

§ 97.1024

Administrator will notify the authorized account representatives of both the transferor and transferee accounts.

(e) Within 10 business days of receipt of a CSAPR NO<sub>x</sub> Ozone Season Group 3 allowance transfer that is not correctly submitted under § 97.1022, the Administrator will notify the 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.

**§ 97.1024 Compliance with CSAPR NO<sub>x</sub> Ozone Season Group 3 primary emissions limitation; backstop daily NO<sub>x</sub> emissions rate.**

(a) *Availability for deduction for compliance.* CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances are available to be deducted for compliance with a source's CSAPR NO<sub>x</sub> Ozone Season Group 3 primary emissions limitation for a control period in a given year only if the CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances:

- (1) Were allocated or auctioned for such control period or a control period in a prior year; and
- (2) Are held in the source's compliance account as of the allowance transfer deadline for such control period.

(b) *Deductions for compliance.* After the recordation, in accordance with § 97.1023, of CSAPR NO<sub>x</sub> Ozone Season Group 3 allowance transfers submitted by the allowance transfer deadline for a control period in a given year, the Administrator will deduct from each source's compliance account CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances available under paragraph (a) of this section in order to determine whether the source meets the CSAPR NO<sub>x</sub> Ozone Season Group 3 primary emissions limitation for such control period, as follows:

- (1) Until the amount of CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances deducted equals the sum of:
  - (i) The number of tons of total NO<sub>x</sub> emissions from all CSAPR NO<sub>x</sub> Ozone Season Group 3 units at the source for such control period; plus
  - (ii) Two times the excess, if any, over 50 tons of the sum (converted to tons at a conversion factor of 2,000 lb/ton and

rounded to the nearest ton), for all calendar days in the control period and all CSAPR NO<sub>x</sub> Ozone Season Group 3 units at the source to which the backstop daily NO<sub>x</sub> emissions rate applies for the control period under paragraph (b)(3) of this section, of any amount by which a unit's NO<sub>x</sub> emissions for a given calendar day in pounds exceed the product in pounds of the unit's total heat input in mmBtu for that calendar day multiplied by 0.14 lb/mmBtu; or

(2) If there are insufficient CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances to complete the deductions in paragraph (b)(1) of this section, until no more CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances available under paragraph (a) of this section remain in the compliance account.

(3) The backstop daily NO<sub>x</sub> emissions rate of 0.14 lb/mmBtu applies as follows:

(i) For each control period in 2024 through 2029, the backstop daily NO<sub>x</sub> emissions rate shall apply to each CSAPR NO<sub>x</sub> Ozone Season Group 3 unit combusting any coal or solid coal-derived fuel during the control period, serving a generator with nameplate capacity of 100 MW or more, and equipped with selective catalytic reduction controls on or before September 30 of the preceding control period, except a circulating fluidized bed boiler.

(ii) For each control in 2030 and thereafter, the backstop daily NO<sub>x</sub> emissions rate shall apply to each CSAPR NO<sub>x</sub> Ozone Season Group 3 unit combusting any coal or solid coal-derived fuel during the control period and serving a generator with nameplate capacity of 100 MW or more, except a circulating fluidized bed boiler.

(c) *Selection of CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances for deduction—(1) Identification by serial number.* The designated representative for a source may request that specific CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances, identified by serial number, in the source's compliance account be deducted for emissions or excess emissions for a control period in a given year in accordance with paragraph (b) or (d) of this section. In order to be complete, such request shall be submitted to the

Administrator by the allowance transfer deadline for such control period and include, in a format prescribed by the Administrator, the identification of the CSAPR NO<sub>x</sub> Ozone Season Group 3 source and the appropriate serial numbers.

(2) *First-in, first-out.* The Administrator will deduct CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances under paragraph (b) or (d) of this section from the source's compliance account in accordance with a complete request under paragraph (c)(1) of this section or, in the absence of such request or in the case of identification of an insufficient amount of CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances in such request, on a first-in, first-out accounting basis in the following order:

(i) Any CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances that were recorded in the compliance account pursuant to § 97.1021 and not transferred out of the compliance account, in the order of recordation; and then

(ii) Any other CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances that were transferred to and recorded in the compliance account pursuant to this subpart or that were recorded in the compliance account pursuant to § 97.526(d) or § 97.826(d) or (e), in the order of recordation.

(d) *Deductions for excess emissions.* After making the deductions for compliance under paragraph (b) of this section for a control period in a year in which the CSAPR NO<sub>x</sub> Ozone Season Group 3 source has excess emissions, the Administrator will deduct from the source's compliance account an amount of CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances, allocated or auctioned for a control period in a prior year or the control period in the year of the excess emissions or in the immediately following year, equal to two times the number of tons of the source's excess emissions.

(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.

[86 FR 23208, Apr. 30, 2021, as amended at 88 FR 36916, June 5, 2023]

**§ 97.1025 Compliance with CSAPR NO<sub>x</sub> Ozone Season Group 3 assurance provisions; CSAPR NO<sub>x</sub> Ozone Season Group 3 secondary emissions limitation.**

(a) *Availability for deduction.* CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances are available to be deducted for compliance with the CSAPR NO<sub>x</sub> Ozone Season Group 3 assurance provisions for a control period in a given year by the owners and operators of a group of one or more CSAPR NO<sub>x</sub> Ozone Season Group 3 sources and units in a State (and Indian country within the borders of such State) only if the CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances:

(1) Were allocated or auctioned for a control period in a prior year or the control period in the given year or in the immediately following year; and

(2) Are held in the assurance account, established by the Administrator for such owners and operators of such group of CSAPR NO<sub>x</sub> Ozone Season Group 3 sources and units in such State (and Indian country within the borders of such State) under paragraph (b)(3) of this section, as of the deadline established in paragraph (b)(4) of this section.

(b) *Deductions for compliance.* The Administrator will deduct CSAPR NO<sub>x</sub> Ozone Season Group 3 allowances available under paragraph (a) of this section for compliance with the CSAPR NO<sub>x</sub> Ozone Season Group 3 assurance provisions for a State for a control period in a given year in accordance with the following procedures:

(1) By August 1, 2022 and August 1 of each year thereafter, the Administrator will:

(i) Calculate, for each State (and Indian country within the borders of such State), the total NO<sub>x</sub> emissions from all CSAPR NO<sub>x</sub> Ozone Season Group 3 units at CSAPR NO<sub>x</sub> Ozone Season Group 3 sources in the State (and Indian country within the borders of such State) during the control period in the year before the year of this calculation deadline and the amount, if any, by which such total NO<sub>x</sub> emissions exceed the State assurance level as described in § 97.1006(c)(2)(iii); and

(ii) For the set of any States (and Indian country within the borders of such