

## Environmental Protection Agency

## § 97.51

unit covered by such requests according to the following formula and rounding to the nearest whole number of NO<sub>x</sub> allowances as appropriate:

Unit's allocation for early reduction credits = Unit's adjusted early reduction credits × (State's compliance supplement pool ÷ Total adjusted early reduction credits for all units)

Where:

“Unit's allocation for early reduction credits” is the number of NO<sub>x</sub> allowances allocated to the unit for early reduction credits.

“Unit's adjusted early reduction credits” is the amount of early reduction credits requested for the unit for 2001 and 2002 in early reduction credit requests under paragraph (a) or (b) of this section, as adjusted under paragraph (c)(1) of this section.

“State's compliance supplement pool” is the number of NO<sub>x</sub> allowances in the State's compliance supplement pool set forth in appendix D of this part.

“Total adjusted early reduction credits for all units” is the amount of early reduction credits requested for all units for 2001 and 2002 in early reduction credit requests under paragraph (a) or (b) of this section, as adjusted under paragraph (c)(1) of this section.

(5) By April 1, 2004, the Administrator will determine by order the allocations under paragraph (c)(3) or (4) of this section. The Administrator will make available to the public each determination of NO<sub>x</sub> allowance allocations and will provide an opportunity for submission of objections to the determination. Objections shall be limited to addressing whether the determination is in accordance with paragraph (c)(1), (3), or (4) of this section. Based on any such objections, the Administrator will adjust each determination to the extent necessary to ensure that it is in accordance with paragraph (c)(1), (3), or (4) of this section.

(6) By May 1, 2004, the Administrator will record the allocations under paragraph (c)(3) or (4) of this section.

(7) NO<sub>x</sub> allowances recorded under paragraph (c)(6) of this section may be deducted for compliance under § 97.54 for the control period in 2004 or 2005. Notwithstanding § 97.55(a), the Administrator will deduct as retired any NO<sub>x</sub> allowance that is recorded under paragraph (c)(6) of this section and that is not deducted for compliance under

§ 97.54 for the control period in 2003 or 2004.

[65 FR 2727, Jan. 18, 2000, as amended at 67 FR 21529, Apr. 30, 2002; 69 FR 21646, Apr. 21, 2004]

### Subpart F—NO<sub>x</sub> Allowance Tracking System

#### § 97.50 NO<sub>x</sub> Allowance Tracking System accounts.

(a) *Nature and function of compliance accounts and overdraft accounts.* Consistent with § 97.51(a), the Administrator will establish one compliance account for each NO<sub>x</sub> Budget unit and one overdraft account for each source with two or more NO<sub>x</sub> Budget units. Allocations of NO<sub>x</sub> allowances pursuant to subpart E of this part or § 97.88, and deductions or transfers of NO<sub>x</sub> allowances pursuant to § 97.31, § 96.54, § 96.56, subpart G of this part, or subpart I of this part will be recorded in compliance accounts or overdraft accounts in accordance with this subpart.

(b) *Nature and function of general accounts.* Consistent with § 97.51(b), the Administrator will establish, upon request, a general account for any person. Allocations of NO<sub>x</sub> allowances pursuant to § 97.4(b)(4)(ii) or § 97.5(c)(2) and transfers of allowances pursuant to subpart G of this part will be recorded in general accounts in accordance with this subpart.

#### § 97.51 Establishment of accounts.

(a) *Compliance accounts and overdraft accounts.* Upon receipt of a complete account certificate of representation under § 97.13, the Administrator will establish:

(1) A compliance account for each NO<sub>x</sub> Budget unit for which the account certificate of representation was submitted; and

(2) An overdraft account for each source for which the account certificate of representation was submitted and that has two or more NO<sub>x</sub> Budget units.

