Rule 2. Clean Air Interstate Rule (CAIR) Sulfur Dioxide Trading Program

326 IAC 24-2-1 Applicability

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 1. (a) This rule establishes a SO_2 emissions budget and SO_2 trading program. The following units shall be CAIR SO_2 units, and any source that includes one (1) or more such units shall be a CAIR SO_2 source, and shall be subject to the requirements of this rule, except as provided in subsection (b):

(1) Any stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine serving at any time, since the later of November 15, 1990, or the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than twenty-five (25) megawatt electrical producing electricity for sale.

(2) If a stationary boiler or stationary combustion turbine that, under subdivision (1), is not a CAIR SO_2 unit begins to combust fossil fuel or to serve a generator with nameplate capacity of more than twenty-five (25) megawatt electrical producing electricity for sale, the unit shall become a CAIR SO_2 unit as provided in subdivision (1) on the first date on which it both combusts fossil fuel and serves such generator.

(b) Units that meet the requirements set forth in subdivision (1), (2), or (3) shall not be CAIR SO_2 units as follows:

(1) Any unit that is a CAIR SO_2 unit under subsection (a):

(A) qualifying as a cogeneration unit during the twelve (12) month period starting on the date the unit first produces electricity and continuing to qualify as a cogeneration unit; and

(B) not serving at any time, since the later of November 15, 1990, or the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than twenty-five (25) megawatt electrical supplying in any calendar year more than one-third (1/3) of the unit's potential electric output capacity or two hundred nineteen thousand (219,000) megawatt hours, whichever is greater, to any utility power distribution system for sale.

If a unit qualifies as a cogeneration unit during the twelve (12) month period starting on the date the unit first produces electricity and meets the requirements of this subdivision for at least one (1) calendar year, but subsequently no longer meets all such requirements, the unit shall become a CAIR SO_2 unit starting on the earlier of January 1 after the first calendar year during which the unit no longer qualifies as a cogeneration unit or January 1 after the first calendar year during which the unit no longer meets the requirements of clause (B).

(2) Any unit that is a CAIR SO_2 unit under subsection (a) commencing operation before January 1, 1985:

(A) qualifying as a solid waste incineration unit; and

(B) with an average annual fuel consumption of nonfossil fuel for 1985-1987 exceeding eighty percent (80%), on a British thermal units basis, and an average annual fuel consumption of nonfossil fuel for any three (3) consecutive calendar years after 1990 exceeding eighty percent (80%), on a British thermal units basis.

(3) Any unit that is a CAIR SO_2 unit under subsection (a) commencing operation on or after January 1, 1985:

(A) qualifying as a solid waste incineration unit; and

(B) with an average annual fuel consumption of nonfossil fuel for the first three (3) calendar years of operation exceeding eighty percent (80%), on a British thermal units basis, and an average annual fuel consumption of nonfossil fuel for any three (3) consecutive calendar years after 1990 exceeding eighty percent (80%), on a British thermal units basis.

(4) If the unit qualifies as a solid waste incineration unit and meets the requirements of subdivision (2) or (3) for at least three (3) consecutive calendar years, but subsequently no longer meets all such requirements, the unit shall become a CAIR SO_2 unit starting on the earlier of January 1 after the first calendar year during which the unit first no longer qualifies as a solid waste incineration unit or January 1 after the first three (3) consecutive calendar years after 1990 for which the unit has an average annual fuel consumption of fossil fuel of twenty percent (20%) or more.

(Air Pollution Control Board; 326 IAC 24-2-1; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA)

326 IAC 24-2-2 Definitions

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-11-2; IC 13-15; IC 13-17

Sec. 2. For purposes of this rule, the definition given for a term in this rule shall control in any conflict between 326 IAC 1-2 and this rule. In addition to the definitions provided in IC 13-11-2 and 326 IAC 1-2, the following definitions apply throughout this rule, unless expressly stated otherwise or unless the context clearly implies otherwise:

(1) "Account number" means the identification number given by the U.S. EPA to each CAIR SO_2 allowance tracking system account.

(2) "Acid rain emissions limitation" means a limitation on emissions of sulfur dioxide or nitrogen oxides under the acid rain program.

(3) "Acid rain program" means a multistate sulfur dioxide and nitrogen oxides air pollution control and emission reduction program established by the U.S. EPA under Title IV of the Clean Air Act and 40 CFR 72 through 40 CFR 78*.

(4) "Allocate" or "allocation" means, with regard to CAIR SO_2 allowances issued under the acid rain program, the determination by the U.S. EPA of the amount of such CAIR SO_2 allowances to be initially credited to a CAIR SO_2 unit or other entity and, with regard to CAIR SO_2 allowances issued under provisions of a state implementation plan that are approved under 40 CFR 51.124(o)(1), 40 CFR 51.124(o)(2), or 40 CFR 51.124(r)*, or 40 CFR 97*, the determination by a permitting authority of the amount of SO_2 allowances to be initially credited to a CAIR SO_2 unit or other entity.

(5) "Allowance transfer deadline" means, for a control period, 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 following the control period and is the deadline by which a CAIR SO_2 allowance transfer must be submitted for recordation in a CAIR SO_2 source's compliance account in order to be used to meet the source's CAIR SO_2 emissions limitation for such control period in accordance with section 8(j) and 8(k) of this rule.

(6) "Alternate CAIR designated representative" means, for a CAIR SO_2 source and each CAIR SO_2 unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source in accordance with sections 6 and 11 of this rule, to act on behalf of the CAIR designated representative in matters pertaining to the CAIR SO_2 trading program. If the CAIR SO_2 source is also a CAIR NO_x source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO_x annual trading program. If the CAIR SO_2 source is also a CAIR NO_x ozone season source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO_x ozone season trading program. If the CAIR SO_2 source is also subject to the acid rain program, then this natural person shall be the same person as the alternate designated representative under the acid rain program. If the CAIR SO_2 source is also subject to the mercury budget trading program, then this natural person shall be the same person as the alternate mercury designated representative under the mercury budget trading program.

(7) "Automated data acquisition and handling system" or "DAHS" means that component of the continuous emission monitoring system, or other emissions monitoring system approved for use under section 10 of this rule, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by section 10 of this rule.

(8) "Biomass" means any of the following:

(A) Organic material grown for the purpose of being converted to energy.

(B) Organic byproduct of agriculture that can be converted into energy.

(C) Material that:

(i) can be converted into energy and is nonmerchantable for other purposes;

(ii) is segregated from other nonmerchantable material; and

(iii) is:

(AA) a forest-related organic residue, including mill residues, precommercial thinnings, slash, brush, or byproduct from conversion of trees to merchantable material; or

(BB) a wood material, including pallets, crates, dunnage, manufacturing and construction materials (other than pressure-treated, chemically-treated, or painted wood products), and landscape or right-of-way trimmings.

(9) "Boiler" means an enclosed fossil- or other-fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

(10) "Bottoming-cycle cogeneration unit" means a cogeneration unit in which the energy input to the unit is first used to produce useful thermal energy and at least some of the reject heat from the useful thermal energy application or process is then used for electricity production.

(11) "CAIR authorized account representative" means, with regard to a general account, a responsible natural person who is authorized, in accordance with sections 6, 8, and 11 of this rule, to transfer and otherwise dispose of CAIR SO_2 allowances held in the general account and, with regard to a compliance account, the CAIR designated representative of the source.

(12) "CAIR designated representative" means, for a CAIR SO_2 source and each CAIR SO_2 unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with sections 6 and 11 of this rule, to represent and legally bind each owner and operator in matters pertaining to the CAIR SO_2 trading program. If the CAIR SO_2 source is also a CAIR NO_x source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO_x annual trading program. If the CAIR SO_2 source is also a CAIR NO_x ozone season source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO_x ozone season trading program. If the CAIR SO_2 source is also subject to the acid rain program, then this natural person shall be the same person as the designated representative under the acid rain program. If the CAIR SO_2 source is also subject to the mercury budget trading program, then this natural person shall be the same person as the mercury designated representative under the mercury budget trading program.

(13) "CAIR NO_x annual trading program" means a multistate nitrogen oxides air pollution control and emission reduction program approved and administered by the U.S. EPA in accordance with 326 IAC 24-1; 40 CFR 96, Subparts AA through II* and 40 CFR 51.123(o)(1) or 40 CFR 51.123(o)(2)*; or established by the U.S. EPA in accordance with 40 CFR 97, Subparts AA through II* and 40 CFR 51.123(p)* and 40 CFR 52.35*, as a means of mitigating interstate transport of fine particulates and nitrogen oxides.

(14) "CAIR NO_x ozone season source" means a source that is subject to the CAIR NO_x ozone season trading program.

(15) "CAIR NO_x ozone season trading program" means a multistate nitrogen oxides air pollution control and emission reduction program approved and administered by the U.S. EPA in accordance with 326 IAC 24-3; 40 CFR 96, Subparts AAAA through IIII* and 40 CFR 51.123(aa)(1) or 40 CFR 51.123(aa)(2), and 40 CFR 51.123(bb)(1), 40 CFR 51.123(bb)(2), or 40 CFR 51.123(dd)*; or established by the U.S. EPA in accordance with 40 CFR 97, Subparts AAAA through IIII* and 40 CFR 51.123(ee)* and 40 CFR 52.35*, as a means of mitigating interstate transport of ozone and nitrogen oxides.

(16) "CAIR NO_x source" means a source that is subject to the CAIR NO_x annual trading program.

(17) "CAIR permit" means the legally binding and federally enforceable written document, or portion of such document, issued by the department under section 7 of this rule, including any permit revisions, specifying the CAIR SO_2 trading program requirements applicable to a CAIR SO_2 source, to each CAIR SO_2 unit at the source, and to the owners and operators and the CAIR designated representative of the source and each such unit.

(18) "CAIR SO_2 allowance" means a limited authorization issued by the U.S. EPA under the acid rain program, or by a permitting authority under provisions of a state implementation plan that are approved under 40 CFR 51.124(o)(1), 40 CFR 51.124(o)(2), or 40 CFR 51.124(r)*, or under 40 CFR 97*, to emit sulfur dioxide during the control period of the specified calendar year for which the authorization is allocated or of any calendar year thereafter under the CAIR SO_2 trading program as follows:

(A) For one (1) CAIR SO_2 allowance allocated for a control period in a year before 2010, one (1) ton of sulfur dioxide, except as provided in section 11(k) of this rule.
(B) For one (1) CAIR SO_2 allowance allocated for a control period in 2010 through 2014, fifty-hundredths (0.50) ton of sulfur dioxide, except as provided in section 11(k) of this rule.
(C) For one (1) CAIR SO_2 allowance allocated for a control period in 2015 or later, thirty-five hundredths (0.35) ton of sulfur dioxide, except as provided in section 11(k) of this rule.
(D) An authorization to emit sulfur dioxide that is not issued under the acid rain program, provisions of a state implementation plan that are approved under 40 CFR 51.124(o)(1), 40 CFR 51.124(o)(2), or 40 CFR 51.124(r)*, or under 40 CFR 97*, shall not be a CAIR SO_2 allowance.

(19) "CAIR SO_2 allowance deduction" or "deduct CAIR SO_2 allowances" means the permanent withdrawal of CAIR SO_2 allowances by the U.S. EPA from a compliance account, for example, in order to account for a specified number of tons of total sulfur dioxide emissions from all CAIR SO_2 units at a CAIR SO_2 source for a control period, determined in accordance with section 10 of this rule, or to account for excess emissions.
(20) "CAIR SO_2 allowances held" or "hold CAIR SO_2 allowances" means the CAIR SO_2 allowances recorded by the U.S. EPA, or submitted to the U.S. EPA for recordation, in accordance with sections 8, 9, and 11 of this rule or 40 CFR 73*, in a CAIR SO_2 allowance tracking system account.
(21) "CAIR SO_2 allowance tracking system" means the system by which the U.S. EPA records allocations, deductions, and transfers of CAIR SO_2 allowances under the CAIR SO_2 trading program. This is the same system as the allowance tracking system under 40 CFR 72.2* by which the U.S. EPA records allocations, deduction, and transfers of acid rain SO_2 allowances under the acid rain program.
(22) "CAIR SO_2 allowance tracking system account" means an account in the CAIR SO_2 allowance tracking system established by the U.S. EPA for purposes of recording the allocation, holding, transferring, or deducting of CAIR SO_2 allowances. Such allowances will be allocated, held, deducted, or transferred only as whole allowances.
(23) "CAIR SO_2 emissions limitation" means, for a CAIR SO_2 source, the tonnage equivalent, in SO_2 emissions in a control period, of the CAIR SO_2 allowances available for deduction for the source under section 8(j) and 8(k) of this rule for the control period.
(24) "CAIR SO_2 source" means a source that includes one (1) or more CAIR SO_2 units.
(25) "CAIR SO_2 trading program" means a multistate sulfur dioxide air pollution control and emission reduction program approved and administered by the U.S. EPA in accordance with this rule; 40 CFR 96, Subparts AAA through III* and 40 CFR 51.124(o)(1) or 40 CFR 51.124(o)(2)*; or established by the U.S. EPA in accordance with 40 CFR 97, Subparts AAA through III* and 40 CFR 51.124(r)* and 40 CFR 52.36*, as a means of mitigating interstate transport of fine particulates and sulfur dioxide.
(26) "CAIR SO_2 unit" means a unit that is subject to the CAIR SO_2 trading program under section 1 of this rule and, except for purposes of section 3 of this rule, a CAIR SO_2 opt-in unit under section 11 of this rule.
(27) "Coal" means any solid fuel classified as anthracite, bituminous, subbituminous, or lignite.
(28) "Coal-derived fuel" means any fuel, whether in a solid, liquid, or gaseous state, produced by the mechanical, thermal, or chemical processing of coal.
(29) "Coal-fired" means combusting any amount of coal or coal-derived fuel, alone, or in combination with any amount of any other fuel.
(30) "Cogeneration unit" means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine:
(A) having equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy;
(B) producing during the twelve (12) month period starting on the date the unit first produces electricity and during any calendar year after the calendar in which the unit first produces electricity:
(i) for a topping-cycle cogeneration unit:
(AA) useful thermal energy not less than five percent (5%) of total energy output; and
(BB) useful power that, when added to one-half (½) of useful thermal energy produced, is not less than forty-two and one-half percent (42.5%) of total energy input, if useful thermal energy produced is fifteen percent (15%) or more of total energy output, or not less than forty-five percent (45%) of total energy input, if useful thermal energy produced is less than fifteen percent (15%) of total energy output; and
(ii) for a bottoming-cycle cogeneration unit, useful power not less than forty-five percent (45%) of total energy

input; and

(C) provided that the total energy input under clause (B)(i)(BB) and (B)(ii) shall equal the unit's total energy input from all fuel except biomass if the unit is a boiler.

