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- (1) Identification of the unit;
- (2) For all Phase I units, the information in accordance with §§72.91(a) and 72.92(a) of this part;
- (3) If the unit is governed by an approved Phase I extension plan, then the information in accordance with §72.93 of this part;
- (4) At the designated representative's option, the total number of allowances to be deducted for the year, using the formula in §72.95 of this part, and the serial numbers of the allowances that are to be deducted;
- (5) At the designated representative's option, for units that share a common stack and whose emissions of sulfur dioxide are not monitored separately or apportioned in accordance with part 75 of this chapter, the percentage of the total number of allowances under paragraph (b)(4) of this section for all such units that is to be deducted from each unit's compliance subaccount; and
- (6) The compliance certification under paragraph (c) of this section.

(c) *Annual compliance certification.* In the annual compliance certification report under paragraph (a) of this section, the designated representative shall certify, based on reasonable inquiry of those persons with primary responsibility for operating the source and the affected units at the source in compliance with the Acid Rain Program, whether each affected 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 Acid Rain Program applicable to the unit, including:

- (1) Whether the unit was operated in compliance with the applicable Acid Rain emissions limitations, including whether the unit held allowances, as of the allowance transfer deadline, in its compliance subaccount (after accounting for any allowance deductions under §73.34(c) of this chapter) not less than the unit's total sulfur dioxide emissions during the calendar year covered by the annual report;
- (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 monitored emissions to the unit;

(3) Whether all the 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 conditionally valid data, as defined in §72.2, were reported in the quarterly report. If conditionally valid data were reported, the owner or operator shall indicate whether the status of all conditionally valid data has been resolved and all necessary quarterly report resubmissions have been made.

(4) Whether the facts that form the basis for certification of each monitor at the unit or a group of units (including the unit) using a common stack or for using an Acid Rain Program excepted monitoring method or approved alternative monitoring method, 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.

[58 FR 3650, Jan. 11, 1993, as amended at 64 FR 28588, May 26, 1999; 70 FR 25334, May 12, 2005]

§72.91 Phase I unit adjusted utilization.

(a) *Annual compliance certification report.* The designated representative for each Phase I unit shall include in the annual compliance certification report the unit's adjusted utilization for the calendar year in Phase I covered by the report, calculated as follows:

$$\text{Adjusted utilization} = \text{baseline} - \text{actual utilization} - \text{plan reductions} + \text{compensating generation provided to other units}$$

where:

- (1) "Baseline" is as defined in §72.2 of this part.
- (2) "Actual utilization" is the actual annual heat input (in mmBtu) of the unit for the calendar year determined

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in accordance with part 75 of this chapter.

(3) "Plan reductions" are the reductions in actual utilization, for the calendar year, below the baseline that are accounted for by an approved reduced utilization plan. The designated representative for the unit shall calculate the "plan reductions" (in mmBtu) using the following formula and converting all values in Kwh to mmBtu using the actual annual average heat rate (Btu/Kwh) of the unit (determined in accordance with part 75 of this chapter) before the employment of any improved unit efficiency measures under an approved plan:

Plan reductions = reduction from energy conservation + reduction from improved unit efficiency improvements + shifts to designated sulfur-free generators + shifts to designated compensating units

where:

(i) "Reduction from energy conservation" is a good faith estimate of the expected kilowatt hour savings during the calendar year from all conservation measures under the reduced utilization plan and the corresponding reduction in heat input (in mmBtu) resulting from those savings. The verified amount of such reduction shall be submitted in accordance with paragraph (b) of this section.

(ii) "Reduction from improved unit efficiency" is a good faith estimate of the expected improvement in heat rate during the calendar year and the corresponding reduction in heat input (in

mmBtu) at the Phase I unit as a result of all improved unit efficiency measures under the reduced utilization plan. The verified amount of such reduction shall be submitted in accordance with paragraph (b) of this section.

(iii) "Shifts to designated sulfur-free generators" is the reduction in utilization (in mmBtu), for the calendar year, that is accounted for by all sulfur-free generators designated under the reduced utilization plan in effect for the calendar year. This term equals the sum, for all such generators, of the "shift to sulfur-free generator." "Shift to sulfur-free generator" shall equal the amount, to the extent documented under paragraph (a)(6) of this section, calculated for each generator using the following formula:

Shift to sulfur-free generator = actual sulfur-free utilization - [(average 1985-87 sulfur-free annual utilization) (1 + percentage change in dispatch system sales)]

where:

(A) "Actual sulfur-free utilization" is the actual annual generation (in Kwh) of the designated sulfur-free generator for the calendar year converted to mmBtus.

(B) "Average 1985-87 sulfur-free utilization" is the sum of annual generation (in Kwh) for 1985, 1986, and 1987 for the designated sulfur-free generator, divided by three and converted to mmBtus.

