternate CAIR authorized account representative shall be deemed to be a representation, action, inaction, or submission by the CAIR authorized account representative.

(ii) Each submission concerning the general account shall be submitted, signed, and certified by the CAIR authorized account representative or any alternate CAIR authorized account representative for the persons having an ownership interest with respect to CAIR SO<sub>2</sub> allowances held in the general account. Each such submission shall include the following certification statement by the CAIR authorized account representative or any alternate CAIR authorized account representative: "I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the CAIR SO<sub>2</sub> allowances



held in the general account. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.”

(iii) The Administrator will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with paragraph (b)(2)(ii) of this section.

(3) *Changing CAIR authorized account representative and alternate CAIR authorized account representative; changes in persons with ownership interest.* (i) The CAIR authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR authorized account representative before the time and date when the Administrator receives the superseding application for a general account shall be binding on the new CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR SO<sub>2</sub> allowances in the general account.

(ii) The alternate CAIR authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR authorized account representative before the time and date when the Administrator receives the superseding application for a general account shall be binding on the

new alternate CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR SO<sub>2</sub> allowances in the general account.

(iii)(A) In the event a person having an ownership interest with respect to CAIR SO<sub>2</sub> allowances in the general account is not included in the list of such persons in the application for a general account, such person shall be deemed to be subject to and bound by the application for a general account, the representation, actions, inactions, and submissions of the CAIR authorized account representative and any alternate CAIR authorized account representative of the account, and the decisions and orders of the Administrator or a court, as if the person were included in such list.

(B) Within 30 days following any change in the persons having an ownership interest with respect to CAIR SO<sub>2</sub> allowances in the general account, including the addition of a new person, the CAIR authorized account representative or any alternate CAIR authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the CAIR SO<sub>2</sub> allowances in the general account to include the change.

(4) *Objections concerning CAIR authorized account representative and alternate CAIR authorized account representative.*

(i) Once a complete application for a general account under paragraph (b)(1) of this section has been submitted and received, the Administrator will rely on the application unless and until a superseding complete application for a general account under paragraph (b)(1) of this section is received by the Administrator.

(ii) Except as provided in paragraph (b)(3)(i) or (ii) of this section, no objection or other communication submitted to the Administrator concerning the authorization, or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternate CAIR authorized account representative for a general account shall affect any representation, action, inaction, or

submission of the CAIR authorized account representative or any alternate CAIR authorized account representative or the finality of any decision or order by the Administrator under the CAIR SO<sub>2</sub> Trading Program.

(iii) The Administrator will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternate CAIR authorized account representative for a general account, including private legal disputes concerning the proceeds of CAIR SO<sub>2</sub> allowance transfers.

(5) *Delegation by CAIR authorized account representative and alternate CAIR authorized account representative.* (i) A CAIR authorized account representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under subparts FFF and GGG of this part.

(ii) An alternate CAIR authorized account representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under subparts FFF and GGG of this part.

(iii) In order to delegate authority to make an electronic submission to the Administrator in accordance with paragraph (b)(5)(i) or (ii) of this section, the CAIR authorized account representative or alternate CAIR authorized account representative, as appropriate, must submit to the Administrator a notice of delegation, in a format prescribed by the Administrator, that includes the following elements:

(A) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of such CAIR authorized account representative or alternate CAIR authorized account representative;

(B) The name, address, e-mail address, telephone number, and, facsimile transmission number (if any) of each such natural person (referred to as an "agent");

(C) For each such natural person, a list of the type or types of electronic submissions under paragraph (b)(5)(i)

or (ii) of this section for which authority is delegated to him or her;

(D) The following certification statement by such CAIR authorized account representative or alternate CAIR authorized account representative: "I agree that any electronic submission to the Administrator that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR authorized account representative or alternate CAIR authorized representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 40 CFR 96.251(b)(5)(iv) shall be deemed to be an electronic submission by me."; and

(E) The following certification statement by such CAIR authorized account representative or alternate CAIR authorized account representative: "Until this notice of delegation is superseded by another notice of delegation under 40 CFR 96.251 (b)(5)(iv), I agree to maintain an e-mail account and to notify the Administrator immediately of any change in my e-mail address unless all delegation of authority by me under 40 CFR 96.251 (b)(5) is terminated."

(iv) A notice of delegation submitted under paragraph (b)(5)(iii) of this section shall be effective, with regard to the CAIR authorized account representative or alternate CAIR authorized account representative identified in such notice, upon receipt of such notice by the Administrator and until receipt by the Administrator of a superseding notice of delegation submitted by such CAIR authorized account representative or alternate CAIR authorized account representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or eliminate entirely any delegation of authority.

(v) Any electronic submission covered by the certification in paragraph (b)(5)(iii)(D) of this section and made in accordance with a notice of delegation effective under paragraph (b)(5)(iv) of this section shall be deemed to be an electronic submission by the CAIR designated representative or alternate CAIR designated representative submitting such notice of delegation.

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(c) *Account identification.* The Administrator will assign a unique identifying number to each account established under paragraph (a) or (b) of this section.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25388, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

### § 96.252 Responsibilities of CAIR authorized account representative.

Following the establishment of a CAIR SO<sub>2</sub> Allowance Tracking System account, all submissions to the Administrator pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of CAIR SO<sub>2</sub> allowances in the account, shall be made only by the CAIR authorized account representative for the account.

### § 96.253 Recordation of CAIR SO<sub>2</sub> allowances.

(a)(1) After a compliance account is established under § 96.251(a) or § 73.31(a) or (b) of this chapter, the Administrator will record in the compliance account any CAIR SO<sub>2</sub> allowance allocated to any CAIR SO<sub>2</sub> unit at the source for each of the 30 years starting the later of 2010 or the year in which the compliance account is established and any CAIR SO<sub>2</sub> allowance allocated for each of the 30 years starting the later of 2010 or the year in which the compliance account is established and transferred to the source in accordance with subpart GGG of this part or subpart D of part 73 of this chapter.

(2) In 2011 and each year thereafter, after Administrator has completed all deductions under § 96.254(b), the Administrator will record in the compliance account any CAIR SO<sub>2</sub> allowance allocated to any CAIR SO<sub>2</sub> unit at the source for the new 30th year (*i.e.*, the year that is 30 years after the calendar year for which such deductions are or could be made) and any CAIR SO<sub>2</sub> allowance allocated for the new 30th year and transferred to the source in accordance with subpart GGG of this part or subpart D of part 73 of this chapter.

(b)(1) After a general account is established under § 96.251(b) or § 73.31(c) of this chapter, the Administrator will record in the general account any CAIR SO<sub>2</sub> allowance allocated for each

of the 30 years starting the later of 2010 or the year in which the general account is established and transferred to the general account in accordance with subpart GGG of this part or subpart D of part 73 of this chapter.

(2) In 2011 and each year thereafter, after Administrator has completed all deductions under § 96.254(b), the Administrator will record in the general account any CAIR SO<sub>2</sub> allowance allocated for the new 30th year (*i.e.*, the year that is 30 years after the calendar year for which such deductions are or could be made) and transferred to the general account in accordance with subpart GGG of this part or subpart D of part 73 of this chapter.

(c) *Serial numbers for allocated CAIR SO<sub>2</sub> allowances.* When recording the allocation of CAIR SO<sub>2</sub> allowances issued by a permitting authority under § 96.288, the Administrator will assign each such CAIR SO<sub>2</sub> allowance a unique identification number that will include digits identifying the year of the control period for which the CAIR SO<sub>2</sub> allowance is allocated.

### § 96.254 Compliance with CAIR SO<sub>2</sub> emissions limitation.

(a) *Allowance transfer deadline.* The CAIR SO<sub>2</sub> allowances are available to be deducted for compliance with a source's CAIR SO<sub>2</sub> emissions limitation for a control period in a given calendar year only if the CAIR SO<sub>2</sub> allowances:

(1) Were allocated for the control period in the year or a prior year; and

(2) Are held in the compliance account as of the allowance transfer deadline for the control period or are transferred into the compliance account by a CAIR SO<sub>2</sub> allowance transfer correctly submitted for recordation under §§ 96.260 and 96.261 by the allowance transfer deadline for the control period.

(b) *Deductions for compliance.* Following the recordation, in accordance with § 96.261, of CAIR SO<sub>2</sub> allowance transfers submitted for recordation in a source's compliance account by the allowance transfer deadline for a control period, the Administrator will deduct from the compliance account CAIR SO<sub>2</sub> allowances available under paragraph (a) of this section in order to determine whether the source meets

the CAIR SO<sub>2</sub> emissions limitation for the control period as follows:

(1) For a CAIR SO<sub>2</sub> source subject to an Acid Rain emissions limitation, the Administrator will, in the following order:

(i) Deduct the amount of CAIR SO<sub>2</sub> allowances, available under paragraph (a) of this section and not issued by a permitting authority under § 96.288, that is required under §§ 73.35(b) and (c) of this part. If there are sufficient CAIR SO<sub>2</sub> allowances to complete this deduction, the deduction will be treated as satisfying the requirements of §§ 73.35(b) and (c) of this chapter.

(ii) Deduct the amount of CAIR SO<sub>2</sub> allowances, not issued by a permitting authority under § 96.288, that is required under §§ 73.35(d) and 77.5 of this part. If there are sufficient CAIR SO<sub>2</sub> allowances to complete this deduction, the deduction will be treated as satisfying the requirements of §§ 73.35(d) and 77.5 of this chapter.

(iii) Treating the CAIR SO<sub>2</sub> allowances deducted under paragraph (b)(1)(i) of this section as also being deducted under this paragraph (b)(1)(iii), deduct CAIR SO<sub>2</sub> allowances available under paragraph (a) of this section (including any issued by a permitting authority under § 96.288) in order to determine whether the source meets the CAIR SO<sub>2</sub> emissions limitation for the control period, as follows:

(A) Until the tonnage equivalent of the CAIR SO<sub>2</sub> allowances deducted equals, or exceeds in accordance with paragraphs (c)(1) and (2) of this section, the number of tons of total sulfur dioxide emissions, determined in accordance with subpart HHH of this part, from all CAIR SO<sub>2</sub> units at the source for the control period; or

(B) If there are insufficient CAIR SO<sub>2</sub> allowances to complete the deductions in paragraph (b)(1)(iii)(A) of this section, until no more CAIR SO<sub>2</sub> allowances available under paragraph (a) of this section (including any issued by a permitting authority under § 96.288) remain in the compliance account.

(2) For a CAIR SO<sub>2</sub> source not subject to an Acid Rain emissions limitation, the Administrator will deduct CAIR SO<sub>2</sub> allowances available under paragraph (a) of this section (including any issued by a permitting authority under

§ 96.288) in order to determine whether the source meets the CAIR SO<sub>2</sub> emissions limitation for the control period, as follows:

(i) Until the tonnage equivalent of the CAIR SO<sub>2</sub> allowances deducted equals, or exceeds in accordance with paragraphs (c)(1) and (2) of this section, the number of tons of total sulfur dioxide emissions, determined in accordance with subpart HHH of this part, from all CAIR SO<sub>2</sub> units at the source for the control period; or

(ii) If there are insufficient CAIR SO<sub>2</sub> allowances to complete the deductions in paragraph (b)(2)(i) of this section, until no more CAIR SO<sub>2</sub> allowances available under paragraph (a) of this section (including any issued by a permitting authority under § 96.288) remain in the compliance account.

(c)(1) *Identification of CAIR SO<sub>2</sub> allowances by serial number.* The CAIR authorized account representative for a source's compliance account may request that specific CAIR SO<sub>2</sub> allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in accordance with paragraph (b) or (d) of this section. Such request shall be submitted to the Administrator by the allowance transfer deadline for the control period and include, in a format prescribed by the Administrator, the identification of the CAIR SO<sub>2</sub> source and the appropriate serial numbers.

(2) *First-in, first-out.* The Administrator will deduct CAIR SO<sub>2</sub> allowances under paragraph (b) or (d) of this section from the source's compliance account, in the absence of an identification or in the case of a partial identification of CAIR SO<sub>2</sub> allowances by serial number under paragraph (c)(1) of this section, on a first-in, first-out (FIFO) accounting basis in the following order:

(i) Any CAIR SO<sub>2</sub> allowances that were allocated to the units at the source for a control period before 2010, in the order of recordation;

(ii) Any CAIR SO<sub>2</sub> allowances that were allocated to any entity for a control period before 2010 and transferred and recorded in the compliance account pursuant to subpart GGG of this

part or subpart D of part 73 of this chapter, in the order of recordation;

(iii) Any CAIR SO<sub>2</sub> allowances that were allocated to the units at the source for a control period during 2010 through 2014, in the order of recordation;

(iv) Any CAIR SO<sub>2</sub> allowances that were allocated to any entity for a control period during 2010 through 2014 and transferred and recorded in the compliance account pursuant to subpart GGG of this part or subpart D of part 73 of this chapter, in the order of recordation;

(v) Any CAIR SO<sub>2</sub> allowances that were allocated to the units at the source for a control period in 2015 or later, in the order of recordation; and

(vi) Any CAIR SO<sub>2</sub> allowances that were allocated to any entity for a control period in 2015 or later and transferred and recorded in the compliance account pursuant to subpart GGG of this part or subpart D of part 73 of this chapter, in the order of recordation.

(d) *Deductions for excess emissions.* (1) After making the deductions for compliance under paragraph (b) of this section for a control period in a calendar year in which the CAIR SO<sub>2</sub> source has excess emissions, the Administrator will deduct from the source's compliance account the tonnage equivalent in CAIR SO<sub>2</sub> allowances, allocated for the control period in the immediately following calendar year (including any issued by a permitting authority under § 96.288), equal to, or exceeding in accordance with paragraphs (c)(1) and (2) of this section, 3 times the following amount: the number of tons of the source's excess emissions minus, if the source is subject to an Acid Rain emissions limitation, the amount of the CAIR SO<sub>2</sub> allowances required to be deducted under paragraph (b)(1)(ii) of this section.

(2) Any allowance deduction required under paragraph (d)(1) of this section shall not affect the liability of the owners and operators of the CAIR SO<sub>2</sub> source or the CAIR SO<sub>2</sub> units at the source for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same violations, as ordered under the Clean Air Act or applicable State law.

(e) *Recordation of deductions.* The Administrator will record in the appropriate compliance account all deductions from such an account under paragraphs (b) and (d) of this section and subpart III.

(f) *Administrator's action on submissions.* (1) The Administrator may review and conduct independent audits concerning any submission under the CAIR SO<sub>2</sub> Trading Program and make appropriate adjustments of the information in the submissions.

(2) The Administrator may deduct CAIR SO<sub>2</sub> allowances from or transfer CAIR SO<sub>2</sub> allowances to a source's compliance account based on the information in the submissions, as adjusted under paragraph (f)(1) of this section, and record such deductions and transfers.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25389, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

**§ 96.255 Banking.**

(a) CAIR SO<sub>2</sub> allowances may be banked for future use or transfer in a compliance account or a general account in accordance with paragraph (b) of this section.

(b) Any CAIR SO<sub>2</sub> allowance that is held in a compliance account or a general account will remain in such account unless and until the CAIR SO<sub>2</sub> allowance is deducted or transferred under § 96.254, § 96.256, or subpart GGG or III of this part.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25389, Apr. 28, 2006]

**§ 96.256 Account error.**

The Administrator may, at his or her sole discretion and on his or her own motion, correct any error in any CAIR SO<sub>2</sub> Allowance Tracking System account. Within 10 business days of making such correction, the Administrator will notify the CAIR authorized account representative for the account.

**§ 96.257 Closing of general accounts.**

(a) The CAIR authorized account representative of a general account may submit to the Administrator a request to close the account, which shall include a correctly submitted allowance transfer under §§ 96.260 and 96.261 for

any CAIR SO<sub>2</sub> allowances in the account to one or more other CAIR SO<sub>2</sub> Allowance Tracking System accounts.

(b) If a general account has no allowance transfers in or out of the account for a 12-month period or longer and does not contain any CAIR SO<sub>2</sub> allowances, the Administrator may notify the CAIR authorized account representative for the account that the account will be closed following 20 business days after the notice is sent. The account will be closed after the 20-day period unless, before the end of the 20-day period, the Administrator receives a correctly submitted transfer of CAIR SO<sub>2</sub> allowances into the account under §§ 96.260 and 96.261 or a statement submitted by the CAIR authorized account representative demonstrating to the satisfaction of the Administrator good cause as to why the account should not be closed.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25389, Apr. 28, 2006]

### **Subpart GGG—CAIR SO<sub>2</sub> Allowance Transfers**

SOURCE: 70 FR 25362, May 12, 2005, unless otherwise noted.

#### **§ 96.260 Submission of CAIR SO<sub>2</sub> allowance transfers.**

(a) A CAIR authorized account representative seeking recordation of a CAIR SO<sub>2</sub> allowance transfer shall submit the transfer to the Administrator. To be considered correctly submitted, the CAIR SO<sub>2</sub> allowance transfer shall include the following elements, in a format specified by the Administrator:

(1) The account numbers of both the transferor and transferee accounts;

(2) The serial number of each CAIR SO<sub>2</sub> allowance that is in the transferor account and is to be transferred; and

(3) The name and signature of the CAIR authorized account representatives of the transferor and transferee accounts and the dates signed.

(b)(1) The CAIR authorized account representative for the transferee account can meet the requirements in paragraph (a)(3) of this section by submitting, in a format prescribed by the Administrator, a statement signed by the CAIR authorized account rep-

resentative and identifying each account into which any transfer of allowances, submitted on or after the date on which the Administrator receives such statement, is authorized. Such authorization shall be binding on any CAIR authorized account representative for such account and shall apply to all transfers into the account that are submitted on or after such date of receipt, unless and until the Administrator receives a statement signed by the CAIR authorized account representative retracting the authorization for the account.

(2) The statement under paragraph (b)(1) of this section shall include the following: "By this signature I authorize any transfer of allowances into each account listed herein, except that I do not waive any remedies under State or Federal law to obtain correction of any erroneous transfers into such accounts. This authorization shall be binding on any CAIR authorized account representative for such account unless and until a statement signed by the CAIR authorized account representative retracting this authorization for the account is received by the Administrator."

#### **§ 96.261 EPA recordation.**

(a) Within 5 business days (except as necessary to perform a transfer in perpetuity of CAIR SO<sub>2</sub> allowances allocated to a CAIR SO<sub>2</sub> unit or as provided in paragraph (b) of this section) of receiving a CAIR SO<sub>2</sub> allowance transfer, the Administrator will record a CAIR SO<sub>2</sub> allowance transfer by moving each CAIR SO<sub>2</sub> allowance from the transferor account to the transferee account as specified by the request, provided that:

(1) The transfer is correctly submitted under § 96.260;

(2) The transferor account includes each CAIR SO<sub>2</sub> allowance identified by serial number in the transfer; and

(3) The transfer is in accordance with the limitation on transfer under § 74.42 of this chapter and § 74.47(c) of this chapter, as applicable.

(b) A CAIR SO<sub>2</sub> allowance transfer that is submitted for recordation after the allowance transfer deadline for a control period and that includes any CAIR SO<sub>2</sub> allowances allocated for any

control period before such allowance transfer deadline will not be recorded until after the Administrator completes the deductions under § 96.254 for the control period immediately before such allowance transfer deadline.

(c) Where a CAIR SO<sub>2</sub> allowance transfer submitted for recordation fails to meet the requirements of paragraph (a) of this section, the Administrator will not record such transfer.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25389, Apr. 28, 2006]

**§ 96.262 Notification.**

(a) *Notification of recordation.* Within 5 business days of recordation of a CAIR SO<sub>2</sub> allowance transfer under § 96.261, the Administrator will notify the CAIR authorized account representatives of both the transferor and transferee accounts.

(b) *Notification of non-recordation.* Within 10 business days of receipt of a CAIR SO<sub>2</sub> allowance transfer that fails to meet the requirements of § 96.261(a), the Administrator will notify the CAIR authorized account representatives of both accounts subject to the transfer of:

(1) A decision not to record the transfer, and

(2) The reasons for such non-recordation.

(c) Nothing in this section shall preclude the submission of a CAIR SO<sub>2</sub> allowance transfer for recordation following notification of non-recordation.

**Subpart HHH—Monitoring and Reporting**

SOURCE: 70 FR 25362, May 12, 2005, unless otherwise noted.

**§ 96.270 General requirements.**

The owners and operators, and to the extent applicable, the CAIR designated representative, of a CAIR SO<sub>2</sub> unit, shall comply with the monitoring, recordkeeping, and reporting requirements as provided in this subpart and in subparts F and G of part 75 of this chapter. For purposes of complying with such requirements, the definitions in § 96.202 and in § 72.2 of this chapter shall apply, and the terms “affected unit,” “designated representative,”

and “continuous emission monitoring system” (or “CEMS”) in part 75 of this chapter shall be deemed to refer to the terms “CAIR SO<sub>2</sub> unit,” “CAIR designated representative,” and “continuous emission monitoring system” (or “CEMS”) respectively, as defined in § 96.202. The owner or operator of a unit that is not a CAIR SO<sub>2</sub> unit but that is monitored under § 75.16(b)(2) of this chapter shall comply with the same monitoring, recordkeeping, and reporting requirements as a CAIR SO<sub>2</sub> unit.

(a) *Requirements for installation, certification, and data accounting.* The owner or operator of each CAIR SO<sub>2</sub> unit shall:

(1) Install all monitoring systems required under this subpart for monitoring SO<sub>2</sub> mass emissions and individual unit heat input (including all systems required to monitor SO<sub>2</sub> concentration, stack gas moisture content, stack gas flow rate, CO<sub>2</sub> or O<sub>2</sub> concentration, and fuel flow rate, as applicable, in accordance with §§ 75.11 and 75.16 of this chapter);

(2) Successfully complete all certification tests required under § 96.271 and meet all other requirements of this subpart and part 75 of this chapter applicable to the monitoring systems under paragraph (a)(1) of this section; and

(3) Record, report, and quality-assure the data from the monitoring systems under paragraph (a)(1) of this section.

(b) *Compliance deadlines.* Except as provided in paragraph (e) of this section, the owner or operator shall meet the monitoring system certification and other requirements of paragraphs (a)(1) and (2) of this section on or before the following dates. The owner or operator shall record, report, and quality-assure the data from the monitoring systems under paragraph (a)(1) of this section on and after the following dates.

(1) For the owner or operator of a CAIR SO<sub>2</sub> unit that commences commercial operation before July 1, 2008, by January 1, 2009.

(2) For the owner or operator of a CAIR SO<sub>2</sub> unit that commences commercial operation on or after July 1, 2008, by the later of the following dates:

(i) January 1, 2009; or

(ii) 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which the unit commences commercial operation.

(3) For the owner or operator of a CAIR SO<sub>2</sub> unit for which construction of a new stack or flue or installation of add-on SO<sub>2</sub> emission controls is completed after the applicable deadline under paragraph (b)(1), (2), (4), or (5) of this section, by 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on SO<sub>2</sub> emissions controls.

(4) Notwithstanding the dates in paragraphs (b)(1) and (2) of this section, for the owner or operator of a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart III of this part, by the date specified in § 96.284(b).

(5) Notwithstanding the dates in paragraphs (b)(1) and (2) of this section, for the owner or operator of a CAIR SO<sub>2</sub> opt-in unit under subpart III of this part, by the date on which the CAIR SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program as provided in § 96.284(g).

(c) *Reporting data.* The owner or operator of a CAIR SO<sub>2</sub> unit that does not meet the applicable compliance date set forth in paragraph (b) of this section for any monitoring system under paragraph (a)(1) of this section shall, for each such monitoring system, determine, record, and report maximum potential (or, as appropriate, minimum potential) values for SO<sub>2</sub> concentration, stack gas flow rate, stack gas moisture content, fuel flow rate, and any other parameters required to determine SO<sub>2</sub> mass emissions and heat input in accordance with § 75.31(b)(2) or (c)(3) of this chapter or section 2.4 of appendix D to part 75 of this chapter, as applicable.

(d) *Prohibitions.* (1) No owner or operator of a CAIR SO<sub>2</sub> unit shall use any alternative monitoring system, alternative reference method, or any other alternative to any requirement of this subpart without having obtained prior written approval in accordance with § 96.275.

(2) No owner or operator of a CAIR SO<sub>2</sub> unit shall operate the unit so as to discharge, or allow to be discharged, SO<sub>2</sub> emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this subpart and part 75 of this chapter.

