

SUBPART 243-9**CAIR NO_x OZONE SEASON UP-IN UNITS**

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Historical Note

Subpart (§§ 243-9.1—243-9.9) filed Sept. 19, 2007 eff. 30 days after filing.

§ 243-9.1 Applicability.

A CAIR NO_x Ozone Season opt-in unit must be a unit that:

- (a) is located in New York State;
- (b) is not a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part and is not covered by a retired unit exemption under section 243-1.5 of this Part that is in effect;
- (c) is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect;
- (d) has or is required or qualified to have a permit under Part 201 of this Title; and
- (e) vents all of its emissions to a stack and can meet the monitoring, recordkeeping, and reporting requirements of Subpart 243-8 of this Part.

Historical Note

Sec. filed Sept. 19, 2007 eff. 30 days after filing.

§ 243-9.2 General.

(a) Except as otherwise provided in sections 243-1.1 through 243-1.4, sections 243-1.6 through 243-1.8 of this Part, and Subparts 243-2, 243-3, and Subparts 243-6 through 243-8 of this Part, a CAIR NO_x Ozone Season opt-in unit shall be treated as a CAIR NO_x Ozone Season unit for purposes of applying such sections and Subparts.

(b) Solely for purposes of applying, as provided in this Subpart, the requirements of Subpart 243-8 of this Part to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this Subpart, such unit shall be treated as a CAIR NO_x Ozone Season unit before issuance of a CAIR opt-in permit for such unit.

Historical Note

Sec. filed Sept. 19, 2007 eff. 30 days after filing.

§ 243-9.3 CAIR designated representative.

Any CAIR NO_x Ozone Season opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this Subpart, located at the same source as one or more CAIR NO_x Ozone Season units shall have the same CAIR designated representative and alternate CAIR designated representative as such CAIR NO_x Ozone Season units.

Historical Note

Sec. filed Sept. 19, 2007 eff. 30 days after filing.

§ 243-9.4 Applying for CAIR opt-in permit.

The CAIR designated representative of a unit meeting the requirements for a CAIR NO_x Ozone Season opt-in unit in section 243-9.1 of this Subpart may apply for an initial CAIR opt-in permit at any time, except as provided under section 243-9.7(f) and (g) of this Subpart, and, in order to apply, must submit the following:

- (a) a complete CAIR permit application under section 243-3.3 of this Part;
- (b) a certification, in a format specified by the department, that the unit:
 - (1) is not a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part and is not covered by a retired unit exemption under section 243-1.5 of this Part that is in effect;
 - (2) is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect;
 - (3) vents all of its emissions to a stack; and
 - (4) has documented heat input for more than 876 hours during the six months immediately preceding submission of the CAIR permit application under section 243-3.3 of this Part;
- (c) a monitoring plan in accordance with Subpart 243-8 of this Part;
- (d) a complete certificate of representation under section 243-2.4 of this Part consistent with section 243-9.3 of this Subpart, if no CAIR designated representative has been previously designated for the source that includes the unit; and
- (e) a statement, in a format specified by the department, whether the CAIR designated representative requests that the unit be allocated CAIR NO_x Ozone Season allowances under section 243-9.9(b) or (c) of this Subpart (subject to the conditions in sections 243-9.5[h] and 243-9.7[g] of this Subpart). If allocation under section 243-9.9(c) of this Subpart is requested, this statement shall include a statement that the owners and operators of the unit intend to re-power the unit before January 1, 2015 and that they will provide, upon request, documentation demonstrating such intent.

Historical Note

Sec. filed Sept. 19, 2007 eff. 30 days after filing.

§ 243-9.5 Opt-in process.