(31) "Combustion turbine" means:

(A) an enclosed device comprising a compressor, a combustor, and a turbine and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine; and

(B) if the enclosed device under clause (A) is combined cycle, any associated duct burner, heat recovery steam generator and steam turbine.

(32) "Commence commercial operation" means, with regard to a unit, the following:

(A) To have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation, except as provided in sections 3 and 11(f)(10) of this rule, subject to the following:

(i) For a unit that is a CAIR SO_2 unit under section 1 of this rule on the later of November 15, 1990, or the date the unit commences commercial operation as defined in this clause and that subsequently undergoes a physical change, other than replacement of the unit by a unit at the same source, such date shall remain the date of commencement of commercial operation of the unit, which shall continue to be treated as the same unit.

(ii) For a unit that is a CAIR SO_2 unit under section 1 of this rule on the later of November 15, 1990, or the date the unit commences commercial operation as defined in this clause and that is subsequently replaced by a unit at the same source (for example, repowered), such date shall remain the replaced unit's date of commencement of commercial operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in this clause or clause (B) as appropriate.

(B) Notwithstanding clause (A) and except as provided in section 3 of this rule, for a unit that is not a CAIR SO_2 unit under section 1 of this rule on the later of November 15, 1990, or date the unit commences commercial operation as defined in clause (A), the unit's date for commencement of commercial operation shall be the date on which the unit becomes a CAIR SO_2 unit under section 1 of this rule, subject to the following:

(i) For a unit with a date for commencement of commercial operation as defined in this clause and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source) such date shall remain the date of commencement of commercial operation, which shall continue to be treated as the same unit.

(ii) For a unit with a date for commencement of commercial operation as defined in this clause and that is subsequently replaced by a unit at the same source (for example, repowered), such date shall remain the replaced unit's date of commencement of commercial operation, and the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in this clause, or clause (B), as appropriate.

(33) "Commence operation" means the following:

(A) To have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a unit's combustion chamber, except as provided in section 11(f)(10) of this rule.

(B) For a unit that undergoes a physical change (other than replacement of the unit by a unit at the same source) after the date the unit commences operation as defined in clause (A), such date shall remain the date of commencement of operation of the unit, which shall continue to be treated as the same unit.

(C) For a unit that is replaced by a unit at the same source (for example, repowered) after the date the unit commences operation as defined in clause (A), such date shall remain the replaced unit's date of commencement, and the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in this clause or clause (A) or (B), as appropriate, except as provided in section 11(f)(10) of this rule.

(34) "Common stack means" a single flue through which emissions from two (2) or more units are exhausted.

(35) "Compliance account" means a CAIR SO_2 allowance tracking system account, established by the U.S. EPA for a CAIR SO_2 source subject to an acid rain emissions limitations under 40 CFR 73.31(a)* or 40 CFR 73.31(b)* or for any other CAIR SO_2 source under section 8 or 11 of this rule, in which any CAIR SO_2 allowance allocations for the CAIR SO_2 units at the source are initially recorded and in which are held any CAIR SO_2 allowances available for use for a control period in order to meet the source's CAIR SO_2 emissions limitation in accordance with section 8(j) and 8(k) of this rule.

(36) "Continuous emission monitoring system" or "CEMS" means the equipment required under section 10 of this rule to sample, analyze, measure, and provide, by means of readings recorded at least once every fifteen (15) minutes, using an

automated data acquisition and handling system (DAHS), a permanent record of sulfur dioxide emissions, stack gas volumetric flow rate, stack gas moisture content, and oxygen or carbon dioxide concentration, as applicable, in a manner consistent with 40 CFR 75*. The following systems are the principal types of continuous emission monitoring systems required under section 10 of this rule:

(A) a flow monitoring system, consisting of a stack flow rate monitor and an automated data acquisition and handling system and providing a permanent, continuous record of stack gas volumetric flow rate, in standard cubic feet per hour (scfh);

(B) a sulfur dioxide monitoring system, consisting of a SO_2 pollutant concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of SO_2 emissions, in parts per million (ppm);

(C) a moisture monitoring system, as defined in 40 CFR 75.11(b)(2)* and providing a permanent, continuous record of the stack gas moisture content, in percent H_2O;

(D) a carbon dioxide monitoring system, consisting of a CO_2 pollutant concentration monitor, or an oxygen monitor plus suitable mathematical equations from which the CO_2 concentration is derived, and an automated data acquisition and handling system and providing a permanent, continuous record of CO_2 emissions, in percent CO_2; and

(E) an oxygen monitoring system, consisting of an O_2 concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of O_2, in percent O_2.

(37) "Control period" means the period beginning January 1 of a calendar year, except as provided in section 4(c)(2) of this rule, and ending on December 31 of the same year, inclusive.

(38) "Emissions" means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the U.S. EPA by the CAIR designated representative and as determined by the U.S. EPA in accordance with section 10 of this rule.

(39) "Excess emissions" means any ton, or portion of a ton, of sulfur dioxide emitted by the CAIR SO_2 units at a CAIR SO_2 source during a control period that exceeds the CAIR SO_2 emissions limitation for the source, provided that any portion of a ton of excess emissions shall be treated as one (1) ton of excess emissions.

(40) "Fossil fuel" means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

(41) "Fossil-fuel-fired" means, with regard to a unit, combusting any amount of fossil fuel in any calendar year.

(42) "General account" means a CAIR SO_2 allowance tracking system account, established under section 8 of this rule, that is not a compliance account.

(43) "Generator" means a device that produces electricity.

(44) "Heat input" means, with regard to a specified period of time, the product, in million British thermal units per unit of time (MMBtu/time) of the gross calorific value of the fuel, in British thermal units per pound (Btu/lb), divided by one million (1,000,000) British thermal units per million British thermal units (Btu/MMBtu) and multiplied by the fuel feed rate into a combustion device, in pounds of fuel per unit of time (lb of fuel/time), as measured, recorded, and reported to the U.S. EPA by the CAIR designated representative and determined by the U.S. EPA in accordance with section 10 of this rule and excluding the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

(45) "Heat input rate" means the amount of heat input, in million British thermal units (MMBtu), divided by unit operating time, in hours, or, with regard to a specific fuel, the amount of heat input attributed to the fuel, in million British thermal units (MMBtu), divided by the unit operating time, in hours, during which the unit combusts the fuel.

(46) "Life-of-the-unit, firm power contractual arrangement" means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy generated by any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

(A) for the life of the unit;

(B) for a cumulative term of no less than thirty (30) years, including contracts that permit an election for early termination; or

(C) for a period no less than twenty-five (25) years or seventy percent (70%) of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

(47) "Maximum design heat input" means the maximum amount of fuel per hour, in British thermal units per hour (Btu/hr), that a unit is capable of combusting on a steady state basis as of the initial installation of the unit as specified by the

manufacturer of the unit.

(48) "Mercury budget trading program" means a multistate mercury air pollution control and emission reduction program approved and administered by the U.S. EPA in accordance with 40 CFR 60, Subpart HHHH* and 40 CFR 60.24(h)(6)*, or established by the U.S. EPA under the Clean Air Act, Section 111, as a means of reducing national mercury emissions.

(49) "Monitoring system" means any monitoring system that meets the requirements of section 10 of this rule, including a continuous emissions monitoring system, an alternative monitoring system, or an excepted monitoring system under 40 CFR 75*.

(50) "Most stringent state or federal SO_2 emissions limitation" means, with regard to a unit, the lowest SO_2 emissions limitation, in terms of pounds per million British thermal units (lb/MMBtu), that is applicable to the unit under state or federal law, regardless of the averaging period to which the emissions limitation applies.

(51) "Nameplate capacity" means, starting from the initial installation of a generator, the maximum electrical generating output, in megawatt electrical (MWe), that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings) as of such installation as specified by the manufacturer of the generator or, starting from the completion of any subsequent physical change in the generator resulting in an increase in the maximum electrical generating output, in megawatt electrical (MWe), that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings) such increased maximum amount as of such completion as specified by the person conducting the physical change.

(52) "Operator" means any person who operates, controls, or supervises a CAIR SO_2 unit or a CAIR SO_2 source and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

(53) "Owner" means any of the following persons:

(A) With regard to a CAIR SO_2 source or a CAIR SO_2 unit at a source, respectively, any of the following:

(i) Holder of any portion of the legal or equitable title in a CAIR SO_2 unit at the source or the CAIR SO_2 unit.

(ii) Holder of a leasehold interest in a CAIR SO_2 unit at the source or the CAIR SO_2 unit.

(iii) Purchaser of power from a CAIR SO_2 unit at the source or the CAIR SO_2 unit under a life-of-the-unit, firm power contractual arrangement; provided that, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based, either directly or indirectly, on the revenues or income from such CAIR SO_2 unit.

(B) With regard to any general account, any person who has an ownership interest with respect to the CAIR SO_2 allowances held in the general account and who is subject to the binding agreement for the CAIR authorized account representative to represent the person's ownership interest with respect to CAIR SO_2 allowances.

(54) "Permitting authority" means the state air pollution control agency, local agency, other state agency, or other agency authorized by the U.S. EPA to issue or revise permits to meet the requirements of the CAIR NO_x annual trading program or, if no such agency has been so authorized, the U.S. EPA.

(55) "Potential electrical output capacity" means thirty-three percent (33%) of a unit's maximum design heat input, divided by three thousand four hundred thirteen (3,413) Btu/kilowatt hour, divided by one thousand (1,000) kilowatt hour/megawatt hour, and multiplied by eight thousand seven hundred sixty (8,760) hours/year.

(56) "Receive" or "receipt of" means, when referring to the department or the U.S. EPA, to come into possession of a document, information, or correspondence, whether sent in hard copy or by authorized electronic transmission, as indicated in an official log, or by a notation made on the document, information, or correspondence, by the department or the U.S. EPA in the regular course of business.

(57) "Recordation", "record", or "recorded" means, with regard to CAIR SO_2 allowances, the movement of CAIR SO_2 allowances by the U.S. EPA into or between CAIR SO_2 allowance tracking system accounts, for purposes of allocation, transfer, or deduction.

(58) "Reference method" means any direct test method of sampling and analyzing for an air pollutant as specified in 40 CFR 75.22*.

(59) "Replacement", "replace", or "replaced" means, with regard to a unit, the demolishing of a unit, or the permanent shutdown and permanent disabling of a unit, and the construction of another unit (the replacement unit) to be used instead of the demolished or shutdown unit (the replaced unit).

(60) "Repowered" means, with regard to a unit, replacement of a coal-fired boiler with one (1) of the following coal-fired technologies at the same source as the coal-fired boiler:

(A) atmospheric or pressurized fluidized bed combustion;

(B) integrated gasification combined cycle;
(C) magnetohydrodynamics;
(D) direct and indirect coal-fired turbines;
(E) integrated gasification fuel cells; or
(F) as determined by the U.S. EPA in consultation with the Secretary of Energy, a derivative of one (1) or more of the technologies under clauses (A) through (E) and any other coal-fired technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of January 1, 2005.

(61) "Sequential use of energy" means:
(A) for a topping-cycle cogeneration unit, the use of reject heat from electricity production in a useful thermal energy application or process; or
(B) for a bottoming-cycle cogeneration unit, the use of reject heat from useful thermal energy application or process in electricity production.

(62) "Serial number" means, for a CAIR SO_2 allowance, the unique identification number assigned to each CAIR SO_2 allowance by the U.S. EPA.

(63) "Solid waste incineration unit" means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine that is a solid waste incineration units as defined in the Clean Air Act, Section 129(g)(1).

