

§ 97.3

40 CFR Ch. I (7–1–14 Edition)

Unit means a fossil fuel-fired stationary boiler, combustion turbine, or combined cycle system.

Unit operating day means a calendar day in which a unit combusts any fuel.

Unit operating hour or hour of unit operation means any hour (or fraction of an hour) during which a unit combusts any fuel.

[65 FR 2727, Jan. 18, 2000, as amended at 69 FR 21645, Apr. 21, 2004]

§ 97.3 Measurements, abbreviations, and acronyms.

Measurements, abbreviations, and acronyms used in this part are defined as follows:

Btu-British thermal unit.
CO₂-carbon dioxide.
hr-hour.
kW-kilowatt electrical.
kWh-kilowatt hour.
lb-pounds.
mmBtu-million Btu.
MWe-megawatt electrical.
NO_x-nitrogen oxides.
O₂-oxygen.
ton-2000 pounds.

§ 97.4 Applicability.

(a) The following units in a State shall be a NO_x Budget unit, and any source that includes one or more such units shall be a NO_x Budget source, subject to the requirements of this part:

(1)(i) For units other than cogeneration units—

(A) For units commencing operation before January 1, 1997, a unit serving during 1995 or 1996 a generator—

(1) With a nameplate capacity greater than 25 MWe and

(2) Producing electricity for sale under a firm contract to the electric grid.

(B) For units commencing operation in 1997 or 1998, a unit serving during 1997 or 1998 a generator—

(1) With a nameplate capacity greater than 25 MWe and

(2) Producing electricity for sale under a firm contract to the electric grid.

(C) For units commencing operation on or after January 1, 1999, a unit serving at any time a generator—

(1) With a nameplate capacity greater than 25 MWe and

(2) Producing electricity for sale.

(ii) For cogeneration units—

(A) For units commencing operation before January 1, 1997, a unit serving during 1995 or 1996 a generator with a nameplate capacity greater than 25 MWe and failing to qualify as an unaffected unit under § 72.6(b)(4) of this chapter for 1995 or 1996 under the Acid Rain Program.

(B) For units commencing operation in 1997 or 1998, a unit serving during 1997 or 1998 a generator with a nameplate capacity greater than 25 MWe and failing to qualify as an unaffected unit under § 72.6(b)(4) of this chapter for 1997 or 1998 under the Acid Rain Program.

(C) For units commencing operation on or after January 1, 1999, a unit serving at any time a generator with a nameplate capacity greater than 25 MWe and failing to qualify as an unaffected unit under § 72.6(b)(4) of this chapter under the Acid Rain Program for any year.

(2)(i) For units other than cogeneration units—

(A) For units commencing operation before January 1, 1997, a unit—

(1) With a maximum design heat input greater than 250 mmBtu/hr and

(2) Not serving during 1995 or 1996 a generator producing electricity for sale under a firm contract to the electric grid.

(B) For units commencing operation in 1997 or 1998, a unit—

(1) With a maximum design heat input greater than 250 mmBtu/hr and

(2) Not serving during 1997 or 1998 a generator producing electricity for sale under a firm contract to the electric grid.

(C) For units commencing on or after January 1, 1999, a unit with a maximum design heat input greater than 250 mmBtu/hr:

(1) At no time serving a generator producing electricity for sale; or

(2) At any time serving a generator with a nameplate capacity of 25 MWe or less producing electricity for sale and with the potential to use no more than 50 percent of the potential electrical output capacity of the unit.

(ii) For cogeneration units—

(A) For units commencing operation before January 1, 1997, a unit with a maximum design heat input greater than 250 mmBtu/hr and qualifying as

an unaffected unit under § 72.6(b)(4) of this chapter under the Acid Rain Program for 1995 and 1996.

(B) For units commencing operation in 1997 or 1998, a unit with a maximum design heat input greater than 250 mmBtu/hr and qualifying as an unaffected unit under § 72.6(b)(4) under the Acid Rain Program for 1997 and 1998.

(C) For units commencing on or after January 1, 1999, a unit with a maximum design heat input greater than 250 mmBtu/hr and qualifying as an unaffected unit under § 72.6(b)(4) of this chapter under the Acid Rain Program for each year.

(b)(1) Notwithstanding paragraph (a) of this section, a unit under paragraph (a)(1) or (a)(2) of this section that has a federally enforceable permit that restricts the unit to combusting only natural gas or fuel oil (as defined in § 75.2 of this chapter) during a control period includes a NO_x emission limitation restricting NO_x emissions during a control period to 25 tons or less, and includes the special provisions in paragraph (b)(4) of this section shall be exempt from the requirements of the NO_x Budget Trading Program, except for the provisions of this paragraph (b), § 97.2, § 97.3, § 97.4(a), § 97.7, and subparts E, F, and G of this part. The NO_x emission limitation under this paragraph (b)(1) shall restrict NO_x emissions during the control period by limiting unit operating hours. The restriction on unit operating hours shall be calculated by dividing 25 tons by the unit's maximum potential hourly NO_x mass emissions, which shall equal the unit's maximum rated hourly heat input multiplied by the highest default NO_x emission rate otherwise applicable to the unit under § 75.19 of this chapter.