(3) No owner or operator of a CAIR SO<sub>2</sub> unit shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording SO<sub>2</sub> mass emissions discharged into the atmosphere or heat input, except for periods of recertification or periods when calibration, quality assurance testing, or maintenance is performed in accordance with the applicable provisions of this subpart and part 75 of this chapter.

(4) No owner or operator of a CAIR SO<sub>2</sub> unit shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved monitoring system under this subpart, except under any one of the following circumstances:

(i) During the period that the unit is covered by an exemption under § 96.205 that is in effect;

(ii) The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this subpart and part 75 of this chapter, by the permitting authority for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system; or

(iii) The CAIR designated representative submits notification of the date of certification testing of a replacement monitoring system for the retired or discontinued monitoring system in accordance with § 96.271(d)(3)(i).

(e) *Long-term cold storage.* The owner or operator of a CAIR SO<sub>2</sub> unit is subject to the applicable provisions of part 75 of this chapter concerning units in long-term cold storage.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25389, Apr. 28, 2006]



**§ 96.271 Initial certification and recertification procedures.**

(a) The owner or operator of a CAIR SO<sub>2</sub> unit shall be exempt from the initial certification requirements of this section for a monitoring system under § 96.270(a)(1) if the following conditions are met:

(1) The monitoring system has been previously certified in accordance with part 75 of this chapter; and

(2) The applicable quality-assurance and quality-control requirements of § 75.21 of this chapter and appendix B and appendix D to part 75 of this chapter are fully met for the certified monitoring system described in paragraph (a)(1) of this section.

(b) The recertification provisions of this section shall apply to a monitoring system under § 96.270(a)(1) exempt from initial certification requirements under paragraph (a) of this section.

(c) [Reserved]

(d) Except as provided in paragraph (a) of this section, the owner or operator of a CAIR SO<sub>2</sub> unit shall comply with the following initial certification and recertification procedures, for a continuous monitoring system (*i.e.*, a continuous emission monitoring system and an excepted monitoring system under appendix D to part 75 of this chapter) under § 96.270(a)(1). The owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under § 75.19 of this chapter or that qualifies to use an alternative monitoring system under subpart E of part 75 of this chapter shall comply with the procedures in paragraph (e) or (f) of this section respectively.

(1) *Requirements for initial certification.* The owner or operator shall ensure that each continuous monitoring system under § 96.270(a)(1) (including the automated data acquisition and handling system) successfully completes all of the initial certification testing required under § 75.20 of this chapter by the applicable deadline in § 96.270(b). In addition, whenever the owner or operator installs a monitoring system to meet the requirements of this subpart in a location where no such monitoring system was previously installed, initial

certification in accordance with § 75.20 of this chapter is required.

(2) *Requirements for recertification.* Whenever the owner or operator makes a replacement, modification, or change in any certified continuous emission monitoring system under § 96.270(a)(1) that may significantly affect the ability of the system to accurately measure or record SO<sub>2</sub> mass emissions or heat input rate or to meet the quality-assurance and quality-control requirements of § 75.21 of this chapter or appendix B to part 75 of this chapter, the owner or operator shall recertify the monitoring system in accordance with § 75.20(b) of this chapter. Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the stack flow or concentration profile, the owner or operator shall recertify each continuous emission monitoring system whose accuracy is potentially affected by the change, in accordance with § 75.20(b) of this chapter. Examples of changes to a continuous emission monitoring system that require recertification include: replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site. Any fuel flowmeter system under § 96.270(a)(1) is subject to the recertification requirements in § 75.20(g)(6) of this chapter.

(3) *Approval process for initial certification and recertification.* Paragraphs (d)(3)(i) through (iv) of this section apply to both initial certification and recertification of a continuous monitoring system under § 96.270(a)(1). For recertifications, replace the words “certification” and “initial certification” with the word “recertification”, replace the word “certified” with the word “recertified,” and follow the procedures in §§ 75.20(b)(5) and (g)(7) of this chapter in lieu of the procedures in paragraph (d)(3)(v) of this section.

(i) *Notification of certification.* The CAIR designated representative shall submit to the permitting authority, the appropriate EPA Regional Office, and the Administrator written notice of the dates of certification testing, in accordance with § 96.273.

(ii) *Certification application.* The CAIR designated representative shall submit to the permitting authority a certification application for each monitoring system. A complete certification application shall include the information specified in § 75.63 of this chapter.

(iii) *Provisional certification date.* The provisional certification date for a monitoring system shall be determined in accordance with § 75.20(a)(3) of this chapter. A provisionally certified monitoring system may be used under the CAIR SO<sub>2</sub> Trading Program for a period not to exceed 120 days after receipt by the permitting authority of the complete certification application for the monitoring system under paragraph (d)(3)(ii) of this section. Data measured and recorded by the provisionally certified monitoring system, in accordance with the requirements of part 75 of this chapter, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the permitting authority does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of the date of receipt of the complete certification application by the permitting authority.

(iv) *Certification application approval process.* The permitting authority will issue a written notice of approval or disapproval of the certification application to the owner or operator within 120 days of receipt of the complete certification application under paragraph (d)(3)(ii) of this section. In the event the permitting authority does not issue such a notice within such 120-day period, each monitoring system that meets the applicable performance requirements of part 75 of this chapter and is included in the certification application will be deemed certified for use under the CAIR SO<sub>2</sub> Trading Program.

(A) *Approval notice.* If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of part 75 of this chapter, then the permitting authority will issue a written notice of approval of the certification application within 120 days of receipt.

(B) *Incomplete application notice.* If the certification application is not complete, then the permitting authority will issue a written notice of incompleteness that sets a reasonable date by which the CAIR designated representative must submit the additional information required to complete the certification application. If the CAIR designated representative does not comply with the notice of incompleteness by the specified date, then the permitting authority may issue a notice of disapproval under paragraph (d)(3)(iv)(C) of this section. The 120-day review period shall not begin before receipt of a complete certification application.

(C) *Disapproval notice.* If the certification application shows that any monitoring system does not meet the performance requirements of part 75 of this chapter or if the certification application is incomplete and the requirement for disapproval under paragraph (d)(3)(iv)(B) of this section is met, then the permitting authority will issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the permitting authority and the data measured and recorded by each uncertified monitoring system shall not be considered valid quality-assured data beginning with the date and hour of provisional certification (as defined under § 75.20(a)(3) of this chapter). The owner or operator shall follow the procedures for loss of certification in paragraph (d)(3)(v) of this section for each monitoring system that is disapproved for initial certification.

(D) *Audit decertification.* The permitting authority or, for a CAIR SO<sub>2</sub> opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart III of this part, the Administrator may issue a notice of disapproval of the certification status of a monitor in accordance with § 96.272(b).

(v) *Procedures for loss of certification.* If the permitting authority or the Administrator issues a notice of disapproval of a certification application under paragraph (d)(3)(iv)(C) of this

section or a notice of disapproval of certification status under paragraph (d)(3)(iv)(D) of this section, then:

(A) The owner or operator shall substitute the following values, for each disapproved monitoring system, for each hour of unit operation during the period of invalid data specified under § 75.20(a)(4)(iii), § 75.20(g)(7), or § 75.21(e) of this chapter and continuing until the applicable date and hour specified under § 75.20(a)(5)(i) or (g)(7) of this chapter:

(1) For a disapproved SO<sub>2</sub> pollutant concentration monitor and disapproved flow monitor, respectively, the maximum potential concentration of SO<sub>2</sub> and the maximum potential flow rate, as defined in sections 2.1.1.1 and 2.1.4.1 of appendix A to part 75 of this chapter.

(2) For a disapproved moisture monitoring system and disapproved diluent gas monitoring system, respectively, the minimum potential moisture percentage and either the maximum potential CO<sub>2</sub> concentration or the minimum potential O<sub>2</sub> concentration (as applicable), as defined in sections 2.1.5, 2.1.3.1, and 2.1.3.2 of appendix A to part 75 of this chapter.

(3) For a disapproved fuel flowmeter system, the maximum potential fuel flow rate, as defined in section 2.4.2.1 of appendix D to part 75 of this chapter.

(B) The CAIR designated representative shall submit a notification of certification retest dates and a new certification application in accordance with paragraphs (d)(3)(i) and (ii) of this section.

(C) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the permitting authority's or the Administrator's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.

(e) *Initial certification and recertification procedures for units using the low mass emission excepted methodology under § 75.19 of this chapter.* The owner or operator of a unit qualified to use the low mass emissions (LME) excepted methodology under § 75.19 of this chapter shall meet the applicable certification and recertification requirements in §§ 75.19(a)(2) and 75.20(h) of

this chapter. If the owner or operator of such a unit elects to certify a fuel flowmeter system for heat input determination, the owner or operator shall also meet the certification and recertification requirements in § 75.20(g) of this chapter.

(f) *Certification/recertification procedures for alternative monitoring systems.* The CAIR designated representative of each unit for which the owner or operator intends to use an alternative monitoring system approved by the Administrator and, if applicable, the permitting authority under subpart E of part 75 of this chapter shall comply with the applicable notification and application procedures of § 75.20(f) of this chapter.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

#### § 96.272 Out of control periods.

(a) Whenever any monitoring system fails to meet the quality-assurance and quality-control requirements or data validation requirements of part 75 of this chapter, data shall be substituted using the applicable missing data procedures in subpart D of or appendix D to part 75 of this chapter.

(b) *Audit decertification.* Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any monitoring system should not have been certified or recertified because it did not meet a particular performance specification or other requirement under § 96.271 or the applicable provisions of part 75 of this chapter, both at the time of the initial certification or recertification application submission and at the time of the audit, the permitting authority or, for a CAIR SO<sub>2</sub> opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart III of this part, the Administrator will issue a notice of disapproval of the certification status of such monitoring system. For the purposes of this paragraph, an audit shall be either a field audit or an audit of any information submitted to the permitting authority or the Administrator. By issuing the notice of disapproval, the permitting authority or

the Administrator revokes prospectively the certification status of the monitoring system. The data measured and recorded by the monitoring system shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests for the monitoring system. The owner or operator shall follow the applicable initial certification or recertification procedures in § 96.271 for each disapproved monitoring system.

#### § 96.273 Notifications.

The CAIR designated representative for a CAIR SO<sub>2</sub> unit shall submit written notice to the permitting authority and the Administrator in accordance with § 75.61 of this chapter.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006]

#### § 96.274 Recordkeeping and reporting.

(a) *General provisions.* The CAIR designated representative shall comply with all recordkeeping and reporting requirements in this section, the applicable recordkeeping and reporting requirements in subparts F and G of part 75 of this chapter, and the requirements of § 96.210(e)(1).

(b) *Monitoring plans.* The owner or operator of a CAIR SO<sub>2</sub> unit shall comply with requirements of § 75.62 of this chapter and, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart III of this part, §§ 96.283 and 96.284(a).

(c) *Certification applications.* The CAIR designated representative shall submit an application to the permitting authority within 45 days after completing all initial certification or recertification tests required under § 96.271, including the information required under § 75.63 of this chapter.

(d) *Quarterly reports.* The CAIR designated representative shall submit quarterly reports, as follows:

(1) The CAIR designated representative shall report the SO<sub>2</sub> mass emissions data and heat input data for the CAIR SO<sub>2</sub> unit, in an electronic quar-

terly report in a format prescribed by the Administrator, for each calendar quarter beginning with:

(i) For a unit that commences commercial operation before July 1, 2008, the calendar quarter covering January 1, 2009 through March 31, 2009;

(ii) For a unit that commences commercial operation on or after July 1, 2008, the calendar quarter corresponding to the earlier of the date of provisional certification or the applicable deadline for initial certification under § 96.270(b), unless that quarter is the third or fourth quarter of 2008, in which case reporting shall commence in the quarter covering January 1, 2009 through March 31, 2009;

(iii) Notwithstanding paragraphs (d)(1)(i) and (ii) of this section, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart III of this part, the calendar quarter corresponding to the date specified in § 96.284(b); and

(iv) Notwithstanding paragraphs (d)(1)(i) and (ii) of this section, for a CAIR SO<sub>2</sub> opt-in unit under subpart III of this part, the calendar quarter corresponding to the date on which the CAIR SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program as provided in § 96.284(g).

(2) The CAIR designated representative shall submit each quarterly report to the Administrator within 30 days following the end of the calendar quarter covered by the report. Quarterly reports shall be submitted in the manner specified in § 75.64 of this chapter.

(3) For CAIR SO<sub>2</sub> units that are also subject to an Acid Rain emissions limitation or the CAIR NO<sub>x</sub> Annual Trading Program CAIR NO<sub>x</sub> Ozone Season Trading Program, or Hg Budget Trading Program, quarterly reports shall include the applicable data and information required by subparts F through I of part 75 of this chapter as applicable, in addition to the SO<sub>2</sub> mass emission data, heat input data, and other information required by this subpart.

(e) *Compliance certification.* The CAIR designated representative shall submit to the Administrator a compliance certification (in a format prescribed by the Administrator) in support of each

## § 96.275

quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

(1) The monitoring data submitted were recorded in accordance with the applicable requirements of this subpart and part 75 of this chapter, including the quality assurance procedures and specifications; and

(2) For a unit with add-on SO<sub>2</sub> emission controls and for all hours where SO<sub>2</sub> data are substituted in accordance with § 75.34(a)(1) of this chapter, the add-on emission controls were operating within the range of parameters listed in the quality assurance/quality control program under appendix B to part 75 of this chapter and the substitute data values do not systematically underestimate SO<sub>2</sub> emissions.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006]

## § 96.275 Petitions.

(a) The CAIR designated representative of a CAIR SO<sub>2</sub> unit that is subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the Administrator requesting approval to apply an alternative to any requirement of this subpart. Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent that the petition is approved in writing by the Administrator, in consultation with the permitting authority.

(b) The CAIR designated representative of a CAIR SO<sub>2</sub> unit that is not subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the permitting authority and the Administrator requesting approval to apply an alternative to any requirement of this subpart. Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent that the petition is approved in writing by both the permitting authority and the Administrator.

## 40 CFR Ch. I (7–1–24 Edition)

### Subpart III—CAIR SO<sub>2</sub> Opt-in Units

SOURCE: 70 FR 25362, May 12, 2005, unless otherwise noted.

#### § 96.280 Applicability.

A CAIR SO<sub>2</sub> opt-in unit must be a unit that:

(a) Is located in the State;

(b) Is not a CAIR SO<sub>2</sub> unit under § 96.204 and is not covered by a retired unit exemption under § 96.205 that is in effect;

(c) Is not covered by a retired unit exemption under § 72.8 of this chapter that is in effect and is not an opt-in source under part 74 of this chapter;

(d) Has or is required or qualified to have a title V operating permit or other federally enforceable permit; and

(e) Vents all of its emissions to a stack and can meet the monitoring, recordkeeping, and reporting requirements of subpart HHH of this part.

#### § 96.281 General.

(a) Except as otherwise provided in §§ 96.201 through 96.204, §§ 96.206 through 96.208, and subparts BBB and CCC and subparts FFF through HHH of this part, a CAIR SO<sub>2</sub> opt-in unit shall be treated as a CAIR SO<sub>2</sub> unit for purposes of applying such sections and subparts of this part.

(b) Solely for purposes of applying, as provided in this subpart, the requirements of subpart HHH of this part to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this subpart, such unit shall be treated as a CAIR SO<sub>2</sub> unit before issuance of a CAIR opt-in permit for such unit.

#### § 96.282 CAIR designated representative.

Any CAIR SO<sub>2</sub> opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this subpart, located at the same source as one or more CAIR SO<sub>2</sub> units shall have the same CAIR designated representative and alternate CAIR designated representative as such CAIR SO<sub>2</sub> units.

**§ 96.283 Applying for CAIR opt-in permit.**

(a) *Applying for initial CAIR opt-in permit.* The CAIR designated representative of a unit meeting the requirements for a CAIR SO<sub>2</sub> opt-in unit in § 96.280 may apply for an initial CAIR opt-in permit at any time, except as provided under § 96.286(f) and (g), and, in order to apply, must submit the following:

(1) A complete CAIR permit application under § 96.222;

(2) A certification, in a format specified by the permitting authority, that the unit:

(i) Is not a CAIR SO<sub>2</sub> unit under § 96.204 and is not covered by a retired unit exemption under § 96.205 that is in effect;

(ii) Is not covered by a retired unit exemption under § 72.8 of this chapter that is in effect;

(iii) Is not and, so long as the unit is a CAIR SO<sub>2</sub> opt-in unit, will not become, an opt-in source under part 74 of this chapter;

(iv) Vents all of its emissions to a stack; and

(v) Has documented heat input for more than 876 hours during the 6 months immediately preceding submission of the CAIR permit application under § 96.222;

(3) A monitoring plan in accordance with subpart HHH of this part;

(4) A complete certificate of representation under § 96.213 consistent with § 96.282, if no CAIR designated representative has been previously designated for the source that includes the unit; and

(5) A statement, in a format specified by the permitting authority, whether the CAIR designated representative requests that the unit be allocated CAIR SO<sub>2</sub> allowances under § 96.288(b) or § 96.288(c) (subject to the conditions in §§ 96.284(h) and 96.286(g)). If allocation under § 96.288(c) is requested, this statement shall include a statement that the owners and operators of the unit intend to repower the unit before January 1, 2015 and that they will provide, upon request, documentation demonstrating such intent.

(b) *Duty to reapply.* (1) The CAIR designated representative of a CAIR SO<sub>2</sub> opt-in unit shall submit a complete CAIR permit application under § 96.222

to renew the CAIR opt-in unit permit in accordance with the permitting authority's regulations for title V operating permits, or the permitting authority's regulations for other federally enforceable permits if applicable, addressing permit renewal.

(2) Unless the permitting authority issues a notification of acceptance of withdrawal of the CAIR SO<sub>2</sub> opt-in unit from the CAIR SO<sub>2</sub> Trading Program in accordance with § 96.286 or the unit becomes a CAIR SO<sub>2</sub> unit under § 96.204, the CAIR SO<sub>2</sub> opt-in unit shall remain subject to the requirements for a CAIR SO<sub>2</sub> opt-in unit, even if the CAIR designated representative for the CAIR SO<sub>2</sub> opt-in unit fails to submit a CAIR permit application that is required for renewal of the CAIR opt-in permit under paragraph (b)(1) of this section.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006]

**§ 96.284 Opt-in process.**

The permitting authority will issue or deny a CAIR opt-in permit for a unit for which an initial application for a CAIR opt-in permit under § 96.283 is submitted in accordance with the following:

(a) *Interim review of monitoring plan.* The permitting authority and the Administrator will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a CAIR opt-in permit under § 96.283. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the SO<sub>2</sub> emissions rate and heat input of the unit and all other applicable parameters are monitored and reported in accordance with subpart HHH of this part. A determination of sufficiency shall not be construed as acceptance or approval of the monitoring plan.

(b) *Monitoring and reporting.* (1)(i) If the permitting authority and the Administrator determine that the monitoring plan is sufficient under paragraph (a) of this section, the owner or operator shall monitor and report the SO<sub>2</sub> emissions rate and the heat input of the unit and all other applicable parameters, in accordance with subpart HHH of this part, starting on the date

of certification of the appropriate monitoring systems under subpart HHH of this part and continuing until a CAIR opt-in permit is denied under § 96.284(f) or, if a CAIR opt-in permit is issued, the date and time when the unit is withdrawn from the CAIR SO<sub>2</sub> Trading Program in accordance with § 96.286.

(ii) The monitoring and reporting under paragraph (b)(1)(i) of this section shall include the entire control period immediately before the date on which the unit enters the CAIR SO<sub>2</sub> Trading Program under § 96.284(g), during which period monitoring system availability must not be less than 90 percent under subpart HHH of this part and the unit must be in full compliance with any applicable State or Federal emissions or emissions-related requirements.

(2) To the extent the SO<sub>2</sub> emissions rate and the heat input of the unit are monitored and reported in accordance with subpart HHH of this part for one or more control periods, in addition to the control period under paragraph (b)(1)(ii) of this section, during which control periods monitoring system availability is not less than 90 percent under subpart HHH of this part and the unit is in full compliance with any applicable State or Federal emissions or emissions-related requirements and which control periods begin not more than 3 years before the unit enters the CAIR SO<sub>2</sub> Trading Program under § 96.284(g), such information shall be used as provided in paragraphs (c) and (d) of this section.

(c) *Baseline heat input.* The unit's baseline heat input shall equal:

(1) If the unit's SO<sub>2</sub> emissions rate and heat input are monitored and reported for only one control period, in accordance with paragraph (b)(1) of this section, the unit's total heat input (in mmBtu) for the control period; or

(2) If the unit's SO<sub>2</sub> emissions rate and heat input are monitored and reported for more than one control period, in accordance with paragraphs (b)(1) and (2) of this section, the average of the amounts of the unit's total heat input (in mmBtu) for the control periods under paragraphs (b)(1)(ii) and (2) of this section and the control periods under paragraph (b)(2) of this section.

(d) *Baseline SO<sub>2</sub> emission rate.* The unit's baseline SO<sub>2</sub> emission rate shall equal:

(1) If the unit's SO<sub>2</sub> emissions rate and heat input are monitored and reported for only one control period, in accordance with paragraph (b)(1) of this section, the unit's SO<sub>2</sub> emissions rate (in lb/mmBtu) for the control period;

(2) If the unit's SO<sub>2</sub> emissions rate and heat input are monitored and reported for more than one control period, in accordance with paragraphs (b)(1) and (2) of this section, and the unit does not have add-on SO<sub>2</sub> emission controls during any such control periods, the average of the amounts of the unit's SO<sub>2</sub> emissions rate (in lb/mmBtu) for the control periods under paragraphs (b)(1)(ii) and (2) of this section; or

(3) If the unit's SO<sub>2</sub> emissions rate and heat input are monitored and reported for more than one control period, in accordance with paragraphs (b)(1) and (2) of this section, and the unit has add-on SO<sub>2</sub> emission controls during any such control periods, the average of the amounts of the unit's SO<sub>2</sub> emissions rate (in lb/mmBtu) for such control periods during which the unit has add-on SO<sub>2</sub> emission controls.

(e) *Issuance of CAIR opt-in permit.* After calculating the baseline heat input and the baseline SO<sub>2</sub> emissions rate for the unit under paragraphs (c) and (d) of this section and if the permitting authority determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR SO<sub>2</sub> opt-in unit in § 96.280 and meets the elements certified in § 96.283(a)(2), the permitting authority will issue a CAIR opt-in permit. The permitting authority will provide a copy of the CAIR opt-in permit to the Administrator, who will then establish a compliance account for the source that includes the CAIR SO<sub>2</sub> opt-in unit unless the source already has a compliance account.

(f) *Issuance of denial of CAIR opt-in permit.* Notwithstanding paragraphs (a) through (e) of this section, if at any time before issuance of a CAIR opt-in permit for the unit, the permitting authority determines that the CAIR designated representative fails to show

that the unit meets the requirements for a CAIR SO<sub>2</sub> opt-in unit in § 96.280 or meets the elements certified in § 96.283(a)(2), the permitting authority will issue a denial of a CAIR opt-in permit for the unit.

(g) *Date of entry into CAIR SO<sub>2</sub> Trading Program.* A unit for which an initial CAIR opt-in permit is issued by the permitting authority shall become a CAIR SO<sub>2</sub> opt-in unit, and a CAIR SO<sub>2</sub> unit, as of the later of January 1, 2010 or January 1 of the first control period during which such CAIR opt-in permit is issued.

(h) *Repowered CAIR SO<sub>2</sub> opt-in unit.* (1) If CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR SO<sub>2</sub> opt-in unit of CAIR SO<sub>2</sub> allowances under § 96.288(c) and such unit is repowered after its date of entry into the CAIR SO<sub>2</sub> Trading Program under paragraph (g) of this section, the repowered unit shall be treated as a CAIR SO<sub>2</sub> opt-in unit replacing the original CAIR SO<sub>2</sub> opt-in unit, as of the date of start-up of the repowered unit's combustion chamber.