(C) "Percentage change in dispatch system sales" is calculated as follows:

$$\text{Percentage change in dispatch system sales} = \left[S_c - \left(\sum_{y=1985}^{1987} S_y \div 3 \right) \right] \div \left[\sum_{y=1985}^{1987} S_y \div 3 \right]$$

where:

S = dispatch system sales (in Kwh)
 c = calendar year
 y = 1985, 1986, or 1987

If the result of the formula for percentage change in dispatch system sales is less than or equal to zero, then percentage change in dispatch system sales shall be treated as zero only for purposes of paragraph (a)(3)(iii) of this section.

(D) If the result of the formula for "shift to sulfur-free generator" is less than or equal to zero, then "shift to sulfur-free generator" is zero.

(iv) "Shifts to designated compensating units" is the reduction in utilization (in mmBtu) for the calendar year that is accounted for by increased generation at compensating units designated under the reduced utilization

plan in effect for the calendar year. This term equals the heat rate, under paragraph (a)(3) of this section, of the unit reducing utilization multiplied by the sum, for all such compensating units, of the “shift to compensating unit” for each compensating unit. “Shift to compensating unit” shall equal the amount of compensating generation (in Kwh), to the extent documented under paragraph (a)(6) of this section, that the designated representatives of the unit reducing utilization and the compensating unit have certified (in their respective annual compliance certification reports) as the amount that will be converted to mmBtus and used, in accordance with paragraph (a)(4) of this section, in calculating the adjusted utilization for the compensating unit.

(4) “Compensating generation provided to other units” is the total amount of utilization (in mmBtu) necessary to provide the generation (if any) that was shifted to the unit as a designated compensating unit under any other reduced utilization plans that were in effect for the unit and for the calendar year. This term equals the heat rate, under paragraph (a)(3) of this section, of such unit multiplied by the sum of each “shift to compensating unit” that is attributed to the unit in the annual compliance certification reports submitted by the Phase I units under such other plans and that is certified under paragraph (a)(3)(iv) of this section.

(5) Notwithstanding paragraphs (a)(3)(i), (ii), and (iii) of this section, where two or more Phase I units include in “plan reductions”, in their annual compliance certification reports for the calendar year, expected kilowatt hour savings or reduction in heat rate from the same specific conservation or improved unit efficiency measures or increased utilization of the same sulfur-free generator:

(i) The designated representatives of all such units shall submit with their annual reports a certification signed by all such designated representatives. The certification shall apportion the total kilowatt hour savings, reduction in heat rate, or increased utilization among such units.

(ii) Each designated representative shall include in the annual report only the respective unit’s share of the total kilowatt hour savings, reduction in heat rate, or increased utilization, in accordance with the certification under paragraph (a)(5)(i) of this section.

(6)(i) Where a unit includes in “plan reductions” under paragraph (a)(3) of this section the increase in utilization of any sulfur-free generator, the designated representative of the unit shall submit, with the annual compliance certification report, documentation demonstrating that an amount of electrical energy at least equal to the “shift to sulfur-free generator” attributed to the sulfur-free generator in the annual report was actually acquired by the unit’s dispatch system from the sulfur-free generator.

(ii) Where a unit includes in “plan reductions” under paragraph (a)(3) of this section utilization of any compensating unit, the designated representative of the unit shall submit with the annual compliance certification report, documentation demonstrating that an amount of electrical energy at least equal to the “shift to compensating unit” attributed to the compensating unit in the annual report was actually acquired by the unit’s dispatch system from the compensating unit.

(7) Notwithstanding paragraphs (a)(3)(i), (ii), (iii), and (iv), (a)(4), and (a)(5) of this section, “plan reductions” minus “compensating generation provided to other units” shall not exceed “baseline” minus “actual utilization.”

(b) *Confirmation report.* (1) If a unit’s annual compliance certification report estimates any expected kilowatt hour savings or improvement in heat rate from energy conservation or improved unit efficiency measures under a reduced utilization plan, the designated representative shall submit, by July 1 of the year in which the annual report was submitted, a confirmation report. The Administrator may grant, for good cause shown, an extension of the time to file the confirmation report. The confirmation report shall include the following elements in a format prescribed by the Administrator:

(i) The verified kilowatt hour savings from each such energy conservation

measure and the verified corresponding reduction in the unit's heat input resulting from each measure during the calendar year covered by the annual report. For purposes of this paragraph (b), all values in Kwh shall be converted to mmBtu using the actual annual heat rate (Btu/Kwh) of the unit (determined in accordance with part 75 of this chapter) before the employment of any improved unit efficiency measures under an approved reduced utilization plan.

(ii) The verified reduction in the heat rate achieved by each improved unit efficiency measure and the verified corresponding reduction in the unit's heat input resulting from such measure.