(64) "Source" means all buildings, structures, or installations located in one (1) or more contiguous or adjacent properties under common control of the same person or persons. For purposes of Section 502(c) of the Clean Air Act, a source, including a source with multiple units, shall be considered a single facility.

(65) "Submit" or "serve" means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable rule:
(A) in person;
(B) by United States Postal Service; or
(C) by other means of dispatch or transmission and delivery.

Compliance with any submission or service deadline shall be determined by the date of dispatch, transmission, or mailing and not the date of receipt by the department or U.S. EPA.

(66) "Title V operating permit" or "Part 70 operating permit" means a permit issued under 326 IAC 2-7.

(67) "Title V operating permit regulations" means the rules under 326 IAC 2-7.

(68) "Ton" means two thousand (2,000) pounds. For the purpose of determining compliance with the CAIR SO_2 emissions limitation, total tons of sulfur dioxide emissions for a control period shall be calculated as the sum of all recorded hourly emissions, or the mass equivalent of the recorded hourly emission rates, in accordance with section 10 of this rule, but with any remaining fraction of a ton equal to or greater than fifty-hundredths (0.50) tons deemed to equal one (1) ton and any remaining fraction of a ton less than fifty-hundredths (0.50) tons deemed to equal zero (0) tons.

(69) "Topping-cycle cogeneration unit" means a cogeneration unit in which the energy input to the unit is first used to produce useful power, including electricity, and at least some of the reject heat from the electricity production is then used to provide useful thermal energy.

(70) "Total energy input" means, with regard to a cogeneration unit, total energy of all forms supplied to the cogeneration unit, excluding energy produced by the cogeneration unit itself. Each form of energy supplied shall be measured by the lower heating value of that form of energy calculated as follows:

$$LHV = HHV - 10.55(W + 9H)$$

Where:	LHV	=	Lower heating value of fuel in Btu/hr.
	HHV	=	Higher heating value of fuel in Btu/hr.
	W	=	Weight % of moisture in fuel.
	H	=	Weight % of hydrogen in fuel.

(71) "Total energy output" means, with regard to a cogeneration unit, the sum of useful power and useful thermal energy produced by the cogeneration unit.

(72) "Unit" means a stationary, fossil-fuel-fired boiler or combustion turbine or other stationary, fossil-fuel-fired combustion device.

(73) "Unit operating day" means a calendar day in which a unit combusts any fuel.

(74) "Unit operating hour" or "hour of unit operation" means an hour in which a unit combusts any fuel.

(75) "Useful power" means, with regard to a cogeneration unit, electricity or mechanical energy made available for use, excluding any such energy used in the power production process, which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls.

(76) "Useful thermal energy" means, with regard to a cogeneration unit, thermal energy that is:

(A) made available to an industrial or commercial process, not a power production process, excluding any heat contained in condensate return or makeup water;

(B) used in a heating application (for example, space heating or domestic hot water heating); or

(C) used in a space cooling application (that is, thermal energy used by an absorption chiller).

(77) "Utility power distribution system" means the portion of an electricity grid owned or operated by a utility and dedicated to delivering electricity to customers.

*These documents are incorporated by reference. Copies may be obtained from the Government Printing Office, 732 North Capitol Street NW, Washington, D.C. 20401 or are available for review and copying at the Indiana Department of Environmental Management, Office of Air Quality, Indiana Government Center-North, Tenth Floor, 100 North Senate Avenue, Indianapolis, Indiana 46204. *(Air Pollution Control Board; 326 IAC 24-2-2; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA; errata filed Jan 29, 2007, 2:43 p.m.: 20070221-IR-326050117ACA; filed May 12, 2009, 11:16 a.m.: 20090610-IR-326080005FRA)*

326 IAC 24-2-3 Retired unit exemptions

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 3. (a) This section applies to any CAIR SO_2 unit, other than a SO_2 opt-in source, that is permanently retired.

(b) Any CAIR SO_2 unit that is permanently retired and is not a CAIR SO_2 opt-in unit under section 11 of this rule shall be exempt from the CAIR SO_2 trading program, except for the provisions of this section and sections 1, 2, 4(c)(4) through 4(c)(7), 5, 6, 8, and 9 of this rule.

(c) The exemption under this section shall become effective the day on which the CAIR SO_2 unit is permanently retired. Within thirty (30) days of the unit's permanent retirement, the CAIR designated representative shall submit a statement to the department and shall submit a copy of the statement to the U.S. EPA. The statement shall state, in a format prescribed by the department, that the unit was permanently retired on a specific date and shall comply with the requirements of subsection (e).

(d) After receipt of the statement under subsection (c), the department shall amend any permit under section 7 of this rule covering the source at which the unit is located to add the provisions and requirements of the exemption under subsections (b) and (e).

(e) A unit exempt under this section shall comply with the following provisions:

(1) The unit shall not emit any sulfur dioxide, starting on the date that the exemption takes effect.

(2) For a period of five (5) years from the date the records are created, the owners and operators of the unit shall retain, at the source that includes the unit, or a central location within Indiana for those owners and operators with unattended sources, records demonstrating that the unit is permanently retired. The five (5) year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the department or U.S. EPA. The owners and operators bear the burden of proof that the unit is permanently retired.

(3) The owners and operators and, to the extent applicable, the CAIR designated representative of the unit shall comply with the requirements of the CAIR SO_2 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.

(4) If the unit is located at a source that is required, or but for this exemption would be required, to have an operating permit under 326 IAC 2-7, the unit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR permit application under section 7(c) of this rule for the unit not less than two hundred seventy (270) days before the later of January 1, 2010, or the date on which the unit resumes operation.

(5) A unit exempt under this section shall lose its exemption on the earlier of the following dates:

(A) The date on which the CAIR designated representative submits a CAIR permit application for the unit under subdivision (4).

(B) The date on which the CAIR designated representative is required under subdivision (4) to submit a CAIR permit application for the unit.

(C) The date on which the unit resumes operation, if the CAIR designated representative is not required to submit a

CAIR permit application for the unit.

(6) For the purpose of applying monitoring, reporting, and record keeping requirements under section 10 of this rule, a unit that loses its exemption under this section shall be treated as a unit that commences commercial operation on the first date on which the unit resumes operation.

(Air Pollution Control Board; 326 IAC 24-2-3; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA)

326 IAC 24-2-4 Standard requirements

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 4. (a) The owners and operators, and CAIR designated representative of each CAIR SO_2 source shall comply with the following permit requirements:

(1) The CAIR designated representative of each CAIR SO_2 source required to have a permit under 326 IAC 2-7 and each CAIR SO_2 unit required to have a permit under 326 IAC 2-7 at the source shall submit the following to the department:

(A) A complete CAIR permit application under section 7(c) of this rule in accordance with the deadlines specified in section 7(b) of this rule.

(B) Any supplemental information that the department determines is necessary in order to review a CAIR permit application in a timely manner and issue or deny a CAIR permit.

(2) The owners and operators of each CAIR SO_2 source required to have a Part 70 operating permit and each CAIR SO_2 unit required to have a permit under 326 IAC 2-7 at the source shall have a CAIR permit issued by the department under section 7 of this rule for the source and operate the source and the unit in compliance with such CAIR permit.

(3) Except as provided in section 11 of this rule, the owners and operators of a CAIR SO_2 source that is not otherwise required to have a permit under 326 IAC 2-7 and each CAIR SO_2 unit that is not otherwise required to have a permit under 326 IAC 2-7 are not required to submit a CAIR permit application, and to have a CAIR permit, under section 7 of this rule for such CAIR SO_2 source and such CAIR SO_2 unit.

(b) The owners and operators, and the CAIR designated representative, of each CAIR SO_2 source and CAIR SO_2 unit at the source shall comply with the following monitoring, reporting, and record keeping requirements:

(1) The monitoring, reporting, and record keeping requirements of section 10 of this rule.

(2) The emissions measurements recorded and reported in accordance with section 10 of this rule shall be used to determine compliance by each CAIR SO_2 source with the CAIR SO_2 emission requirements under subsection (c).

(c) The owners and operators, and the CAIR designated representative, of each CAIR SO_2 source and CAIR SO_2 unit at the source shall comply with the following SO_2 emission requirements:

(1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR SO_2 source and each CAIR SO_2 unit at the source shall hold, in the source's compliance account, a tonnage equivalent in CAIR SO_2 allowances available for compliance deductions for the control period, as determined in accordance with section 8(j) and 8(k) of this rule, not less than the tons of total sulfur dioxide emissions for the control period from all CAIR SO_2 units at the source, as determined in accordance with section 10 of this rule.

(2) A CAIR SO_2 unit shall be subject to the requirements under subdivision (1) for the control period starting on the later of January 1, 2010 or the deadline for meeting the unit's monitor certification requirements under section 10(c)(1), 10(c)(2), or 10(c)(5) of this rule and for each control period thereafter.

(3) A CAIR SO_2 allowance shall not be deducted, for compliance with the requirements under subdivision (1), for a control period in a calendar year before the year for which the CAIR SO_2 allowance was allocated.

(4) CAIR SO_2 allowances shall be held in, deducted from, or transferred into or among CAIR SO_2 allowance tracking system accounts in accordance with sections 8, 9, and 11 of this rule.

(5) A CAIR SO_2 allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO_2 trading program. No provision of the CAIR SO_2 trading program, the CAIR permit application, the CAIR permit, or an exemption under section 3 of this rule and no provision of law shall be construed to limit the authority of the state of Indiana or the United States to terminate or limit such authorization.

(6) A CAIR SO_2 allowance does not constitute a property right.

(7) Upon recordation by the U.S. EPA under section 8, 9, or 11 of this rule, every allocation, transfer, or deduction of a CAIR SO_2 allowance to or from a CAIR SO_2 source's compliance account is incorporated automatically in any CAIR permit of the

source.

(d) If a CAIR SO_2 source emits sulfur dioxide during any control period in excess of the CAIR SO_2 emissions limitation, then:

(1) the owners and operators of the source and each CAIR SO_2 unit at the source shall surrender the CAIR SO_2 allowances required for deduction under section 8(k)(4) of this rule and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable state law; and

(2) each ton of such excess emissions and each day of such control period shall constitute a separate violation of this rule, the Clean Air Act, and applicable state law.

(e) Owners and operators of each CAIR SO_2 source and each CAIR SO_2 unit at the source shall comply with the following record keeping and reporting requirements:

(1) Unless otherwise provided, the owners and operators of the CAIR SO_2 source and each CAIR SO_2 unit at the source shall keep on site at the source or a central location within Indiana for those owners and operators with unattended sources, each of the following documents for a period of five (5) years from the date the document is created. This period may be extended for cause, at any time before the end of five (5) years, in writing by the department or U.S. EPA:

(A) The certificate of representation under section 6(h) of this rule for the CAIR designated representative for the source and each CAIR SO_2 unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source, or a central location within Indiana for those owners and operators with unattended sources beyond such five (5) year period until such documents are superseded because of the submission of a new certificate of representation under section 6(h) of this rule changing the CAIR designated representative.

(B) All emissions monitoring information, in accordance with section 10 of this rule, provided that to the extent that section 10 of this rule provides for a three (3) year period for record keeping, the three (3) year period shall apply.

(C) Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR SO_2 trading program.

(D) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR SO_2 trading program or to demonstrate compliance with the requirements of the CAIR SO_2 trading program.

(2) The CAIR designated representative of a CAIR SO_2 source and each CAIR SO_2 unit at the source shall submit the reports required under the CAIR SO_2 trading program, including those under section 10 of this rule.

(f) The owners and operators of each CAIR SO_2 source and each CAIR SO_2 unit shall be liable as follows:

(1) Each CAIR SO_2 source and each CAIR SO_2 unit shall meet the requirements of the CAIR SO_2 trading program.

(2) Any provision of the CAIR SO_2 trading program that applies to a CAIR SO_2 source or the CAIR designated representative of a CAIR SO_2 source shall also apply to the owners and operators of such source and of the CAIR SO_2 units at the source.

(3) Any provision of the CAIR SO_2 trading program that applies to a CAIR SO_2 unit or the CAIR designated representative of a CAIR SO_2 unit shall also apply to the owners and operators of such unit.

(g) No provision of the CAIR SO_2 trading program, a CAIR permit application, a CAIR permit, or an exemption under section 3 of this rule shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR SO_2 source or CAIR SO_2 unit from compliance with any other provision of the applicable, approved state implementation plan, a federally enforceable permit, or the Clean Air Act. *(Air Pollution Control Board; 326 IAC 24-2-4; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA; errata filed Jan 29, 2007, 2:43 p.m.: 20070221-IR-326050117ACA)*

326 IAC 24-2-5 Computation of time and appeal procedures

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 5. (a) Unless otherwise stated, any time period scheduled, under the CAIR SO_2 trading program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

(b) Unless otherwise stated, any time period scheduled, under the CAIR SO_2 trading program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

(c) Unless otherwise stated, if the final day of any time period, under the CAIR SO_2 trading program, falls on a weekend or a state or federal holiday, the time period shall be extended to the next business day.