(2) Notwithstanding paragraphs (c) and (d) of this section, as of the date of start-up under paragraph (h)(1) of this section, the repowered unit shall be deemed to have the same date of commencement of operation, date of commencement of commercial operation, baseline heat input, and baseline SO<sub>2</sub> emission rate as the original CAIR SO<sub>2</sub> opt-in unit, and the original CAIR SO<sub>2</sub> opt-in unit shall no longer be treated as a CAIR SO<sub>2</sub> opt-in unit or a CAIR SO<sub>2</sub> unit.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

#### § 96.285 CAIR opt-in permit contents.

(a) Each CAIR opt-in permit will contain:

(1) All elements required for a complete CAIR permit application under § 96.222;

(2) The certification in § 96.283(a)(2);

(3) The unit's baseline heat input under § 96.284(c);

(4) The unit's baseline SO<sub>2</sub> emission rate under § 96.284(d);

(5) A statement whether the unit is to be allocated CAIR SO<sub>2</sub> allowances § 96.288(b) or § 96.288(c) (subject to the conditions in §§ 96.284(h) and 96.286(g));

(6) A statement that the unit may withdraw from the CAIR SO<sub>2</sub> Trading Program only in accordance with § 96.286; and

(7) A statement that the unit is subject to, and the owners and operators of the unit must comply with, the requirements of § 96.287.

(b) Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under § 96.202 and, upon recordation by the Administrator under subpart FFF or GGG of this part or this subpart, every allocation, transfer, or deduction of CAIR SO<sub>2</sub> allowances to or from the compliance account of the source that includes a CAIR SO<sub>2</sub> opt-in unit covered by the CAIR opt-in permit.

(c) The CAIR opt-in permit shall be included, in a format specified by the permitting authority, in the CAIR permit for the source where the CAIR SO<sub>2</sub> opt-in unit is located and in a title V operating permit or other federally enforceable permit for the source.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006]

#### § 96.286 Withdrawal from CAIR SO<sub>2</sub> Trading Program.

Except as provided under paragraph (g) of this section, a CAIR SO<sub>2</sub> opt-in unit may withdraw from the CAIR SO<sub>2</sub> Trading Program, but only if the permitting authority issues a notification to the CAIR designated representative of the CAIR SO<sub>2</sub> opt-in unit of the acceptance of the withdrawal of the CAIR SO<sub>2</sub> opt-in unit in accordance with paragraph (d) of this section.

(a) *Requesting withdrawal.* In order to withdraw a CAIR SO<sub>2</sub> opt-in unit from the CAIR SO<sub>2</sub> Trading Program, the CAIR designated representative of the CAIR SO<sub>2</sub> 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 SO<sub>2</sub> Trading Program under § 96.284(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 SO<sub>2</sub> opt-in unit covered by a request under paragraph (a) of this section may withdraw from the CAIR SO<sub>2</sub> 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 SO<sub>2</sub> opt-in unit must meet the requirement to hold CAIR SO<sub>2</sub> allowances under § 96.206(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 SO<sub>2</sub> opt-in unit CAIR SO<sub>2</sub> allowances equal in amount to and allocated for the same or a prior control period as any CAIR SO<sub>2</sub> allowances allocated to the CAIR SO<sub>2</sub> opt-in unit under § 96.288 for any control period for which the withdrawal is to be effective. If there are no remaining CAIR SO<sub>2</sub> units at the source, the Administrator will close the compliance account, and the owners and operators of the CAIR SO<sub>2</sub> opt-in unit may submit a CAIR SO<sub>2</sub> allowance transfer for any remaining CAIR SO<sub>2</sub> allowances to another CAIR SO<sub>2</sub> Allowance Tracking System in accordance with subpart GGG 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 SO<sub>2</sub> allowances required), the permitting authority will issue a notification to the CAIR designated representative of the CAIR SO<sub>2</sub> opt-in unit of the acceptance of the withdrawal of the CAIR SO<sub>2</sub> 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 SO<sub>2</sub> opt-in unit that the CAIR SO<sub>2</sub> opt-in unit's request to withdraw is denied. Such CAIR SO<sub>2</sub> opt-in

unit shall continue to be a CAIR SO<sub>2</sub> 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 SO<sub>2</sub> 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 SO<sub>2</sub> opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR SO<sub>2</sub> Trading Program concerning any control periods for which the unit is a CAIR SO<sub>2</sub> 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 SO<sub>2</sub> 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 SO<sub>2</sub> Trading Program.* Once a CAIR SO<sub>2</sub> opt-in unit withdraws from the CAIR SO<sub>2</sub> 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 § 96.283 for such CAIR SO<sub>2</sub> 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 § 96.284.

(g) *Inability to withdraw.* Notwithstanding paragraphs (a) through (f) of this section, a CAIR SO<sub>2</sub> opt-in unit shall not be eligible to withdraw from the CAIR SO<sub>2</sub> Trading Program if the CAIR designated representative of the CAIR SO<sub>2</sub> opt-in unit requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to the CAIR SO<sub>2</sub> opt-in unit of CAIR SO<sub>2</sub> allowances under § 96.288(c).

[70 FR 25362, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006]

**§ 96.287 Change in regulatory status.**

(a) *Notification.* If a CAIR SO<sub>2</sub> opt-in unit becomes a CAIR SO<sub>2</sub> unit under § 96.204, then the CAIR designated representative shall notify in writing the permitting authority and the Administrator of such change in the CAIR SO<sub>2</sub> opt-in unit's regulatory status, within 30 days of such change.

(b) *Permitting authority's and Administrator's actions.* (1) If a CAIR SO<sub>2</sub> opt-in unit becomes a CAIR SO<sub>2</sub> unit under § 96.204, the permitting authority will revise the CAIR SO<sub>2</sub> opt-in unit's CAIR opt-in permit to meet the requirements of a CAIR permit under § 96.223, and remove the CAIR opt-in permit provisions, as of the date on which the CAIR SO<sub>2</sub> opt-in unit becomes a CAIR SO<sub>2</sub> unit under § 96.204.

(2)(i) The Administrator will deduct from the compliance account of the source that includes a CAIR SO<sub>2</sub> opt-in unit that becomes a CAIR SO<sub>2</sub> unit under § 96.204, CAIR SO<sub>2</sub> allowances equal in amount to and allocated for the same or a prior control period as:

(A) Any CAIR SO<sub>2</sub> allowances allocated to the CAIR SO<sub>2</sub> opt-in unit under § 96.288 for any control period after the date on which the CAIR SO<sub>2</sub> opt-in unit becomes a CAIR SO<sub>2</sub> unit under § 96.204; and

(B) If the date on which the CAIR SO<sub>2</sub> opt-in unit becomes a CAIR SO<sub>2</sub> unit under § 96.204 is not December 31, the CAIR SO<sub>2</sub> allowances allocated to the CAIR SO<sub>2</sub> opt-in unit under § 96.288 for the control period that includes the date on which the CAIR SO<sub>2</sub> opt-in unit becomes a CAIR SO<sub>2</sub> unit under § 96.204, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR SO<sub>2</sub> opt-in unit becomes a CAIR SO<sub>2</sub> unit under § 96.204 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 SO<sub>2</sub> opt-in unit that becomes a CAIR SO<sub>2</sub> unit under § 96.204 contains the CAIR SO<sub>2</sub> allowances necessary for

completion of the deduction under paragraph (b)(2)(i) of this section.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

**§ 96.288 CAIR SO<sub>2</sub> allowance allocations to CAIR SO<sub>2</sub> opt-in units.**

(a) *Timing requirements.* (1) When the CAIR opt-in permit is issued under § 96.284(e), the permitting authority will allocate CAIR SO<sub>2</sub> allowances to the CAIR SO<sub>2</sub> opt-in unit, and submit to the Administrator the allocation for the control period in which a CAIR SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program under § 96.284(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 SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program under § 96.284(g) and October 31 of each year thereafter, the permitting authority will allocate CAIR SO<sub>2</sub> allowances to the CAIR SO<sub>2</sub> 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 SO<sub>2</sub> 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 SO<sub>2</sub> opt-in unit is to be allocated CAIR SO<sub>2</sub> allowances, the permitting authority will allocate in accordance with the following procedures:

(1) The heat input (in mmBtu) used for calculating the CAIR SO<sub>2</sub> allowance allocation will be the lesser of:

(i) The CAIR SO<sub>2</sub> opt-in unit's baseline heat input determined under § 96.284(c); or

(ii) The CAIR SO<sub>2</sub> opt-in unit's heat input, as determined in accordance with subpart HHH of this part, for the immediately prior control period, except when the allocation is being calculated for the control period in which the CAIR SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program under § 96.284(g).

(2) The SO<sub>2</sub> emission rate (in lb/mmBtu) used for calculating CAIR SO<sub>2</sub> allowance allocations will be the lesser of:

(i) The CAIR SO<sub>2</sub> opt-in unit's baseline SO<sub>2</sub> emissions rate (in lb/mmBtu) determined under § 96.284(d) and multiplied by 70 percent; or

(ii) The most stringent State or Federal SO<sub>2</sub> emissions limitation applicable to the CAIR SO<sub>2</sub> opt-in unit at any time during the control period for which CAIR SO<sub>2</sub> allowances are to be allocated.

(3) The permitting authority will allocate CAIR SO<sub>2</sub> allowances to the CAIR SO<sub>2</sub> opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under paragraph (b)(1) of this section, multiplied by the SO<sub>2</sub> emission rate under paragraph (b)(2) of this section, and divided by 2,000 lb/ton.

(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 § 96.283(a)(5)) providing for, allocation to a CAIR SO<sub>2</sub> opt-in unit of CAIR SO<sub>2</sub> allowances under this paragraph (subject to the conditions in §§ 96.284(h) and 96.286(g)), the permitting authority will allocate to the CAIR SO<sub>2</sub> opt-in unit as follows:

(1) For each control period in 2010 through 2014 for which the CAIR SO<sub>2</sub> opt-in unit is to be allocated CAIR SO<sub>2</sub> allowances,

(i) The heat input (in mmBtu) used for calculating CAIR SO<sub>2</sub> allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The SO<sub>2</sub> emission rate (in lb/mmBtu) used for calculating CAIR SO<sub>2</sub> allowance allocations will be the lesser of:

(A) The CAIR SO<sub>2</sub> opt-in unit's baseline SO<sub>2</sub> emissions rate (in lb/mmBtu) determined under § 96.284(d); or

(B) The most stringent State or Federal SO<sub>2</sub> emissions limitation applicable to the CAIR SO<sub>2</sub> opt-in unit at any time during the control period in which the CAIR SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program under § 96.284(g).

(iii) The permitting authority will allocate CAIR SO<sub>2</sub> allowances to the CAIR SO<sub>2</sub> opt-in unit with a tonnage equivalent equal to, or less than by the

smallest possible amount, the heat input under paragraph (c)(1)(i) of this section, multiplied by the SO<sub>2</sub> emission rate under paragraph (c)(1)(ii) of this section, and divided by 2,000 lb/ton.

(2) For each control period in 2015 and thereafter for which the CAIR SO<sub>2</sub> opt-in unit is to be allocated CAIR SO<sub>2</sub> allowances,

(i) The heat input (in mmBtu) used for calculating the CAIR SO<sub>2</sub> allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The SO<sub>2</sub> emission rate (in lb/mmBtu) used for calculating the CAIR SO<sub>2</sub> allowance allocation will be the lesser of:

(A) The CAIR SO<sub>2</sub> opt-in unit's baseline SO<sub>2</sub> emissions rate (in lb/mmBtu) determined under § 96.284(d) multiplied by 10 percent; or

(B) The most stringent State or Federal SO<sub>2</sub> emissions limitation applicable to the CAIR SO<sub>2</sub> opt-in unit at any time during the control period for which CAIR SO<sub>2</sub> allowances are to be allocated.

(iii) The permitting authority will allocate CAIR SO<sub>2</sub> allowances to the CAIR SO<sub>2</sub> opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under paragraph (c)(2)(i) of this section, multiplied by the SO<sub>2</sub> emission rate under paragraph (c)(2)(ii) of this section, and divided by 2,000 lb/ton.

(d) *Recordation.* (1) The Administrator will record, in the compliance account of the source that includes the CAIR SO<sub>2</sub> opt-in unit, the CAIR SO<sub>2</sub> allowances allocated by the permitting authority to the CAIR SO<sub>2</sub> opt-in unit under paragraph (a)(1) of this section.

(2) By December 1 of the control period in which a CAIR SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program under § 96.284(g), and December 1 of each year thereafter, the Administrator will record, in the compliance account of the source that includes the CAIR SO<sub>2</sub> opt-in unit, the CAIR SO<sub>2</sub> allowances allocated by the permitting authority to the CAIR SO<sub>2</sub> opt-in unit under paragraph (a)(2) of this section.

[70 FR 25362, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006]

**Subparts JJJ–ZZZ [Reserved]**

**Subpart AAAA—CAIR NO<sub>x</sub> Ozone Season Trading Program General Provisions**

SOURCE: 70 FR 25382, May 12, 2005, unless otherwise noted.

**§ 96.301 Purpose.**

This subpart and subparts BBBB through IIII establish the model rule comprising general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the State Clean Air Interstate Rule (CAIR) NO<sub>x</sub> Ozone Season Trading Program, under section 110 of the Clean Air Act and § 51.123 of this chapter, as a means of mitigating interstate transport of ozone and nitrogen oxides. The owner or operator of a unit or a source shall comply with the requirements of this subpart and subparts BBBB through IIII as a matter of federal law only if the State with jurisdiction over the unit and the source incorporates by reference such subparts or otherwise adopts the requirements of such subparts in accordance with § 51.123(aa)(1) or (2), of this chapter, the State submits to the Administrator one or more revisions of the State implementation plan that include such adoption, and the Administrator approves such revisions. If the State adopts the requirements of such subparts in accordance with § 51.123(aa)(1) or (2), (bb), or (dd) of this chapter, then the State authorizes the Administrator to assist the State in implementing the CAIR NO<sub>x</sub> Ozone Season Trading Program by carrying out the functions set forth for the Administrator in such subparts.

**§ 96.302 Definitions.**

The terms used in this subpart and subparts BBBB through IIII shall have the meanings set forth in this section as follows:

*Account number* means the identification number given by the Administrator to each CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System account.

*Acid Rain emissions limitation* means a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program.

*Acid Rain Program* means a multi-state sulfur dioxide and nitrogen oxides air pollution control and emission reduction program established by the Administrator under title IV of the CAA and parts 72 through 78 of this chapter.

*Administrator* means the Administrator of the United States Environmental Protection Agency or the Administrator's duly authorized representative.

*Allocate or allocation means*, with regard to CAIR NO<sub>x</sub> Ozone Season allowances, the determination by a permitting authority or the Administrator of the amount of such CAIR NO<sub>x</sub> Ozone Season allowances to be initially credited to a CAIR NO<sub>x</sub> Ozone Season unit, a new unit set-aside, or other entity.

*Allowance transfer deadline* means, for a control period, midnight of November 30 (if it is a business day), or midnight of the first business day thereafter (if November 30 is not a business day), immediately following the control period and is the deadline by which a CAIR NO<sub>x</sub> Ozone Season allowance transfer must be submitted for recordation in a CAIR NO<sub>x</sub> Ozone Season source's compliance account in order to be used to meet the source's CAIR NO<sub>x</sub> Ozone Season emissions limitation for such control period in accordance with § 96.354.

*Alternate CAIR designated representative* means, for a CAIR NO<sub>x</sub> Ozone Season source and each CAIR NO<sub>x</sub> Ozone Season unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with subparts BBBB and IIII of this part, to act on behalf of the CAIR designated representative in matters pertaining to the CAIR NO<sub>x</sub> Ozone Season Trading Program. If the CAIR NO<sub>x</sub> Ozone Season source is also a CAIR NO<sub>x</sub> source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO<sub>x</sub> Annual Trading Program. If the CAIR NO<sub>x</sub> Ozone Season source is also a CAIR SO<sub>2</sub> source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR SO<sub>2</sub> Trading Program. If the CAIR NO<sub>x</sub> Ozone Season source is also subject to

the Acid Rain Program, then this natural person shall be the same person as the alternate designated representative under the Acid Rain Program. If the CAIR NO<sub>x</sub> Ozone Season source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the alternate Hg designated representative under the Hg Budget Trading Program.

*Automated data acquisition and handling system* or *DAHS* means that component of the continuous emission monitoring system, or other emissions monitoring system approved for use under subpart HHHH of this part, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by subpart HHHH of this part.

*Biomass* means—

(1) Any organic material grown for the purpose of being converted to energy;

(2) Any organic byproduct of agriculture that can be converted into energy; or

(3) Any material that can be converted into energy and is nonmerchandise for other purposes, that is segregated from other nonmerchandise material, and that is;

(i) A forest-related organic resource, including mill residues, precommercial thinnings, slash, brush, or byproduct from conversion of trees to merchantable material; or

(ii) A wood material, including pallets, crates, dunnage, manufacturing and construction materials (other than pressure-treated, chemically-treated, or painted wood products), and landscape or right-of-way tree trimmings.

*Boiler* means an enclosed fossil- or other-fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

*Bottoming-cycle cogeneration unit* means a cogeneration unit in which the energy input to the unit is first used to produce useful thermal energy and at least some of the reject heat from the useful thermal energy application or

process is then used for electricity production.

*CAIR authorized account representative* means, with regard to a general account, a responsible natural person who is authorized, in accordance with subparts BBBB, FFFF, and IIII of this part, to transfer and otherwise dispose of CAIR NO<sub>x</sub> Ozone Season allowances held in the general account and, with regard to a compliance account, the CAIR designated representative of the source.

*CAIR designated representative* means, for a CAIR NO<sub>x</sub> Ozone Season source and each CAIR NO<sub>x</sub> Ozone Season unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with subparts BBBB and IIII of this part, to represent and legally bind each owner and operator in matters pertaining to the CAIR NO<sub>x</sub> Ozone Season Trading Program. If the CAIR NO<sub>x</sub> Ozone Season source is also a CAIR NO<sub>x</sub> source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO<sub>x</sub> Annual Trading Program. If the CAIR NO<sub>x</sub> Ozone Season source is also a CAIR SO<sub>2</sub> source, then this natural person shall be the same person as the CAIR designated representative under the CAIR SO<sub>2</sub> Trading Program. If the CAIR NO<sub>x</sub> Ozone Season source is also subject to the Acid Rain Program, then this natural person shall be the same person as the designated representative under the Acid Rain Program. If the CAIR NO<sub>x</sub> Ozone Season source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the Hg designated representative under the Hg Budget Trading Program.

*CAIR NO<sub>x</sub> Annual Trading Program* means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts AA through II of this part and §51.123(o)(1) or (2) of this chapter or established by the Administrator in accordance with subparts AA through II of part 97 of this chapter and §§51.123(p) and 52.35 of this chapter, as

a means of mitigating interstate transport of fine particulates and nitrogen oxides.

*CAIR NO<sub>x</sub> Ozone Season allowance* means a limited authorization issued by a permitting authority or the Administrator under provisions of a State implementation plan that are approved under § 51.123(aa)(1) or (2) (and (bb)(1)), (bb)(2), (dd), or (ee) of this chapter, or under subpart EEEE of part 97 or § 97.388 of this chapter, to emit one ton of nitrogen oxides during a control period of the specified calendar year for which the authorization is allocated or of any calendar year thereafter under the CAIR NO<sub>x</sub> Ozone Season Trading Program or a limited authorization issued by a permitting authority for a control period during 2003 through 2008 under the NO<sub>x</sub> Budget Trading Program in accordance with § 51.121(p) of this chapter to emit one ton of nitrogen oxides during a control period, provided that the provision in § 51.121(b)(2)(ii)(E) of this chapter shall not be used in applying this definition and the limited authorization shall not have been used to meet the allowance-holding requirement under the NO<sub>x</sub> Budget Trading Program. An authorization to emit nitrogen oxides that is not issued under provisions of a State implementation plan approved under § 51.123(aa)(1) or (2) (and (bb)(1)), (bb)(2), (dd), or (ee) of this chapter or subpart EEEE of part 97 or § 97.388 of this chapter or under the NO<sub>x</sub> Budget Trading Program as described in the prior sentence shall not be a CAIR NO<sub>x</sub> Ozone Season allowance.

*CAIR NO<sub>x</sub> Ozone Season allowance deduction or deduct CAIR NO<sub>x</sub> Ozone Season allowances* means the permanent withdrawal of CAIR NO<sub>x</sub> Ozone Season allowances by the Administrator from a compliance account, *e.g.*, in order to account for a specified number of tons of total nitrogen oxides emissions from all CAIR NO<sub>x</sub> Ozone Season units at a CAIR NO<sub>x</sub> Ozone Season source for a control period, determined in accordance with subpart HHHH of this part, or to account for excess emissions.

*CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System* means the system by which the Administrator records allocations, deductions, and transfers of CAIR NO<sub>x</sub> Ozone Season allowances

under the CAIR NO<sub>x</sub> Ozone Season Trading Program. Such allowances will be allocated, held, deducted, or transferred only as whole allowances.

*CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System account* means an account in the CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System established by the Administrator for purposes of recording the allocation, holding, transferring, or deducting of CAIR NO<sub>x</sub> Ozone Season allowances.

*CAIR NO<sub>x</sub> Ozone Season allowances held or hold CAIR NO<sub>x</sub> Ozone Season allowances* means the CAIR NO<sub>x</sub> Ozone Season allowances recorded by the Administrator, or submitted to the Administrator for recordation, in accordance with subparts FFFF, GGGG, and IIII of this part, in a CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System account.

*CAIR NO<sub>x</sub> Ozone Season emissions limitation* means, for a CAIR NO<sub>x</sub> Ozone Season source, the tonnage equivalent, in NO<sub>x</sub> emissions in a control period, of the CAIR NO<sub>x</sub> Ozone Season allowances available for deduction for the source under § 96.354(a) and (b) for the control period.

*CAIR NO<sub>x</sub> Ozone Season Trading Program* means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts AAAA through IIII of this part and § 51.123(aa)(1) or (2) (and (bb)(1)), (bb)(2), or (dd) of this chapter or established by the Administrator in accordance with subparts AAAA through IIII of part 97 of this chapter and §§ 51.123(ee) and 52.35 of this chapter, as a means of mitigating interstate transport of ozone and nitrogen oxides.

*CAIR NO<sub>x</sub> Ozone Season source* means a source that includes one or more CAIR NO<sub>x</sub> Ozone Season units.

*CAIR NO<sub>x</sub> Ozone Season unit* means a unit that is subject to the CAIR NO<sub>x</sub> Ozone Season Trading Program under § 96.304 and, except for purposes of § 96.305 and subpart EEEE of this part, a CAIR NO<sub>x</sub> Ozone Season opt-in unit under subpart IIII of this part.

*CAIR NO<sub>x</sub> source* means a source that is subject to the CAIR NO<sub>x</sub> Annual Trading Program.

*CAIR permit* means the legally binding and federally enforceable written document, or portion of such document, issued by the permitting authority under subpart CCCC of this part, including any permit revisions, specifying the CAIR NO<sub>x</sub> Ozone Season Trading Program requirements applicable to a CAIR NO<sub>x</sub> Ozone Season source, to each CAIR NO<sub>x</sub> Ozone Season unit at the source, and to the owners and operators and the CAIR designated representative of the source and each such unit.

*CAIR SO<sub>2</sub> source* means a source that is subject to the CAIR SO<sub>2</sub> Trading Program.

*CAIR SO<sub>2</sub> Trading Program* means a multi-state sulfur dioxide air pollution control and emission reduction program approved and administered by the Administrator in accordance with subparts AAA through III of this part and § 51.124(o)(1) or (2) of this chapter or established by the Administrator in accordance with subparts AAA through III of part 97 of this chapter and §§ 51.124(r) and 52.36 of this chapter, as a means of mitigating interstate transport of fine particulates and sulfur dioxide.

*Clean Air Act* or *CAA* means the Clean Air Act, 42 U.S.C. 7401, *et seq.*

*Coal* means any solid fuel classified as anthracite, bituminous, subbituminous, or lignite.

*Coal-derived fuel* means any fuel (whether in a solid, liquid, or gaseous state) produced by the mechanical, thermal, or chemical processing of coal.

*Coal-fired* means:

(1) Except for purposes of subpart EEEE of this part, combusting any amount of coal or coal-derived fuel, alone or in combination with any amount of any other fuel, during any year; or

(2) For purposes of subpart EEEE of this part, combusting any amount of coal or coal-derived fuel, alone or in combination with any amount of any other fuel, during a specified year.

*Cogeneration unit* means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine:

(1) Having equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or

cooling purposes through the sequential use of energy; and

(2) Producing during the 12-month period starting on the date the unit first produces electricity and during any calendar year after the calendar year in which the unit first produces electricity—

(i) For a topping-cycle cogeneration unit,

(A) Useful thermal energy not less than 5 percent of total energy output; and

(B) Useful power that, when added to one-half of useful thermal energy produced, is not less than 42.5 percent of total energy input, if useful thermal energy produced is 15 percent or more of total energy output, or not less than 45 percent of total energy input, if useful thermal energy produced is less than 15 percent of total energy output.