(iii) For each figure under paragraphs (b)(1) (i) and (ii) of this section:

(A) Documentation (which may follow the EPA Conservation Verification Protocol) verifying specified figures to the satisfaction of the Administrator; or

(B) Certification, by a State utility regulatory authority that has rate-making jurisdiction over the utility system that paid for the measures in accordance with § 72.43(b)(2) of this part and over rates reflecting any of the amount paid for such measures, or that meets the criteria in § 73.82(c)(1) (i) and (ii) of this chapter, that such authority verified specified figures related to demand-side measures; and

(C) Certification, by a utility regulatory authority that has ratemaking jurisdiction over the utility system that paid for the measures in accordance with § 72.43(b)(2) of this part and over rates reflecting any of the amount paid for such measures, that such authority verified specified figures related to supply-side measures, except measures relating to generation efficiency.

(iv) The sum of the verified reductions in a unit's heat input from all measures implemented at the unit to reduce the unit's heat rate (whether the measures are treated as supply-side measures or improved unit efficiency measures) shall not exceed the generation (in kwh) attributed to the unit for the calendar year times the difference between the unit's heat rate for 1987 and the unit's heat rate for the calendar year.

(2) Notwithstanding paragraph (b)(1)(i) of this section, where two or more Phase I units include in the confirmation report the verified kilowatt hour savings or reduction in heat rate from the same specific conservation or improved unit efficiency measures:

(i) The designated representatives of all such units shall submit with their confirmation reports a certification signed by all such designated representatives. The certification shall apportion the total kilowatt hour savings or reduction in heat rate among such units.

(ii) Each designated representative shall include in the confirmation report only the respective unit's share of the total savings or reduction in heat rate in accordance with the certification under paragraph (b)(2)(i) of this section.

(3) If the total, included in the confirmation report, of the amounts of verified reduction in the unit's heat input from energy conservation and improved unit efficiency measures equals the total estimated in the unit's annual compliance certification report from such measures for the calendar year, then the designated representatives shall include in the confirmation report a statement indicating that is true.

(4) If the total, included in the confirmation report, of the amounts of verified reduction in the unit's heat input from energy conservation and improved unit efficiency measures is greater than the total estimated in the unit's annual compliance certification report from such measures for the calendar year, then the designated representative shall include in the confirmation report the number of allowances to be credited to the unit's compliance subaccount calculated using the following formula:

$$\text{Allowances credited} = (\text{verified heat input reduction} - \text{estimated heat input reduction}) \times \text{emissions rate} \cdot 2000 \text{ lbs/ton}$$

where:

(i) "Verified heat input reduction" is the total of the amounts of verified reduction in the unit's heat input (in mmBtu) from energy conservation and

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improved unit efficiency measures included in the confirmation report.

(ii) “Estimated heat input reduction” is the total of the amounts of reduction in the unit’s heat input (in mmBtu) accounted for by energy conservation and improved efficiency measures as estimated in the unit’s annual compliance certification report for the calendar year.

(iii) “Emissions rate” is the “emissions rate” under § 72.92(c)(2)(v) of this part.

(iv) The allowances credited shall not exceed the total number of allowances deducted from the unit’s compliance subaccount for the calendar year in accordance with §§ 72.92(a) and (c) and 73.35(b) of this chapter.

(5) If the total, included in the confirmation report, of the amount of verified reduction in the unit’s heat input for energy conservation and improved unit efficiency measures is less than the total estimated in the unit’s annual compliance certification report for such measures for the calendar year, then the designated representative shall include in the confirmation report the number of allowances to be deducted from the unit’s compliance subaccount calculated in accordance with this paragraph (b)(5).

(i) If any allowances were deducted from the unit’s compliance subaccount for the calendar year in accordance with §§ 72.92(a) and (c) and 73.35(b) of this chapter, then the number of allowances to be deducted under paragraph (b)(5) of this section equals the absolute value of the result of the formula for allowances credited under paragraph (b)(4) of this section (excluding paragraph (b)(4)(iv) of this section).

(ii) If no allowances were deducted from the unit’s compliance subaccount for the calendar year in accordance with §§ 72.92(a) and (c) and 73.35(b) of this chapter:

(A) The designated representative shall recalculate the unit’s adjusted utilization in accordance with paragraph (a) of this section, replacing the amounts for reduction from energy conservation and reduction from improved unit efficiency by the amount for verified heat input reduction. “Verified heat input reduction” is the total of the amounts of verified reduc-

tion in the unit’s heat input (in mmBtu) from energy conservation and improved unit efficiency measures included in the confirmation report.

(B) After recalculating the adjusted utilization under paragraph (b)(5)(ii)(A) of this section for all Phase I units that are in the unit’s dispatch system and to which paragraph (b)(5) of this section is applicable, the designated representative shall calculate the number of allowances to be surrendered in accordance with § 72.92(c)(2) using the recalculated adjusted utilizations of such Phase I units.