The department will issue or deny a CAIR opt-in permit for a unit for which an application for a CAIR opt-in permit under section 243-9.4 of this Subpart is submitted in accordance with the following:

- (a) *Interim review of monitoring plan.* The department and the administrator will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the application for a CAIR opt-in permit under section 243-9.4 of this Subpart. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the NO_x emissions rate and heat input of the unit and all other applicable parameters are monitored and reported in accordance with Subpart 243-8 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 department and the administrator determine that the monitoring plan is sufficient under subdivision (a) of this section, the owner or operator shall monitor and report the NO_x emissions rate and the heat input of the unit and all other applicable parameters, in accordance with Subpart 243-8 of this Part, starting on the date of certification of the appropriate monitoring systems under Subpart 243-8 of this Part and continuing until a CAIR opt-in permit is denied under subdivision (f) of this section or, if a CAIR opt-in permit is issued, the date and time when the unit is withdrawn from the CAIR NO_x Ozone Season Trading Program in accordance with section 243-9.7 of this Subpart.
 - (ii) The monitoring and reporting under subparagraph (i) of this paragraph shall include the entire control period immediately before the date on which the unit enters the CAIR NO_x Ozone Season Trading Program under subdivision (g) of this section, during which period monitoring system availability must not be less than 90 percent under Subpart 243-8 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_x emissions rate and the heat input of the unit are monitored and reported in accordance with Subpart 243-8 of this Part for one or more control periods, in addition to the control period under subparagraph (1)(ii) of this subdivision, during which control periods monitoring system availability is not less than 90 percent under Subpart 243-8 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 three years before the unit enters the CAIR NO_x Ozone Season Trading Program under subdivision (g) of this section, such information shall be used as provided in subdivisions (c) and (d) of this section.

(c) *Baseline heat input.* The unit's baseline heat input shall equal:

(1) if the unit's NO_x 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_x 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 subparagraph (b)(1)(ii) and paragraph (b)(2) of this section.

(d) *Baseline NO_x emission rate.* The unit's baseline NO_x emission rate shall equal:

(1) if the unit's NO_x 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_x emissions rate (in lb/mmBtu) for the control period;

(2) if the unit's NO_x 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_x emission controls during any such control periods, the average of the amounts of the unit's NO_x emissions rate (in lb/mmBtu) for the control periods under subparagraph (b)(1)(ii) and paragraph (b)(2) of this section; or

(3) if the unit's NO_x 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_x emission controls during any such control periods, the average of the amounts of the unit's NO_x emissions rate (in lb/mmBtu) for such control periods during which the unit has add-on NO_x emission controls.

(e) *Issuance of CAIR opt-in permit.* After calculating the baseline heat input and the baseline NO_x emissions rate for the unit under subdivisions (c) and (d) of this section and if the department determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR NO_x Ozone Season opt-in unit in section 243-9.1 of this Subpart and meets the elements certified in section 243-9.4(a)(2) of this Subpart, the department will issue a CAIR opt-in permit. The department 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_x Ozone Season opt-in unit unless the source already has a compliance account.

(f) *Issuance of denial of CAIR opt-in permit.* Notwithstanding subdivisions (a) through (e) of this section, if at any time before issuance of a CAIR opt-in permit for the unit, the department determines that the CAIR designated representative fails to show that the unit meets the requirements for a CAIR NO_x Ozone Season opt-in unit in section 243-9.1 of this Subpart or meets the elements certified in section 243-9.4(a)(2) of this Subpart, the department will issue a denial of a CAIR opt-in permit for the unit.

(g) *Date of entry into CAIR NO_x Ozone Season Trading Program.* A unit for which a CAIR opt-in permit is issued by the department shall become a CAIR NO_x Ozone Season opt-in unit, and a CAIR NO_x Ozone Season unit, as of the later of May 1, 2009 or May 1st of the first control period during which such CAIR opt-in permit is issued.

(h) *Repowered CAIR NO_x Ozone Season opt-in unit.* (1) If the CAIR designated representative requests, and the department issues a CAIR NO_x Ozone Season opt-in permit providing for, allocation to a CAIR NO_x Ozone Season opt-in unit of CAIR NO_x Ozone Season allowances under section 243-9.9(c) of this Subpart and such unit is re-powered after its date of entry into the CAIR NO_x Ozone Season Trading Program under subdivision (g) of this section, the re-powered unit shall be treated as a CAIR NO_x Ozone Season opt-in unit replacing the original CAIR NO_x Ozone Season opt-in unit, as of the date of start-up of the re-powered unit's combustion chamber.