(ii) For a bottoming-cycle cogeneration unit, useful power not less than 45 percent of total energy input;

(3) Provided that the total energy input under paragraphs (2)(i)(B) and (2)(ii) of this definition shall equal the unit's total energy input from all fuel except biomass if the unit is a boiler.

*Combustion turbine* means:

(1) An enclosed device comprising a compressor, a combustor, and a turbine and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine; and

(2) If the enclosed device under paragraph (1) of this definition is combined cycle, any associated duct burner, heat recovery steam generator, and steam turbine.

*Commence commercial operation* means, with regard to a unit:

(1) To have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation, except as provided in § 96.305 and § 96.384(h).

(i) For a unit that is a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304 on the later of November 15, 1990 or the date the unit commences commercial operation as defined in paragraph (1) of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the date of commencement of

commercial operation of the unit, which shall continue to be treated as the same unit.

(ii) For a unit that is a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304 on the later of November 15, 1990 or the date the unit commences commercial operation as defined in paragraph (1) of this definition and that is subsequently replaced by a unit at the same source (*e.g.*, repowered), such date shall remain the replaced unit's date of commencement of commercial operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in paragraph (1) or (2) of this definition as appropriate.

(2) Notwithstanding paragraph (1) of this definition and except as provided in § 96.305, for a unit that is not a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304 on the later of November 15, 1990 or the date the unit commences commercial operation as defined in paragraph (1) of this definition, the unit's date for commencement of commercial operation shall be the date on which the unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304.

(i) For a unit with a date for commencement of commercial operation as defined in paragraph (2) of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the date of commencement of commercial operation of the unit, which shall continue to be treated as the same unit.

(ii) For a unit with a date for commencement of commercial operation as defined in paragraph (2) of this definition and that is subsequently replaced by a unit at the same source (*e.g.*, repowered), such date shall remain the replaced unit's date of commencement of commercial operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in paragraph (1) or (2) of this definition as appropriate.

*Commence operation* means:

(1) To have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a

unit's combustion chamber, except as provided in § 96.384(h).

(2) For a unit that undergoes a physical change (other than replacement of the unit by a unit at the same source) after the date the unit commences operation as defined in paragraph (1) of this definition, such date shall remain the date of commencement of operation of the unit, which shall continue to be treated as the same unit.

(3) For a unit that is replaced by a unit at the same source (*e.g.*, repowered) after the date the unit commences operation as defined in paragraph (1) of this definition, such date shall remain the replaced unit's date of commencement of operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in paragraph (1), (2), or (3) of this definition as appropriate, except as provided in § 96.384(h).

*Common stack* means a single flue through which emissions from 2 or more units are exhausted.

*Compliance account* means a CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System account, established by the Administrator for a CAIR NO<sub>x</sub> Ozone Season source under subpart FFFF or IIII of this part, in which any CAIR NO<sub>x</sub> Ozone Season allowance allocations for the CAIR NO<sub>x</sub> Ozone Season units at the source are initially recorded and in which are held any CAIR NO<sub>x</sub> Ozone Season allowances available for use for a control period in order to meet the source's CAIR NO<sub>x</sub> Ozone Season emissions limitation in accordance with § 96.354.

*Continuous emission monitoring system* or *CEMS* means the equipment required under subpart HHHH of this part to sample, analyze, measure, and provide, by means of readings recorded at least once every 15 minutes (using an automated data acquisition and handling system (DAHS)), a permanent record of nitrogen oxides emissions, stack gas volumetric flow rate, stack gas moisture content, and oxygen or carbon dioxide concentration (as applicable), in a manner consistent with part 75 of this chapter. The following systems are the principal types of continuous emission monitoring systems required under subpart HHHH of this part:



(1) A flow monitoring system, consisting of a stack flow rate monitor and an automated data acquisition and handling system and providing a permanent, continuous record of stack gas volumetric flow rate, in standard cubic feet per hour (scfh);

(2) A nitrogen oxides concentration monitoring system, consisting of a NO<sub>x</sub> pollutant concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of NO<sub>x</sub> emissions, in parts per million (ppm);

(3) A nitrogen oxides emission rate (or NO<sub>x</sub>-diluent) monitoring system, consisting of a NO<sub>x</sub> pollutant concentration monitor, a diluent gas (CO<sub>2</sub> or O<sub>2</sub>) monitor, and an automated data acquisition and handling system and providing a permanent, continuous record of NO<sub>x</sub> concentration, in parts per million (ppm), diluent gas concentration, in percent CO<sub>2</sub> or O<sub>2</sub>, and NO<sub>x</sub> emission rate, in pounds per million British thermal units (lb/mmBtu);

(4) A moisture monitoring system, as defined in §75.11(b)(2) of this chapter and providing a permanent, continuous record of the stack gas moisture content, in percent H<sub>2</sub>O;

(5) A carbon dioxide monitoring system, consisting of a CO<sub>2</sub> pollutant concentration monitor (or an oxygen monitor plus suitable mathematical equations from which the CO<sub>2</sub> concentration is derived) and an automated data acquisition and handling system and providing a permanent, continuous record of CO<sub>2</sub> emissions, in percent CO<sub>2</sub>; and

(6) An oxygen monitoring system, consisting of an O<sub>2</sub> concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of O<sub>2</sub> in percent O<sub>2</sub>.

*Control period or ozone season* means the period beginning May 1 of a calendar year, except as provided in §96.306(c)(2), and ending on September 30 of the same year, inclusive.

*Emissions* means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the Administrator by the CAIR designated representative and as determined by the Adminis-

trator in accordance with subpart HHHH of this part.

*Excess emissions* means any ton of nitrogen oxides emitted by the CAIR NO<sub>x</sub> Ozone Season units at a CAIR NO<sub>x</sub> Ozone Season source during a control period that exceeds the CAIR NO<sub>x</sub> Ozone Season emissions limitation for the source.

*Fossil fuel* means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

*Fossil-fuel-fired* means, with regard to a unit, combusting any amount of fossil fuel in any calendar year.

*Fuel oil* means any petroleum-based fuel (including diesel fuel or petroleum derivatives such as oil tar) and any recycled or blended petroleum products or petroleum by-products used as a fuel whether in a liquid, solid, or gaseous state.

*General account* means a CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System account, established under subpart FFFF of this part, that is not a compliance account.

*Generator* means a device that produces electricity.

*Gross electrical output* means, with regard to a cogeneration unit, electricity made available for use, including any such electricity used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

*Heat input* means, with regard to a specified period of time, the product (in mmBtu/time) of the gross calorific value of the fuel (in Btu/lb) divided by 1,000,000 Btu/mmBtu and multiplied by the fuel feed rate into a combustion device (in lb of fuel/time), as measured, recorded, and reported to the Administrator by the CAIR designated representative and determined by the Administrator in accordance with subpart HHHH of this part and excluding the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

*Heat input rate* means the amount of heat input (in mmBtu) divided by unit operating time (in hr) or, with regard to a specific fuel, the amount of heat input attributed to the fuel (in mmBtu)

divided by the unit operating time (in hr) during which the unit combusts the fuel.

*Life-of-the-unit, firm power contractual arrangement* means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy generated by any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

- (1) For the life of the unit;
- (2) For a cumulative term of no less than 30 years, including contracts that permit an election for early termination; or
- (3) For a period no less than 25 years or 70 percent of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

*Maximum design heat input* means the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis as of the initial installation of the unit as specified by the manufacturer of the unit.

*Monitoring system* means any monitoring system that meets the requirements of subpart HHHH of this part, including a continuous emissions monitoring system, an alternative monitoring system, or an excepted monitoring system under part 75 of this chapter.

*Most stringent State or Federal NO<sub>x</sub> emissions limitation* means, with regard to a unit, the lowest NO<sub>x</sub> emissions limitation (in terms of lb/mmBtu) that is applicable to the unit under State or Federal law, regardless of the averaging period to which the emissions limitation applies.

*Nameplate capacity* means, starting from the initial installation of a generator, the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings) as of such installation as specified by the manufacturer of the generator or, starting

from the completion of any subsequent physical change in the generator resulting in an increase in the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings), such increased maximum amount as of such completion as specified by the person conducting the physical change.

*Oil-fired* means, for purposes of subpart EEEE of this part, combusting fuel oil for more than 15.0 percent of the annual heat input in a specified year and not qualifying as coal-fired.

*Operator* means any person who operates, controls, or supervises a CAIR NO<sub>x</sub> Ozone Season unit or a CAIR NO<sub>x</sub> Ozone Season source and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

*Owner* means any of the following persons:

(1) With regard to a CAIR NO<sub>x</sub> Ozone Season source or a CAIR NO<sub>x</sub> Ozone Season unit at a source, respectively:

(i) Any holder of any portion of the legal or equitable title in a CAIR NO<sub>x</sub> Ozone Season unit at the source or the CAIR NO<sub>x</sub> Ozone Season unit;

(ii) Any holder of a leasehold interest in a CAIR NO<sub>x</sub> Ozone Season unit at the source or the CAIR NO<sub>x</sub> Ozone Season unit; or

(iii) Any purchaser of power from a CAIR NO<sub>x</sub> Ozone Season unit at the source or the CAIR NO<sub>x</sub> Ozone Season unit under a life-of-the-unit, firm power contractual arrangement; provided that, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based (either directly or indirectly) on the revenues or income from such CAIR NO<sub>x</sub> Ozone Season unit; or

(2) With regard to any general account, any person who has an ownership interest with respect to the CAIR NO<sub>x</sub> Ozone Season allowances held in the general account and who is subject to the binding agreement for the CAIR authorized account representative to

represent the person's ownership interest with respect to CAIR NO<sub>x</sub> Ozone Season allowances.

*Permitting authority* means the State air pollution control agency, local agency, other State agency, or other agency authorized by the Administrator to issue or revise permits to meet the requirements of the CAIR NO<sub>x</sub> Ozone Season Trading Program or, if no such agency has been so authorized, the Administrator.

*Potential electrical output capacity* means 33 percent of a unit's maximum design heat input, divided by 3,413 Btu/kWh, divided by 1,000 kWh/MWh, and multiplied by 8,760 hr/yr.

*Receive or receipt of means*, when referring to the permitting authority or the Administrator, to come into possession of a document, information, or correspondence (whether sent in hard copy or by authorized electronic transmission), as indicated in an official log, or by a notation made on the document, information, or correspondence, by the permitting authority or the Administrator in the regular course of business.

*Recordation, record, or recorded means*, with regard to CAIR NO<sub>x</sub> Ozone Season allowances, the movement of CAIR NO<sub>x</sub> Ozone Season allowances by the Administrator into or between CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System accounts, for purposes of allocation, transfer, or deduction.

*Reference method* means any direct test method of sampling and analyzing for an air pollutant as specified in § 75.22 of this chapter.

*Replacement, replace, or replaced means*, with regard to a unit, the demolishing of a unit, or the permanent shutdown and permanent disabling of a unit, and the construction of another unit (the replacement unit) to be used instead of the demolished or shutdown unit (the replaced unit).

*Repowered* means, with regard to a unit, replacement of a coal-fired boiler with one of the following coal-fired technologies at the same source as the coal-fired boiler:

- (1) Atmospheric or pressurized fluidized bed combustion;
- (2) Integrated gasification combined cycle;

(3) Magnetohydrodynamics;

(4) Direct and indirect coal-fired turbines;

(5) Integrated gasification fuel cells; or

(6) As determined by the Administrator in consultation with the Secretary of Energy, a derivative of one or more of the technologies under paragraphs (1) through (5) of this definition and any other coal-fired technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of January 1, 2005.

*Serial number* means, for a CAIR NO<sub>x</sub> Ozone Season allowance, the unique identification number assigned to each CAIR NO<sub>x</sub> Ozone Season allowance by the Administrator.

*Sequential use of energy* means:

(1) For a topping-cycle cogeneration unit, the use of reject heat from electricity production in a useful thermal energy application or process; or

(2) For a bottoming-cycle cogeneration unit, the use of reject heat from useful thermal energy application or process in electricity production.

*Solid waste incineration unit* means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine that is a "solid waste incineration unit" as defined in section 129(g)(1) of the Clean Air Act.

*Source* means all buildings, structures, or installations located in one or more contiguous or adjacent properties under common control of the same person or persons. For purposes of section 502(c) of the Clean Air Act, a "source," including a "source" with multiple units, shall be considered a single "facility."

*State* means one of the States or the District of Columbia that adopts the CAIR NO<sub>x</sub> Ozone Season Trading Program pursuant to § 51.123(aa)(1) or (2), (bb), or (dd) of this chapter.

*Submit or serve* means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable regulation:

- (1) In person;

(2) By United States Postal Service; or

(3) By other means of dispatch or transmission and delivery. Compliance with any “submission” or “service” deadline shall be determined by the date of dispatch, transmission, or mailing and not the date of receipt.

*Title V operating permit* means a permit issued under title V of the Clean Air Act and part 70 or part 71 of this chapter.

*Title V operating permit regulations* means the regulations that the Administrator has approved or issued as meeting the requirements of title V of the Clean Air Act and part 70 or 71 of this chapter.

*Ton* means 2,000 pounds. For the purpose of determining compliance with the CAIR NO<sub>x</sub> Ozone Season emissions limitation, total tons of nitrogen oxides emissions for a control period shall be calculated as the sum of all recorded hourly emissions (or the mass equivalent of the recorded hourly emission rates) in accordance with subpart HHHH of this part, but with any remaining fraction of a ton equal to or greater than 0.50 tons deemed to equal one ton and any remaining fraction of a ton less than 0.50 tons deemed to equal zero tons.

*Topping-cycle cogeneration unit* means a cogeneration unit in which the energy input to the unit is first used to produce useful power, including electricity, and at least some of the reject heat from the electricity production is then used to provide useful thermal energy.

*Total energy input* means, with regard to a cogeneration unit, total energy of all forms supplied to the cogeneration unit, excluding energy produced by the cogeneration unit itself. Each form of energy supplied shall be measured by the lower heating value of that form of energy calculated as follows:

$$\text{LHV} = \text{HHV} - 10.55(W + 9H)$$

Where:

LHV = lower heating value of fuel in Btu/lb,  
HHV = higher heating value of fuel in Btu/lb,  
W = Weight % of moisture in fuel, and  
H = Weight % of hydrogen in fuel.

*Total energy output* means, with regard to a cogeneration unit, the sum of

useful power and useful thermal energy produced by the cogeneration unit.

*Unit* means a stationary, fossil-fuel-fired boiler or combustion turbine or other stationary, fossil-fuel-fired combustion device.

*Unit operating day* means a calendar day in which a unit combusts any fuel.

*Unit operating hour* or *hour of unit operation* means an hour in which a unit combusts any fuel.

*Useful power* means, with regard to a cogeneration unit, electricity or mechanical energy made available for use, excluding any such energy used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

*Useful thermal energy* means, with regard to a cogeneration unit, thermal energy that is:

(1) Made available to an industrial or commercial process (not a power production process), excluding any heat contained in condensate return or makeup water;

(2) Used in a heating application (e.g., space heating or domestic hot water heating); or

(3) Used in a space cooling application (i.e., thermal energy used by an absorption chiller).

*Utility power distribution system* means the portion of an electricity grid owned or operated by a utility and dedicated to delivering electricity to customers.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25390, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006; 72 FR 59206, Oct. 19, 2007]

#### § 96.303 Measurements, abbreviations, and acronyms.

Measurements, abbreviations, and acronyms used in this subpart and subparts BBBB through IIII are defined as follows:

Btu—British thermal unit

CO<sub>2</sub>—carbon dioxide

H<sub>2</sub>O—water

Hg—mercury

hr—hour

kW—kilowatt electrical

kWh—kilowatt hour

lb—pound

mmBtu—million Btu

MWe—megawatt electrical

MWh—megawatt hour

## § 96.304

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NO<sub>x</sub>—nitrogen oxides  
O<sub>2</sub>—oxygen  
ppm—parts per million  
scfh—standard cubic feet per hour  
SO<sub>2</sub>—sulfur dioxide  
yr—year

[71 FR 25392, Apr. 28, 2006]

### § 96.304 Applicability.

(a) Except as provided in paragraph (b) of this section:

(1) The following units in a State shall be CAIR NO<sub>x</sub> Ozone Season units, and any source that includes one or more such units shall be a CAIR NO<sub>x</sub> Ozone Season source, subject to the requirements of this subpart and subparts BBBB through HHHH of this part: any stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine serving at any time, since the later of November 15, 1990 or the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe producing electricity for sale.

(2) If a stationary boiler or stationary combustion turbine that, under paragraph (a)(1) of this section, is not a CAIR NO<sub>x</sub> Ozone Season unit begins to combust fossil fuel or to serve a generator with nameplate capacity of more than 25 MWe producing electricity for sale, the unit shall become a CAIR NO<sub>x</sub> Ozone Season unit as provided in paragraph (a)(1) of this section on the first date on which it both combusts fossil fuel and serves such generator.

(b) The units in a State that meet the requirements set forth in paragraph (b)(1)(i), (b)(2)(i), or (b)(2)(ii) of this section shall not be CAIR NO<sub>x</sub> Ozone Season units:

(1)(i) Any unit that is a CAIR NO<sub>x</sub> Ozone Season unit under paragraph (a)(1) or (2) of this section:

(A) Qualifying as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continuing to qualify as a cogeneration unit; and

(B) Not serving at any time, since the later of November 15, 1990 or the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is

greater, to any utility power distribution system for sale.

(ii) If a unit qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and meets the requirements of paragraphs (b)(1)(i) of this section for at least one calendar year, but subsequently no longer meets all such requirements, the unit shall become a CAIR NO<sub>x</sub> Ozone Season unit starting on the earlier of January 1 after the first calendar year during which the unit first no longer qualifies as a cogeneration unit or January 1 after the first calendar year during which the unit no longer meets the requirements of paragraph (b)(1)(i)(B) of this section.

(2)(i) Any unit that is a CAIR NO<sub>x</sub> Ozone Season unit under paragraph (a)(1) or (2) of this section commencing operation before January 1, 1985:

(A) Qualifying as a solid waste incineration unit; and

(B) With an average annual fuel consumption of non-fossil fuel for 1985–1987 exceeding 80 percent (on a Btu basis) and an average annual fuel consumption of non-fossil fuel for any 3 consecutive calendar years after 1990 exceeding 80 percent (on a Btu basis).

(ii) Any unit that is a CAIR NO<sub>x</sub> Ozone Season unit under paragraph (a)(1) or (2) of this section commencing operation on or after January 1, 1985:

(A) Qualifying as a solid waste incineration unit; and

(B) With an average annual fuel consumption of non-fossil fuel for the first 3 calendar years of operation exceeding 80 percent (on a Btu basis) and an average annual fuel consumption of non-fossil fuel for any 3 consecutive calendar years after 1990 exceeding 80 percent (on a Btu basis).

(iii) If a unit qualifies as a solid waste incineration unit and meets the requirements of paragraph (b)(2)(i) or (ii) of this section for at least 3 consecutive calendar years, but subsequently no longer meets all such requirements, the unit shall become a CAIR NO<sub>x</sub> Ozone Season unit starting on the earlier of January 1 after the first calendar year during which the unit first no longer qualifies as a solid waste incineration unit or January 1 after the first 3 consecutive calendar

years after 1990 for which the unit has an average annual fuel consumption of fossil fuel of 20 percent or more.

[71 FR 25392, Apr. 28, 2006, as amended at 71 FR 74794, Dec. 13, 2006]

**§ 96.305 Retired unit exemption.**

(a)(1) Any CAIR NO<sub>x</sub> Ozone Season unit that is permanently retired and is not a CAIR NO<sub>x</sub> Ozone Season opt-in unit under subpart IIII of this part shall be exempt from the CAIR NO<sub>x</sub> Ozone Season Trading Program, except for the provisions of this section, § 96.302, § 96.303, § 96.304, § 96.306(c)(4) through (7), § 96.307, § 96.308, and subparts BBBB and EEEE through GGGG of this part.

(2) The exemption under paragraph (a)(1) of this section shall become effective the day on which the CAIR NO<sub>x</sub> Ozone Season unit is permanently retired. Within 30 days of the unit's permanent retirement, the CAIR designated representative shall submit a statement to the permitting authority otherwise responsible for administering any CAIR permit for the unit and shall submit a copy of the statement to the Administrator. The statement shall state, in a format prescribed by the permitting authority, that the unit was permanently retired on a specific date and will comply with the requirements of paragraph (b) of this section.

(3) After receipt of the statement under paragraph (a)(2) of this section, the permitting authority will amend any permit under subpart CCCC of this part covering the source at which the unit is located to add the provisions and requirements of the exemption under paragraphs (a)(1) and (b) of this section.

(b) *Special provisions.* (1) A unit exempt under paragraph (a) of this section shall not emit any nitrogen oxides, starting on the date that the exemption takes effect.

(2) The permitting authority will allocate CAIR NO<sub>x</sub> Ozone Season allowances under subpart EEEE of this part to a unit exempt under paragraph (a) of this section.

(3) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under paragraph (a) of this section

shall retain, at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the permitting authority or the Administrator. The owners and operators bear the burden of proof that the unit is permanently retired.

(4) The owners and operators and, to the extent applicable, the CAIR designated representative of a unit exempt under paragraph (a) of this section shall comply with the requirements of the CAIR NO<sub>x</sub> Ozone Season Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.

(5) A unit exempt under paragraph (a) of this section and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR permit application under § 96.322 for the unit not less than 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2009 or the date on which the unit resumes operation.

(6) On the earlier of the following dates, a unit exempt under paragraph (a) of this section shall lose its exemption:

(i) The date on which the CAIR designated representative submits a CAIR permit application for the unit under paragraph (b)(5) of this section;

(ii) The date on which the CAIR designated representative is required under paragraph (b)(5) of this section to submit a CAIR permit application for the unit; or

(iii) The date on which the unit resumes operation, if the CAIR designated representative is not required to submit a CAIR permit application for the unit.

(7) For the purpose of applying monitoring, reporting, and recordkeeping requirements under subpart HHHH of this part, a unit that loses its exemption under paragraph (a) of this section shall be treated as a unit that commences commercial operation on the

first date on which the unit resumes operation.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25393, Apr. 28, 2006]

**§ 96.306 Standard requirements.**

(a) *Permit requirements.* (1) The CAIR designated representative of each CAIR NO<sub>x</sub> Ozone Season source required to have a title V operating permit and each CAIR NO<sub>x</sub> Ozone Season unit required to have a title V operating permit at the source shall:

(i) Submit to the permitting authority a complete CAIR permit application under § 96.322 in accordance with the deadlines specified in § 96.321; and

(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR permit.

(2) The owners and operators of each CAIR NO<sub>x</sub> Ozone Season source required to have a title V operating permit and each CAIR NO<sub>x</sub> Ozone Season unit required to have a title V operating permit at the source shall have a CAIR permit issued by the permitting authority under subpart CCCC of this part for the source and operate the source and the unit in compliance with such CAIR permit.

(3) Except as provided in subpart IIII of this part, the owners and operators of a CAIR NO<sub>x</sub> Ozone Season source that is not otherwise required to have a title V operating permit and each CAIR NO<sub>x</sub> Ozone Season unit that is not otherwise required to have a title V operating permit are not required to submit a CAIR permit application, and to have a CAIR permit, under subpart CCCC of this part for such CAIR NO<sub>x</sub> Ozone Season source and such CAIR NO<sub>x</sub> Ozone Season unit.

(b) *Monitoring, reporting, and record-keeping requirements.* (1) The owners and operators, and the CAIR designated representative, of each CAIR NO<sub>x</sub> Ozone Season source and each CAIR NO<sub>x</sub> Ozone Season unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements of subpart HHHH of this part.

(2) The emissions measurements recorded and reported in accordance with subpart HHHH of this part shall be

used to determine compliance by each CAIR NO<sub>x</sub> Ozone Season source with the CAIR NO<sub>x</sub> Ozone Season emissions limitation under paragraph (c) of this section.

(c) *Nitrogen oxides ozone season emission requirements.* (1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO<sub>x</sub> Ozone Season source and each CAIR NO<sub>x</sub> Ozone Season unit at the source shall hold, in the source's compliance account, CAIR NO<sub>x</sub> Ozone Season allowances available for compliance deductions for the control period under § 96.354(a) in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO<sub>x</sub> Ozone Season units at the source, as determined in accordance with subpart HHHH of this part.