(C) The allowances to be deducted under paragraph (b)(5) of this section shall equal the amount under paragraph (b)(5)(ii)(B) of this section, *provided* that if the amount calculated under this paragraph (b)(5)(ii)(C) is equal to or less than zero, then the amount of allowances to be deducted is zero.

(6) The Administrator will determine the amount of allowances that would have been included in the unit’s compliance subaccount and the amount of excess emissions of sulfur dioxide that would have resulted if the deductions made under § 73.35(b) of this chapter had been based on the verified, rather than the estimated, reduction in the unit’s heat input from energy conservation and improved unit efficiency measures.

(7) The Administrator will determine whether the amount of excess emissions of sulfur dioxide under paragraph (b)(6) of this section differs from the amount of excess emissions determined under § 73.35(b) of this chapter based on the annual compliance certification report. If the amounts differ, the Administrator will determine: The number of allowances that should be deducted to offset any increase in excess emissions or returned to account for any decrease in excess emissions; and the amount of excess emissions penalty (excluding interest) that should be paid or returned to account for the change in excess emissions. The Administrator will deduct immediately from the unit’s compliance subaccount the amount of allowances that he or she determines is

necessary to offset any increase in excess emissions or will return immediately to the unit's compliance sub-account the amount of allowances that he or she determines is necessary to account for any decrease in excess emissions. The designated representative may identify the serial numbers of the allowances to be deducted or returned. In the absence of such identification, the deduction will be on a first-in, first-out basis under § 73.35(b)(2) of this chapter and the return will be at the Administrator's discretion.

(8) If the designated representative of a unit fails to submit on a timely basis a confirmation report (in accordance with paragraph (b) of this section) with regard to the estimate of expected kilowatt hour savings or improvement in heat rate from any energy conservation or improved unit efficiency measure under the reduced utilization plan, then the Administrator will reject such estimate and correct it to equal zero in the unit's annual compliance certification report that includes that estimate. The Administrator will deduct immediately, on a first-in, first-out basis under § 73.35(c)(2) of this chapter, the amount of allowances that he or she determines is necessary to offset any increase in excess emissions of sulfur dioxide that results from the correction and require the owners and operators to pay an excess emission penalty in accordance with part 77 of this chapter.

[58 FR 3650, Jan. 11, 1993, as amended at 58 FR 40747, July 30, 1993; 59 FR 60231, Nov. 22, 1994; 60 FR 18470, Apr. 11, 1995; 62 FR 55485, Oct. 24, 1997]

§ 72.92 Phase I unit allowance surrender.

(a) *Annual compliance certification report.* If a Phase I unit's adjusted utilization for the calendar year in Phase I under § 72.91(a) is greater than zero, then the designated representative shall include in the annual compliance certification report the number of allowances that shall be surrendered for adjusted utilization using the formula in paragraph (c) of this section and the calculations that were performed to obtain that number.

(b) *Other submissions.* (1) [Reserved]

(2)(i) If any Phase I unit in a dispatch system is governed during the calendar year by an approved reduced utilization plan relying on sulfur-free generation, then the designated representatives of all affected units in such dispatch system shall jointly submit, within 60 days of the end of the calendar year, a dispatch system data report that includes the following elements in a format prescribed by the Administrator:

(A) The name of the dispatch system as reported under § 72.33;

(B) The calculation of "percentage change in dispatch system sales" under § 72.91(a)(3)(iii)(C);

(C) A certification that each designated representative will use this figure, as appropriate, in its annual compliance certification report and will submit upon request the data supporting the calculation; and

(D) The signatures of all the designated representatives.

(ii) If any Phase I unit in a dispatch system has adjusted utilization greater than zero for the calendar year, then the designated representatives of all Phase I units in such dispatch system shall jointly submit, within 60 days of the end of the calendar year, a dispatch system data report that includes the following elements in a format prescribed by the Administrator:

(A) The name of the dispatch system as reported under § 72.33;

(B) The calculation of "percentage change in dispatch system sales" under § 72.91(a)(3)(iii)(C);

(C) The calculation of "dispatch system adjusted utilization" under paragraph (c)(2)(i) of this section;

(D) The calculation of "dispatch system aggregate baseline" under paragraph (c)(2)(ii) of this section;

(E) The calculation of "fraction of generation within dispatch system" under paragraph (c)(2)(v)(A) of this section;

(F) The calculation of "dispatch system emissions rate" under paragraph (c)(2)(v)(B) of this section;

(G) The calculation of "fraction of generation from non-utility generators" under paragraph (c)(2)(v)(C) of this section;

(H) The calculation of "non-utility generator average emissions rate"