

## SUBPART 245-9

### CAIR SO<sub>2</sub> OPT-IN UNITS

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#### Historical Note

Subpart (§§ 245-9.1 — 245-9.9) filed Sept. 19, 2007 eff. 30 days after filing.

#### § 245-9.1 Applicability.

A CAIR SO<sub>2</sub> opt-in unit must be a unit that:

- (a) is located in New York State;
- (b) is not a CAIR SO<sub>2</sub> unit under section 245-1.4 of this Part and is not covered by a retired unit exemption under section 245-1.5 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 and is not an opt-in source under 40 CFR part 74;
- (d) has or is required 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 245-8 of this Subpart.

#### Historical Note

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#### § 245-9.2 General.

(a) Except as otherwise provided in sections 245-1.2 through 245-1.4, 245-1.6 through 245-1.8 of this Part, and Subparts 245-2, and 245-3, and 245-6 through 245-8 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.

(b) Solely for purposes of applying, as provided in this Subpart, the requirements of Subpart 245-8 of this Part to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this Subpart, such unit shall be treated as a CAIR SO<sub>2</sub> unit before issuance of a CAIR opt-in permit for such unit.

#### Historical Note

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#### § 245-9.3 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 opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this Subpart, located at the same source as one or more CAIR SO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.

#### Historical Note

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**§ 245-9.4 Applying for 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 section 245-9.1 of this Subpart may apply for an initial CAIR opt-in permit at any time, except as provided under section 245-9.7(f) and (g) of this Subpart, and, in order to apply, must submit the following:

- (a) a complete CAIR permit application under section 245-3.3 of this Subpart;
- (b) a certification, in a format specified by the department, that the unit:
  - (1) is not a CAIR SO<sub>2</sub> unit under section 245-1.4 of this Part and is not covered by a retired unit exemption under section 245-1.5 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) 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 40 CFR part 74;
  - (4) vents all of its emissions to a stack; and
  - (5) has documented heat input for more than 876 hours during the six months immediately preceding submission of the CAIR permit application under section 245-3.3 of this Part;
- (c) a monitoring plan in accordance with Subpart 245-8 of this Part;
- (d) a complete certificate of representation under section 245-2.4 of this Part consistent with section 245-9.3 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 SO<sub>2</sub> allowances under section 245-9.9(b) or (c) of this Subpart (subject to the conditions in sections 245-9.5[h] and 245-9.7[g] of this Subpart). If allocation under section 245-9.9(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**

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**§ 245-9.5 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 245-9.4 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 245-9.4 of this Subpart. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the 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 245-8 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 SO<sub>2</sub> emissions rate and the heat input of the unit and all other applicable parameters, in accordance with Subpart 245-8 of this Part, starting on the date of certification of the appropriate monitoring systems under Subpart 245-8 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 SO<sub>2</sub> Trading Program in accordance with section 245-9.7 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 SO<sub>2</sub>

Trading Program under subdivision (g) of this section, during which period monitoring system availability must not be less than 90 percent under Subpart 245-8 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 SO<sub>2</sub> emissions rate and the heat input of the unit are monitored and reported in accordance with Subpart 245-8 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 245-8 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 SO<sub>2</sub> 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 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 subparagraph (b)(1)(ii) and 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 subparagraph (b)(1)(ii) and paragraph (b)(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 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 SO<sub>2</sub> opt-in unit in section 245-9.1 of this Subpart and meets the elements certified in section 245-9.4(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 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 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 SO<sub>2</sub> opt-in unit in section 245-9.1 of this Subpart or meets the elements certified in section 245-9.4(a)(2) of this Subpart, the department will issue a denial of a CAIR SO<sub>2</sub> opt-in permit for the unit.

(g) *Date of entry into CAIR SO<sub>2</sub> Trading Program.* A unit for which a CAIR opt-in permit is issued by the department 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 1st of the first control period during which such CAIR opt-in permit is issued.

(h) *Re-powered CAIR SO<sub>2</sub> opt-in unit.* (1) If the CAIR designated representative requests, and the department issues a CAIR SO<sub>2</sub> opt-in permit providing for allocation to a CAIR SO<sub>2</sub> opt-in unit of CAIR SO<sub>2</sub> allowances under section 245-9.9(c) of this Subpart and such unit is re-powered after its date of entry into the CAIR SO<sub>2</sub> Trading Program under subdivision (g) of this section, the re-powered 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 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 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 opt-in unit or a CAIR SO<sub>2</sub> unit.

**Historical Note**

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**§ 245-9.6 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 245-3.3 of this Part;

(2) the certification in section 245-9.4(a)(2) of this Subpart;

(3) the unit's baseline heat input under section 245-9.5(c) of this Subpart;

(4) the unit's baseline SO<sub>2</sub> emission rate under section 245-9.5(d) of this Subpart;

(5) a statement whether the unit is to be allocated CAIR SO<sub>2</sub> allowances under section 245-9.9(b) or (c) of this Subpart (subject to the conditions in sections 245-9.5[h] and 245-9.7[g]) of this Subpart;

(6) a statement that the unit may withdraw from the CAIR SO<sub>2</sub> Trading Program only in accordance with section 245-9.7 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 245-9.8 of this Subpart.