(d) The appeal procedures for decisions of the U.S. EPA under the CAIR SO_2 trading program will follow those procedures set forth in 40 CFR 78*.

*These documents are incorporated by reference. Copies may be obtained from the Government Printing Office, 732 North Capitol Street NW, Washington, D.C. 20401 or are available for review and copying at the Indiana Department of Environmental Management, Office of Air Quality, Indiana Government Center-North, Tenth Floor, 100 North Senate Avenue, Indianapolis, Indiana 46204. *(Air Pollution Control Board; 326 IAC 24-2-5; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA)*

326 IAC 24-2-6 CAIR designated representative for CAIR SO_2 sources

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 6. (a) Except as provided under subsection (f), each CAIR SO_2 source, including all CAIR SO_2 units at the source, shall have one (1) and only one (1) CAIR designated representative, with regard to all matters under the CAIR SO_2 trading program concerning the source or any CAIR SO_2 unit at the source.

(b) The CAIR designated representative of the CAIR SO_2 source shall be selected by an agreement binding on the owners and operators of the source and all CAIR SO_2 units at the source and shall act in accordance with the certification statement in subsection (h)(4).

(c) Upon receipt by the U.S. EPA of a complete certificate of representation under subsection (h), the CAIR designated representative of the source shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each owner and operator of the CAIR SO_2 source represented and each CAIR SO_2 unit at the source in all matters pertaining to the CAIR SO_2 trading program, notwithstanding any agreement between the CAIR designated representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the CAIR designated representative by the department, the U.S. EPA, or a court regarding the source or unit.

(d) No CAIR permit shall be issued, no emissions data reports shall be accepted, and no CAIR SO_2 allowance tracking system account will be established for a CAIR SO_2 unit at a source, until the U.S. EPA has received a complete certificate of representation under subsection (h) for a CAIR designated representative of the source and the CAIR SO_2 units at the source.

(e) The following shall apply to submissions made under the CAIR SO_2 trading program:

(1) Each submission under the CAIR SO_2 trading program shall be submitted, signed, and certified by the CAIR designated representative for each CAIR SO_2 source on behalf of which the submission is made. Each such submission shall include the following certification statement by the CAIR designated representative: "I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. 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.".

(2) The department and U.S. EPA will accept or act on a submission made on behalf of owner or operators of a CAIR SO_2 source or a CAIR SO_2 unit only if the submission has been made, signed, and certified in accordance with subdivision (1).

(f) The following shall apply where the owners or operators of a CAIR SO_2 source choose to designate an alternate CAIR designated representative:

(1) A certificate of representation under subsection (h) may designate one (1) and only one (1) alternate CAIR designated representative, who may act on behalf of the CAIR designated representative. The agreement by which the alternate CAIR designated representative is selected shall include a procedure for authorizing the alternate CAIR designated representative to act in lieu of the CAIR designated representative.

(2) Upon receipt by the U.S. EPA of a complete certificate of representation under subsection (h), any representation, action, inaction, or submission by the alternate CAIR designated representative shall be deemed to be a representation, action, inaction, or submission by the CAIR designated representative.

(3) Except in this subsection and subsections (a), (d), (g), (h), and (j) and sections 2, 8(a) through 8(c), and 11(d) of this rule, whenever the term CAIR designated representative is used in this rule, the term shall be construed to include the CAIR designated representative or any alternate CAIR designated representative.

(g) The following shall apply when changing the CAIR designated representative, the alternate CAIR designated representative, or there are changes in the owners or operators:

(1) The CAIR designated representative may be changed at any time upon receipt by the U.S. EPA of a superseding complete

certificate of representation under subsection (h). Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR designated representative before the time and date when the U.S. EPA receives the superseding certificate of representation shall be binding on the new CAIR designated representative and the owners and operators of the CAIR SO_2 source and the CAIR SO_2 units at the source.

(2) The alternate CAIR designated representative may be changed at any time upon receipt by the U.S. EPA of a superseding complete certificate of representation under subsection (h). Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR designated representative before the time and date when the U.S. EPA receives the superseding certificate of representation shall be binding on the new alternate CAIR designated representative and the owners and operators of the CAIR SO_2 source and the CAIR SO_2 units at the source.

(3) Changes in the owner and operators shall be made as follows:

(A) In the event an owner or operator of a CAIR SO_2 source or a CAIR SO_2 unit is not included in the list of owners and operators in the certificate of representation under subsection (h), such owner or operator shall be deemed to be subject to and bound by the certificate of representation, the representations, actions, inactions, and submissions of the CAIR designated representative and any alternate CAIR designated representative of the source or unit, and the decisions and orders of the department, the U.S. EPA, or a court, as if the owner or operator were included in such list.

(B) Within thirty (30) days following any change in the owners and operators of a CAIR SO_2 source or a CAIR SO_2 unit, including the addition of a new owner or operator, the CAIR designated representative or any alternate CAIR designated representative shall submit a revision to the certificate of representation under subsection (h) amending the list of owners and operators to include the change.

(h) A complete certificate of representation for a CAIR designated representative or an alternate CAIR designated representative shall include the following elements in a format prescribed by the U.S. EPA:

(1) Identification of the CAIR SO_2 source, and each CAIR SO_2 unit at the source, for which the certificate of representation is submitted, including identification and nameplate capacity of each generator served by each such unit.

(2) The name, address, e-mail address, if any, telephone number, and facsimile transmission number, if any, of the CAIR designated representative and any alternate CAIR designated representative.

(3) A list of the owners and operators of the CAIR SO_2 source and of each CAIR SO_2 unit at the source.

(4) The following certification statements by the CAIR designated representative and any alternate CAIR designated representative: "I certify that I was selected as the CAIR designated representative or alternate CAIR designated representative, as applicable, by an agreement binding on the owners and operators of the source and each CAIR SO_2 unit at the source. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR SO_2 trading program on behalf of the owners and operators of the source and of each CAIR SO_2 unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions. I certify that the owners and operators of the source and of each CAIR SO_2 unit at the source shall be bound by any order issued to me by the U.S. EPA, the department, or a court regarding the source or unit. Where there are multiple holders of a legal or equitable title to, or a leasehold interest in, a CAIR SO_2 unit, or where a utility or industrial customer purchases power from a CAIR SO_2 unit under a life-of-the-unit, firm power contractual arrangement, I certify that: I have given a written notice of my selection as the 'CAIR designated representative' or 'alternate CAIR designated representative', as applicable, and of the agreement by which I was selected to each owner and operator of the source and of each CAIR SO_2 unit at the source; and CAIR SO_2 allowances and proceeds of transactions involving CAIR SO_2 allowances will be deemed to be held or distributed in proportion to each holder's legal, equitable, leasehold, or contractual reservation or entitlement, except that, if such multiple holders have expressly provided for a different distribution of CAIR SO_2 allowances by contract, CAIR SO_2 allowances and proceeds of transactions involving CAIR SO_2 allowances will be deemed to be held or distributed in accordance with the contract.".

(5) The signature of the CAIR designated representative and any alternate CAIR designated representative and the dates signed.

Unless otherwise required by the department or the U.S. EPA, documents of agreement referred to in the certificate of representation shall not be submitted to the department or the U.S. EPA. Neither the department nor the U.S. EPA shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

(i) The following shall apply to objections concerning CAIR designated representatives:

(1) Once a complete certificate of representation under subsection (h) has been submitted and received, the department and the U.S. EPA will rely on the certificate of representation unless and until a superseding complete certificate of representation under subsection (h) is received by the U.S. EPA.

(2) Except as provided in subsection (g)(1) and (g)(2), no objection or other communication submitted to the department or the U.S. EPA concerning the authorization, or any representation, action, inaction, or submission, of the CAIR designated representative shall affect any representation, action, inaction, or submission of the CAIR designated representative or the finality of any decision or order by the department or the U.S. EPA under the CAIR SO_2 trading program.
(3) Neither the department nor the U.S. EPA will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any CAIR designated representative, including private legal disputes concerning the proceeds of CAIR SO_2 allowance transfers.
(j) The following shall apply to delegation by CAIR designated representative and alternate CAIR designated representative:
(1) A CAIR designated representative may delegate, to one (1) or more natural persons, his or her authority to make an electronic submission to the U.S. EPA provided for or required under this article.
(2) An alternate CAIR designated representative may delegate, to one (1) or more natural persons, his or her authority to make an electronic submission to the U.S. EPA provided for or required under this article.
(3) In order to delegate authority to make an electronic submission to the U.S. EPA in accordance with subdivision (1) or (2), the CAIR designated representative or alternate CAIR designated representative, as appropriate, must submit to the U.S. EPA a notice of delegation, in a format prescribed by the U.S. EPA, that includes the following elements:
(A) The name, address, e-mail address, telephone number, and facsimile transmission number, if any, of the following:
(i) The CAIR designated representative or alternate CAIR designated representative.
(ii) The natural person, referred to as an "agent".
(B) For each such natural person, a list of the type or types of electronic submissions under subdivision (1) or (2) for which authority is delegated to him or her.
(C) The following certification statements by such CAIR designated representative or alternate CAIR designated representative:
(i) "I agree that any electronic submission to the U.S. EPA that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR designated representative or alternate CAIR designated representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 326 IAC 24-2-6(j)(4) shall be deemed to be an electronic submission by me.".
(ii) "Until this notice of delegation is superseded by another notice of delegation under 326 IAC 24-2-6(j)(4), I agree to maintain an e-mail account and to notify the U.S. EPA immediately of any change in my e-mail address unless all delegation of authority by me under 326 IAC 24-2-6(j) is terminated.".
(4) A notice of delegation submitted under subdivision (3) shall be effective, with regard to the CAIR designated representative or alternate CAIR designated representative identified in such notice, upon receipt of such notice by the U.S. EPA and until receipt by the U.S. EPA of a superseding notice of delegation submitted by such CAIR designated representative or alternate CAIR designated representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or eliminate entirely any delegation of authority.
(5) Any electronic submission covered by the certification in subdivision (3)(C)(i) and made in accordance with a notice of delegation effective under subdivision (4) shall be deemed to be an electronic submission by the CAIR designated representative or alternate CAIR designated representative submitting such notice of delegation.

(Air Pollution Control Board; 326 IAC 24-2-6; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA)

326 IAC 24-2-7 Permit requirements

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 7. (a) For each CAIR SO_2 source required to have a federally enforceable permit, the permit shall include a CAIR permit administered by the department as follows:
(1) The CAIR portion of the Part 70 permit under 326 IAC 2-7 shall be administered in accordance with 326 IAC 2-7 or the CAIR portion of the federally enforceable state operating permit (FESOP) shall be administered in accordance with 326 IAC 2-8, as applicable, except as provided otherwise by this section or sections 3 and 11 of this rule.
(2) Each CAIR permit, including a draft or proposed CAIR permit, if applicable, shall contain, with regard to the CAIR SO_2 source and the CAIR SO_2 units at the source covered by the CAIR permit, all applicable CAIR SO_2 trading program, CAIR

NO_x annual trading program, and CAIR NO_x ozone season trading program requirements and shall be a complete and separable portion of the Part 70 operating permit or FESOP.

(b) Requirements for the submission of CAIR permit applications are as follows:

(1) The CAIR designated representative of any CAIR SO_2 source required to have a Part 70 operating permit or FESOP shall submit to the department a complete CAIR permit application under subsection (c) for the source covering each CAIR SO_2 unit at the source at least two hundred seventy (270) days before the later of January 1, 2010, or the date on which the CAIR SO_2 unit commences commercial operation, except as provided in section 11(e) of this rule.

(2) For a CAIR SO_2 source required to have a Part 70 operating permit or FESOP, the CAIR designated representative shall submit a complete CAIR permit application under subsection (c) for the source covering each CAIR SO_2 unit at the source to renew the CAIR permit in accordance with 326 IAC 2-7-4(a)(1)(D) or 326 IAC 2-8-3(h), as applicable, except as provided in section 11(e) of this rule.

(c) A complete CAIR permit application shall include the following elements concerning the CAIR SO_2 source for which the application is submitted:

(1) Identification of the CAIR SO_2 source.

(2) Identification of each CAIR SO_2 unit at the CAIR SO_2 source.

(3) The standard requirements under section 4 of this rule.

(d) Each CAIR permit shall contain, in a format prescribed by the department, all elements required for a complete CAIR permit application under subsection (c).

(e) Each CAIR permit is deemed to incorporate automatically the definitions of terms under section 2 of this rule and, upon recordation by the U.S. EPA, under section 8, 9, or 11 of this rule, every allocation, transfer, or deduction of a CAIR SO_2 allowance to or from the compliance account of the CAIR SO_2 source covered by the permit.

(f) The initial CAIR permit covering a CAIR unit for which a complete CAIR permit application is timely submitted under subsection (b) shall become effective upon issuance.

(g) The term of the CAIR permit shall be set by the department, as necessary to facilitate coordination of the renewal of the CAIR permit with issuance, revision, or renewal of the CAIR SO_2 source's Part 70 operating permit or FESOP.