(2) The exemption under paragraph (b)(1) of this section shall become effective as follows:

(i) The exemption shall become effective on the date on which the NO_x emission limitation and the special provisions in the permit under paragraph (b)(1) of this section become final; or

(ii) If the NO_x emission limitation and the special provisions in the permit under paragraph (b)(1) of this section become final during a control period and after the first date on which

the unit operates during such control period, then the exemption shall become effective on May 1 of such control period, provided that such NO_x emission limitation and the special provisions apply to the unit as of such first date of operation. If such NO_x emission limitation and special provisions do not apply to the unit as of such first date of operation, then the exemption under paragraph (b)(1) of this section shall become effective on October 1 of the year during which such NO_x emission limitation and the special provisions become final.

(3) The permitting authority that issues a federally enforceable permit under paragraph (b)(1) of this section for a unit under paragraph (a)(1) or (a)(2) of this section will provide the Administrator written notice of the issuance of such permit and, upon request, a copy of the permit.

(4) *Special provisions.* (i) A unit exempt under paragraph (b)(1) of this section shall comply with the restriction on fuel use and unit operating hours described in paragraph (b)(1) of this section during the control period in each year.

(ii) The Administrator will allocate NO_x allowances to the unit under §§ 97.41(a) through (c) and 97.42(a) through (c). For each control period for which the unit is allocated NO_x allowances under §§ 97.41(a) through (c) and 97.42(a) through (c):

(A) The owners and operators of the unit must specify a general account, in which the Administrator will record the NO_x allowances; and

(B) After the Administrator records a NO_x allowance allocations under §§ 97.41(a) through (c) and 97.42(a) through (c), the Administrator will deduct, from the general account under paragraph (b)(4)(ii)(A) of this section, NO_x allowances that are allocated for the same or a prior control period as the NO_x allowances allocated to the unit under §§ 97.41(a) through (c) and 97.42(a) through (c) and that equal the NO_x emission limitation (in tons of NO_x) on which the unit's exemption under paragraph (b)(1) of this section is

based. The NO_x authorized account representative shall ensure that such general account contains the NO_x allowances necessary for completion of such deduction.

(iii) A unit exempt under this paragraph (b) shall report hours of unit operation during the control period in each year to the permitting authority by November 1 of that year.

(iv) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under paragraph (b)(1) of this section shall retain, at the source that includes the unit, records demonstrating that the conditions of the federally enforceable permit under paragraph (b)(1) of this section were met, including the restriction on fuel use or unit operating hours. The 5-year period for keeping records may be extended for cause, at any time prior to the end of the period, in writing by the permitting authority or the Administrator. The owners and operators bear the burden of proof that the unit met the restriction on fuel use or unit operating hours.

(v) The owners and operators and, to the extent applicable, the NO_x authorized account representative of a unit exempt under paragraph (b)(1) of this section shall comply with the requirements of the NO_x Budget Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.

(vi) On the earlier of the following dates, a unit exempt under paragraph (b)(1) of this section shall lose its exemption:

(A) The date on which the restriction on fuel use or unit operating hours described in paragraph (b)(1) of this section is removed from the unit's federally enforceable permit or otherwise becomes no longer applicable to any control period starting in 2004; or

(B) The first date on which the unit fails to comply, or with regard to which the owners and operators fail to meet their burden of proving that the unit is complying, with the restriction on fuel use or unit operating hours described in paragraph (b)(1) of this section during any control period starting in 2004.

(vii) A unit that loses its exemption in accordance with paragraph (b)(4)(vi) of this section shall be subject to the requirements of this part. For the purpose of applying permitting requirements under subpart C of this part, allocating allowances under subpart E of this part, and applying monitoring requirements under subpart H of this part, the unit shall be treated as commencing operation and, if the unit is covered by paragraph (a)(1) of this section, commencing commercial operation on the date the unit loses its exemption.

(viii) A unit that is exempt under paragraph (b)(1) of this section is not eligible to be a NO_x Budget opt-in unit under subpart I of this part.

[65 FR 2727, Jan. 18, 2000, as amended at 67 FR 21529, Apr. 30, 2002; 69 FR 21645, Apr. 21, 2004]

§ 97.5 Retired unit exemption.

(a) This section applies to any NO_x Budget unit, other than a NO_x Budget opt-in unit, that is permanently retired.

(b)(1) Any NO_x Budget unit, other than a NO_x Budget opt-in unit, that is permanently retired shall be exempt from the NO_x Budget Trading Program, except for the provisions of this section, § 97.2, § 97.3, § 97.4, § 97.7, and subparts E, F, and G of this part.

(2) The exemption under paragraph (b)(1) of this section shall become effective the day on which the unit is permanently retired. Within 30 days of permanent retirement, the NO_x authorized account representative (authorized in accordance with subpart B of this part) shall submit a statement to the permitting authority otherwise responsible for administering any NO_x Budget permit for the unit. The NO_x authorized account representative shall submit a copy of the statement to the Administrator. The statement shall state, in a format prescribed by the permitting authority, that the unit is permanently retired and will comply with the requirements of paragraph (c) of this section.

(3) After receipt of the notice under paragraph (b)(2) of this section, the permitting authority will amend any permit covering the source at which