

$$\text{Allowances} = \frac{\left[ \begin{array}{c} \text{baseline} \\ \text{or} \\ \text{alternative baseline} \end{array} \right] \times \text{the lesser of} \left[ \begin{array}{c} \text{the actual SO}_2 \text{ emissions rate} \\ \text{or} \\ \text{the 1985 allowable SO}_2 \text{ emissions rate} \\ \text{or} \\ \text{the current promulgated SO}_2 \text{ emissions rate} \end{array} \right]}{2000}$$

[60 FR 17115, Apr. 4, 1995, as amended at 63 FR 18841, Apr. 16, 1998]

**§ 74.28 Allowance allocation for combustion sources becoming opt-in sources on a date other than January 1.**

(a) *Dates of entry.* (1) If an opt-in source provided monthly data under § 74.20, the opt-in source's opt-in permit may become effective at the beginning of a calendar quarter as of January 1, April 1, July 1, or October 1.

(2) If an opt-in source provided annual data under § 74.20, the opt-in

source's opt-in permit must become effective on January 1.

(b) *Prorating by Calendar Quarter.* Where a combustion source's opt-in permit becomes effective on April 1, July 1, or October 1 of a given year, the Administrator will prorate the allowance allocation for that first year by the calendar quarters remaining in the year as follows:

Allowances for the first year

$$= \left( \frac{\text{first year partial baseline}}{\text{baseline or alternative baseline}} \right) \times \text{annual allocation of allowances for the first year}$$

(1) For combustion sources that commenced operations before January 1, 1985,

$$\text{first year partial baseline} = \frac{\sum_{\text{Year}=1985}^{1987} \text{fuel consumption for remaining calendar quarters}}{3}$$

(2) For combustion sources that commenced operations after January 1, 1985,

$$\text{first year partial baseline} = \frac{\sum_{\text{First 3 consecutive years}} \text{fuel consumption for the remaining calendar quarters}}{3}$$

(3) Under paragraphs (b) (1) and (2) of this section,

(i) "Remaining calendar quarters" shall be the calendar quarters in the

first year for which the opt-in permit will be effective.

(ii) Fuel consumption for remaining calendar quarters =

$$\sum_{\text{months=Apr., Jul., or Oct.}}^{\text{Dec}} \cdot \sum_{\text{Fuel Types}} \text{quantity of fuel consumed} \times \text{heat content} \times \text{unit conversion}$$

where unit conversion

- = 2 for coal
- = 0.001 for oil
- = 1 for gas

For other fuels, the combustion source must specify unit conversion;

and where starting month

- = April, if effective date is April 1;
- = July, if effective date is July 1; and
- = October, if effective date is October 1.

**Subpart D—Allowance Calculations for Process Sources [Reserved]**

**Subpart E—Allowance Tracking and Transfer and End of Year Compliance**

**§ 74.40 Establishment of opt-in source allowance accounts.**

(a) *Establishing accounts.* Not earlier than the date on which a combustion or process source becomes an affected unit under this part and upon receipt of a request for a compliance account under paragraph (b) of this section, the Administrator will establish a compliance account (unless the source that includes the opt-in source already has a compliance account or the opt-in source has, under § 74.4(c), a different designated representative than the designated representative for the source) and allocate allowances in accordance with subpart C of this part for combustion sources or subpart D of this part for process sources.

(b) *Request for opt-in account.* The designated representative of the opt-in source shall, on or after the effective date of the opt-in permit as specified in § 74.14(d), submit a letter requesting the opening of an compliance account (unless the source that includes the opt-in source already has a compliance account or the opt-in source has, under § 74.4(c), a different designated representative than the designated representative for the source) to the Administrator.

[60 FR 17115, Apr. 4, 1995, as amended at 70 FR 25336, May 12, 2005]

**§ 74.41 Identifying allowances.**

(a) *Identifying allowances.* Allowances allocated to an opt-in source will be assigned a serial number that identifies them as being allocated under an opt-in permit.

(b) *Submittal of opt-in allowances for auction.* (1) An authorized account representative may offer for sale in the spot auction under § 73.70 of this chapter allowances that are allocated to opt-in sources, if the allowances have a compliance use date earlier than the year in which the spot auction is to be held and if the Administrator has completed the deductions for compliance under § 73.35(b) for the compliance year corresponding to the compliance use date of the offered allowances.

(2) Authorized account representatives may not offer for sale in the advance auctions under § 73.70 of this chapter allowances allocated to opt-in sources.

**§ 74.42 Limitation on transfers.**

(a) With regard to a transfer request submitted for recordation during the period starting January 1 and ending with the allowance transfer deadline in the same year, the Administrator will not record a transfer of an opt-in allowance that is allocated to an opt-in source for the year in which the transfer request is submitted or a subsequent year.

(b) With regard to a transfer request during the period starting with the day after an allowance transfer deadline and ending December 31 in the same year, the Administrator will not record a transfer of an opt-in allowance that is allocated to an opt-in source for a year after the year in which the transfer request is submitted.

[70 FR 25336, May 12, 2005]

**§ 74.43 Annual compliance certification report.**

(a) *Applicability and deadline.* For each calendar year in which an opt-in source is subject to the Acid Rain emissions limitations, the designated