(h) Except as provided in subsection (e), the department shall revise the CAIR permit, as necessary, in accordance with the permit modification and revision provisions under 326 IAC 2-7 or 326 IAC 2-8, as applicable. *(Air Pollution Control Board; 326 IAC 24-2-7; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA; filed May 12, 2009, 11:16 a.m.: 20090610-IR-326080005FRA)*

326 IAC 24-2-8 CAIR SO_2 allowance tracking system

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 8. (a) Except as provided in section 11(f)(7) of this rule, upon receipt of a complete certificate of representation under section 6(h) of this rule, the U.S. EPA will establish a compliance account for the CAIR SO_2 source for which the certificate of representation was submitted unless the source already has a compliance account.

(b) Any person may apply to open a general account for the purpose of holding and transferring CAIR SO_2 allowances. An application for a general account may designate one (1) and only one (1) CAIR authorized account representative and one (1) and only one (1) alternate CAIR authorized account representative who may act on behalf of the CAIR authorized account representative. The agreement by which the alternate CAIR authorized account representative is selected shall include a procedure for authorizing the alternate CAIR authorized account representative to act in lieu of the CAIR authorized account representative. The establishment of the general account shall be subject to the following:

(1) A complete application for a general account shall be submitted to the U.S. EPA and shall include the following elements in a format prescribed by the U.S. EPA:

(A) The following information concerning the CAIR authorized account representative and any alternate CAIR authorized account representative:

(i) Name.

(ii) Mailing address.

(iii) E-mail address, if any.

(iv) Telephone number.

(v) Facsimile transmission number, if any.

(B) Organization name and type of organization, if applicable.

(C) A list of all persons subject to a binding agreement for the CAIR authorized account representative and any alternate CAIR authorized account representative to represent their ownership interest with respect to the CAIR SO_2 allowances held in the general account.

(D) The following certification statement by the CAIR authorized account representative and any alternate CAIR authorized account representative: "I certify that I was selected as the CAIR authorized account representative or the alternate CAIR authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CAIR SO_2 allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR SO_2 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 U.S. EPA or a court regarding the general account.".

(E) The signature of the CAIR authorized account representative and any alternate CAIR authorized account representative and the dates signed.

(F) Unless otherwise required by the department or the U.S. EPA, documents of agreement referred to in the application for a general account shall not be submitted to the department or the U.S. EPA. Neither the department nor the U.S. EPA shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

(2) Upon receipt by the U.S. EPA of a complete application for a general account under subdivision (1), the following shall apply:

(A) The U.S. EPA will establish a general account for the person or persons for whom the application is submitted.

(B) The CAIR authorized account representative and any alternate CAIR 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 CAIR SO_2 allowances held in the general account in all matters pertaining to the CAIR SO_2 trading program, notwithstanding any agreement between the CAIR authorized account representative or any alternate CAIR authorized account representative and such person. Any such person shall be bound by any order or decision issued to the CAIR authorized account representative or any alternate CAIR authorized account representative by the U.S. EPA or a court regarding the general account.

(C) Any representation, action, inaction, or submission by any alternate CAIR authorized account representative shall be deemed to be a representation, action, inaction, or submission by the CAIR authorized account representative.

(D) Each submission concerning the general account shall be submitted, signed, and certified by the CAIR authorized account representative or any alternate CAIR authorized account representative for the persons having an ownership interest with respect to CAIR SO_2 allowances held in the general account. Each such submission shall include the following certification statement by the CAIR authorized account representative or any alternate CAIR authorized account representative: "I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the CAIR SO_2 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.".

(E) The U.S. EPA will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with clause (D).

(3) The following shall apply to changing the CAIR authorized account representative or alternate CAIR authorized account representative, and changes in persons with ownership interest:

(A) The CAIR authorized account representative for a general account may be changed at any time upon receipt by the U.S. EPA of a superseding complete application for a general account under subdivision (1). Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR authorized account representative before the time and date when the U.S. EPA receives the superseding application for a general account shall be binding on the new CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR SO_2 allowances in the general account.

(B) The alternate CAIR authorized account representative for a general account may be changed at any time upon receipt

by the U.S. EPA of a superseding complete application for a general account under subdivision (1). Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR authorized account representative before the time and date when the U.S. EPA receives the superseding application for a general account shall be binding on the new alternate CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR SO_2 allowances in the general account.

(C) In the event a person having an ownership interest with respect to CAIR SO_2 allowances in the general account is not included in the list of such persons in the application for a general account, such person shall be deemed to be subject to and bound by the application for a general account, the representation, actions, inactions, and submissions of the CAIR authorized account representative and any alternate CAIR authorized account representative of the account, and the decisions and orders of the U.S. EPA or a court, as if the person were included in such list.

(D) Within thirty (30) days following any change in the persons having an ownership interest with respect to CAIR SO_2 allowances in the general account, including the addition of a new person, the CAIR authorized account representative or any alternate CAIR 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 CAIR SO_2 allowances in the general account to include the change.

(4) Once a complete application for a general account under subdivision (1) has been submitted and received, the U.S. EPA will rely on the application unless and until a superseding complete application for a general account under subdivision (1) is received by the U.S. EPA.

(5) Except as provided in subdivision (3)(A) or (3)(B), no objection or other communication submitted to the U.S. EPA concerning the authorization, or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternate CAIR authorized account representative for a general account shall affect any representation, action, inaction, or submission of the CAIR authorized account representative or any alternate CAIR authorized account representative or the finality of any decision or order by the U.S. EPA under the CAIR SO_2 trading program.

(6) The U.S. EPA will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative for a general account, including private legal disputes concerning the proceeds of CAIR SO_2 allowance transfers.

(7) The following shall apply to delegation by the CAIR authorized account representative and alternate CAIR authorized account representative:

(A) A CAIR authorized account representative may delegate, to one (1) or more natural persons, his or her authority to make an electronic submission to the U.S. EPA provided for or required under sections 8 and 9 of this rule.

(B) An alternate CAIR authorized account representative may delegate, to one (1) or more natural persons, his or her authority to make an electronic submission to the U.S. EPA provided for or required under sections 8 and 9 of this rule.

(C) In order to delegate authority to make an electronic submission to the U.S. EPA in accordance with clause (A) or (B), the CAIR authorized account representative or the alternate CAIR authorized account representative, as appropriate, must submit to the U.S. EPA a notice of delegation, in a format prescribed by the U.S. EPA, that includes the following elements:

(i) The name, address, e-mail address, telephone number, and facsimile transmission number, if any, of the following:

(AA) The CAIR authorized account representative or alternate CAIR authorized account representative.

(BB) Each natural person, referred to as an "agent".

(ii) For each such natural person, a list of the type or types of electronic submissions under clause (A) or (B) for which authority is delegated to him or her.

(iii) The following certification statements by such CAIR authorized account representative or alternate CAIR authorized account representative:

(AA) "I agree that any electronic submission to the U.S. EPA that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR authorized account representative or alternate CAIR authorized representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 326 IAC 24-2-8(b)(7)(D) shall be deemed to be an electronic submission by me.".

(BB) "Until this notice of delegation is superseded by another notice of delegation under 326 IAC 24-2-8(b)(7)(D), I agree to maintain an e-mail account and to notify the U.S. EPA immediately of any change

in my e-mail address unless all delegation of authority by me under 326 IAC 24-2-8(b)(7) is terminated.".

(D) A notice of delegation submitted under clause (C) shall be effective, with regard to the CAIR authorized account representative or alternate CAIR authorized account representative identified in such notice, upon receipt of such notice by the U.S. EPA and until receipt by the U.S. EPA of a superseding notice of delegation submitted by such CAIR authorized account representative or alternate CAIR authorized account representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or eliminate entirely any delegation of authority.

(E) Any electronic submission covered by the certification in clause (C)(iii)(AA) and made in accordance with a notice of delegation effective under clause (D) shall be deemed to be an electronic submission by the CAIR authorized account representative or alternate CAIR authorized account representative submitting such notice of delegation.

(c) The U.S. EPA will assign a unique identifying number to each account established under subsection (a) or (b).

(d) Following the establishment of a CAIR SO_2 allowance tracking system account, all submissions to the U.S. EPA pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of CAIR SO_2 allowances in the account, shall be made only by the CAIR authorized account representative for the account.

(e) After a compliance account is established under subsection (a) or 40 CFR 73.31(a) or 40 CFR 73.31(b)*, the U.S. EPA will record in the compliance account any CAIR SO_2 allowance allocated to any CAIR SO_2 unit at the source for each of the thirty (30) years starting the later of 2010 or the year in which the compliance account is established and any CAIR SO_2 allowance allocated for each of the thirty (30) years starting the later of 2010 or the year in which the compliance account is established and transferred to the source in accordance with section 9 of this rule or 40 CFR 73, Subpart D*.

(f) In 2011 and each year thereafter, after U.S. EPA has completed all deductions under subsection (k)(1), the U.S. EPA will record in the compliance account any CAIR SO_2 allowance allocated to any CAIR SO_2 unit at the source for the new thirtieth year, that is, the year that is thirty (30) years after the calendar year for which such deductions are or could be made, and any CAIR SO_2 allowance allocated for the new thirtieth year and transferred to the source in accordance with section 9 of this rule or 40 CFR 73, Subpart D*.

(g) After a general account is established under subsection (b) or 40 CFR 73.31(c)*, the U.S. EPA will record in the general account any CAIR SO_2 allowance allocated for each of the thirty (30) years starting the later of 2010 or the year in which the general account is established and transferred to the general account in accordance with section 9 of this rule or 40 CFR 73, Subpart D*.

(h) In 2011 and each year thereafter, after U.S. EPA has completed all deductions under subsection (k)(1), the U.S. EPA will record in the general account any CAIR SO_2 allowance allocated for the new thirtieth year, that is, the year that is thirty (30) years after the calendar year for which such deductions are or could be made, and transferred to the general account in accordance with section 9 of this rule or 40 CFR 73, Subpart D*.

(i) When recording the allocation of CAIR SO_2 allowances for a CAIR SO_2 unit in a compliance account, the U.S. EPA will assign each CAIR SO_2 allowance a unique identification number that shall include digits identifying the year of the control period for which the CAIR SO_2 allowance is allocated.

(j) The CAIR SO_2 allowances are available to be deducted for compliance with a source's CAIR SO_2 emissions limitation for a control period in a given calendar year only if the CAIR SO_2 allowances:

(1) were allocated for the control period in the year or a prior year; and

(2) are held in the compliance account as of the allowance transfer deadline for the control period or are transferred into the compliance account by a CAIR SO_2 allowance transfer correctly submitted for recordation under section 9(a) through 9(f) of this rule by the allowance transfer deadline for the control period.

(k) The following shall apply to deductions for purposes of compliance with a source's emissions limitation:

(1) Following the recordation, in accordance with section 9(d) through 9(f) of this rule, of CAIR SO_2 allowance transfers submitted for recordation in a source's compliance account by the allowance transfer deadline for a control period, the U.S. EPA will deduct from the compliance account CAIR SO_2 allowances available under subsection (j) in order to determine whether the source meets the CAIR SO_2 emissions limitation for the control period, as follows:

(A) For a CAIR SO_2 source subject to an acid rain emissions limitation, the U.S. EPA will, in the following order:

(i) Deduct the amount of CAIR SO_2 allowances, available under subsection (j) and not issued by the department under section 11(j) of this rule, that is required under 40 CFR 73.35(b)* and 40 CFR 73.35(c)*. If there are sufficient CAIR SO_2 allowances to complete this deduction, the deduction shall be treated as satisfying the requirements of 40 CFR 73.35(b)* and 40 CFR 73.35(c)*.

(ii) Deduct the amount of CAIR SO_2 allowances, available under subsection (j) and not issued by the department

under section 11(j) of this rule, that is required under 40 CFR 73.35(d)* and 40 CFR 77.5*. If there are sufficient CAIR SO_2 allowances to complete this deduction, the deduction shall be treated as satisfying the requirements of 40 CFR 73.35(d)* and 40 CFR 77.5*.

(iii) Treating the CAIR SO_2 allowances deducted under item (ii) as also being deducted under this item, deduct CAIR SO_2 allowances available under subsection (j), including any issued by the department under section 11(j) of this rule, in order to determine whether the source meets the CAIR SO_2 emissions limitation for the control period:

(AA) until the tonnage equivalent of the CAIR SO_2 allowances deducted equals, or exceeds in accordance with subdivisions (2) and (3), the number of tons of total sulfur dioxide emissions, determined in accordance with section 10 of this rule, from all CAIR SO_2 units at the source for the control period; or

(BB) if there are insufficient CAIR SO_2 allowances to complete the deductions in subitem (AA), until no more CAIR SO_2 allowances available under subsection (j), including any issued by the department under section 11(j) of this rule, remain in the compliance account.

(B) For a CAIR SO_2 source not subject to an acid rain emissions limitation, the U.S. EPA will deduct CAIR SO_2 allowances available under subsection (j), including any issued by the department under section 11(j) of this rule, in order to determine whether the source meets the CAIR SO_2 emissions limitation for the control period:

(i) until the tonnage equivalent of the CAIR SO_2 allowances deducted equals, or exceeds in accordance with subdivisions (2) and (3), the number of tons of total sulfur dioxide emissions, determined in accordance with section 10 of this rule, from all CAIR SO_2 units at the source for the control period; or

(ii) if there are insufficient CAIR SO_2 allowances to complete the deductions in item (i), until no more CAIR SO_2 allowances available under subsection (j), including any issued by the department under section 11(j) of this rule, remain in the compliance account.

