

## § 96.88

in the compliance account after completion of such deduction and any deduction under § 96.54, the Administrator will close the NO<sub>x</sub> Budget opt-in source's compliance account and will establish, and transfer any remaining allowances to, a new general account for the owners and operators of the NO<sub>x</sub> Budget opt-in source. The NO<sub>x</sub> authorized account representative for the NO<sub>x</sub> Budget opt-in source shall become the NO<sub>x</sub> authorized account representative for the general account.

### § 96.88 NO<sub>x</sub> allowance allocations to opt-in units.

(a) *NO<sub>x</sub> allowance allocation.* (1) By December 31 immediately before the first control period for which the NO<sub>x</sub> Budget opt-in permit is effective, the permitting authority will allocate NO<sub>x</sub> allowances to the NO<sub>x</sub> Budget opt-in source and submit to the Administrator the allocation for the control period in accordance with paragraph (b) of this section.

(2) By no later than December 31, after the first control period for which the NO<sub>x</sub> Budget opt-in permit is in effect, and December 31 of each year thereafter, the permitting authority will allocate NO<sub>x</sub> allowances to the NO<sub>x</sub> Budget opt-in source, and submit to the Administrator allocations for the next control period, in accordance with paragraph (b) of this section.

(b) For each control period for which the NO<sub>x</sub> Budget opt-in source has an approved NO<sub>x</sub> Budget opt-in permit, the NO<sub>x</sub> Budget opt-in source will be allocated NO<sub>x</sub> allowances in accordance with the following procedures:

(1) The heat input (in mmBtu) used for calculating NO<sub>x</sub> allowance allocations will be the lesser of:

(i) The NO<sub>x</sub> Budget opt-in source's baseline heat input determined pursuant to § 96.84(c); or

(ii) The NO<sub>x</sub> Budget opt-in source's heat input, as determined in accordance with subpart H of this part, for the control period in the year prior to the year of the control period for which the NO<sub>x</sub> allocations are being calculated.

(2) The permitting authority will allocate NO<sub>x</sub> allowances to the NO<sub>x</sub> Budget opt-in source in an amount equaling the heat input (in mmBtu) de-

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termined under paragraph (b)(1) of this section multiplied by the lesser of:

(i) The NO<sub>x</sub> Budget opt-in source's baseline NO<sub>x</sub> emissions rate (in lb/mmBtu) determined pursuant to § 96.84(c); or

(ii) The most stringent State or Federal NO<sub>x</sub> emissions limitation applicable to the NO<sub>x</sub> Budget opt-in source during the control period.

### Subpart J—Mobile and Area Sources [Reserved]

### Subparts K—Z [Reserved]

### Subpart AA—CAIR NO<sub>x</sub> Annual Trading Program General Provisions

SOURCE: 70 FR 25339, May 12, 2005, unless otherwise noted.

#### § 96.101 Purpose.

This subpart and subparts BB through II establish the model rule comprising general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the State Clean Air Interstate Rule (CAIR) NO<sub>x</sub> Annual Trading Program, under section 110 of the Clean Air Act and § 51.123 of this chapter, as a means of mitigating interstate transport of fine particulates and nitrogen oxides. The owner or operator of a unit or a source shall comply with the requirements of this subpart and subparts BB through II as a matter of federal law only if the State with jurisdiction over the unit and the source incorporates by reference such subparts or otherwise adopts the requirements of such subparts in accordance with § 51.123(o)(1) or (2) of this chapter, the State submits to the Administrator one or more revisions of the State implementation plan that include such adoption, and the Administrator approves such revisions. If the State adopts the requirements of such subparts in accordance with § 51.123(o)(1) or (2) of this chapter, then the State authorizes the Administrator to assist the State in implementing the CAIR NO<sub>x</sub> Annual Trading Program by carrying out the functions set forth for the Administrator in such subparts.