(2) A CAIR NO<sub>x</sub> Ozone Season unit shall be subject to the requirements under paragraph (c)(1) of this section for the control period starting on the later of May 1, 2009 or the deadline for meeting the unit's monitor certification requirements under § 96.370(b)(1), (2), (3), or (7) and for each control period thereafter.

(3) A CAIR NO<sub>x</sub> Ozone Season allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of this section, for a control period in a calendar year before the year for which the CAIR NO<sub>x</sub> Ozone Season allowance was allocated.

(4) CAIR NO<sub>x</sub> Ozone Season allowances shall be held in, deducted from, or transferred into or among CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System accounts in accordance with subparts FFFF, GGGG, and IIII of this part.

(5) A CAIR NO<sub>x</sub> Ozone Season allowance is a limited authorization to emit one ton of nitrogen oxides in accordance with the CAIR NO<sub>x</sub> Ozone Season Trading Program. No provision of the CAIR NO<sub>x</sub> Ozone Season Trading Program, the CAIR permit application, the CAIR permit, or an exemption under § 96.305 and no provision of law shall be construed to limit the authority of the State or the United States to terminate or limit such authorization.

(6) A CAIR NO<sub>x</sub> Ozone Season allowance does not constitute a property right.

(7) Upon recordation by the Administrator under subpart FFFF, GGGG, or IIII of this part, every allocation, transfer, or deduction of a CAIR NO<sub>x</sub> Ozone Season allowance to or from a CAIR NO<sub>x</sub> Ozone Season source's compliance account is incorporated automatically in any CAIR permit of the source.

(d) *Excess emissions requirements.* If a CAIR NO<sub>x</sub> Ozone Season source emits nitrogen oxides during any control period in excess of the CAIR NO<sub>x</sub> Ozone Season emissions limitation, then:

(1) The owners and operators of the source and each CAIR NO<sub>x</sub> Ozone Season unit at the source shall surrender the CAIR NO<sub>x</sub> Ozone Season allowances required for deduction under § 96.354(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and

(2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

(e) *Recordkeeping and reporting requirements.* (1) Unless otherwise provided, the owners and operators of the CAIR NO<sub>x</sub> Ozone Season source and each CAIR NO<sub>x</sub> Ozone Season unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time before the end of 5 years, in writing by the permitting authority or the Administrator.

(i) The certificate of representation under § 96.313 for the CAIR designated representative for the source and each CAIR NO<sub>x</sub> Ozone Season unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation under § 96.313 changing the CAIR designated representative.

(ii) All emissions monitoring information, in accordance with subpart

HHHH of this part, provided that to the extent that subpart HHHH of this part provides for a 3-year period for record-keeping, the 3-year period shall apply.

(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR NO<sub>x</sub> Ozone Season Trading Program.

(iv) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR NO<sub>x</sub> Ozone Season Trading Program or to demonstrate compliance with the requirements of the CAIR NO<sub>x</sub> Ozone Season Trading Program.

(2) The CAIR designated representative of a CAIR NO<sub>x</sub> Ozone Season source and each CAIR NO<sub>x</sub> Ozone Season unit at the source shall submit the reports required under the CAIR NO<sub>x</sub> Ozone Season Trading Program, including those under subpart HHHH of this part.

(f) *Liability.* (1) Each CAIR NO<sub>x</sub> Ozone Season source and each CAIR NO<sub>x</sub> Ozone Season unit shall meet the requirements of the CAIR NO<sub>x</sub> Ozone Season Trading Program.

(2) Any provision of the CAIR NO<sub>x</sub> Ozone Season Trading Program that applies to a CAIR NO<sub>x</sub> Ozone Season source or the CAIR designated representative of a CAIR NO<sub>x</sub> Ozone Season source shall also apply to the owners and operators of such source and of the CAIR NO<sub>x</sub> Ozone Season units at the source.

(3) Any provision of the CAIR NO<sub>x</sub> Ozone Season Trading Program that applies to a CAIR NO<sub>x</sub> Ozone Season unit or the CAIR designated representative of a CAIR NO<sub>x</sub> Ozone Season unit shall also apply to the owners and operators of such unit.

(g) *Effect on other authorities.* No provision of the CAIR NO<sub>x</sub> Ozone Season Trading Program, a CAIR permit application, a CAIR permit, or an exemption under § 96.305 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR NO<sub>x</sub> Ozone Season source or CAIR NO<sub>x</sub> Ozone Season unit from compliance with any other provision of the applicable, approved State implementation plan, a



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federally enforceable permit, or the Clean Air Act.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25393, Apr. 28, 2006]

### § 96.307 Computation of time.

(a) Unless otherwise stated, any time period scheduled, under the CAIR NO<sub>x</sub> Ozone Season Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

(b) Unless otherwise stated, any time period scheduled, under the CAIR NO<sub>x</sub> Ozone Season Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

(c) Unless otherwise stated, if the final day of any time period, under the CAIR NO<sub>x</sub> Ozone Season Trading Program, falls on a weekend or a State or Federal holiday, the time period shall be extended to the next business day.

### § 96.308 Appeal procedures.

The appeal procedures for decisions of the Administrator under the CAIR NO<sub>x</sub> Ozone Season Trading Program are set forth in part 78 of this chapter.

## Subpart BBBB—CAIR Designated Representative for CAIR NO<sub>x</sub> Ozone Season Sources

SOURCE: 70 FR 25382, May 12, 2005, unless otherwise noted.

### § 96.310 Authorization and responsibilities of CAIR designated representative.

(a) Except as provided under § 96.311, each CAIR NO<sub>x</sub> Ozone Season source, including all CAIR NO<sub>x</sub> Ozone Season units at the source, shall have one and only one CAIR designated representative, with regard to all matters under the CAIR NO<sub>x</sub> Ozone Season Trading Program concerning the source or any CAIR NO<sub>x</sub> Ozone Season unit at the source.

(b) The CAIR designated representative of the CAIR NO<sub>x</sub> Ozone Season source shall be selected by an agreement binding on the owners and operators of the source and all CAIR NO<sub>x</sub> Ozone Season units at the source and

shall act in accordance with the certification statement in § 96.313(a)(4)(iv).

(c) Upon receipt by the Administrator of a complete certificate of representation under § 96.313, the CAIR designated representative of the source shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each owner and operator of the CAIR NO<sub>x</sub> Ozone Season source represented and each CAIR NO<sub>x</sub> Ozone Season unit at the source in all matters pertaining to the CAIR NO<sub>x</sub> Ozone Season Trading Program, notwithstanding any agreement between the CAIR designated representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the CAIR designated representative by the permitting authority, the Administrator, or a court regarding the source or unit.

(d) No CAIR permit will be issued, no emissions data reports will be accepted, and no CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System account will be established for a CAIR NO<sub>x</sub> Ozone Season unit at a source, until the Administrator has received a complete certificate of representation under § 96.313 for a CAIR designated representative of the source and the CAIR NO<sub>x</sub> Ozone Season units at the source.

(e)(1) Each submission under the CAIR NO<sub>x</sub> Ozone Season Trading Program shall be submitted, signed, and certified by the CAIR designated representative for each CAIR NO<sub>x</sub> Ozone Season source on behalf of which the submission is made. Each such submission shall include the following certification statement by the CAIR designated representative: “I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for

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submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.”

(2) The permitting authority and the Administrator will accept or act on a submission made on behalf of owner or operators of a CAIR NO<sub>x</sub> Ozone Season source or a CAIR NO<sub>x</sub> Ozone Season unit only if the submission has been made, signed, and certified in accordance with paragraph (e)(1) of this section.

### **§ 96.311 Alternate CAIR designated representative.**

(a) A certificate of representation under § 96.313 may designate one and only one alternate CAIR designated representative, who may act on behalf of the CAIR designated representative. The agreement by which the alternate CAIR designated representative is selected shall include a procedure for authorizing the alternate CAIR designated representative to act in lieu of the CAIR designated representative.

(b) Upon receipt by the Administrator of a complete certificate of representation under § 96.313, any representation, action, inaction, or submission by the alternate CAIR designated representative shall be deemed to be a representation, action, inaction, or submission by the CAIR designated representative.

(c) Except in this section and §§ 96.302, 96.310(a) and (d), 96.312, 96.313, 96.315, 96.351, and 96.382 whenever the term “CAIR designated representative” is used in subparts AAAA through IIII of this part, the term shall be construed to include the CAIR designated representative or any alternate CAIR designated representative.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25393, Apr. 28, 2006]

### **§ 96.312 Changing CAIR designated representative and alternate CAIR designated representative; changes in owners and operators.**

(a) *Changing CAIR designated representative.* The CAIR designated representative may be changed at any time upon receipt by the Administrator of a superseding complete certificate of representation under § 96.313. Notwithstanding any such change, all

representations, actions, inactions, and submissions by the previous CAIR designated representative before the time and date when the Administrator receives the superseding certificate of representation shall be binding on the new CAIR designated representative and the owners and operators of the CAIR NO<sub>x</sub> Ozone Season source and the CAIR NO<sub>x</sub> Ozone Season units at the source.

(b) *Changing alternate CAIR designated representative.* The alternate CAIR designated representative may be changed at any time upon receipt by the Administrator of a superseding complete certificate of representation under § 96.313. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR designated representative before the time and date when the Administrator receives the superseding certificate of representation shall be binding on the new alternate CAIR designated representative and the owners and operators of the CAIR NO<sub>x</sub> Ozone Season source and the CAIR NO<sub>x</sub> Ozone Season units at the source.

(c) *Changes in owners and operators.* (1) In the event an owner or operator of a CAIR NO<sub>x</sub> Ozone Season source or a CAIR NO<sub>x</sub> Ozone Season unit is not included in the list of owners and operators in the certificate of representation under § 96.313, such owner or operator shall be deemed to be subject to and bound by the certificate of representation, the representations, actions, inactions, and submissions of the CAIR designated representative and any alternate CAIR designated representative of the source or unit, and the decisions and orders of the permitting authority, the Administrator, or a court, as if the owner or operator were included in such list.

(2) Within 30 days following any change in the owners and operators of a CAIR NO<sub>x</sub> Ozone Season source or a CAIR NO<sub>x</sub> Ozone Season unit, including the addition of a new owner or operator, the CAIR designated representative or any alternate CAIR designated representative shall submit a revision to the certificate of representation

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under § 96.313 amending the list of owners and operators to include the change.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25393, Apr. 28, 2006]

#### § 96.313 Certificate of representation.

(a) A complete certificate of representation for a CAIR designated representative or an alternate CAIR designated representative shall include the following elements in a format prescribed by the Administrator:

(1) Identification of the CAIR NO<sub>x</sub> Ozone Season source, and each CAIR NO<sub>x</sub> Ozone Season unit at the source, for which the certificate of representation is submitted, including identification and nameplate capacity of each generator served by each such unit.

(2) The name, address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR designated representative and any alternate CAIR designated representative.

(3) A list of the owners and operators of the CAIR NO<sub>x</sub> Ozone Season source and of each CAIR NO<sub>x</sub> Ozone Season unit at the source.

(4) The following certification statements by the CAIR designated representative and any alternate CAIR designated representative—

(i) “I certify that I was selected as the CAIR designated representative or alternate CAIR designated representative, as applicable, by an agreement binding on the owners and operators of the source and each CAIR NO<sub>x</sub> Ozone Season unit at the source.”

(ii) “I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR NO<sub>x</sub> Ozone Season Trading Program on behalf of the owners and operators of the source and of each CAIR NO<sub>x</sub> Ozone Season unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions.”

(iii) “I certify that the owners and operators of the source and of each CAIR NO<sub>x</sub> Ozone Season unit at the source shall be bound by any order issued to me by the Administrator, the permitting authority, or a court regarding the source or unit.”

(iv) “Where there are multiple holders of a legal or equitable title to, or a leasehold interest in, a CAIR NO<sub>x</sub> Ozone Season unit, or where a utility or industrial customer purchases power from a CAIR NO<sub>x</sub> Ozone Season unit under a life-of-the-unit, firm power contractual arrangement, I certify that: I have given a written notice of my selection as the ‘CAIR designated representative’ or ‘alternate CAIR designated representative’, as applicable, and of the agreement by which I was selected to each owner and operator of the source and of each CAIR NO<sub>x</sub> Ozone Season unit at the source; and CAIR NO<sub>x</sub> Ozone Season allowances and proceeds of transactions involving CAIR NO<sub>x</sub> Ozone Season allowances will be deemed to be held or distributed in proportion to each holder’s legal, equitable, leasehold, or contractual reservation or entitlement, except that, if such multiple holders have expressly provided for a different distribution of CAIR NO<sub>x</sub> Ozone Season allowances by contract, CAIR NO<sub>x</sub> Ozone Season allowances and proceeds of transactions involving CAIR NO<sub>x</sub> Ozone Season allowances will be deemed to be held or distributed in accordance with the contract.”

(5) The signature of the CAIR designated representative and any alternate CAIR designated representative and the dates signed.

(b) Unless otherwise required by the permitting authority or the Administrator, documents of agreement referred to in the certificate of representation shall not be submitted to the permitting authority or the Administrator. Neither the permitting authority nor the Administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25393, Apr. 28, 2006]

#### § 96.314 Objections concerning CAIR designated representative.

(a) Once a complete certificate of representation under § 96.313 has been submitted and received, the permitting authority and the Administrator will rely on the certificate of representation unless and until a superseding complete certificate of representation

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under § 96.313 is received by the Administrator.

(b) Except as provided in § 96.312(a) or (b), no objection or other communication submitted to the permitting authority or the Administrator concerning the authorization, or any representation, action, inaction, or submission, of the CAIR designated representative shall affect any representation, action, inaction, or submission of the CAIR designated representative or the finality of any decision or order by the permitting authority or the Administrator under the CAIR NO<sub>x</sub> Ozone Season Trading Program.

(c) Neither the permitting authority nor the Administrator will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any CAIR designated representative, including private legal disputes concerning the proceeds of CAIR NO<sub>x</sub> Ozone Season allowance transfers.

### **§ 96.315 Delegation by CAIR designated representative and alternate CAIR designated representative.**

(a) A CAIR designated representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under this part.

(b) An alternate CAIR designated representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under this part.

(c) In order to delegate authority to make an electronic submission to the Administrator in accordance with paragraph (a) or (b) of this section, the CAIR designated representative or alternate CAIR designated representative, as appropriate, must submit to the Administrator a notice of delegation, in a format prescribed by the Administrator, that includes the following elements:

(1) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of such CAIR designated representative or alternate CAIR designated representative;

(2) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of each such natural person (referred to as an "agent");

(3) For each such natural person, a list of the type or types of electronic submissions under paragraph (a) or (b) of this section for which authority is delegated to him or her; and

(4) The following certification statements by such CAIR designated representative or alternate CAIR designated representative:

(i) "I agree that any electronic submission to the Administrator that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR designated representative or alternate CAIR designated representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 40 CFR 96.315(d) shall be deemed to be an electronic submission by me."

(ii) "Until this notice of delegation is superseded by another notice of delegation under 40 CFR 96.315(d), I agree to maintain an e-mail account and to notify the Administrator immediately of any change in my e-mail address unless all delegation of authority by me under 40 CFR 96.315 is terminated."

(d) A notice of delegation submitted under paragraph (c) of this section shall be effective, with regard to the CAIR designated representative or alternate CAIR designated representative identified in such notice, upon receipt of such notice by the Administrator and until receipt by the Administrator of a superseding notice of delegation submitted by such CAIR designated representative or alternate CAIR designated representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or eliminate entirely any delegation of authority.

(e) Any electronic submission covered by the certification in paragraph

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(c)(4)(i) of this section and made in accordance with a notice of delegation effective under paragraph (d) of this section shall be deemed to be an electronic submission by the CAIR designated representative or alternate CAIR designated representative submitting such notice of delegation.

[71 FR 25393, Apr. 28, 2006]

### Subpart CCCC—Permits

SOURCE: 70 FR 25382, May 12, 2005, unless otherwise noted.

#### § 96.320 General CAIR NO<sub>x</sub> Ozone Season Trading Program permit requirements.

(a) For each CAIR NO<sub>x</sub> Ozone Season source required to have a title V operating permit or required, under subpart IIII of this part, to have a title V operating permit or other federally enforceable permit, such permit shall include a CAIR permit administered by the permitting authority for the title V operating permit or the federally enforceable permit as applicable. The CAIR portion of the title V permit or other federally enforceable permit as applicable shall be administered in accordance with the permitting authority's title V operating permits regulations promulgated under part 70 or 71 of this chapter or the permitting authority's regulations for other federally enforceable permits as applicable, except as provided otherwise by § 96.305, this subpart and subpart IIII of this part.

(b) Each CAIR permit shall contain, with regard to the CAIR NO<sub>x</sub> Ozone Season source and the CAIR NO<sub>x</sub> Ozone Season units at the source covered by the CAIR permit, all applicable CAIR NO<sub>x</sub> Ozone Season Trading Program, CAIR NO<sub>x</sub> Annual Trading Program, and CAIR SO<sub>2</sub> Trading Program requirements and shall be a complete and separable portion of the title V operating permit or other federally enforceable permit under paragraph (a) of this section.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25394, Apr. 28, 2006]

#### § 96.321 Submission of CAIR permit applications.

(a) *Duty to apply.* The CAIR designated representative of any CAIR NO<sub>x</sub> Ozone Season source required to have a title V operating permit shall submit to the permitting authority a complete CAIR permit application under § 96.322 for the source covering each CAIR NO<sub>x</sub> Ozone Season unit at the source at least 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2009 or the date on which the CAIR NO<sub>x</sub> Ozone Season unit commences commercial operation, except as provided in § 96.383(a).

(b) *Duty to Reapply.* For a CAIR NO<sub>x</sub> Ozone Season source required to have a title V operating permit, the CAIR designated representative shall submit a complete CAIR permit application under § 96.322 for the source covering each CAIR NO<sub>x</sub> Ozone Season unit at the source to renew the CAIR permit in accordance with the permitting authority's title V operating permits regulations addressing permit renewal, except as provided in § 96.383(b).

[70 FR 25382, May 12, 2005, as amended at 71 FR 25394, Apr. 28, 2006]

#### § 96.322 Information requirements for CAIR permit applications.

A complete CAIR permit application shall include the following elements concerning the CAIR NO<sub>x</sub> Ozone Season source for which the application is submitted, in a format prescribed by the permitting authority:

(a) Identification of the CAIR NO<sub>x</sub> Ozone Season source;

(b) Identification of each CAIR NO<sub>x</sub> Ozone Season unit at the CAIR NO<sub>x</sub> Ozone Season source; and

(c) The standard requirements under § 96.306.

#### § 96.323 CAIR permit contents and term.

(a) Each CAIR permit will contain, in a format prescribed by the permitting authority, all elements required for a complete CAIR permit application under § 96.322.

(b) Each CAIR permit is deemed to incorporate automatically the definitions of terms under § 96.302 and, upon recordation by the Administrator

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under subpart FFFF, GGGG, or IIII of this part, every allocation, transfer, or deduction of a CAIR NO<sub>x</sub> Ozone Season allowance to or from the compliance account of the CAIR NO<sub>x</sub> Ozone Season source covered by the permit.

(c) The term of the CAIR permit will be set by the permitting authority, as necessary to facilitate coordination of the renewal of the CAIR permit with issuance, revision, or renewal of the CAIR NO<sub>x</sub> Ozone Season source's title V operating permit or other federally enforceable permit as applicable.

### § 96.324 CAIR permit revisions.

Except as provided in § 96.323(b), the permitting authority will revise the CAIR permit, as necessary, in accordance with the permitting authority's title V operating permits regulations or the permitting authority's regulations for other federally enforceable permits as applicable addressing permit revisions.

## Subpart DDDD [Reserved]

### Subpart EEEE—CAIR NO<sub>x</sub> Ozone Season Allowance Allocations

SOURCE: 70 FR 25382, May 12, 2005, unless otherwise noted.

### § 96.340 State trading budgets.

(a) Except as provided in paragraph (b) of this section, the State trading budgets for annual allocations of CAIR NO<sub>x</sub> Ozone Season allowances for the control periods in 2009 through 2014 and in 2015 and thereafter are respectively as follows:

State	State trading budget for 2009–2014 (tons)	State trading budget for 2015 and thereafter (tons)
Alabama .....	32,182	26,818
Arkansas .....	11,515	9,596
Connecticut .....	2,559	2,559
Delaware .....	2,226	1,855
District of Columbia ...	112	94
Florida .....	47,912	39,926
Illinois .....	30,701	28,961
Indiana .....	45,952	39,273
Iowa .....	14,263	11,886
Kentucky .....	36,045	30,587
Louisiana .....	17,085	14,238
Maryland .....	12,834	10,695
Massachusetts .....	7,551	6,293
Michigan .....	28,971	24,142
Mississippi .....	8,714	7,262
Missouri .....	26,678	22,231

State	State trading budget for 2009–2014 (tons)	State trading budget for 2015 and thereafter (tons)
New Jersey .....	6,654	5,545
New York .....	20,632	17,193
North Carolina .....	28,392	23,660
Ohio .....	45,664	39,945
Pennsylvania .....	42,171	35,143
South Carolina .....	15,249	12,707
Tennessee .....	22,842	19,035
Virginia .....	15,994	13,328
West Virginia .....	26,859	26,525
Wisconsin .....	17,987	14,989

(b) If a permitting authority issues additional CAIR NO<sub>x</sub> Ozone Season allowance allocations under § 51.123(aa)(2)(iii)(A) of this chapter, the amount in the State trading budget for a control period in a calendar year will be the sum of the amount set forth for the State and for the year in paragraph (a) of this section and the amount of additional CAIR NO<sub>x</sub> Ozone Season allowance allocations issued under § 51.123(aa)(2)(iii)(A) of this chapter for the year.

### § 96.341 Timing requirements for CAIR NO<sub>x</sub> Ozone Season allowance allocations.

(a) By October 31, 2006, the permitting authority will submit to the Administrator the CAIR NO<sub>x</sub> Ozone Season allowance allocations, in a format prescribed by the Administrator and in accordance with § 96.342(a) and (b), for the control periods in 2009, 2010, 2011, 2012, 2013, and 2014.

(b) By October 31, 2009 and October 31 of each year thereafter, the permitting authority will submit to the Administrator the CAIR NO<sub>x</sub> Ozone Season allowance allocations, in a format prescribed by the Administrator and in accordance with § 96.342(a) and (b), for the control period in the sixth year after the year of the applicable deadline for submission under this paragraph.

(c) By July 31, 2009 and July 31 of each year thereafter, the permitting authority will submit to the Administrator the CAIR NO<sub>x</sub> Ozone Season allowance allocations, in a format prescribed by the Administrator and in accordance with § 96.342(c), (a), and (d), for the control period in the year of the applicable deadline for submission under this paragraph.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25394, Apr. 28, 2006]

**§ 96.342 CAIR NO<sub>x</sub> Ozone Season allowance allocations.**

(a)(1) The baseline heat input (in mmBtu) used with respect to CAIR NO<sub>x</sub> Ozone Season allowance allocations under paragraph (b) of this section for each CAIR NO<sub>x</sub> Ozone Season unit will be:

(i) For units commencing operation before January 1, 2001 the average of the 3 highest amounts of the unit's adjusted control period heat input for 2000 through 2004, with the adjusted control period heat input for each year calculated as follows:

(A) If the unit is coal-fired during the year, the unit's control period heat input for such year is multiplied by 100 percent;

(B) If the unit is oil-fired during the year, the unit's control period heat input for such year is multiplied by 60 percent; and

(C) If the unit is not subject to paragraph (a)(1)(i)(A) or (B) of this section, the unit's control period heat input for such year is multiplied by 40 percent.

(ii) For units commencing operation on or after January 1, 2001 and operating each calendar year during a period of 5 or more consecutive calendar years, the average of the 3 highest amounts of the unit's total converted control period heat input over the first such 5 years.

(2)(i) A unit's control period heat input, and a unit's status as coal-fired or oil-fired, for a calendar year under paragraph (a)(1)(i) of this section, and a unit's total tons of NO<sub>x</sub> emissions during a control period in a calendar year under paragraph (c)(3) of this section, will be determined in accordance with part 75 of this chapter, to the extent the unit was otherwise subject to the requirements of part 75 of this chapter for the year, or will be based on the best available data reported to the permitting authority for the unit, to the extent the unit was not otherwise subject to the requirements of part 75 of this chapter for the year.