(2) Notwithstanding subdivisions (c) and (d) of this section, as of the date of start-up under paragraph (1) of this subdivision, the re-powered 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_x emission rate as the original CAIR NO_x Ozone Season opt-in unit, and the original CAIR NO_x Ozone Season opt-in unit shall no longer be treated as a CAIR opt-in unit or a CAIR NO_x Ozone Season unit.

Historical Note

Sec. filed Sept. 19, 2007 eff. 30 days after filing.

§ 243-9.6 CAIR opt-in permit contents.

(a) Each CAIR opt-in permit will contain:

(1) all elements required for a complete CAIR permit application under section 243-3.3 of this Part;

(2) the certification in section 243-9.4(a)(2) of this Subpart;

(3) the unit's baseline heat input under section 243-9.5(c) of this Subpart;

(4) the unit's baseline NO_x emission rate under section 243-9.5(d) of this Subpart;

(5) a statement whether the unit is to be allocated CAIR NO_x Ozone Season allowances under section 243-9.9(b) or (c) of this Subpart (subject to the conditions in sections 243-9.5[h] and 243-9.7[g]) of this Subpart;

(6) a statement that the unit may withdraw from the CAIR NO_x Ozone Season Trading Program only in accordance with section 243-9.7 of this Subpart; and

(7) a statement that the unit is subject to, and the owners and operators of the unit must comply with, the requirements of section 243-9.8 of this Subpart.

(b) Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under section 243-1.2 of this Part and, upon recordation by the administrator under Subpart 243-6 or 243-7 of this Part or this Subpart, every allocation, transfer, or deduction of CAIR NO_x Ozone Season allowances to or from the compliance account of the source that includes a CAIR NO_x 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 department, in the CAIR permit for the source where the CAIR NO_x Ozone Season opt-in unit is located.

Historical Note

Sec. filed Sept. 19, 2007 eff. 30 days after filing.

§ 243-9.7 Withdrawal from CAIR NO_x Ozone Season Trading Program.

Except as provided under subdivision (g) of this section, a CAIR NO_x Ozone Season opt-in unit may withdraw from the CAIR NO_x Ozone Season Trading Program, but only if the department issues a notification to the CAIR designated representative of the CAIR NO_x Ozone Season opt-in unit of the acceptance of the withdrawal of the CAIR NO_x Ozone Season opt-in unit in accordance with subdivision (d) of this section.

(a) *Requesting withdrawal.* In order to withdraw a CAIR NO_x Ozone Season opt-in unit from the CAIR NO_x Ozone Season Trading Program, the CAIR designated representative of the CAIR NO_x Ozone Season opt-in unit shall submit to the department a request to withdraw effective as of midnight of September 30th of a specified calendar year, which date must be at

least four years after September 30th of the year of entry into the CAIR NO_x Ozone Season Trading Program under section 243-9.5(g) of this Subpart. 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_x Ozone Season opt-in unit covered by a request under subdivision (a) of this section may withdraw from the CAIR NO_x Ozone Season Trading Program and the CAIR opt-in permit may be terminated under subdivision (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_x Ozone Season opt-in unit must meet the requirement to hold CAIR NO_x Ozone Season allowances under section 243-1.6(c) of this Part and cannot have any excess emissions.

(2) After the requirement for withdrawal under paragraph (1) of this subdivision is met, the administrator will deduct from the compliance account of the source that includes the CAIR NO_x Ozone Season opt-in unit CAIR NO_x Ozone Season allowances equal in amount to and allocated for the same or a prior control period as any CAIR NO_x Ozone Season allowances allocated to the CAIR NO_x Ozone Season opt-in unit under section 243-9.9 of this Subpart for any control period for which the withdrawal is to be effective. If there are no remaining CAIR NO_x Ozone Season units at the source, the administrator will close the compliance account, and the owners and operators of the CAIR NO_x Ozone Season opt-in unit may submit a CAIR NO_x Ozone Season allowance transfer for any remaining CAIR NO_x Ozone Season allowances to another CAIR NO_x Ozone Season Allowance Tracking System in accordance with Subpart 243-7 of this Part.