(2) The CAIR authorized account representative for a source's compliance account may request that specific CAIR SO_2 allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in accordance with subdivision (1) or (4). Such request shall be submitted to the U.S. EPA by the allowance transfer deadline for the control period and include, in a format prescribed by the U.S. EPA, the identification of the CAIR SO_2 source and the appropriate serial numbers.

(3) The U.S. EPA will deduct CAIR SO_2 allowances under subdivision (1) or (4) from the source's compliance account, in the absence of an identification or in the case of a partial identification of CAIR SO_2 allowances by serial number under subdivision (2), on a first-in, first-out (FIFO) accounting basis in the following order:

(A) Any CAIR SO_2 allowances that were allocated to the units at the source for a control period before 2010, in the order of recordation.

(B) Any CAIR SO_2 allowances that were allocated to any entity for a control period before 2010 and transferred and recorded in the compliance account under section 9 of this rule or 40 CFR 73, Subpart D*, in the order of recordation.

(C) Any CAIR SO_2 allowances that were allocated to the units at the source for a control period during 2010 through 2014, in the order of recordation.

(D) Any CAIR SO_2 allowances that were allocated to any entity for a control period during 2010 through 2014 and transferred and recorded in the compliance account under section 9 of this rule or 40 CFR 73, Subpart D*, in the order of recordation.

(E) Any CAIR SO_2 allowances that were allocated to the units at the source for a control period in 2015 or later, in the order of recordation.

(F) Any CAIR SO_2 allowances that were allocated to any entity for a control period in 2015 or later and transferred and recorded in the compliance account under section 9 of this rule or 40 CFR 73, Subpart D*, in the order of recordation.

(4) After making the deductions for compliance under subdivision (1) for a control period in a calendar year in which the CAIR SO_2 source has excess emissions, the U.S. EPA will deduct from the source's compliance account the tonnage equivalent in CAIR SO_2 allowances, allocated for the control period in the immediately following calendar year, including any issued by the department under section 11(j) of this rule, equal to, or exceeding in accordance with subdivisions (2) and (3), three (3) times the number of tons of the source's excess emissions minus, if the source is subject to an acid rain emission limitation, the amount of the CAIR SO_2 allowances required to be deducted under subdivision (1)(A)(ii).

(5) Any allowance deduction required under subdivision (4) shall not affect the liability of the owners and operators of the CAIR SO_2 source or the CAIR SO_2 units at the source for any fine, penalty, or assessment, or their obligation to comply with

any other remedy, for the same violations, as ordered under the Clean Air Act or applicable state law.

(6) The U.S. EPA will record in the appropriate compliance account all deductions from such an account under subdivisions (1), (4), and (5) and section 11 of this rule.

(7) The U.S. EPA may review and conduct independent audits concerning any submission under the CAIR SO_2 trading program and make appropriate adjustments of the information in the submissions.

(8) The U.S. EPA may deduct CAIR SO_2 allowances from or transfer CAIR SO_2 allowances to a source's compliance account based on the information in the submissions, as adjusted under subdivision (7), and record such deductions and transfers.

(l) CAIR SO_2 allowances may be banked for future use or transfer in a compliance account or a general account. Any CAIR SO_2 allowance that is held in a compliance account or a general account shall remain in such account unless and until the CAIR SO_2 allowance is deducted or transferred under subsection (j), (k), or (m) or section 9 or 11 of this rule.

(m) The U.S. EPA may, at his or her sole discretion and on his or her own motion, correct any error in any CAIR SO_2 allowance tracking system account. Within ten (10) business days of making such correction, the U.S. EPA will notify the CAIR authorized account representative for the account.

(n) The CAIR authorized account representative of a general account may submit to the U.S. EPA a request to close the account, which shall include a correctly submitted allowance transfer under section 9(a) through 9(f) of this rule for any CAIR SO_2 allowances in the account to one (1) or more other CAIR SO_2 allowance tracking system accounts.

(o) If a general account has no allowance transfers in or out of the account for a twelve (12) month period or longer and does not contain any CAIR SO_2 allowances, the U.S. EPA may notify the CAIR authorized account representative for the account that the account shall be closed following twenty (20) business days after the notice is sent. The account will be closed after the twenty (20) day period unless, before the end of the twenty (20) day period, the U.S. EPA receives a correctly submitted transfer of CAIR SO_2 allowances into the account under section 9(a) through 9(f) of this rule or a statement submitted by the CAIR authorized account representative demonstrating to the satisfaction of the U.S. EPA good cause as to why the account should not be closed.

*These documents are incorporated by reference. Copies may be obtained from the Government Printing Office, 732 North Capitol Street NW, Washington, D.C. 20401 or are available for review and copying at the Indiana Department of Environmental Management, Office of Air Quality, Indiana Government Center-North, Tenth Floor, 100 North Senate Avenue, Indianapolis, Indiana 46204. *(Air Pollution Control Board; 326 IAC 24-2-8; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA; filed May 12, 2009, 11:16 a.m.: 20090610-IR-326080005FRA)*

326 IAC 24-2-9 CAIR SO_2 allowance transfers

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 9. (a) A CAIR authorized account representative seeking recordation of a CAIR SO_2 allowance transfer shall submit the transfer to the U.S. EPA. To be considered correctly submitted, the CAIR SO_2 allowance transfer shall include the following elements, in a format specified by the U.S. EPA:

(1) the account numbers for both the transferor and transferee accounts;

(2) the serial number of each CAIR SO_2 allowance that is in the transferor account and is to be transferred; and

(3) the name and signature of the CAIR authorized account representative of the transferor account and the date signed.

(b) The CAIR authorized account representative for the transferee account shall meet the requirements in subsection (a)(3) by submitting, in a format prescribed by the U.S. EPA, a statement signed by the CAIR authorized account representative and identifying each account into which any transfer of allowances, submitted on or after the date on which the U.S. EPA receives such statement, is authorized. Such authorization shall be binding on any CAIR authorized account representative for such account and shall apply to all transfers into the account that are submitted on or after such date of receipt, unless and until the U.S. EPA receives a statement signed by the CAIR authorized account representative retracting the authorization for the account.

(c) The statement under subsection (b) shall include the following: "By this signature I authorize any transfer of allowances into each account listed herein, except that I do not waive any remedies under state or federal law to obtain correction of any erroneous transfers into such accounts. This authorization shall be binding on any CAIR authorized account representative for such account unless and until a statement signed by the CAIR authorized account representative retracting this authorization for the account is received by the U.S. EPA.".

(d) Within five (5) business days, except as provided in subsection (e), of receiving a CAIR SO_2 allowance transfer, the U.S. EPA will record a CAIR SO_2 allowance transfer by moving each CAIR SO_2 allowance from the transferor account to the transferee

account as specified by the request, provided the following:

(1) The transfer is correctly submitted under this section.

(2) The transferor account includes each CAIR SO_2 allowance identified by serial number in the transfer.

(3) The transfer is in accordance with the limitation on transfer under 40 CFR 74.42* and 40 CFR 74.47(c)*, as applicable.

(e) A CAIR SO_2 allowance transfer that is submitted for recordation after the allowance transfer deadline for a control period and that includes any CAIR SO_2 allowances allocated for any control period before such allowance transfer deadline will not be recorded until after the U.S. EPA completes the deductions under subsections (j) and (k) for the control period immediately before such allowance transfer deadline.

(f) Where a CAIR SO_2 allowance transfer submitted for recordation fails to meet the requirements of subsection (d), the U.S. EPA will not record such transfer.

(g) The following notification requirements shall apply to CAIR SO_2 allowance transfers:

(1) Within five (5) business days of recordation of a CAIR SO_2 allowance transfer under subsections (d) through (f) the U.S. EPA will notify the CAIR authorized account representatives of both the transferor and transferee accounts.

(2) Within ten (10) business days of receipt of a CAIR SO_2 allowance transfer that fails to meet the requirements of subsection (d), the U.S. EPA will notify the CAIR authorized account representatives of both accounts subject to the transfer of the decision not to record the transfer and the reasons for such nonrecordation.

(h) Nothing in this section shall preclude the submission of a CAIR SO_2 allowance transfer for recordation following notification of nonrecordation.

*These documents are incorporated by reference. Copies may be obtained from the Government Printing Office, 732 North Capitol Street NW, Washington, D.C. 20401 or are available for review and copying at the Indiana Department of Environmental Management, Office of Air Quality, Indiana Government Center-North, Tenth Floor, 100 North Senate Avenue, Indianapolis, Indiana 46204. *(Air Pollution Control Board; 326 IAC 24-2-9; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA)*

326 IAC 24-2-10 SO_2 Monitoring and reporting requirements

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 10. (a) The owners and operators, and to the extent applicable, the CAIR designated representative, of a CAIR SO_2 unit, shall comply with the monitoring, record keeping, and reporting requirements as provided in this rule and in 40 CFR 75, Subparts F and G*. For purposes of complying with such requirements, the definitions in section 2 of this rule and 40 CFR 72.2* shall apply, and the terms affected unit, designated representative, and continuous emission monitoring system (CEMS) in 40 CFR 75* shall be replaced by the terms CAIR SO_2 unit, CAIR designated representative, and continuous emission monitoring system (CEMS) respectively, as defined in section 2 of this rule. The owner or operator of a unit that is not a CAIR SO_2 unit but that is monitored under 40 CFR 75.16(b)(2)* shall comply with the same monitoring, record keeping, and reporting requirements as a CAIR SO_2 unit.

(b) The owner or operator of each CAIR SO_2 unit shall do the following:

(1) Install all monitoring systems required under this section for monitoring SO_2 mass emissions and individual unit heat input. This includes all systems required to monitor SO_2 concentration, stack gas moisture content, stack gas flow rate, CO_2 or O_2 concentration, and fuel flow rate, as applicable, in accordance with 40 CFR 75.11* and 40 CFR 75.16*.

(2) Successfully complete all certification tests required under subsections (f) through (j) and meet all other requirements of this section and 40 CFR 75* applicable to the monitoring systems under subdivision (1).

(3) Record, report, and quality-assure the data from the monitoring systems under subdivision (1).

(c) Except as provided in subsection (p), the owner or operator shall meet the monitoring system certification and other requirements of subsection (b)(1) and (b)(2) on or before the following dates. The owner or operator shall record, report, and quality-assure the data from the monitoring systems under subsection (b)(1) on and after the following dates:

(1) For the owner or operator of a CAIR SO_2 unit that commences commercial operation before July 1, 2008, by January 1, 2009.

(2) For the owner or operator of a CAIR SO_2 unit that commences commercial operation on or after July 1, 2008, by the later of the following dates:

(A) January 1, 2009.

(B) The earlier of:

(i) one hundred eighty (180) calendar days after the date on which the unit commences commercial operation;

or

(ii) ninety (90) unit operating days after the date on which the unit commences commercial operation.

(3) For the owner or operator of a CAIR SO_2 unit for which construction of a new stack or flue or installation of add-on SO_2 emission controls is completed after the applicable deadline under subdivision (1), (2), (4), or (5), compliance by the earlier of:

(A) one hundred eighty (180) calendar days after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on SO_2 emissions controls; or

(B) ninety (90) unit operating days after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on SO_2 emissions controls.

(4) Notwithstanding the dates in subdivisions (1) and (2), for the owner or operator of a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under section 11 of this rule, by the date specified in section 11(f)(2) through 11(f)(4) of this rule.

(5) Notwithstanding the dates in subdivisions (1) and (2), for the owner or operator of a CAIR SO_2 opt-in unit under section 11 of this rule, by the date on which the CAIR SO_2 opt-in unit enters the CAIR SO_2 trading program as provided in section 11(f)(9) of this rule.

(d) The owner or operator of a CAIR SO_2 unit that does not meet the applicable compliance date set forth in subsection (c) for any monitoring system under subsection (b)(1) shall, for each such monitoring system, determine, record, and report maximum potential or, as appropriate, minimum potential, values for SO_2 concentration, stack gas flow rate, stack gas moisture content, fuel flow rate, and any other parameters required to determine SO_2 mass emissions and heat input in accordance with 40 CFR 75.31(b)(2), 40 CFR 75.31(c)(3)*, or 40 CFR 75, Appendix D, Section 2.4*, as applicable.

(e) The following shall apply to any monitoring system, alternative monitoring system, alternative reference method, or any other alternative for a CEMS required under this rule:

(1) No owner or operator of a CAIR SO_2 unit shall use any alternative monitoring system, alternative reference method, or any other alternative to any requirement of this section without having obtained prior written approval in accordance with subsection (o).

(2) No owner or operator of a CAIR SO_2 unit shall operate the unit so as to discharge, or allow to be discharged, SO_2 emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this section and 40 CFR 75*.

(3) No owner or operator of a CAIR SO_2 unit shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording SO_2 mass emissions discharged into the atmosphere or heat input, except for periods of recertification or periods when calibration, quality assurance testing, or maintenance is performed in accordance with the applicable provisions of this section and 40 CFR 75*.