(b) Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under section 245-1.2 of this Part and, upon recordation by the administrator under Subpart 245-6 or 245-7 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 department, in the CAIR permit for the source where the CAIR SO<sub>2</sub> opt-in unit is located.

**Historical Note**

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**§ 245-9.7 Withdrawal from CAIR SO<sub>2</sub> Trading Program.**

Except as provided under subdivision (g) of this section, a CAIR SO<sub>2</sub> opt-in unit may withdraw from the CAIR SO<sub>2</sub> Annual Trading Program, but only if the department 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 subdivision (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 department a request to withdraw effective as of midnight of December 31st of a specified calendar year, which date must be at least four years after December 31st of the year of entry into the CAIR SO<sub>2</sub> Trading Program under section 245-9.5(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 SO<sub>2</sub> opt-in unit covered by a request under subdivision (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 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 SO<sub>2</sub> opt-in unit must meet the requirement to hold CAIR SO<sub>2</sub> allowances under section 245-1.6(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 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 section 245-9.9 of this Subpart 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 245-7 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 SO<sub>2</sub> allowances required), the department 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 31st 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 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 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 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 department 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 subdivisions (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 section 245-9.4 of this Subpart for such CAIR SO<sub>2</sub> opt-in unit before the date that is four 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 245-9.5 of the Subpart.

(g) *Inability to withdraw.*

Notwithstanding subdivisions (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 department 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 section 245-9.9(c) of this Subpart.

#### Historical Note

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**§ 245-9.8 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 section 245-1.4 of this Part, then the CAIR designated representative shall notify in writing the department and the administrator of such change in the CAIR SO<sub>2</sub> opt-in unit's regulatory status, within 30 days of such change.

(b) *Department'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 section 245-1.4 of this Part, the department 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 section 245-3.4 of this Part, 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 section 245-1.4 of this Part.

(2) (i) The administrator will deduct from 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 section 245-1.4 of this Part, 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 section 245-9.9 of this Subpart 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 section 245-1.4 of this Part; 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 section 245-1.4 of this Part is not December 31st, the CAIR SO<sub>2</sub> allowances allocated to the CAIR SO<sub>2</sub> opt-in unit under section 245-9.9 of this Subpart 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 section 245-1.4 of this Part, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR SO<sub>2</sub> opt-in unit becomes a CAIR SO<sub>2</sub> unit under section 245-1.4 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 SO<sub>2</sub> opt-in unit that becomes a CAIR SO<sub>2</sub> unit under section 245-1.4 of this Part contains the CAIR SO<sub>2</sub> allowances necessary for completion of the deduction under subparagraph (i) of this paragraph.

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**§ 245-9.9 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 section 245-9.5(e) of this Subpart, the department 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 section 245-9.5(g) of this Subpart, in accordance with subdivision (b) or (c) of this section.

(2) By no later than October 31st 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 section 245-9.5(g) of this Subpart and October 31st of each year thereafter, the department 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 subdivision (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 department 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 section 245-9.5(c) of this Subpart; or

(ii) the CAIR SO<sub>2</sub> opt-in unit's heat input, as determined in accordance with Subpart 245-8 of this Part, for the immediately prior control period, except when the allocation is being calculated for the control period in which the CAIR SO<sub>2</sub> opt-in unit enters the CAIR SO<sub>2</sub> Trading Program under section 245-9.5(g) of this Subpart.

(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 section 245-9.5(d) of this Subpart 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 department 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 (1) of this subdivision, multiplied by the SO<sub>2</sub> emission rate under paragraph (2) of this subdivision, and divided by 2,000 lb/ton.

(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 245-9.4[a][5] of this Subpart) providing for, allocation to a CAIR SO<sub>2</sub> opt-in unit of CAIR SO<sub>2</sub> allowances under this subdivision (subject to the conditions in sections 245-9.5[h] and 245-9.7[g] of this Subpart), the department 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 section 245-9.5(d) of this Subpart; 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 section 245-9.5(g) of this Subpart.

(iii) The department 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 subparagraph (i) of this paragraph, multiplied by the SO<sub>2</sub> emission rate under subparagraph (ii) of this paragraph, 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 section 245-9.5(d) of this Subpart 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 department 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 amount, the heat input under subparagraph (i) of this paragraph, multiplied by the SO<sub>2</sub> emission rate under subparagraph (ii) of this paragraph, 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 department to the CAIR SO<sub>2</sub> opt-in unit under paragraph (a)(1) of this section.

(2) By December 1st 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 section 245-9.5(g) of this Subpart, and December 1st 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 department to the CAIR SO<sub>2</sub> opt-in unit under paragraph (a)(2) of this section.

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