(c) *Notification.* (1) After the requirements for withdrawal under subdivisions (a) and (b) of this section are met (including deduction of the full amount of CAIR NO_x Ozone Season allowances required), the department will issue a notification to the CAIR designated representative of the CAIR NO_x Ozone Season opt-in unit of the acceptance of the withdrawal of the CAIR NO_x Ozone Season opt-in unit as of midnight on September 30th of the calendar year for which the withdrawal was requested.

(2) If the requirements for withdrawal under subdivisions (a) and (b) of this section are not met, the department will issue a notification to the CAIR designated representative of the CAIR NO_x Ozone Season opt-in unit that the CAIR NO_x Ozone Season opt-in unit's request to withdraw is denied. Such CAIR NO_x Ozone Season opt-in unit shall continue to be a CAIR NO_x Ozone Season opt-in unit.

(d) *Permit amendment.* After the department issues a notification under paragraph (c)(1) of this section that the requirements for withdrawal have been met, the department will revise the CAIR permit covering the CAIR NO_x 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_x Ozone Season opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR NO_x Ozone Season Trading Program concerning any control periods for which the unit is a CAIR NO_x 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 department denies the CAIR NO_x Ozone Season opt-in unit's request to withdraw, the CAIR designated representative may submit another request to withdraw in accordance with subdivisions (a) and (b) of this section.

(f) *Ability to reapply to the CAIR NO_x Ozone Season Trading Program.* Once a CAIR NO_x Ozone Season opt-in unit withdraws from the CAIR NO_x 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 section 243-9.4 of this Subpart for such CAIR NO_x 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 section 243-9.5 of the Subpart.

(g) *Inability to withdraw.*

Notwithstanding subdivisions (a) through (f) of this section, a CAIR NO_x Ozone Season opt-in unit shall not be eligible to withdraw from the CAIR NO_x Ozone Season Trading Program if the CAIR designated representative of the CAIR NO_x Ozone Season opt-in unit requests, and the department issues a CAIR opt-in permit providing for, allocation to the CAIR NO_x Ozone Season opt-in unit of CAIR NO_x Ozone Season allowances under section 243-9.9(c) of this Subpart.

Historical Note

Sec. filed Sept. 19, 2007 eff. 30 days after filing.

§ 243-9.8 Change in regulatory status.

(a) *Notification.* If a CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part, then the CAIR designated representative shall notify in writing the department and the administrator of such change in the CAIR NO_x Ozone Season opt-in unit's regulatory status, within 30 days of such change.

(b) *Department's and administrator's actions.* (1) If a CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part, the department will revise the CAIR NO_x Ozone Season opt-in unit's CAIR opt-in permit to meet the requirements of a CAIR permit under section 243-3.4 of this Part, and remove the CAIR opt-in permit provisions as of the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part.

(2) (i) The administrator will deduct from the compliance account of the source that includes the CAIR NO_x Ozone Season opt-in unit that becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part, CAIR NO_x Ozone Season allowances equal in amount to and allocated for the same or a prior control period as:

(a) any CAIR NO_x Ozone Season allowances allocated to the CAIR NO_x Ozone Season opt-in unit under section 243-9.9 of this Subpart for any control period after the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part; and

(b) if the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part is not September 30th, the CAIR NO_x Ozone Season allowances allocated to the CAIR NO_x Ozone Season opt-in unit under section 243-9.9 of this Subpart for the control period that includes the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part 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_x Ozone Season opt-in unit that becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part contains the CAIR NO_x Ozone Season allowances necessary for completion of the deduction under subparagraph (i) of this paragraph.

(3) (i) For every control period after the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part, the CAIR NO_x Ozone Season opt-in unit will be allocated CAIR NO_x Ozone Season allowances under section 243-5.3 of this Part.

(ii) If the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part is not September 30th, the following amount of CAIR NO_x Ozone Season allowances will be allocated to the CAIR NO_x Ozone Season opt-in unit (as a CAIR NO_x Ozone Season unit) under section 243-5.3 of this Part for the control period that includes the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part:

(a) the amount of CAIR NO_x Ozone Season allowances otherwise allocated to the CAIR NO_x Ozone Season opt-in unit (as a CAIR NO_x Ozone Season unit) under section 243-5.3 of this Part 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_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under section 243-1.4 of this Part, divided by the total number of days in the control period; and

(c) rounded to the nearest whole allowance as appropriate.