(4) No owner or operator of a CAIR SO_2 unit shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved monitoring system under this section, except under any one (1) of the following circumstances:

(A) During the period that the unit is covered by an exemption under section 3 of this rule.

(B) The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this section and 40 CFR 75*, by the department for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system.

(C) The CAIR designated representative submits notification of the date of certification testing of a replacement monitoring system for the retired or discontinued monitoring system in accordance with subsection (h)(3)(A).

(f) The owner or operator of a CAIR SO_2 unit shall be exempt from the initial certification requirements of this subsection and subsections (g) through (j) for a monitoring system under subsection (b)(1) if the following conditions are met:

(1) The monitoring system has been previously certified in accordance with 40 CFR 75*.

(2) The applicable quality-assurance and quality-control requirements of 40 CFR 75.21*, 40 CFR 75, Appendix B*, and 40 CFR 75, Appendix D* are fully met for the certified monitoring system described in subdivision (1).

The recertification provisions of this subsection and subsections (g) through (j) shall apply to a monitoring system under subsection (b)(1) exempt from initial certification requirements under this subsection.

(g) Reserved.

(h) Except as provided in subsection (f), the owner or operator of a CAIR SO_2 unit shall comply with the following initial certification and recertification procedures for a continuous monitoring system (that is, a continuous emission monitoring system

and an excepted monitoring system under 40 CFR 75, Appendix D*) under subsection (b)(1). The owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under 40 CFR 75.19* or that qualifies to use an alternative monitoring system under 40 CFR 75, Subpart E* shall comply with the procedures in subsection (i) or (j) respectively:

(1) The owner or operator shall ensure that each continuous monitoring system under subsection (b)(1), including the automated data acquisition and handling system, successfully completes all of the initial certification testing required under 40 CFR 75.20* by the applicable deadline in subsection (c). In addition, whenever the owner or operator installs a monitoring system to meet the requirements of this section in a location where no such monitoring system was previously installed, initial certification in accordance with 40 CFR 75.20* is required.

(2) Whenever the owner or operator makes a replacement, modification, or change in any certified continuous emission monitoring system under subsection (b)(1) that may significantly affect the ability of the system to accurately measure or record SO_2 mass emissions or heat input rate or to meet the quality-assurance and quality-control requirements of 40 CFR 75.21* or 40 CFR 75, Appendix B*, the owner or operator shall recertify the monitoring system in accordance with 40 CFR 75.20(b)*. Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the stack flow or concentration profile, the owner or operator shall recertify each continuous emission monitoring system whose accuracy is potentially affected by the change, in accordance with 40 CFR 75.20(b)*. Examples of changes to a continuous emission monitoring system that require recertification include replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site. Any fuel flowmeter system under subsection (b)(1) is subject to the recertification requirements in 40 CFR 75.20(g)(6)*.

(3) Clauses (A) through (D) apply to both initial certification and recertification of a continuous monitoring system under subsection (b)(1). For recertifications, replace the words "certification" and "initial certification" with the word "recertification," replace the word certified with the word "recertified," and follow the procedures in 40 CFR 75.20(b)(5)* and 40 CFR 75.20(g)(7)* in lieu of the procedures in clause (E). Requirements for the certification approval process for initial certification and recertification, and loss of certification are as follows:

(A) The CAIR designated representative shall submit to the department, the appropriate U.S. EPA Regional Office, and the U.S. EPA written notice of the dates of certification testing, in accordance with subsection (m).

(B) The CAIR designated representative shall submit to the department a certification application for each monitoring system. A complete certification application shall include the information specified in 40 CFR 75.63*.

(C) The provisional certification date for a monitoring system shall be determined in accordance with 40 CFR 75.20(a)(3)*. A provisionally certified monitoring system may be used under the CAIR SO_2 trading program for a period not to exceed one hundred twenty (120) days after receipt by the department of the complete certification application for the monitoring system under clause (B). Data measured and recorded by the provisionally certified monitoring system, in accordance with the requirements of 40 CFR 75*, shall be considered valid quality-assured data, retroactive to the date and time of provisional certification, provided that the department does not invalidate the provisional certification by issuing a notice of disapproval within one hundred twenty (120) days of the date of receipt of the complete certification application by the department.

(D) The department shall issue a written notice of approval or disapproval of the certification application to the owner or operator within one hundred twenty (120) days of receipt of the complete certification application under clause (B). In the event the department does not issue such a notice within such one hundred twenty (120) day period, each monitoring system that meets the applicable performance requirements of 40 CFR 75* and is included in the certification application shall be deemed certified for use under the CAIR SO_2 trading program. The issuance of notices shall be as follows:

(i) If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of 40 CFR 75*, then the department shall issue a written notice of approval of the certification application within one hundred twenty (120) days of receipt.

(ii) If the certification application is not complete, then the department shall issue a written notice of incompleteness that sets a reasonable date by which the CAIR designated representative must submit the additional information required to complete the certification application. If the CAIR designated representative does not comply with the notice of incompleteness by the specified date, then the department may issue a notice of disapproval under item (iii). The one hundred twenty (120) day review period shall not begin before receipt of a complete certification application.

(iii) If the certification application shows that any monitoring system does not meet the performance requirements of 40 CFR 75* or if the certification application is incomplete and the requirement for disapproval under item (ii) is met, then the department shall issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the department and the data measured and recorded by each uncertified monitoring system shall not be considered valid quality-assured data beginning with the date and hour of provisional certification, as defined under 40 CFR 75.20(a)(3)*. The owner or operator shall follow the procedures for loss of certification in clause (E) for each monitoring system that is disapproved for initial certification.

(iv) The department or, for a CAIR SO_2 opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under section 11 of this rule, the U.S. EPA may issue a notice of disapproval of the certification status of a monitor in accordance with subsection (l).

(E) If the department or the U.S. EPA issues a notice of disapproval of a certification application under clause (D)(iii) or a notice of disapproval of certification status under clause (D)(iv), then the following shall apply:

(i) The owner or operator shall substitute the following values, for each disapproved monitoring system, for each hour of unit operation during the period of invalid data specified under 40 CFR 75.20(a)(4)(iii)*, 40 CFR 75.20(g)(7)*, or 40 CFR 75.21(e)* and continuing until the applicable date and hour specified under 40 CFR 75.20(a)(5)(i)* or 40 CFR 75.20(g)(7)*:

(AA) For a disapproved SO_2 pollutant concentration monitor and disapproved flow monitor, respectively, the maximum potential concentration of SO_2 and the maximum potential flow rate, as defined in 40 CFR 75, Appendix A, Sections 2.1.1.1 and 2.1.4.1*.

(BB) For a disapproved moisture monitoring system and disapproved diluent gas monitoring system, respectively, the minimum potential moisture percentage and either the maximum potential CO_2 concentration or the minimum potential O_2 concentration, as applicable, as defined in 40 CFR 75, Appendix A, Sections 2.1.5, 2.1.3.1, and 2.1.3.2*.

(CC) For a disapproved fuel flowmeter system, the maximum potential fuel flow rate, as defined in 40 CFR 75, Appendix D, Section 2.4.2.1*.

(ii) The CAIR designated representative shall submit a notification of certification retest dates and a new certification application in accordance with clauses (A) and (B).

(iii) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the department's or the U.S. EPA's notice of disapproval, not later than thirty (30) unit operating days after the date of issuance of the notice of disapproval.

(i) The owner or operator of a unit qualified to use the low mass emissions (LME) excepted methodology under 40 CFR 75.19* shall meet the applicable certification and recertification requirements in 40 CFR 75.19(a)(2)* and 40 CFR 75.20(h)*. If the owner or operator of such a unit elects to certify a fuel flowmeter system for heat input determination, the owner or operator shall also meet the certification and recertification requirements in 40 CFR 75.20(g)*.

(j) The CAIR designated representative of each unit for which the owner or operator intends to use an alternative monitoring system approved by the U.S. EPA and, if applicable, the department under 40 CFR 75, Subpart E* shall comply with the applicable notification and application procedures of 40 CFR 75.20(f)*.

(k) Whenever any monitoring system fails to meet the quality-assurance and quality-control requirements or data validation requirements of 40 CFR 75*, data shall be substituted using the applicable missing data procedures in 40 CFR 75, Subpart D* or 40 CFR 75, Appendix D*.

(l) Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any monitoring system should not have been certified or recertified because it did not meet a particular performance specification or other requirement under subsections (f) through (j) or the applicable provisions of 40 CFR 75*, both at the time of the initial certification or recertification application submission and at the time of the audit, the department or, for a CAIR SO_2 opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under section 11 of this rule, the U.S. EPA will issue a notice of disapproval of the certification status of such monitoring system. For the purposes of this subsection, an audit shall be either a field audit or an audit of any information submitted to the department or the U.S. EPA. By issuing the notice of disapproval, the department or the U.S. EPA revokes prospectively the certification status of the monitoring system. The data measured and recorded by the monitoring system shall not be considered valid

quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests for the monitoring system. The owner or operator shall follow the applicable initial certification or recertification procedures in subsections (f) through (j) for each disapproved monitoring system.

(m) The CAIR designated representative for a CAIR SO_2 unit shall submit written notice to the department and the U.S. EPA in accordance with 40 CFR 75.61*.

(n) The CAIR designated representative shall comply with all record keeping and reporting requirements in this subsection, the applicable record keeping and reporting requirements in 40 CFR 75, Subparts F and G*, and the requirements of section 6(e)(1) of this rule as follows:

(1) The owner or operator of a CAIR SO_2 unit shall comply with requirements of 40 CFR 75.62* and, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under section 11 of this rule.

(2) The CAIR designated representative shall submit an application to the department within forty-five (45) days after completing all initial certification or recertification tests required under subsections (f) through (j), including the information required under 40 CFR 75.63*.

(3) The CAIR designated representative shall submit quarterly reports as follows:

(A) The CAIR designated representative shall report the SO_2 mass emissions data and heat input data for the CAIR SO_2 unit, in an electronic quarterly report in a format prescribed by the U.S. EPA, for each calendar quarter beginning with:

(i) for a unit that commences commercial operation before July 1, 2008, the calendar quarter covering January 1, 2009, through March 31, 2009;

(ii) for a unit that commences commercial operation on or after July 1, 2008, the calendar quarter corresponding to the earlier of the date of provisional certification or the applicable deadline for initial certification under subsection (c), unless that quarter is the third or fourth quarter of 2008, in which case reporting shall commence in the quarter covering January 1, 2009, through March 31, 2009;

(iii) notwithstanding items (i) and (ii), for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under section 11 of this rule, the calendar quarter corresponding to the date specified in section 11(f)(2), 11(f)(3), and 11(f)(4) of this rule; and

(iv) notwithstanding items (i) and (ii), for a CAIR SO_2 opt-in unit under section 11 of this rule, the calendar quarter corresponding to the date on which the CAIR SO_2 opt-in unit enters the CAIR SO_2 trading program as provided in section 11(f)(9) of this rule.

(B) The CAIR designated representative shall submit each quarterly report to the U.S. EPA within thirty (30) days following the end of the calendar quarter covered by the report. Quarterly reports shall be submitted in the manner specified in 40 CFR 75.64*.

(C) For CAIR SO_2 units that are also subject to an acid rain emissions limitation or the CAIR NO_x ozone season trading program or CAIR NO_x trading program, quarterly reports shall include the applicable data and information required by 40 CFR 75, Subparts F through H* as applicable, in addition to the SO_2 mass emission data, heat input data, and other information required by this subpart.

(4) The CAIR designated representative shall submit to the U.S. EPA a compliance certification, in a format prescribed by the U.S. EPA in support of each quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

(A) the monitoring data submitted were recorded in accordance with the applicable requirements of this section and 40 CFR 75*, including the quality assurance procedures and specifications; and

(B) for a unit with add-on SO_2 emission controls and for all hours where SO_2 data are substituted in accordance with 40 CFR 75.34(a)(1)*, the add-on emission controls were operating within the range of parameters listed in the quality assurance/quality control program under 40 CFR 75, Appendix B* and the substitute data values do not systematically underestimate SO_2 emissions.

(o) A petition requesting approval of alternatives to any requirement of this section may be made as follows:

(1) The CAIR designated representative of a CAIR SO_2 unit that is subject to an acid rain emissions limitation may submit a petition under 40 CFR 75.66* to the U.S. EPA requesting approval to apply an alternative to any requirement of this subpart. Application of an alternative to any requirement of this subpart is in accordance with this section only to the extent that the petition is approved in writing by the U.S. EPA, in consultation with the department.

(2) The CAIR designated representative of a CAIR SO_2 unit that is not subject to an acid rain emissions limitation may submit a petition under 40 CFR 75.66* to the department and the U.S. EPA requesting approval to apply an alternative to any requirement of this subpart. Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent that the petition is approved in writing by both the department and the U.S. EPA.

(p) The owner or operator of a CAIR SO2 unit is subject to the applicable provisions of 40 CFR 75* concerning units in long term cold storage.