(ii) A unit's converted control period heat input for a calendar year specified under paragraph (a)(1)(ii) of this section equals:

(A) Except as provided in paragraph (a)(2)(ii)(B) or (C) of this section, the control period gross electrical output

of the generator or generators served by the unit multiplied by 7,900 Btu/kWh, if the unit is coal-fired for the year, or 6,675 Btu/kWh, if the unit is not coal-fired for the year, and divided by 1,000,000 Btu/mmBtu, provided that if a generator is served by 2 or more units, then the gross electrical output of the generator will be attributed to each unit in proportion to the unit's share of the total control period heat input of such units for the year;

(B) For a unit that is a boiler and has equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy, the total heat energy (in Btu) of the steam produced by the boiler during the control period, divided by 0.8 and by 1,000,000 Btu/mmBtu; or

(C) For a unit that is a combustion turbine and has equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy, the control period gross electrical output of the enclosed device comprising the compressor, combustor, and turbine multiplied by 3,413 Btu/kWh, plus the total heat energy (in Btu) of the steam produced by any associated heat recovery steam generator during the control period divided by 0.8, and with the sum divided by 1,000,000 Btu/mmBtu.

(b)(1) For each control period in 2009 and thereafter, the permitting authority will allocate to all CAIR NO<sub>x</sub> Ozone Season units in the State that have a baseline heat input (as determined under paragraph (a) of this section) a total amount of CAIR NO<sub>x</sub> Ozone Season allowances equal to 95 percent for a control period during 2009 through 2014, and 97 percent for a control period during 2015 and thereafter, of the tons of NO<sub>x</sub> emissions in the State trading budget under § 96.340 (except as provided in paragraph (d) of this section).

(2) The permitting authority will allocate CAIR NO<sub>x</sub> Ozone Season allowances to each CAIR NO<sub>x</sub> Ozone Season unit under paragraph (b)(1) of this section in an amount determined by multiplying the total amount of CAIR NO<sub>x</sub> Ozone Season allowances allocated under paragraph (b)(1) of this section by the ratio of the baseline heat input

of such CAIR NO<sub>x</sub> Ozone Season unit to the total amount of baseline heat input of all such CAIR NO<sub>x</sub> Ozone Season units in the State and rounding to the nearest whole allowance as appropriate.

(c) For each control period in 2009 and thereafter, the permitting authority will allocate CAIR NO<sub>x</sub> Ozone Season allowances to CAIR NO<sub>x</sub> Ozone Season units in a State that are not allocated CAIR NO<sub>x</sub> Ozone Season allowances under paragraph (b) of this section because the units do not yet have a baseline heat input under paragraph (a) of this section or because the units have a baseline heat input but all CAIR NO<sub>x</sub> Ozone Season allowances available under paragraph (b) of this section for the control period are already allocated, in accordance with the following procedures:

(1) The permitting authority will establish a separate new unit set-aside for each control period. Each new unit set-aside will be allocated CAIR NO<sub>x</sub> Ozone Season allowances equal to 5 percent for a control period in 2009 through 2014, and 3 percent for a control period in 2015 and thereafter, of the amount of tons of NO<sub>x</sub> emissions in the State trading budget under § 96.340.

(2) The CAIR designated representative of such a CAIR NO<sub>x</sub> Ozone Season unit may submit to the permitting authority a request, in a format specified by the permitting authority, to be allocated CAIR NO<sub>x</sub> Ozone Season allowances, starting with the later of the control period in 2009 or the first control period after the control period in which the CAIR NO<sub>x</sub> Ozone Season unit commences commercial operation and until the first control period for which the unit is allocated CAIR NO<sub>x</sub> Ozone Season allowances under paragraph (b) of this section. A separate CAIR NO<sub>x</sub> Ozone Season allowance allocation request for each control period for which CAIR NO<sub>x</sub> Ozone Season allowances are sought must be submitted on or before February 1 before such control period and after the date on which the CAIR NO<sub>x</sub> Ozone Season unit commences commercial operation.

(3) In a CAIR NO<sub>x</sub> Ozone Season allowance allocation request under paragraph (c)(2) of this section, the CAIR designated representative may request

for a control period CAIR NO<sub>x</sub> Ozone Season allowances in an amount not exceeding the CAIR NO<sub>x</sub> Ozone Season unit's total tons of NO<sub>x</sub> emissions during the control period immediately before such control period.

(4) The permitting authority will review each CAIR NO<sub>x</sub> Ozone Season allowance allocation request under paragraph (c)(2) of this section and will allocate CAIR NO<sub>x</sub> Ozone Season allowances for each control period pursuant to such request as follows:

(i) The permitting authority will accept an allowance allocation request only if the request meets, or is adjusted by the permitting authority as necessary to meet, the requirements of paragraphs (c)(2) and (3) of this section.

(ii) On or after February 1 before the control period, the permitting authority will determine the sum of the CAIR NO<sub>x</sub> Ozone Season allowances requested (as adjusted under paragraph (c)(4)(i) of this section) in all allowance allocation requests accepted under paragraph (c)(4)(i) of this section for the control period.

(iii) If the amount of CAIR NO<sub>x</sub> Ozone Season allowances in the new unit set-aside for the control period is greater than or equal to the sum under paragraph (c)(4)(ii) of this section, then the permitting authority will allocate the amount of CAIR NO<sub>x</sub> Ozone Season allowances requested (as adjusted under paragraph (c)(4)(i) of this section) to each CAIR NO<sub>x</sub> Ozone Season unit covered by an allowance allocation request accepted under paragraph (c)(4)(i) of this section.

(iv) If the amount of CAIR NO<sub>x</sub> Ozone Season allowances in the new unit set-aside for the control period is less than the sum under paragraph (c)(4)(ii) of this section, then the permitting authority will allocate to each CAIR NO<sub>x</sub> Ozone Season unit covered by an allowance allocation request accepted under paragraph (c)(4)(i) of this section the amount of the CAIR NO<sub>x</sub> Ozone Season allowances requested (as adjusted under paragraph (c)(4)(i) of this section), multiplied by the amount of CAIR NO<sub>x</sub> Ozone Season allowances in the new unit set-aside for the control period, divided by the sum determined



under paragraph (c)(4)(ii) of this section, and rounded to the nearest whole allowance as appropriate.

(v) The permitting authority will notify each CAIR designated representative that submitted an allowance allocation request of the amount of CAIR NO<sub>x</sub> Ozone Season allowances (if any) allocated for the control period to the CAIR NO<sub>x</sub> Ozone Season unit covered by the request.

(d) If, after completion of the procedures under paragraph (c)(4) of this section for a control period, any unallocated CAIR NO<sub>x</sub> Ozone Season allowances remain in the new unit set-aside for the control period, the permitting authority will allocate to each CAIR NO<sub>x</sub> Ozone Season unit that was allocated CAIR NO<sub>x</sub> Ozone Season allowances under paragraph (b) of this section an amount of CAIR NO<sub>x</sub> Ozone Season allowances equal to the total amount of such remaining unallocated CAIR NO<sub>x</sub> Ozone Season allowances, multiplied by the unit's allocation under paragraph (b) of this section, divided by 95 percent for a control period during 2009 through 2014, and 97 percent for a control period during 2015 and thereafter, of the amount of tons of NO<sub>x</sub> emissions in the State trading budget under § 96.340, and rounded to the nearest whole allowance as appropriate.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25394, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

## Subpart FFFF—CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System

SOURCE: 70 FR 25382, May 12, 2005, unless otherwise noted.

### § 96.350 [Reserved]

### § 96.351 Establishment of accounts.

(a) *Compliance accounts.* Except as provided in § 96.384(e), upon receipt of a complete certificate of representation under § 96.313, the Administrator will establish a compliance account for the CAIR NO<sub>x</sub> Ozone Season source for which the certificate of representation was submitted, unless the source already has a compliance account.

(b) *General accounts—(1) Application for general account.* (i) Any person may apply to open a general account for the purpose of holding and transferring CAIR NO<sub>x</sub> Ozone Season allowances. An application for a general account may designate one and only one CAIR authorized account representative and one and only one alternate CAIR authorized account representative who may act on behalf of the CAIR authorized account representative. The agreement by which the alternate CAIR authorized account representative is selected shall include a procedure for authorizing the alternate CAIR authorized account representative to act in lieu of the CAIR authorized account representative.

(ii) A complete application for a general account shall be submitted to the Administrator and shall include the following elements in a format prescribed by the Administrator:

(A) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR authorized account representative and any alternate CAIR authorized account representative;

(B) Organization name and type of organization, if applicable;

(C) A list of all persons subject to a binding agreement for the CAIR authorized account representative and any alternate CAIR authorized account representative to represent their ownership interest with respect to the CAIR NO<sub>x</sub> Ozone Season allowances held in the general account;

(D) The following certification statement by the CAIR authorized account representative and any alternate CAIR authorized account representative: “I certify that I was selected as the CAIR authorized account representative or the alternate CAIR authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CAIR NO<sub>x</sub> Ozone Season allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR NO<sub>x</sub> Ozone Season Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions,

inactions, or submissions and by any order or decision issued to me by the Administrator or a court regarding the general account.”

(E) The signature of the CAIR authorized account representative and any alternate CAIR authorized account representative and the dates signed.

(iii) Unless otherwise required by the permitting authority or the Administrator, documents of agreement referred to in the application for a general account shall not be submitted to the permitting authority or the Administrator. Neither the permitting authority nor the Administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

(2) *Authorization of CAIR authorized account representative and alternate CAIR authorized account representative.* (i) Upon receipt by the Administrator of a complete application for a general account under paragraph (b)(1) of this section:

(A) The Administrator will establish a general account for the person or persons for whom the application is submitted.

(B) The CAIR authorized account representative and any alternate CAIR authorized account representative for the general account shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each person who has an ownership interest with respect to CAIR NO<sub>x</sub> Ozone Season allowances held in the general account in all matters pertaining to the CAIR NO<sub>x</sub> Ozone Season Trading Program, notwithstanding any agreement between the CAIR authorized account representative or any alternate CAIR authorized account representative and such person. Any such person shall be bound by any order or decision issued to the CAIR authorized account representative or any alternate CAIR authorized account representative by the Administrator or a court regarding the general account.

(C) Any representation, action, inaction, or submission by any alternate CAIR authorized account representative shall be deemed to be a representation, action, inaction, or submission by the CAIR authorized account representative.

(ii) Each submission concerning the general account shall be submitted, signed, and certified by the CAIR authorized account representative or any alternate CAIR authorized account representative for the persons having an ownership interest with respect to CAIR NO<sub>x</sub> Ozone Season allowances held in the general account. Each such submission shall include the following certification statement by the CAIR authorized account representative or any alternate CAIR authorized account representative: “I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the CAIR NO<sub>x</sub> Ozone Season allowances held in the general account. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.”

(iii) The Administrator will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with paragraph (b)(2)(ii) of this section.

(3) *Changing CAIR authorized account representative and alternate CAIR authorized account representative; changes in persons with ownership interest.* (i) The CAIR authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR authorized account representative before the time and date when the Administrator receives the superseding application for a general account shall be binding on the new

CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR NO<sub>x</sub> Ozone Season allowances in the general account.

(ii) The alternate CAIR authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR authorized account representative before the time and date when the Administrator receives the superseding application for a general account shall be binding on the new alternate CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR NO<sub>x</sub> Ozone Season allowances in the general account.

(iii)(A) In the event a person having an ownership interest with respect to CAIR NO<sub>x</sub> Ozone Season allowances in the general account is not included in the list of such persons in the application for a general account, such person shall be deemed to be subject to and bound by the application for a general account, the representation, actions, inactions, and submissions of the CAIR authorized account representative and any alternate CAIR authorized account representative of the account, and the decisions and orders of the Administrator or a court, as if the person were included in such list.

(B) Within 30 days following any change in the persons having an ownership interest with respect to CAIR NO<sub>x</sub> Ozone Season allowances in the general account, including the addition of a new person, the CAIR authorized account representative or any alternate CAIR authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the CAIR NO<sub>x</sub> Ozone Season allowances in the general account to include the change.

(4) *Objections concerning CAIR authorized account representative and alternate CAIR authorized account representative.* (i) Once a complete application for a general account under paragraph (b)(1)

of this section has been submitted and received, the Administrator will rely on the application unless and until a superseding complete application for a general account under paragraph (b)(1) of this section is received by the Administrator.

(ii) Except as provided in paragraph (b)(3)(i) or (ii) of this section, no objection or other communication submitted to the Administrator concerning the authorization, or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternate CAIR authorized account representative for a general account shall affect any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative or the finality of any decision or order by the Administrator under the CAIR NO<sub>x</sub> Ozone Season Trading Program.

(iii) The Administrator will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternate CAIR authorized account representative for a general account, including private legal disputes concerning the proceeds of CAIR NO<sub>x</sub> Ozone Season allowance transfers.

(5) *Delegation by CAIR authorized account representative and alternate CAIR authorized account representative.* (i) A CAIR authorized account representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under subparts FFFF and GGGG of this part.

(ii) An alternate CAIR authorized account representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the Administrator provided for or required under subparts FFFF and GGGG of this part.

(iii) In order to delegate authority to make an electronic submission to the Administrator in accordance with

paragraph (b)(5)(i) or (ii) of this section, the CAIR authorized account representative or alternate CAIR authorized account representative, as appropriate, must submit to the Administrator a notice of delegation, in a format prescribed by the Administrator, that includes the following elements:

(A) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of such CAIR authorized account representative or alternate CAIR authorized account representative;

(B) The name, address, e-mail address, telephone number, and, facsimile transmission number (if any) of each such natural person (referred to as an “agent”);

(C) For each such natural person, a list of the type or types of electronic submissions under paragraph (b)(5)(i) or (ii) of this section for which authority is delegated to him or her;

(D) The following certification statement by such CAIR authorized account representative or alternate CAIR authorized account representative: “I agree that any electronic submission to the Administrator that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR authorized account representative or alternate CAIR authorized representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 40 CFR 96.351(b)(5)(iv) shall be deemed to be an electronic submission by me.”; and

(E) The following certification statement by such CAIR authorized account representative or alternate CAIR authorized account representative: “Until this notice of delegation is superseded by another notice of delegation under 40 CFR 96.351(b)(5)(iv), I agree to maintain an e-mail account and to notify the Administrator immediately of any change in my e-mail address unless all delegation of authority by me under 40 CFR 96.351(b)(5) is terminated.”.

(iv) A notice of delegation submitted under paragraph (b)(5)(iii) of this section shall be effective, with regard to the CAIR authorized account representative or alternate CAIR authorized account representative identified

in such notice, upon receipt of such notice by the Administrator and until receipt by the Administrator of a superseding notice of delegation submitted by such CAIR authorized account representative or alternate CAIR authorized account representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or eliminate entirely any delegation of authority.

(v) Any electronic submission covered by the certification in paragraph (b)(5)(iii)(D) of this section and made in accordance with a notice of delegation effective under paragraph (b)(5)(iv) of this section shall be deemed to be an electronic submission by the CAIR designated representative or alternate CAIR designated representative submitting such notice of delegation.

(c) *Account identification.* The Administrator will assign a unique identifying number to each account established under paragraph (a) or (b) of this section.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25394, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

#### **§ 96.352 Responsibilities of CAIR authorized account representative.**

Following the establishment of a CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System account, all submissions to the Administrator pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of CAIR NO<sub>x</sub> Ozone Season allowances in the account, shall be made only by the CAIR authorized account representative for the account.

#### **§ 96.353 Recordation of CAIR NO<sub>x</sub> Ozone Season allowance allocations.**

(a) By September 30, 2007, the Administrator will record in the CAIR NO<sub>x</sub> Ozone Season source's compliance account the CAIR NO<sub>x</sub> Ozone Season allowances allocated for the CAIR NO<sub>x</sub> Ozone Season units at the source, as submitted by the permitting authority in accordance with § 96.341(a), for the control periods in 2009, 2010, 2011, 2012, 2013, and 2014.

(b) By December 1, 2009, the Administrator will record in the CAIR NO<sub>x</sub>

Ozone Season source's compliance account the CAIR NO<sub>x</sub> Ozone Season allowances allocated for the CAIR NO<sub>x</sub> Ozone Season units at the source, as submitted by the permitting authority in accordance with § 96.341(b), for the control period in 2015.

(c) By December 1, 2010 and December 1 of each year thereafter, the Administrator will record in the CAIR NO<sub>x</sub> Ozone Season source's compliance account the CAIR NO<sub>x</sub> Ozone Season allowances allocated for the CAIR NO<sub>x</sub> Ozone Season units at the source, as submitted by the permitting authority in accordance with § 96.341(b), for the control period in the sixth year after the year of the applicable deadline for recordation under this paragraph.

(d) By September 1, 2009 and September 1 of each year thereafter, the Administrator will record in the CAIR NO<sub>x</sub> Ozone Season source's compliance account the CAIR NO<sub>x</sub> Ozone Season allowances allocated for the CAIR NO<sub>x</sub> Ozone Season units at the source, as submitted by the permitting authority or determined by the Administrator in accordance with § 96.341(c), for the control period in the year of the applicable deadline for recordation under this paragraph.

(e) *Serial numbers for allocated CAIR NO<sub>x</sub> Ozone Season allowances.* When recording the allocation of CAIR NO<sub>x</sub> Ozone Season allowances for a CAIR NO<sub>x</sub> Ozone Season unit in a compliance account, the Administrator will assign each CAIR NO<sub>x</sub> Ozone Season allowance a unique identification number that will include digits identifying the year of the control period for which the CAIR NO<sub>x</sub> Ozone Season allowance is allocated.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25394, Apr. 28, 2006]

EDITORIAL NOTE: At 71 FR 25395, Apr. 28, 2006, § 96.353(d) was amended; however, the amendment could not be incorporated due to inaccurate amendatory instruction.

**§ 96.354 Compliance with CAIR NO<sub>x</sub> emissions limitation.**

(a) *Allowance transfer deadline.* The CAIR NO<sub>x</sub> Ozone Season allowances are available to be deducted for compliance with a source's CAIR NO<sub>x</sub> Ozone Season emissions limitation for a control period in a given calendar year only if

the CAIR NO<sub>x</sub> Ozone Season allowances:

(1) Were allocated for the control period in the year or a prior year; and

(2) Are held in the compliance account as of the allowance transfer deadline for the control period or are transferred into the compliance account by a CAIR NO<sub>x</sub> Ozone Season allowance transfer correctly submitted for recordation under §§ 96.360 and 96.361 by the allowance transfer deadline for the control period.

(c)(1) *Identification of CAIR NO<sub>x</sub> Ozone Season allowances by serial number.* The CAIR authorized account representative for a source's compliance account may request that specific CAIR NO<sub>x</sub> Ozone Season allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in accordance with paragraph (b) or (d) of this section. Such request shall be submitted to the Administrator by the allowance transfer deadline for the control period and include, in a format prescribed by the Administrator, the identification of the CAIR NO<sub>x</sub> Ozone Season source and the appropriate serial numbers.

(2) *First-in, first-out.* The Administrator will deduct CAIR NO<sub>x</sub> Ozone Season allowances under paragraph (b) or (d) of this section from the source's compliance account, in the absence of an identification or in the case of a partial identification of CAIR NO<sub>x</sub> Ozone Season allowances by serial number under paragraph (c)(1) of this section, on a first-in, first-out (FIFO) accounting basis in the following order:

(i) Any CAIR NO<sub>x</sub> Ozone Season allowances that were allocated to the units at the source, in the order of recordation; and then

(ii) Any CAIR NO<sub>x</sub> Ozone Season allowances that were allocated to any entity and transferred and recorded in the compliance account pursuant to subpart GGGG of this part, in the order of recordation.

(d) *Deductions for excess emissions.* (1) After making the deductions for compliance under paragraph (b) of this section for a control period in a calendar year in which the CAIR NO<sub>x</sub> Ozone Season source has excess emissions, the Administrator will deduct from the

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source's compliance account an amount of CAIR NO<sub>x</sub> Ozone Season allowances, allocated for the control period in the immediately following calendar year, equal to 3 times the number of tons of the source's excess emissions.

(2) Any allowance deduction required under paragraph (d)(1) of this section shall not affect the liability of the owners and operators of the CAIR NO<sub>x</sub> Ozone Season source or the CAIR NO<sub>x</sub> Ozone Season units at the source for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same violations, as ordered under the Clean Air Act or applicable State law.

(e) *Recordation of deductions.* The Administrator will record in the appropriate compliance account all deductions from such an account under paragraphs (b) and (d) of this section and subpart III.

(f) *Administrator's action on submissions.* (1) The Administrator may review and conduct independent audits concerning any submission under the CAIR NO<sub>x</sub> Ozone Season Trading Program and make appropriate adjustments of the information in the submissions.

(2) The Administrator may deduct CAIR NO<sub>x</sub> Ozone Season allowances from or transfer CAIR NO<sub>x</sub> Ozone Season allowances to a source's compliance account based on the information in the submissions, as adjusted under paragraph (f)(1) of this section, and record such deductions and transfers.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25395, Apr. 28, 2006]

### § 96.355 Banking.

(a) CAIR NO<sub>x</sub> Ozone Season allowances may be banked for future use or transfer in a compliance account or a general account in accordance with paragraph (b) of this section.

(b) Any CAIR NO<sub>x</sub> Ozone Season allowance that is held in a compliance account or a general account will remain in such account unless and until the CAIR NO<sub>x</sub> Ozone Season allowance is deducted or transferred under

§ 96.354, § 96.356, or subpart GG of this part.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25395, Apr. 28, 2006]

EDITORIAL NOTE: At 71 FR 25395, Apr. 28, 2006, § 96.355 was amended; however, the amendment could not be incorporated due to inaccurate amendatory instruction.

### § 96.356 Account error.

The Administrator may, at his or her sole discretion and on his or her own motion, correct any error in any CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System account. Within 10 business days of making such correction, the Administrator will notify the CAIR authorized account representative for the account.

### § 96.357 Closing of general accounts.

(a) The CAIR authorized account representative of a general account may submit to the Administrator a request to close the account, which shall include a correctly submitted allowance transfer under §§ 96.360 and 96.361 for any CAIR NO<sub>x</sub> Ozone Season allowances in the account to one or more other CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System accounts.

(b) If a general account has no allowance transfers in or out of the account for a 12-month period or longer and does not contain any CAIR NO<sub>x</sub> Ozone Season allowances, the Administrator may notify the CAIR authorized account representative for the account that the account will be closed following 20 business days after the notice is sent. The account will be closed after the 20-day period unless, before the end of the 20-day period, the Administrator receives a correctly submitted transfer of CAIR NO<sub>x</sub> Ozone Season allowances into the account under §§ 96.360 and 96.361 or a statement submitted by the CAIR authorized account representative demonstrating to the satisfaction of the Administrator good cause as to why the account should not be closed.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25395, Apr. 28, 2006]

**Subpart GGGG—CAIR NO<sub>x</sub> Ozone Season Allowance Transfers**

SOURCE: 70 FR 25382, May 12, 2005, unless otherwise noted.

**§ 96.360 Submission of CAIR NO<sub>x</sub> Ozone Season allowance transfers.**

A CAIR authorized account representative seeking recordation of a CAIR NO<sub>x</sub> Ozone Season allowance transfer shall submit the transfer to the Administrator. To be considered correctly submitted, the CAIR NO<sub>x</sub> Ozone Season allowance transfer shall include the following elements, in a format specified by the Administrator:

- (a) The account numbers for both the transferor and transferee accounts;
- (b) The serial number of each CAIR NO<sub>x</sub> Ozone Season allowance that is in the transferor account and is to be transferred; and
- (c) The name and signature of the CAIR authorized account representative of the transferor account and the date signed.

**§ 96.361 EPA recordation.**

(a) Within 5 business days (except as provided in paragraph (b) of this section) of receiving a CAIR NO<sub>x</sub> Ozone Season allowance transfer, the Administrator will record a CAIR NO<sub>x</sub> Ozone Season allowance transfer by moving each CAIR NO<sub>x</sub> Ozone Season allowance from the transferor account to the transferee account as specified by the request, provided that:

- (1) The transfer is correctly submitted under § 96.360; and
  - (2) The transferor account includes each CAIR NO<sub>x</sub> Ozone Season allowance identified by serial number in the transfer.
- (b) A CAIR NO<sub>x</sub> Ozone Season allowance transfer that is submitted for recordation after the allowance transfer deadline for a control period and that includes any CAIR NO<sub>x</sub> Ozone Season allowances allocated for any control period before such allowance transfer deadline will not be recorded until after the Administrator completes the deductions under § 96.354 for the control period immediately before such allowance transfer deadline.