Historical Note

Sec. filed Sept. 19, 2007 eff. 30 days after filing.

§ 243-9.9 CAIR NO_x Ozone Season allowance allocations to CAIR NO_x Ozone Season opt-in units.

(a) *Timing requirements.* (1) When the CAIR opt-in permit is issued under section 243-9.5(e) of this Subpart, the department will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit, and submit to the administrator the allocation for the control period in which a CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under section 243-9.5(g) of this Subpart, in accordance with subdivision (b) or (c) of this section.

(2) By no later than July 31st of the control period after the control period in which a CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under section 243-9.5(g) of this Subpart and July 31st of each year thereafter, the department will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x 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_x opt-in unit, in accordance with subdivision (b) or (c) of this section.

(b) *Calculation of allocation.* For each control period for which a CAIR NO_x Ozone Season opt-in unit is to be allocated CAIR NO_x Ozone Season allowances, the department will allocate in accordance with the following procedures:

(1) The heat input (in mmBtu) used for calculating the CAIR NO_x Ozone Season allowance allocation will be the lesser of:

(i) the CAIR NO_x Ozone Season opt-in unit's baseline heat input determined under section 243-9.5(c) of this Subpart; or

(ii) the CAIR NO_x Ozone Season opt-in unit's heat input, as determined in accordance with Subpart 243-8 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_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under section 243-9.5(g) of this Subpart.

(2) The NO_x emission rate (in lb/mmBtu) used for calculating CAIR NO_x Ozone Season allowance allocations will be the lesser of:

(i) the CAIR NO_x Ozone Season opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under section 243-9.5(d) of this Subpart and multiplied by 70 percent; or

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

(3) The department will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit in an amount equaling the heat input under paragraph (1) of this subdivision, multiplied by the NO_x emission rate under paragraph (2) of this subdivision, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

(c) Notwithstanding subdivision (b) of this section and if the CAIR designated representative requests, and the department issues a CAIR opt-in permit (based on a demonstration of the intent

to re-power stated under section 243-9.4(a)(5) of this Subpart providing for, allocation to a CAIR NO_x Ozone Season opt-in unit of CAIR NO_x Ozone Season allowances under this subdivision (subject to the conditions in sections 243-9.5[h] and 243-9.7[g] of this Subpart), the department will allocate to the CAIR NO_x Ozone Season opt-in unit as follows:

(1) For each control period in 2009 through 2014 for which the CAIR NO_x Ozone Season opt-in unit is to be allocated CAIR NO_x Ozone Season allowances:

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

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

(a) the CAIR NO_x Ozone Season opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under section 243-9.5(d) of this Subpart; or

(b) the most stringent State or Federal NO_x emissions limitation applicable to the CAIR NO_x Ozone Season opt-in unit at any time during the control period in which the CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under section 243-9.5(g) of this Subpart.

(iii) The department will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit in an amount equaling the heat input under subparagraph (i) of this paragraph, multiplied by the NO_x emission rate under subparagraph (ii) of this paragraph, 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_x Ozone Season opt-in unit is to be allocated CAIR NO_x Ozone Season allowances:

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

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

(a) 0.15 lb/mmBtu;

(b) the CAIR NO_x Ozone Season opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under section 243-9.5(d) of this Subpart; or

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

(iii) The department will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit in an amount equaling the heat input under subparagraph (i) of this paragraph, multiplied by the NO_x emission rate under subparagraph (ii) of this subparagraph, 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_x Ozone Season opt-in unit, the CAIR NO_x Ozone Season allowances allocated by the department to the CAIR NO_x Ozone Season opt-in unit under paragraph (a)(1) of this section.

(2) By September 1st of the control period in which a CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under section 243-9.5(g) of this Subpart, and September 1st of each year thereafter, the administrator will record, in the compliance account of the source that includes the CAIR NO_x Ozone Season opt-in unit, the CAIR NO_x Ozone Season allowances allocated by the department to the CAIR NO_x Ozone Season opt-in unit under paragraph (a)(2) of this section.

Historical Note

Sec. filed Sept. 19, 2007 eff. 30 days after filing.