(b) *General accounts—(1) Application for general account.* (i) Any person may apply to open a general account for the purpose of holding and transferring allowances. An application for a general account may designate one and only

one NO<sub>x</sub> authorized account representative and one and only one alternate NO<sub>x</sub> authorized account representative who may act on behalf of the NO<sub>x</sub> authorized account representative. The agreement by which the alternate NO<sub>x</sub> authorized account representative is selected shall include a procedure for authorizing the alternate NO<sub>x</sub> authorized account representative to act in lieu of the NO<sub>x</sub> authorized account representative. A complete application for a general account shall be submitted to the Administrator and shall include the following elements in a format prescribed by the Administrator:

(A) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative;

(B) At the option of the NO<sub>x</sub> authorized account representative, organization name and type of organization;

(C) A list of all persons subject to a binding agreement for the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative to represent their ownership interest with respect to the allowances held in the general account;

(D) The following certification statement by the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative: “I certify that I was selected as the NO<sub>x</sub> authorized account representative or the NO<sub>x</sub> alternate authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to NO<sub>x</sub> allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the NO<sub>x</sub> Budget Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the Administrator or a court regarding the general account.”

(E) The signature of the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative and the dates signed.

(ii) Unless otherwise required by the permitting authority or the Administrator, documents of agreement referred to in the application for a general account shall not be submitted to the permitting authority or the Administrator. Neither the permitting authority nor the Administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

(2) *Authorization of NO<sub>x</sub> authorized account representative.* Upon receipt by the Administrator of a complete application for a general account under paragraph (b)(1) of this section:

(i) The Administrator will establish a general account for the person or persons for whom the application is submitted.

(ii) The NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative for the general account shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each person who has an ownership interest with respect to NO<sub>x</sub> allowances held in the general account in all matters pertaining to the NO<sub>x</sub> Budget Trading Program, notwithstanding any agreement between the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative and such person. Any such person shall be bound by any order or decision issued to the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative by the Administrator or a court regarding the general account.

(iii) Any representation, action, inaction, or submission by any alternate NO<sub>x</sub> authorized account representative shall be deemed to be a representation, action, inaction, or submission by the NO<sub>x</sub> authorized account representative.

(iv) Each submission concerning the general account shall be submitted, signed, and certified by the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative for the persons having an ownership interest with respect to NO<sub>x</sub> allowances held in the general account. Each such submission shall include the following certification statement by the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorizing

account representative: "I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the NO<sub>x</sub> allowances held in the general account. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

(v) The Administrator will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with paragraph (b)(2)(iv) of this section.

(3) *Changing NO<sub>x</sub> authorized account representative and alternate NO<sub>x</sub> authorized account representative; changes in persons with ownership interest.* (i) The NO<sub>x</sub> authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous NO<sub>x</sub> authorized account representative prior to the time and date when the Administrator receives the superseding application for a general account shall be binding on the new NO<sub>x</sub> authorized account representative and the persons with an ownership interest with respect to the NO<sub>x</sub> allowances in the general account.

(ii) The alternate NO<sub>x</sub> authorized account representative for a general account may be changed at any time upon receipt by the Administrator of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate NO<sub>x</sub> authorized

account representative prior to the time and date when the Administrator receives the superseding application for a general account shall be binding on the new alternate NO<sub>x</sub> authorized account representative and the persons with an ownership interest with respect to the NO<sub>x</sub> allowances in the general account.

(iii)(A) In the event a new person having an ownership interest with respect to NO<sub>x</sub> allowances in the general account is not included in the list of such persons in the account certificate of representation, such new person shall be deemed to be subject to and bound by the account certificate of representation, the representation, actions, inactions, and submissions of the NO<sub>x</sub> authorized account representative and any alternate NO<sub>x</sub> authorized account representative of the source or unit, and the decisions, orders, actions, and inactions of the Administrator, as if the new person were included in such list.

(B) Within 30 days following any change in the persons having an ownership interest with respect to NO<sub>x</sub> allowances in the general account, including the addition of persons, the NO<sub>x</sub> authorized account representative or any alternate NO<sub>x</sub> authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the NO<sub>x</sub> allowances in the general account to include the change.

(4) *Objections concerning NO<sub>x</sub> authorized account representative.* (i) Once a complete application for a general account under paragraph (b)(1) of this section has been submitted and received, the Administrator will rely on the application unless and until a superseding complete application for a general account under paragraph (b)(1) of this section is received by the Administrator.