(c) Where a CAIR NO<sub>x</sub> Ozone Season allowance transfer submitted for rec-

ordation fails to meet the requirements of paragraph (a) of this section, the Administrator will not record such transfer.

**§ 96.362 Notification.**

(a) *Notification of recordation.* Within 5 business days of recordation of a CAIR NO<sub>x</sub> Ozone Season allowance transfer under § 96.361, the Administrator will notify the CAIR authorized account representatives of both the transferor and transferee accounts.

(b) *Notification of non-recordation.* Within 10 business days of receipt of a CAIR NO<sub>x</sub> Ozone Season allowance transfer that fails to meet the requirements of § 96.361(a), the Administrator will notify the CAIR authorized account representatives of both accounts subject to the transfer of:

- (1) A decision not to record the transfer, and
- (2) The reasons for such non-recordation.

(c) Nothing in this section shall preclude the submission of a CAIR NO<sub>x</sub> Ozone Season allowance transfer for recordation following notification of non-recordation.

**Subpart HHHH—Monitoring and Reporting**

SOURCE: 70 FR 25382, May 12, 2005, unless otherwise noted.

**§ 96.370 General requirements.**

The owners and operators, and to the extent applicable, the CAIR designated representative, of a CAIR NO<sub>x</sub> Ozone Season unit, shall comply with the monitoring, recordkeeping, and reporting requirements as provided in this subpart and in subpart H of part 75 of this chapter. For purposes of complying with such requirements, the definitions in § 96.302 and in § 72.2 of this chapter shall apply, and the terms “affected unit,” “designated representative,” and “continuous emission monitoring system” (or “CEMS”) in part 75 of this chapter shall be deemed to refer to the terms “CAIR NO<sub>x</sub> Ozone Season unit,” “CAIR designated representative,” and “continuous emission monitoring system” (or “CEMS”) respectively, as defined in § 96.302. The owner or operator of a unit that is not a CAIR

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NO<sub>x</sub> Ozone Season unit but that is monitored under § 75.72(b)(2)(ii) of this chapter shall comply with the same monitoring, recordkeeping, and reporting requirements as a CAIR NO<sub>x</sub> Ozone Season unit.

(a) *Requirements for installation, certification, and data accounting.* The owner or operator of each CAIR NO<sub>x</sub> Ozone Season unit shall:

(1) Install all monitoring systems required under this subpart for monitoring NO<sub>x</sub> mass emissions and individual unit heat input (including all systems required to monitor NO<sub>x</sub> emission rate, NO<sub>x</sub> concentration, stack gas moisture content, stack gas flow rate, CO<sub>2</sub> or O<sub>2</sub> concentration, and fuel flow rate, as applicable, in accordance with §§ 75.71 and 75.72 of this chapter);

(2) Successfully complete all certification tests required under § 96.371 and meet all other requirements of this subpart and part 75 of this chapter applicable to the monitoring systems under paragraph (a)(1) of this section; and

(3) Record, report, and quality-assure the data from the monitoring systems under paragraph (a)(1) of this section.

(b) *Compliance deadlines.* Except as provided in paragraph (e) of this section, the owner or operator shall meet the monitoring system certification and other requirements of paragraphs (a)(1) and (2) of this section on or before the following dates. The owner or operator shall record, report, and quality-assure the data from the monitoring systems under paragraph (a)(1) of this section on and after the following dates.

(1) For the owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit that commences commercial operation before July 1, 2007, by May 1, 2008.

(2) For the owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit that commences commercial operation on or after July 1, 2007 and that reports on an annual basis under § 96.374(d), by the later of the following dates:

(i) 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which the unit commences commercial operation; or

(ii) May 1, 2008.

(3) For the owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit that com-

mences commercial operation on or after July 1, 2007 and that reports on a control period basis under § 96.374(d)(2)(ii), by the later of the following dates:

(i) 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which the unit commences commercial operation; or

(ii) If the compliance date under paragraph (b)(3)(i) of this section is not during a control period, May 1 immediately following the compliance date under paragraph (b)(3)(i) of this section.

(4) For the owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit for which construction of a new stack or flue or installation of add-on NO<sub>x</sub> emission controls is completed after the applicable deadline under paragraph (b)(1), (2), (6), or (7) of this section and that reports on an annual basis under § 96.374(d), by 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on NO<sub>x</sub> emissions controls.

(5) For the owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit for which construction of a new stack or flue or installation of add-on NO<sub>x</sub> emission controls is completed after the applicable deadline under paragraph (b)(1), (3), (6), or (7) of this section and that reports on a control period basis under § 96.374(d)(2)(ii), by the later of the following dates:

(i) 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on NO<sub>x</sub> emissions controls; or

(ii) If the compliance date under paragraph (b)(5)(i) of this section is not during a control period, May 1 immediately following the compliance date under paragraph (b)(5)(i) of this section.

(6) Notwithstanding the dates in paragraphs (b)(1), (2), and (3) of this section, for the owner or operator of a unit for which a CAIR NO<sub>x</sub> Ozone Season opt-in permit application is submitted and not withdrawn and a CAIR



opt-in permit is not yet issued or denied under subpart IIII of this part, by the date specified in § 96.384(b).

(7) Notwithstanding the dates in paragraphs (b)(1), (2), and (3) of this section, for the owner or operator of a CAIR NO<sub>x</sub> Ozone Season opt-in unit, by the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit under subpart IIII of this part enters the CAIR NO<sub>x</sub> Ozone Season Trading Program as provided in § 96.384(g).

(c) *Reporting data.* The owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit that does not meet the applicable compliance date set forth in paragraph (b) of this section for any monitoring system under paragraph (a)(1) of this section shall, for each such monitoring system, determine, record, and report maximum potential (or, as appropriate, minimum potential) values for NO<sub>x</sub> concentration, NO<sub>x</sub> emission rate, stack gas flow rate, stack gas moisture content, fuel flow rate, and any other parameters required to determine NO<sub>x</sub> mass emissions and heat input in accordance with § 75.31(b)(2) or (c)(3) of this chapter, section 2.4 of appendix D to part 75 of this chapter, or section 2.5 of appendix E to part 75 of this chapter, as applicable.

(d) *Prohibitions.* (1) No owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit shall use any alternative monitoring system, alternative reference method, or any other alternative to any requirement of this subpart without having obtained prior written approval in accordance with § 96.375.

(2) No owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit shall operate the unit so as to discharge, or allow to be discharged, NO<sub>x</sub> emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this subpart and part 75 of this chapter.

(3) No owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording NO<sub>x</sub> mass emissions discharged into the atmosphere or heat input, except for periods of recertification or periods when calibration, quality assurance testing, or maintenance

is performed in accordance with the applicable provisions of this subpart and part 75 of this chapter.

(4) No owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved monitoring system under this subpart, except under any one of the following circumstances:

(i) During the period that the unit is covered by an exemption under § 96.305 that is in effect;

(ii) The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this subpart and part 75 of this chapter, by the permitting authority for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system; or

(iii) The CAIR designated representative submits notification of the date of certification testing of a replacement monitoring system for the retired or discontinued monitoring system in accordance with § 96.371(d)(3)(i).

(e) *Long-term cold storage.* The owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit is subject to the applicable provisions of part 75 of this chapter concerning units in long-term cold storage.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25395, Apr. 28, 2006]

#### **§ 96.371 Initial certification and recertification procedures.**

(a) The owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit shall be exempt from the initial certification requirements of this section for a monitoring system under § 96.370(a)(1) if the following conditions are met:

(1) The monitoring system has been previously certified in accordance with part 75 of this chapter; and

(2) The applicable quality-assurance and quality-control requirements of § 75.21 of this chapter and appendix B, appendix D, and appendix E to part 75 of this chapter are fully met for the certified monitoring system described in paragraph (a)(1) of this section.

(b) The recertification provisions of this section shall apply to a monitoring system under § 96.370(a)(1) exempt from initial certification requirements under paragraph (a) of this section.

(c) If the Administrator has previously approved a petition under § 75.17(a) or (b) of this chapter for apportioning the NO<sub>x</sub> emission rate measured in a common stack or a petition under § 75.66 of this chapter for an alternative to a requirement in § 75.12 or § 75.17 of this chapter, the CAIR designated representative shall resubmit the petition to the Administrator under § 96.375(a) to determine whether the approval applies under the CAIR NO<sub>x</sub> Ozone Season Trading Program.

(d) Except as provided in paragraph (a) of this section, the owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit shall comply with the following initial certification and recertification procedures for a continuous monitoring system (i.e., a continuous emission monitoring system and an excepted monitoring system under appendices D and E to part 75 of this chapter) under § 96.370(a)(1). The owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under § 75.19 of this chapter or that qualifies to use an alternative monitoring system under subpart E of part 75 of this chapter shall comply with the procedures in paragraph (e) or (f) of this section respectively.

(1) *Requirements for initial certification.* The owner or operator shall ensure that each continuous monitoring system under § 96.370(a)(1) (including the automated data acquisition and handling system) successfully completes all of the initial certification testing required under § 75.20 of this chapter by the applicable deadline in § 96.370(b). In addition, whenever the owner or operator installs a monitoring system to meet the requirements of this subpart in a location where no such monitoring system was previously installed, initial certification in accordance with § 75.20 of this chapter is required.

(2) *Requirements for recertification.* Whenever the owner or operator makes a replacement, modification, or change in any certified continuous emission monitoring system under § 96.370(a)(1)

that may significantly affect the ability of the system to accurately measure or record NO<sub>x</sub> mass emissions or heat input rate or to meet the quality-assurance and quality-control requirements of § 75.21 of this chapter or appendix B to part 75 of this chapter, the owner or operator shall recertify the monitoring system in accordance with § 75.20(b) of this chapter. Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the stack flow or concentration profile, the owner or operator shall recertify each continuous emission monitoring system whose accuracy is potentially affected by the change, in accordance with § 75.20(b) of this chapter. Examples of changes to a continuous emission monitoring system that require recertification include: replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site. Any fuel flowmeter systems, and any excepted NO<sub>x</sub> monitoring system under appendix E to part 75 of this chapter, under § 96.370(a)(1) are subject to the recertification requirements in § 75.20(g)(6) of this chapter.

(3) *Approval process for initial certification and recertification.* Paragraphs (d)(3)(i) through (iv) of this section apply to both initial certification and recertification of a continuous monitoring system under § 96.370(a)(1). For recertifications, replace the words "certification" and "initial certification" with the word "recertification", replace the word "certified" with the word "recertified," and follow the procedures in §§ 75.20(b)(5) and (g)(7) of this chapter in lieu of the procedures in paragraph (d)(3)(v) of this section.

(i) *Notification of certification.* The CAIR designated representative shall submit to the permitting authority, the appropriate EPA Regional Office, and the Administrator written notice of the dates of certification testing, in accordance with § 96.373.

(ii) *Certification application.* The CAIR designated representative shall submit to the permitting authority a certification application for each monitoring

system. A complete certification application shall include the information specified in § 75.63 of this chapter.

(iii) *Provisional certification date.* The provisional certification date for a monitoring system shall be determined in accordance with § 75.20(a)(3) of this chapter. A provisionally certified monitoring system may be used under the CAIR NO<sub>x</sub> Ozone Season Trading Program for a period not to exceed 120 days after receipt by the permitting authority of the complete certification application for the monitoring system under paragraph (d)(3)(ii) of this section. Data measured and recorded by the provisionally certified monitoring system, in accordance with the requirements of part 75 of this chapter, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the permitting authority does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of the date of receipt of the complete certification application by the permitting authority.

(iv) *Certification application approval process.* The permitting authority will issue a written notice of approval or disapproval of the certification application to the owner or operator within 120 days of receipt of the complete certification application under paragraph (d)(3)(ii) of this section. In the event the permitting authority does not issue such a notice within such 120-day period, each monitoring system that meets the applicable performance requirements of part 75 of this chapter and is included in the certification application will be deemed certified for use under the CAIR NO<sub>x</sub> Ozone Season Trading Program.

(A) *Approval notice.* If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of part 75 of this chapter, then the permitting authority will issue a written notice of approval of the certification application within 120 days of receipt.

(B) *Incomplete application notice.* If the certification application is not complete, then the permitting authority will issue a written notice of incompleteness that sets a reasonable

date by which the CAIR designated representative must submit the additional information required to complete the certification application. If the CAIR designated representative does not comply with the notice of incompleteness by the specified date, then the permitting authority may issue a notice of disapproval under paragraph (d)(3)(iv)(C) of this section. The 120-day review period shall not begin before receipt of a complete certification application.

(C) *Disapproval notice.* If the certification application shows that any monitoring system does not meet the performance requirements of part 75 of this chapter or if the certification application is incomplete and the requirement for disapproval under paragraph (d)(3)(iv)(B) of this section is met, then the permitting authority will issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the permitting authority and the data measured and recorded by each uncertified monitoring system shall not be considered valid quality-assured data beginning with the date and hour of provisional certification (as defined under § 75.20(a)(3) of this chapter). The owner or operator shall follow the procedures for loss of certification in paragraph (d)(3)(v) of this section for each monitoring system that is disapproved for initial certification.

(D) *Audit decertification.* The permitting authority or, for a CAIR NO<sub>x</sub> Ozone Season opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart IIII of this part, the Administrator may issue a notice of disapproval of the certification status of a monitor in accordance with § 96.372(b).

(v) *Procedures for loss of certification.* If the permitting authority or the Administrator issues a notice of disapproval of a certification application under paragraph (d)(3)(iv)(C) of this section or a notice of disapproval of certification status under paragraph (d)(3)(iv)(D) of this section, then:

(A) The owner or operator shall substitute the following values, for each disapproved monitoring system, for each hour of unit operation during the period of invalid data specified under § 75.20(a)(4)(iii), § 75.20(g)(7), or § 75.21(e) of this chapter and continuing until the applicable date and hour specified under § 75.20(a)(5)(i) or (g)(7) of this chapter:

(1) For a disapproved NO<sub>x</sub> emission rate (*i.e.*, NO<sub>x</sub>-diluent) system, the maximum potential NO<sub>x</sub> emission rate, as defined in § 72.2 of this chapter.

(2) For a disapproved NO<sub>x</sub> pollutant concentration monitor and disapproved flow monitor, respectively, the maximum potential concentration of NO<sub>x</sub> and the maximum potential flow rate, as defined in sections 2.1.2.1 and 2.1.4.1 of appendix A to part 75 of this chapter.

(3) For a disapproved moisture monitoring system and disapproved diluent gas monitoring system, respectively, the minimum potential moisture percentage and either the maximum potential CO<sub>2</sub> concentration or the minimum potential O<sub>2</sub> concentration (as applicable), as defined in sections 2.1.5, 2.1.3.1, and 2.1.3.2 of appendix A to part 75 of this chapter.

(4) For a disapproved fuel flowmeter system, the maximum potential fuel flow rate, as defined in section 2.4.2.1 of appendix D to part 75 of this chapter.

(5) For a disapproved excepted NO<sub>x</sub> monitoring system under appendix E to part 75 of this chapter, the fuel-specific maximum potential NO<sub>x</sub> emission rate, as defined in § 72.2 of this chapter.

(B) The CAIR designated representative shall submit a notification of certification retest dates and a new certification application in accordance with paragraphs (d)(3)(i) and (ii) of this section.

(C) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the permitting authority's or the Administrator's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.

(e) *Initial certification and recertification procedures for units using the low mass emission excepted methodology under § 75.19 of this chapter.* The owner

or operator of a unit qualified to use the low mass emissions (LME) excepted methodology under § 75.19 of this chapter shall meet the applicable certification and recertification requirements in §§ 75.19(a)(2) and 75.20(h) of this chapter. If the owner or operator of such a unit elects to certify a fuel flowmeter system for heat input determination, the owner or operator shall also meet the certification and recertification requirements in § 75.20(g) of this chapter.

(f) *Certification/recertification procedures for alternative monitoring systems.* The CAIR designated representative of each unit for which the owner or operator intends to use an alternative monitoring system approved by the Administrator and, if applicable, the permitting authority under subpart E of part 75 of this chapter shall comply with the applicable notification and application procedures of § 75.20(f) of this chapter.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25395, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

#### § 96.372 Out of control periods.

(a) Whenever any monitoring system fails to meet the quality-assurance and quality-control requirements or data validation requirements of part 75 of this chapter, data shall be substituted using the applicable missing data procedures in subpart D or subpart H of, or appendix D or appendix E to, part 75 of this chapter.

(b) *Audit decertification.* Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any monitoring system should not have been certified or recertified because it did not meet a particular performance specification or other requirement under § 96.371 or the applicable provisions of part 75 of this chapter, both at the time of the initial certification or recertification application submission and at the time of the audit, the permitting authority or, for a CAIR NO<sub>x</sub> Ozone Season opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart IIII of this part, the Administrator will

issue a notice of disapproval of the certification status of such monitoring system. For the purposes of this paragraph, an audit shall be either a field audit or an audit of any information submitted to the permitting authority or the Administrator. By issuing the notice of disapproval, the permitting authority or the Administrator revokes prospectively the certification status of the monitoring system. The data measured and recorded by the monitoring system shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests for the monitoring system. The owner or operator shall follow the applicable initial certification or recertification procedures in § 96.371 for each disapproved monitoring system.

**§ 96.373 Notifications.**

The CAIR designated representative for a CAIR NO<sub>x</sub> Ozone Season unit shall submit written notice to the permitting authority and the Administrator in accordance with § 75.61 of this chapter.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25395, Apr. 28, 2006]

**§ 96.374 Recordkeeping and reporting.**

(a) *General provisions.* The CAIR designated representative shall comply with all recordkeeping and reporting requirements in this section, the applicable recordkeeping and reporting requirements under § 75.73 of this chapter, and the requirements of § 96.310(e)(1).

(b) *Monitoring plans.* The owner or operator of a CAIR NO<sub>x</sub> Ozone Season unit shall comply with requirements of § 75.73(c) and (e) of this chapter and, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart IIII of this part, §§ 96.383 and 96.384(a).

(c) *Certification applications.* The CAIR designated representative shall submit an application to the permitting authority within 45 days after completing all initial certification or recertification tests required under

§ 96.371, including the information required under § 75.63 of this chapter.

(d) *Quarterly reports.* The CAIR designated representative shall submit quarterly reports, as follows:

(1) If the CAIR NO<sub>x</sub> Ozone Season unit is subject to an Acid Rain emissions limitation or a CAIR NO<sub>x</sub> emissions limitation or if the owner or operator of such unit chooses to report on an annual basis under this subpart, the CAIR designated representative shall meet the requirements of subpart H of part 75 of this chapter (concerning monitoring of NO<sub>x</sub> mass emissions) for such unit for the entire year and shall report the NO<sub>x</sub> mass emissions data and heat input data for such unit, in an electronic quarterly report in a format prescribed by the Administrator, for each calendar quarter beginning with:

(i) For a unit that commences commercial operation before July 1, 2007, the calendar quarter covering May 1, 2008 through June 30, 2008;

(ii) For a unit that commences commercial operation on or after July 1, 2007, the calendar quarter corresponding to the earlier of the date of provisional certification or the applicable deadline for initial certification under § 96.370(b), unless that quarter is the third or fourth quarter of 2007 or the first quarter of 2008, in which case reporting shall commence in the quarter covering May 1, 2008 through June 30, 2008;

(iii) Notwithstanding paragraphs (d)(1)(i) and (ii) of this section, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart IIII of this part, the calendar quarter corresponding to the date specified in § 96.384(b); and

(iv) Notwithstanding paragraphs (d)(1)(i) and (ii) of this section, for a CAIR NO<sub>x</sub> Ozone Season opt-in unit under subpart IIII of this part, the calendar quarter corresponding to the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit enters the CAIR NO<sub>x</sub> Ozone Season Trading Program as provided in § 96.384(g).

(2) If the CAIR NO<sub>x</sub> Ozone Season unit is not subject to an Acid Rain emissions limitation or a CAIR NO<sub>x</sub>

emissions limitation, then the CAIR designated representative shall either:

(i) Meet the requirements of subpart H of part 75 (concerning monitoring of NO<sub>x</sub> mass emissions) for such unit for the entire year and report the NO<sub>x</sub> mass emissions data and heat input data for such unit in accordance with paragraph (d)(1) of this section; or

(ii) Meet the requirements of subpart H of part 75 for the control period (including the requirements in § 75.74(c) of this chapter) and report NO<sub>x</sub> mass emissions data and heat input data (including the data described in § 75.74(c)(6) of this chapter) for such unit only for the control period of each year and report, in an electronic quarterly report in a format prescribed by the Administrator, for each calendar quarter beginning with:

(A) For a unit that commences commercial operation before July 1, 2007, the calendar quarter covering May 1, 2008 through June 30, 2008;

(B) For a unit that commences commercial operation on or after July 1, 2007, the calendar quarter corresponding to the earlier of the date of provisional certification or the applicable deadline for initial certification under § 96.370(b), unless that date is not during a control period, in which case reporting shall commence in the quarter that includes May 1 through June 30 of the first control period after such date;

(C) Notwithstanding paragraphs (d)(2)(ii)(A) and (2)(ii)(B) of this section, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under subpart IIII of this part, the calendar quarter corresponding to the date specified in § 96.384(b); and

(D) Notwithstanding paragraphs (d)(2)(ii)(A) and (2)(ii)(B) of this section, for a CAIR NO<sub>x</sub> Ozone Season opt-in unit under subpart IIII of this part, the calendar quarter corresponding to the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit enters the CAIR NO<sub>x</sub> Ozone Season Trading Program as provided in § 96.384(g).

(2) The CAIR designated representative shall submit each quarterly report to the Administrator within 30 days following the end of the calendar quar-

ter covered by the report. Quarterly reports shall be submitted in the manner specified in § 75.73(f) of this chapter.

(3) For CAIR NO<sub>x</sub> Ozone Season units that are also subject to an Acid Rain emissions limitation or the CAIR NO<sub>x</sub> Annual Trading Program or CAIR SO<sub>2</sub> Trading Program, quarterly reports shall include the applicable data and information required by subparts F through H of part 75 of this chapter as applicable, in addition to the NO<sub>x</sub> mass emission data, heat input data, and other information required by this subpart.

(e) *Compliance certification.* The CAIR designated representative shall submit to the Administrator a compliance certification (in a format prescribed by the Administrator) in support of each quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

(1) The monitoring data submitted were recorded in accordance with the applicable requirements of this subpart and part 75 of this chapter, including the quality assurance procedures and specifications;

(2) For a unit with add-on NO<sub>x</sub> emission controls and for all hours where NO<sub>x</sub> data are substituted in accordance with § 75.34(a)(1) of this chapter, the add-on emission controls were operating within the range of parameters listed in the quality assurance/quality control program under appendix B to part 75 of this chapter and the substitute data values do not systematically underestimate NO<sub>x</sub> emissions; and

(3) For a unit that is reporting on a control period basis under paragraph (d)(2)(ii) of this section, the NO<sub>x</sub> emission rate and NO<sub>x</sub> concentration values substituted for missing data under subpart D of part 75 of this chapter are calculated using only values from a control period and do not systematically underestimate NO<sub>x</sub> emissions.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25395, Apr. 28, 2006]

**§ 96.375 Petitions.**

(a) Except as provided in paragraph (b)(2) of this section, the CAIR designated representative of a CAIR NO<sub>x</sub> Ozone Season unit that is subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the Administrator requesting approval to apply an alternative to any requirement of this subpart. Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent that the petition is approved in writing by the Administrator, in consultation with the permitting authority.

(b)(1) The CAIR designated representative of a CAIR NO<sub>x</sub> Ozone Season unit that is not subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the permitting authority and the Administrator requesting approval to apply an alternative to any requirement of this subpart. Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent that the petition is approved in writing by both the permitting authority and the Administrator.

(2) The CAIR designated representative of a CAIR NO<sub>x</sub> Ozone Season unit that is subject to an Acid Rain emissions limitation may submit a petition under § 75.66 of this chapter to the permitting authority and the Administrator requesting approval to apply an alternative to a requirement concerning any additional continuous emission monitoring system required under § 75.72 of this chapter. Application of an alternative to any such requirement is in accordance with this subpart only to the extent that the petition is approved in writing by both the permitting authority and the Administrator.

**Subpart III—CAIR NO<sub>x</sub> Ozone Season Opt-in Units**

SOURCE: 70 FR 25382, May 12, 2005, unless otherwise noted.

