

allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NO_x emission rate (in lb/mmBtu) used for calculating CAIR NO_x Ozone Season allowance allocations will be the lesser of:

(A) The CAIR NO_x Ozone Season opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under §97.384(d); or

(B) The most stringent State or Federal NO_x emissions limitation applicable to the CAIR NO_x Ozone Season opt-in unit at any time during the control period in which the CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under §97.384(g).

(iii) The permitting authority will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit in an amount equaling the heat input under paragraph (c)(1)(i) of this section, multiplied by the NO_x emission rate under paragraph (c)(1)(ii) of this section, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

(2) For each control period in 2015 and thereafter for which the CAIR NO_x Ozone Season opt-in unit is to be allocated CAIR NO_x Ozone Season allowances,

(i) The heat input (in mmBtu) used for calculating the CAIR NO_x Ozone Season allowance allocations will be determined as described in paragraph (b)(1) of this section.

(ii) The NO_x emission rate (in lb/mmBtu) used for calculating the CAIR NO_x Ozone Season allowance allocation will be the lesser of:

(A) 0.15 lb/mmBtu;

(B) The CAIR NO_x Ozone Season opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under §97.384(d); or

(C) The most stringent State or Federal NO_x emissions limitation applicable to the CAIR NO_x Ozone Season opt-in unit at any time during the control period for which CAIR NO_x Ozone Season allowances are to be allocated.

(iii) The permitting authority will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit in an amount equaling the heat input under paragraph (c)(2)(i) of

this section, multiplied by the NO_x emission rate under paragraph (c)(2)(ii) of this section, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

(d) *Recordation.* If provided in a State implementation plan revision submitted in accordance with §51.123(ee)(3)(i), (ii), or (iii) of this chapter and approved by the Administrator:

(1) The Administrator will record, in the compliance account of the source that includes the CAIR NO_x Ozone Season opt-in unit, the CAIR NO_x Ozone Season allowances allocated by the permitting authority to the CAIR NO_x Ozone Season opt-in unit under paragraph (a)(1) of this section.

(2) By September 1 of the control period in which a CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under §97.384(g) and September 1 of each year thereafter, the Administrator will record, in the compliance account of the source that includes the CAIR NO_x Ozone Season opt-in unit, the CAIR NO_x Ozone Season allowances allocated by the permitting authority to the CAIR NO_x Ozone Season opt-in unit under paragraph (a)(2) of this section.

APPENDIX A TO SUBPART IIII OF PART 97—STATES WITH APPROVED STATE IMPLEMENTATION PLAN REVISIONS CONCERNING CAIR NO_x OZONE SEASON OPT-IN UNITS

1. The following States have State Implementation Plan revisions under §51.123(ee)(3) of this chapter approved by the Administrator and establishing procedures providing for CAIR NO_x Ozone Season opt-in units under subpart IIII of this part and allocation of CAIR NO_x Ozone Season allowances to such units under §97.388(b):

Indiana
Michigan
North Carolina
Ohio
South Carolina
Tennessee

2. The following States have State Implementation Plan revisions under §51.123(ee)(3) of this chapter approved by the Administrator and establishing procedures providing for CAIR NO_x Ozone Season opt-in units under subpart IIII of this part and allocation of CAIR NO_x Ozone Season allowances to such units under §97.388(c):

Indiana

Environmental Protection Agency

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Michigan
North Carolina
Ohio
South Carolina
Tennessee

[65 FR 2727, Jan. 18, 2000, as amended at 72 FR 46394, Aug. 20, 2007; 72 FR 56920, Oct. 5, 2007; 72 FR 57215, Oct. 9, 2007; 72 FR 59487, Oct. 22, 2007; 72 FR 72263, Dec. 20, 2007; 73 FR 6041, Feb. 1, 2008]

Subpart AAAAA—TR NO_x Annual Trading Program

SOURCE: 76 FR 48379, Aug. 8, 2011, unless otherwise noted.

§ 97.401 Purpose.

This subpart sets forth the general, designated representative, allowance, and monitoring provisions for the Transport Rule (TR) NO_x Annual Trading Program, under section 110 of the Clean Air Act and § 52.38 of this chapter, as a means of mitigating interstate transport of fine particulates and nitrogen oxides.

§ 97.402 Definitions.

The terms used in this subpart shall have the meanings set forth in this section as follows:

Acid Rain Program means a multi-state SO₂ and NO_x air pollution control and emission reduction program established by the Administrator under title IV of the Clean Air Act and parts 72 through 78 of this chapter.

Administrator means the Administrator of the United States Environmental Protection Agency or the Director of the Clean Air Markets Division (or its successor determined by the Administrator) of the United States Environmental Protection Agency, the Administrator's duly authorized representative under this subpart.

Allocate or *allocation* means, with regard to TR NO_x Annual allowances, the determination by the Administrator, State, or permitting authority, in accordance with this subpart and any SIP revision submitted by the State and approved by the Administrator under § 52.38(a)(3), (4), or (5) of this chapter, of the amount of such TR NO_x Annual allowances to be initially credited, at no cost to the recipient, to:

- (1) A TR NO_x Annual unit;
- (2) A new unit set-aside;
- (3) An Indian country new unit set-aside; or
- (4) An entity not listed in paragraphs (1) through (3) of this definition;
- (5) Provided that, if the Administrator, State, or permitting authority initially credits, to a TR NO_x Annual unit qualifying for an initial credit, a credit in the amount of zero TR NO_x Annual allowances, the TR NO_x Annual unit will be treated as being allocated an amount (*i.e.*, zero) of TR NO_x Annual allowances.

Allowable NO_x emission rate means, for a unit, the most stringent State or federal NO_x emission rate limit (in lb/MWhr or, if in lb/mmBtu, converted to lb/MWhr by multiplying it by the unit's heat rate in mmBtu/MWhr) that is applicable to the unit and covers the longest averaging period not exceeding one year.

Allowance Management System means the system by which the Administrator records allocations, deductions, and transfers of TR NO_x Annual allowances under the TR NO_x Annual Trading Program. Such allowances are allocated, recorded, held, deducted, or transferred only as whole allowances.

Allowance Management System account means an account in the Allowance Management System established by the Administrator for purposes of recording the allocation, holding, transfer, or deduction of TR NO_x Annual allowances.

Allowance transfer deadline means, for a control period in a given year, midnight of March 1 (if it is a business day), or midnight of the first business day thereafter (if March 1 is not a business day), immediately after such control period and is the deadline by which a TR NO_x Annual allowance transfer must be submitted for recordation in a TR NO_x Annual source's compliance account in order to be available for use in complying with the source's TR NO_x Annual emissions limitation for such control period in accordance with §§ 97.406 and 97.424.

Alternate designated representative means, for a TR NO_x Annual source and each TR NO_x Annual unit at the source, the natural person who is authorized by the owners and operators of