(ii) Except as provided in paragraph (b)(3)(i) or (ii) of this section, no objection or other communication submitted to the Administrator concerning the authorization, or any representation, action, inaction, or submission of the NO<sub>x</sub> authorized account representative or any alternative NO<sub>x</sub> authorized account representative for a

general account shall affect any representation, action, inaction, or submission of the NO<sub>x</sub> authorized account representative or any alternative NO<sub>x</sub> authorized account representative or the finality of any decision or order by the Administrator under the NO<sub>x</sub> Budget Trading Program.

(iii) The Administrator will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the NO<sub>x</sub> authorized account representative or any alternative NO<sub>x</sub> authorized account representative for a general account, including private legal disputes concerning the proceeds of NO<sub>x</sub> allowance transfers.

(c) *Account identification.* The Administrator will assign a unique identifying number to each account established under paragraph (a) or (b) of this section.

[65 FR 2727, Jan. 18, 2000, as amended at 69 FR 21646, Apr. 21, 2004]

**§ 97.52 NO<sub>x</sub> Allowance Tracking System responsibilities of NO<sub>x</sub> authorized account representative.**

(a) Following the establishment of a NO<sub>x</sub> Allowance Tracking System account, all submissions to the Administrator pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of NO<sub>x</sub> allowances in the account, shall be made only by the NO<sub>x</sub> authorized account representative for the account.

(b) *Authorized account representative identification.* The Administrator will assign a unique identifying number to each NO<sub>x</sub> authorized account representative.

**§ 97.53 Recordation of NO<sub>x</sub> allowance allocations.**

(a) The Administrator will record the NO<sub>x</sub> allowances for 2004 for a NO<sub>x</sub> Budget unit allocated under subpart E of this part in the unit's compliance account, except for NO<sub>x</sub> allowances under § 97.4(b)(4)(ii) or § 97.5(c)(2), which will be recorded in the general account specified by the owners and operators of the unit. The Administrator will record NO<sub>x</sub> allowances for 2004 for a NO<sub>x</sub> Budget opt-in unit in the unit's

compliance account as allocated under § 97.88(a).

(b) By May 1, 2003, the Administrator will record the NO<sub>x</sub> allowances for 2005 for a NO<sub>x</sub> Budget unit allocated under subpart E of this part in the unit's compliance account, except for NO<sub>x</sub> allowances under § 97.4(b)(4)(ii) or § 97.5(c)(2), which will be recorded in the general account specified by the owners and operators of the unit. The Administrator will record NO<sub>x</sub> allowances for 2005 for a NO<sub>x</sub> Budget opt-in unit in the unit's compliance account as allocated under § 97.88(a).

(c) By May 1, 2003, the Administrator will record the NO<sub>x</sub> allowances for 2006 for a NO<sub>x</sub> Budget unit allocated under subpart E of this part in the unit's compliance account, except for NO<sub>x</sub> allowances under § 97.4(b)(4)(ii) or § 97.5(c)(2), which will be recorded in the general account specified by the owners and operators of the unit. The Administrator will record NO<sub>x</sub> allowances for 2006 for a NO<sub>x</sub> Budget opt-in unit in the unit's compliance account as allocated under § 97.88(a).

(d) By May 1, 2004, the Administrator will record the NO<sub>x</sub> allowances for 2007 for a NO<sub>x</sub> Budget unit allocated under subpart E of this part in the unit's compliance account, except for NO<sub>x</sub> allowances under § 97.4(b)(4)(ii) or § 97.5(c)(2), which will be recorded in the general account specified by the owners and operators of the unit. The Administrator will record NO<sub>x</sub> allowances for 2007 for a NO<sub>x</sub> Budget opt-in unit in the unit's compliance account as allocated under § 97.88(a).

(e) Each year starting with 2005, after the Administrator has made all deductions from a NO<sub>x</sub> Budget unit's compliance account and the overdraft account pursuant to § 97.54 (except deductions pursuant to § 97.54(d)(2)), the Administrator will record:

(1) NO<sub>x</sub> allowances, in the compliance account, as allocated to the unit under subpart E of this part for the third year after the year of the control period for which such deductions were or could have been made;

(2) NO<sub>x</sub> allowances, in the general account specified by the owners and operators of the unit, as allocated under § 97.4(b)(4)(ii) or § 97.5(c)(2) for the third