**§ 96.380 Applicability.**

A CAIR NO<sub>x</sub> Ozone Season opt-in unit must be a unit that:

- (a) Is located in the State;
- (b) Is not a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304 and is not covered by a retired unit exemption under § 96.305 that is in effect;
- (c) Is not covered by a retired unit exemption under § 72.8 of this chapter that is in effect;
- (d) Has or is required or qualified to have a title V operating permit or other federally enforceable permit; and
- (e) Vents all of its emissions to a stack and can meet the monitoring, recordkeeping, and reporting requirements of subpart HHHH of this part.

**§ 96.381 General.**

(a) Except as otherwise provided in §§ 96.301 through 96.304, §§ 96.306 through 96.308, and subparts BBBB and CCCC and subparts FFFF through HHHH of this part, a CAIR NO<sub>x</sub> Ozone Season opt-in unit shall be treated as a CAIR NO<sub>x</sub> Ozone Season unit for purposes of applying such sections and subparts of this part.

(b) Solely for purposes of applying, as provided in this subpart, the requirements of subpart HHHH of this part to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this subpart, such unit shall be treated as a CAIR NO<sub>x</sub> Ozone Season unit before issuance of a CAIR opt-in permit for such unit.

**§ 96.382 CAIR designated representative.**

Any CAIR NO<sub>x</sub> Ozone Season opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this subpart, located at the same source as one or more CAIR NO<sub>x</sub> Ozone Season units shall have the same CAIR designated representative and alternate CAIR designated representative as such CAIR NO<sub>x</sub> Ozone Season units.

**§ 96.383 Applying for CAIR opt-in permit.**

(a) *Applying for initial CAIR opt-in permit.* The CAIR designated representative of a unit meeting the requirements for a CAIR NO<sub>x</sub> Ozone Season opt-in unit in § 96.380 may apply for an initial CAIR opt-in permit at any time, except

as provided under § 96.386 (f) and (g), and, in order to apply, must submit the following:

(1) A complete CAIR permit application under § 96.322;

(2) A certification, in a format specified by the permitting authority, that the unit:

(i) Is not a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304 and is not covered by a retired unit exemption under § 96.305 that is in effect;

(ii) Is not covered by a retired unit exemption under § 72.8 of this chapter that is in effect;

(iii) Vents all of its emissions to a stack; and

(iv) Has documented heat input for more than 876 hours during the 6 months immediately preceding submission of the CAIR permit application under § 96.322;

(3) A monitoring plan in accordance with subpart HHHH of this part;

(4) A complete certificate of representation under § 96.313 consistent with § 96.382, if no CAIR designated representative has been previously designated for the source that includes the unit; and

(5) A statement, in a format specified by the permitting authority, whether the CAIR designated representative requests that the unit be allocated CAIR NO<sub>x</sub> Ozone Season allowances under § 96.388(b) or § 96.388(c) (subject to the conditions in §§ 96.384(h) and 96.386(g)). If allocation under § 96.388(c) is requested, this statement shall include a statement that the owners and operators of the unit intend to repower the unit before January 1, 2015 and that they will provide, upon request, documentation demonstrating such intent.

(b) *Duty to reapply.* (1) The CAIR designated representative of a CAIR NO<sub>x</sub> Ozone Season opt-in unit shall submit a complete CAIR permit application under § 96.322 to renew the CAIR opt-in unit permit in accordance with the permitting authority's regulations for title V operating permits, or the permitting authority's regulations for other federally enforceable permits if applicable, addressing permit renewal.

(2) Unless the permitting authority issues a notification of acceptance of withdrawal of the CAIR NO<sub>x</sub> Ozone Season opt-in unit from the CAIR NO<sub>x</sub>

Ozone Season Trading Program in accordance with § 96.186 or the unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304, the CAIR NO<sub>x</sub> opt-in unit shall remain subject to the requirements for a CAIR NO<sub>x</sub> Ozone Season opt-in unit, even if the CAIR designated representative for the CAIR NO<sub>x</sub> Ozone Season opt-in unit fails to submit a CAIR permit application that is required for renewal of the CAIR opt-in permit under paragraph (b)(1) of this section.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25396, Apr. 28, 2006]

#### § 96.384 Opt-in process.

The permitting authority will issue or deny a CAIR opt-in permit for a unit for which an initial application for a CAIR opt-in permit under § 96.383 is submitted in accordance with the following:

(a) *Interim review of monitoring plan.* The permitting authority and the Administrator will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a CAIR opt-in permit under § 96.383. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the NO<sub>x</sub> emissions rate and heat input of the unit and all other applicable parameters are monitored and reported in accordance with subpart HHHH of this part. A determination of sufficiency shall not be construed as acceptance or approval of the monitoring plan.

(b) *Monitoring and reporting.* (1)(i) If the permitting authority and the Administrator determine that the monitoring plan is sufficient under paragraph (a) of this section, the owner or operator shall monitor and report the NO<sub>x</sub> emissions rate and the heat input of the unit and all other applicable parameters, in accordance with subpart HHHH of this part, starting on the date of certification of the appropriate monitoring systems under subpart HHHH of this part and continuing until a CAIR opt-in permit is denied under § 96.384(f) or, if a CAIR opt-in permit is issued, the date and time when the unit is withdrawn from the CAIR NO<sub>x</sub> Ozone Season Trading Program in accordance with § 96.386.



(ii) The monitoring and reporting under paragraph (b)(1)(i) of this section shall include the entire control period immediately before the date on which the unit enters the CAIR NO<sub>x</sub> Ozone Season Trading Program under § 96.384(g), during which period monitoring system availability must not be less than 90 percent under subpart HHHH of this part and the unit must be in full compliance with any applicable State or Federal emissions or emissions-related requirements.

(2) To the extent the NO<sub>x</sub> emissions rate and the heat input of the unit are monitored and reported in accordance with subpart HHHH of this part for one or more control periods, in addition to the control period under paragraph (b)(1)(ii) of this section, during which control periods monitoring system availability is not less than 90 percent under subpart HHHH of this part and the unit is in full compliance with any applicable State or Federal emissions or emissions-related requirements and which control periods begin not more than 3 years before the unit enters the CAIR NO<sub>x</sub> Ozone Season Trading Program under § 96.384(g), such information shall be used as provided in paragraphs (c) and (d) of this section.

(c) *Baseline heat input.* The unit's baseline heat input shall equal:

(1) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and reported for only one control period, in accordance with paragraph (b)(1) of this section, the unit's total heat input (in mmBtu) for the control period; or

(2) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and reported for more than one control period, in accordance with paragraphs (b)(1) and (2) of this section, the average of the amounts of the unit's total heat input (in mmBtu) for the control periods under paragraphs (b)(1)(ii) and (2) of this section.

(d) *Baseline NO<sub>x</sub> emission rate.* The unit's baseline NO<sub>x</sub> emission rate shall equal:

(1) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and reported for only one control period, in accordance with paragraph (b)(1) of this section, the unit's NO<sub>x</sub> emissions rate (in lb/mmBtu) for the control period;

(2) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and reported for more than one control period, in accordance with paragraphs (b)(1) and (2) of this section, and the unit does not have add-on NO<sub>x</sub> emission controls during any such control periods, the average of the amounts of the unit's NO<sub>x</sub> emissions rate (in lb/mmBtu) for the control periods under paragraphs (b)(1)(ii) and (2) of this section; or

(3) If the unit's NO<sub>x</sub> emissions rate and heat input are monitored and reported for more than one control period, in accordance with paragraphs (b)(1) and (2) of this section, and the unit has add-on NO<sub>x</sub> emission controls during any such control periods, the average of the amounts of the unit's NO<sub>x</sub> emissions rate (in lb/mmBtu) for such control periods during which the unit has add-on NO<sub>x</sub> emission controls.

(e) *Issuance of CAIR opt-in permit.* After calculating the baseline heat input and the baseline NO<sub>x</sub> emissions rate for the unit under paragraphs (c) and (d) of this section and if the permitting authority determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR NO<sub>x</sub> Ozone Season opt-in unit in § 96.380 and meets the elements certified in § 96.383(a)(2), the permitting authority will issue a CAIR opt-in permit. The permitting authority will provide a copy of the CAIR opt-in permit to the Administrator, who will then establish a compliance account for the source that includes the CAIR NO<sub>x</sub> Ozone Season opt-in unit unless the source already has a compliance account.

(f) *Issuance of denial of CAIR opt-in permit.* Notwithstanding paragraphs (a) through (e) of this section, if at any time before issuance of a CAIR opt-in permit for the unit, the permitting authority determines that the CAIR designated representative fails to show that the unit meets the requirements for a CAIR NO<sub>x</sub> Ozone Season opt-in unit in § 96.380 or meets the elements certified in § 96.383(a)(2), the permitting authority will issue a denial of a CAIR opt-in permit for the unit.

(g) *Date of entry into CAIR NO<sub>x</sub> Ozone Season Trading Program.* A unit for which an initial CAIR opt-in permit is

issued by the permitting authority shall become a CAIR NO<sub>x</sub> Ozone Season opt-in unit, and a CAIR NO<sub>x</sub> Ozone Season unit, as of the later of May 1, 2009 or May 1 of the first control period during which such CAIR opt-in permit is issued.

(h) *Repowered CAIR NO<sub>x</sub> Ozone Season opt-in unit.* (1) If CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR NO<sub>x</sub> Ozone Season opt-in unit of CAIR NO<sub>x</sub> Ozone Season allowances under § 96.388(c) and such unit is repowered after its date of entry into the CAIR NO<sub>x</sub> Ozone Season Trading Program under paragraph (g) of this section, the repowered unit shall be treated as a CAIR NO<sub>x</sub> Ozone Season opt-in unit replacing the original CAIR NO<sub>x</sub> Ozone Season opt-in unit, as of the date of start-up of the repowered unit's combustion chamber.

(2) Notwithstanding paragraphs (c) and (d) of this section, as of the date of start-up under paragraph (h)(1) of this section, the repowered unit shall be deemed to have the same date of commencement of operation, date of commencement of commercial operation, baseline heat input, and baseline NO<sub>x</sub> emission rate as the original CAIR NO<sub>x</sub> Ozone Season opt-in unit, and the original CAIR NO<sub>x</sub> Ozone Season opt-in unit shall no longer be treated as a CAIR NO<sub>x</sub> Ozone Season opt-in unit or a CAIR NO<sub>x</sub> Ozone Season unit.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25396, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

#### § 96.385 CAIR opt-in permit contents.

(a) Each CAIR opt-in permit will contain:

(1) All elements required for a complete CAIR permit application under § 96.322;

(2) The certification in § 96.383(a)(2);

(3) The unit's baseline heat input under § 96.384(c);

(4) The unit's baseline NO<sub>x</sub> emission rate under § 96.384(d);

(5) A statement whether the unit is to be allocated CAIR NO<sub>x</sub> Ozone Season allowances under § 96.388(b) or § 96.388(c) (subject to the conditions in §§ 96.384(h) and 96.386(g));

(6) A statement that the unit may withdraw from the CAIR NO<sub>x</sub> Ozone Season Trading Program only in accordance with § 96.386; and

(7) A statement that the unit is subject to, and the owners and operators of the unit must comply with, the requirements of § 96.387.

(b) Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under § 96.302 and, upon recordation by the Administrator under subpart FFFF or GGGG of this part or this subpart, every allocation, transfer, or deduction of CAIR NO<sub>x</sub> Ozone Season allowances to or from the compliance account of the source that includes a CAIR NO<sub>x</sub> Ozone Season opt-in unit covered by the CAIR opt-in permit.

(c) The CAIR opt-in permit shall be included, in a format specified by the permitting authority, in the CAIR permit for the source where the CAIR NO<sub>x</sub> Ozone Season opt-in unit is located and in a title V operating permit or other federally enforceable permit for the source.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25396, Apr. 28, 2006]

#### § 96.386 Withdrawal from CAIR NO<sub>x</sub> Ozone Season Trading Program.

Except as provided under paragraph (g) of this section, a CAIR NO<sub>x</sub> Ozone Season opt-in unit may withdraw from the CAIR NO<sub>x</sub> Ozone Season Trading Program, but only if the permitting authority issues a notification to the CAIR designated representative of the CAIR NO<sub>x</sub> Ozone Season opt-in unit of the acceptance of the withdrawal of the CAIR NO<sub>x</sub> Ozone Season opt-in unit in accordance with paragraph (d) of this section.

(a) *Requesting withdrawal.* In order to withdraw a CAIR NO<sub>x</sub> Ozone Season opt-on unit from the CAIR NO<sub>x</sub> Ozone Season Trading Program, the CAIR designated representative of the CAIR NO<sub>x</sub> Ozone Season opt-in unit shall submit to the permitting authority a request to withdraw effective as of midnight of September 30 of a specified calendar year, which date must be at least 4 years after September 30 of the year of entry into the CAIR NO<sub>x</sub> Ozone Season Trading Program under

§ 96.384(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 NO<sub>x</sub> Ozone Season opt-in unit covered by a request under paragraph (a) of this section may withdraw from the CAIR NO<sub>x</sub> Ozone Season 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 NO<sub>x</sub> Ozone Season opt-in unit must meet the requirement to hold CAIR NO<sub>x</sub> Ozone Season allowances under § 96.306(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 NO<sub>x</sub> Ozone Season opt-in unit CAIR NO<sub>x</sub> Ozone Season allowances equal in amount to and allocated for the same or a prior control period as any CAIR NO<sub>x</sub> Ozone Season allowances allocated to the CAIR NO<sub>x</sub> Ozone Season opt-in unit under § 96.388 for any control period for which the withdrawal is to be effective. If there are no remaining CAIR NO<sub>x</sub> Ozone Season units at the source, the Administrator will close the compliance account, and the owners and operators of the CAIR NO<sub>x</sub> Ozone Season opt-in unit may submit a CAIR NO<sub>x</sub> Ozone Season allowance transfer for any remaining CAIR NO<sub>x</sub> Ozone Season allowances to another CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System in accordance with subpart GGGG 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 NO<sub>x</sub> Ozone Season allowances required), the permitting authority will issue a notification to the CAIR designated representative of the CAIR NO<sub>x</sub> Ozone Season opt-in unit of the acceptance of the withdrawal of the CAIR NO<sub>x</sub> Ozone Season opt-in unit as of midnight on September 30 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 NO<sub>x</sub> Ozone Season opt-in unit that the CAIR NO<sub>x</sub> Ozone Season opt-in unit's request to withdraw is denied. Such CAIR NO<sub>x</sub> Ozone Season opt-in unit shall continue to be a CAIR NO<sub>x</sub> Ozone Season 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 NO<sub>x</sub> Ozone Season 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 NO<sub>x</sub> Ozone Season opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR NO<sub>x</sub> Ozone Season Trading Program concerning any control periods for which the unit is a CAIR NO<sub>x</sub> Ozone Season 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 NO<sub>x</sub> Ozone Season 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 NO<sub>x</sub> Ozone Season Trading Program.* Once a CAIR NO<sub>x</sub> Ozone Season opt-in unit withdraws from the CAIR NO<sub>x</sub> Ozone Season 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 § 96.383 for such CAIR NO<sub>x</sub> Ozone Season 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 § 96.384.

(g) *Inability to withdraw.* Notwithstanding paragraphs (a) through (f) of this section, a CAIR NO<sub>x</sub> Ozone Season

opt-in unit shall not be eligible to withdraw from the CAIR NO<sub>x</sub> Ozone Season Trading Program if the CAIR designated representative of the CAIR NO<sub>x</sub> Ozone Season opt-in unit requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to the CAIR NO<sub>x</sub> Ozone Season opt-in unit of CAIR NO<sub>x</sub> Ozone Season allowances under § 96.388(c).

[70 FR 25382, May 12, 2005, as amended at 71 FR 25396, Apr. 28, 2006]

**§ 96.387 Change in regulatory status.**

(a) *Notification.* If a CAIR NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304, then the CAIR designated representative shall notify in writing the permitting authority and the Administrator of such change in the CAIR NO<sub>x</sub> Ozone Season opt-in unit's regulatory status, within 30 days of such change.

(b) *Permitting authority's and Administrator's actions.* (1) If a CAIR NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304, the permitting authority will revise the CAIR NO<sub>x</sub> Ozone Season opt-in unit's CAIR opt-in permit to meet the requirements of a CAIR permit under § 96.323, and remove the CAIR opt-in permit provisions, as of the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304.

(2)(i) The Administrator will deduct from the compliance account of the source that includes the CAIR NO<sub>x</sub> Ozone Season opt-in unit that becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304, CAIR NO<sub>x</sub> Ozone Season allowances equal in amount to and allocated for the same or a prior control period as:

(A) Any CAIR NO<sub>x</sub> Ozone Season allowances allocated to the CAIR NO<sub>x</sub> Ozone Season opt-in unit under § 96.388 for any control period after the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304; and

(B) If the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304 is not September 30, the CAIR NO<sub>x</sub> Ozone Season allowances allocated to the CAIR NO<sub>x</sub> Ozone Season opt-in unit under § 96.388 for the control pe-

riod that includes the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304 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 NO<sub>x</sub> Ozone Season opt-in unit that becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304 contains the CAIR NO<sub>x</sub> Ozone Season 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 NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304, the CAIR NO<sub>x</sub> Ozone Season opt-in unit will be allocated CAIR NO<sub>x</sub> Ozone Season allowances under § 96.342.

(ii) If the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304 is not September 30, the following amount of CAIR NO<sub>x</sub> Ozone Season allowances will be allocated to the CAIR NO<sub>x</sub> Ozone Season opt-in unit (as a CAIR NO<sub>x</sub> Ozone Season unit) under § 96.342 for the control period that includes the date on which the CAIR NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304:

(A) The amount of CAIR NO<sub>x</sub> Ozone Season allowances otherwise allocated to the CAIR NO<sub>x</sub> Ozone Season opt-in unit (as a CAIR NO<sub>x</sub> Ozone Season unit) under § 96.342 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 NO<sub>x</sub> Ozone Season opt-in unit becomes a CAIR NO<sub>x</sub> Ozone Season unit under § 96.304, divided by the total number of days in the control period; and

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

[70 FR 25382, May 12, 2005, as amended at 71 FR 25396, Apr. 28, 2006; 71 FR 74794, Dec. 13, 2006]

### § 96.388 CAIR NO<sub>x</sub> Ozone Season allowance allocations to CAIR NO<sub>x</sub> Ozone Season opt-in units.

(a) *Timing requirements.* (1) When the CAIR opt-in permit is issued under § 96.384(e), the permitting authority will allocate CAIR NO<sub>x</sub> Ozone Season allowances to the CAIR NO<sub>x</sub> Ozone Season opt-in unit, and submit to the Administrator the allocation for the control period in which a CAIR NO<sub>x</sub> Ozone Season opt-in unit enters the CAIR NO<sub>x</sub> Ozone Season Trading Program under § 96.384(g), in accordance with paragraph (b) or (c) of this section.

(2) By no later than July 31 of the control period after the control period in which a CAIR NO<sub>x</sub> Ozone Season opt-in unit enters the CAIR NO<sub>x</sub> Ozone Season Trading Program under § 96.384(g) and July 31 of each year thereafter, the permitting authority will allocate CAIR NO<sub>x</sub> Ozone Season allowances to the CAIR NO<sub>x</sub> Ozone Season 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<sub>x</sub> Ozone Season 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<sub>x</sub> Ozone Season opt-in unit is to be allocated CAIR NO<sub>x</sub> Ozone Season allowances, the permitting authority will allocate in accordance with the following procedures:

(1) The heat input (in mmBtu) used for calculating the CAIR NO<sub>x</sub> Ozone Season allowance allocation will be the lesser of:

(i) The CAIR NO<sub>x</sub> Ozone Season opt-in unit's baseline heat input determined under § 96.384(c); or

(ii) The CAIR NO<sub>x</sub> Ozone Season opt-in unit's heat input, as determined in accordance with subpart HHHH 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<sub>x</sub> Ozone Season

opt-in unit enters the CAIR NO<sub>x</sub> Ozone Season Trading Program under § 96.384(g).

(2) The NO<sub>x</sub> emission rate (in lb/mmBtu) used for calculating CAIR NO<sub>x</sub> Ozone Season allowance allocations will be the lesser of:

(i) The CAIR NO<sub>x</sub> Ozone Season opt-in unit's baseline NO<sub>x</sub> emissions rate (in lb/mmBtu) determined under § 96.384(d) and multiplied by 70 percent; or

(ii) The most stringent State or Federal NO<sub>x</sub> emissions limitation applicable to the CAIR NO<sub>x</sub> Ozone Season opt-in unit at any time during the control period for which CAIR NO<sub>x</sub> Ozone Season allowances are to be allocated.

(3) The permitting authority will allocate CAIR NO<sub>x</sub> Ozone Season allowances to the CAIR NO<sub>x</sub> Ozone Season opt-in unit in an amount equaling the heat input under paragraph (b)(1) of this section, multiplied by the NO<sub>x</sub> 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 § 96.383(a)(5)) providing for, allocation to a CAIR NO<sub>x</sub> Ozone Season opt-in unit of CAIR NO<sub>x</sub> Ozone Season allowances under this paragraph (subject to the conditions in §§ 96.384(h) and 96.386(g)), the permitting authority will allocate to the CAIR NO<sub>x</sub> Ozone Season opt-in unit as follows:

(1) For each control period in 2009 through 2014 for which the CAIR NO<sub>x</sub> Ozone Season opt-in unit is to be allocated CAIR NO<sub>x</sub> Ozone Season allowances,

(i) The heat input (in mmBtu) used for calculating CAIR NO<sub>x</sub> Ozone Season allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NO<sub>x</sub> emission rate (in lb/mmBtu) used for calculating CAIR NO<sub>x</sub> Ozone Season allowance allocations will be the lesser of:

(A) The CAIR NO<sub>x</sub> Ozone Season opt-in unit's baseline NO<sub>x</sub> emissions rate

(in lb/mmBtu) determined under § 96.384(d); or

(B) The most stringent State or Federal NO<sub>x</sub> emissions limitation applicable to the CAIR NO<sub>x</sub> Ozone Season opt-in unit at any time during the control period in which the CAIR NO<sub>x</sub> Ozone Season opt-in unit enters the CAIR NO<sub>x</sub> Ozone Season Trading Program under § 96.384(g).

(iii) The permitting authority will allocate CAIR NO<sub>x</sub> Ozone Season allowances to the CAIR NO<sub>x</sub> Ozone Season opt-in unit in an amount equaling the heat input under paragraph (c)(1)(i) of this section, multiplied by the NO<sub>x</sub> 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<sub>x</sub> Ozone Season opt-in unit is to be allocated CAIR NO<sub>x</sub> Ozone Season allowances,

(i) The heat input (in mmBtu) used for calculating the CAIR NO<sub>x</sub> Ozone Season allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NO<sub>x</sub> emission rate (in lb/mmBtu) used for calculating the CAIR NO<sub>x</sub> Ozone Season allowance allocation will be the lesser of:

(A) 0.15 lb/mmBtu;

(B) The CAIR NO<sub>x</sub> Ozone Season opt-in unit's baseline NO<sub>x</sub> emissions rate (in lb/mmBtu) determined under § 96.384(d); or

(C) The most stringent State or Federal NO<sub>x</sub> emissions limitation applicable to the CAIR NO<sub>x</sub> Ozone Season opt-in unit at any time during the control period for which CAIR NO<sub>x</sub> Ozone Season allowances are to be allocated.

(iii) The permitting authority will allocate CAIR NO<sub>x</sub> Ozone Season allowances to the CAIR NO<sub>x</sub> Ozone Season opt-in unit in an amount equaling the heat input under paragraph (c)(2)(i) of this section, multiplied by the NO<sub>x</sub> 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.* (1) The Administrator will record, in the compliance account of the source that includes the CAIR NO<sub>x</sub> Ozone Season opt-in unit, the CAIR NO<sub>x</sub> Ozone Season allowances allocated by the permitting authority to the CAIR NO<sub>x</sub> Ozone Season opt-in unit under paragraph (a)(1) of this section.

(2) By September 1, of the control period in which a CAIR NO<sub>x</sub> Ozone Season opt-in unit enters the CAIR NO<sub>x</sub> Ozone Season Trading Program under § 96.384(g), and September 1 of each year thereafter, the Administrator will record, in the compliance account of the source that includes the CAIR NO<sub>x</sub> Ozone Season opt-in unit, the CAIR NO<sub>x</sub> Ozone Season allowances allocated by the permitting authority to the CAIR NO<sub>x</sub> Ozone Season opt-in unit under paragraph (a)(2) of this section.

[70 FR 25382, May 12, 2005, as amended at 71 FR 25396, Apr. 28, 2006]