*These documents are incorporated by reference. Copies may be obtained from the Government Printing Office, 732 North Capitol Street NW, Washington, D.C. 20401 or are available for review and copying at the Indiana Department of Environmental Management, Office of Air Quality, Indiana Government Center-North, Tenth Floor, 100 North Senate Avenue, Indianapolis, Indiana 46204. *(Air Pollution Control Board; 326 IAC 24-2-10; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA)*

326 IAC 24-2-11 CAIR SO_2 opt-in units

Authority: IC 13-14-8; IC 13-17-3-4; IC 13-17-3-11
Affected: IC 13-15; IC 13-17

Sec. 11. (a) A CAIR SO_2 opt-in unit must be a unit that meets the following requirements:

(1) Is located in Indiana.

(2) Is not a CAIR SO_2 unit under section 1 of this rule and is not covered by a retired unit exemption that is in effect under section 3 of this rule.

(3) Is not covered by a retired unit exemption that is in effect under 40 CFR 72.8* and is not an opt-in source under 40 CFR 74*.

(4) Has or is required or qualified to have a Part 70 operating permit or other federally enforceable permit.

(5) Vents all of its SO_2 emissions to a stack and can meet the monitoring, record keeping, and reporting requirements of section 10 of this rule.

(b) Except as otherwise provided sections 1, 2, 4 through 7, and 8 through 10 of this rule, a CAIR SO_2 opt-in unit shall be treated as a CAIR SO_2 unit for purposes of applying such sections of this rule.

(c) Solely for purposes of applying, as provided in this section, the requirements of section 10 to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this section, such unit shall be treated as a CAIR SO_2 unit before issuance of a CAIR opt-in permit for such unit.

(d) Any CAIR SO_2 opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this section, located at the same source as one (1) or more CAIR SO_2 units shall have the same CAIR designated representative and alternate CAIR designated representative as such CAIR SO_2 units.

(e) The CAIR designated representative of a unit meeting the requirements for a CAIR SO_2 opt-in unit in subsection (a) may apply for an initial CAIR opt-in permit at any time, except as provided under subsection (h)(8) and (h)(9), and, in order to apply, must submit the following:

(1) A complete CAIR permit application under section 7(c) of this rule.

(2) A certification, in a format specified by the department, that the unit:

(A) is not a CAIR SO_2 unit under section 1 of this rule and is not covered by a retired unit exemption that is in effect under section 3 of this rule;

(B) is not covered by a retired unit exemption that is in effect under 40 CFR 72.8*;

(C) is not and, so long as the unit is a CAIR SO_2 opt-in unit, shall not become, an opt-in source under 40 CFR 74*;

(D) vents all of its SO_2 emissions to a stack; and

(E) has documented heat input for more than eight hundred seventy-six (876) hours during the six (6) months immediately preceding submission of the CAIR permit application under section 7(c) of this rule.

(3) A monitoring plan in accordance with section 10 of this rule.

(4) A complete certificate of representation under section 6(h) of this rule consistent with subsection (d), if no CAIR designated representative has been previously designated for the source that includes the unit.

(5) A statement, in a format specified by the department, whether the CAIR designated representative requests that the unit be allocated CAIR SO_2 allowances under subsection (j)(3) or (j)(4), subject to the conditions in subsections (f)(10) and (h)(8). If allocation under subsection (j)(4) is requested, this statement shall include a statement that the owners and operators of the unit intend to repower the unit before January 1, 2015, and that they will provide, upon request, documentation demonstrating

such intent.

The CAIR designated representative of a CAIR SO_2 opt-in unit shall submit a complete CAIR permit application under section 7(c) of this rule to renew the CAIR opt-in unit permit in accordance with the department's regulations for Part 70 operating permits. Unless the department issues a notification of acceptance of withdrawal of the CAIR SO_2 opt-in unit from the CAIR SO_2 trading program in accordance with subsection (h) or the unit becomes a CAIR SO_2 unit under section 1 of this rule, the CAIR SO_2 opt-in unit shall remain subject to the requirements for a CAIR SO_2 opt-in unit, even if the CAIR designated representative for the CAIR SO_2 opt-in unit fails to submit a CAIR permit application that is required for renewal of the CAIR opt-in permit.

(f) The department shall issue or deny a CAIR opt-in permit for a unit for which an initial application for a CAIR opt-in permit under subsection (e) is submitted in accordance with the following:

(1) The department and the U.S. EPA will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a CAIR opt-in permit under subsection (e). A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the SO_2 emissions rate and heat input and all other applicable parameters of the unit and all other applicable parameters are monitored and reported in accordance with section 10 of this rule. A determination of sufficiency shall not be construed as acceptance or approval of the monitoring plan.

(2) If the department and the U.S. EPA determine that the monitoring plan is sufficient under subdivision (1), the owner or operator shall monitor and report the SO_2 emissions rate and the heat input of the unit and all other applicable parameters, in accordance with section 10 of this rule, starting on the date of certification of the appropriate monitoring systems under section 10 of this rule and continuing until a CAIR opt-in permit is denied under subdivision (8) or, if a CAIR opt-in permit is issued, the date and time when the unit is withdrawn from the CAIR SO_2 trading program in accordance with subsection (h).

(3) The monitoring and reporting under subdivision (2) shall include the entire control period immediately before the date on which the unit enters the CAIR SO_2 trading program under subdivision (9), during which period monitoring system availability must not be less than ninety percent (90%) under section 10 of this rule and the unit must be in full compliance with any applicable state or federal emissions or emissions-related requirements.

(4) To the extent the SO_2 emissions rate and the heat input of the unit are monitored and reported in accordance with section 10 of this rule for one (1) or more control periods, in addition to the control period under subdivision (3), during which control periods monitoring system availability is not less than ninety percent (90%) under section 10 of this rule and the unit is in full compliance with any applicable state or federal emissions or emissions-related requirements and which control periods begin not more than three (3) years before the unit enters the CAIR SO_2 trading program under subdivision (9), such information shall be used as provided in subdivisions (5) and (6).

(5) The unit's baseline heat input shall equal:

(A) if the unit's SO_2 emissions rate and heat input are monitored and reported for only one (1) control period, in accordance with subdivisions (2) and (3), the unit's total heat input, in million British thermal units (MMBtu), for the control period; or

(B) if the unit's SO_2 emissions rate and heat input are monitored and reported for more than one (1) control period, in accordance with subdivisions (2) through (4), the average of the amounts of the unit's total heat input, in million British thermal units (MMBtu), for the control periods under subdivisions (3) and (4).

(6) The unit's baseline SO_2 emission rate shall equal one (1) of the following:

(A) If the unit's SO_2 emissions rate and heat input are monitored and reported for only one (1) control period, in accordance with subdivisions (2) and (3), the unit's SO_2 emissions rate, in pounds per million British thermal units (lb/MMBtu), for the control period.

(B) If the unit's SO_2 emissions rate and heat input are monitored and reported for more than one (1) control period, in accordance with subdivisions (2) through (4), and the unit does not have add-on SO_2 emission controls during any such control periods, the average of the amounts of the unit's SO_2 emissions rate, in pounds per million British thermal units (lb/MMBtu), for the control periods under subdivisions (3) and (4).

(C) If the unit's SO_2 emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions (2) through (4), and the unit has add-on SO_2 emission controls during any such control periods, the average of the amounts of the unit's SO_2 emissions rate, in pounds per million British thermal units (lb/MMBtu), for such control periods during which the unit has add-on SO_2 emission controls.

(7) After calculating the baseline heat input and the baseline SO_2 emissions rate for the unit under subdivisions (5) and (6) and if the department determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR SO_2 opt-in unit in subsection (a) and meets the elements certified in subsection (e)(2), the department shall issue a CAIR opt-in

permit. The department shall provide a copy of the CAIR opt-in permit to the U.S. EPA, who will then establish a compliance account for the source that includes the CAIR SO_2 opt-in unit unless the source already has a compliance account.

(8) Notwithstanding subdivisions (1) through (7), if at any time before issuance of a CAIR opt-in permit for the unit, the department determines that the CAIR designated representative fails to show that the unit meets the requirements for a CAIR opt-in unit in subsection (a) or meets the elements certified in subsection (e)(2), the department shall issue a denial of a CAIR SO_2 opt-in permit for the unit.

(9) A unit for which an initial CAIR opt-in permit is issued by the department shall become a CAIR SO_2 opt-in unit, and a CAIR SO_2 unit, as of the later of January 1, 2010, or January 1 of the first control period during which such CAIR opt-in permit is issued.

(10) If the CAIR designated representative requests, and the department issues a CAIR opt-in permit providing for, allocation to a CAIR SO_2 opt-in unit of CAIR SO_2 allowances under subsection (j)(4) and such unit is repowered after its date of entry into the CAIR SO_2 trading program under subdivision (9), the repowered unit shall be treated as a CAIR SO_2 opt-in unit replacing the original CAIR SO_2 opt-in unit, as of the date of start-up of the repowered unit's combustion chamber.

Notwithstanding subdivisions (5) and (6), as of the date of start-up under subdivision (10), the repowered unit shall be deemed to have the same date of commencement of operation, date of commencement of commercial operation, baseline heat input, and baseline SO_2 emission rate as the original CAIR SO_2 opt-in unit, and the original CAIR SO_2 opt-in unit shall no longer be treated as a CAIR SO_2 opt-in unit or a CAIR SO_2 unit.

(g) The following shall apply to the content of each CAIR opt-in permit:

(1) Each opt-in permit shall contain the following:

(A) All elements required for a complete CAIR permit application under section 7(c) of this rule.

(B) The certification in subsection (e)(2).

(C) The unit's baseline heat input under subsection (f)(5).

(D) The unit's baseline SO_2 emission rate under subsection (f)(6).

(E) A statement whether the unit is to be allocated CAIR SO_2 allowances under subsection (j)(3) or (j)(4), subject to the conditions in subsections (f)(10) and (h)(8).

(F) A statement that the unit may withdraw from the CAIR SO_2 trading program only in accordance with subsection (h).

(G) A statement that the unit is subject to, and the owners and operators of the unit must comply with, the requirements of subsection (i).

(2) Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under section 2 of this rule and, upon recordation by the U.S. EPA under this section and sections 8 and 9 of this rule, every allocation, transfer, or deduction of CAIR SO_2 allowances to or from the compliance account of the source that includes a CAIR SO_2 opt-in unit covered by the CAIR opt-in permit.

(3) The CAIR opt-in permit shall be included, in a format specified by the department, in the CAIR permit for the sources where the CAIR SO2 opt-in is located and in a Part 70 operating permit or FESOP.

(h) The following requirements must be satisfied in order to withdraw an opt-in unit from the CAIR SO_2 trading program:

(1) Except as provided under subdivision (8), a CAIR SO_2 opt-in unit may withdraw from the CAIR SO_2 trading program, but only if the department issues a notification to the CAIR designated representative of the CAIR SO_2 opt-in unit of the acceptance of the withdrawal of the CAIR SO_2 opt-in unit in accordance with subdivision (6).

(2) In order to withdraw a CAIR SO_2 opt-in unit from the CAIR SO_2 trading program, the CAIR designated representative of the CAIR SO_2 opt-in unit shall submit to the department a request to withdraw effective as of midnight of December 31 of a specified calendar year, which date must be at least four (4) years after December 31 of the year of entry into the CAIR SO_2 trading program under subsection (f)(9). The request must be submitted not later than ninety (90) days before the requested effective date of withdrawal.

(3) Before a CAIR SO_2 opt-in unit covered by a request under subdivision (1) may withdraw from the CAIR SO_2 trading program and the CAIR opt-in permit may be terminated under subdivision (7), the following conditions must be met:

(A) For the control period ending on the date on which the withdrawal is to be effective, the source that includes the CAIR SO_2 opt-in unit must meet the requirement to hold CAIR SO_2 allowances under section 4(c) of this rule and cannot have any excess emissions.

(B) After the requirement for withdrawal under clause (A) is met, the U.S. EPA will deduct from the compliance account of the source that includes the CAIR SO_2 opt-in unit CAIR SO_2 allowances equal in amount to and allocated for the same or a prior control period as any CAIR SO_2 allowances allocated to the CAIR SO_2 opt-in unit under subsection (j)

for any control period for which the withdrawal is to be effective. If there are no remaining CAIR SO_2 units at the source, the U.S. EPA will close the compliance account, and the owners and operators of the CAIR SO_2 opt-in unit may submit a CAIR SO_2 allowance transfer for any remaining CAIR SO_2 allowances to another CAIR SO_2 allowance tracking system in accordance with section 9 of this rule.

(4) After the requirements for withdrawal under subdivisions (2) and (3) are met, including deduction of the full amount of CAIR SO_2 allowances required, the department shall issue a notification to the CAIR designated representative of the CAIR SO_2 opt-in unit of the acceptance of the withdrawal of the CAIR SO_2 opt-in unit as of midnight on December 31 of the calendar year for which the withdrawal was requested.

(5) If the requirements for withdrawal under subdivisions (2) and (3) are not met, the department shall issue a notification to the CAIR designated representative of the CAIR SO_2 opt-in unit that the CAIR SO_2 opt-in unit's request to withdraw is denied. Such CAIR SO_2 opt-in unit shall continue to be a CAIR SO_2 opt-in unit.

(6) After the department issues a notification under subdivision (4) that the requirements for withdrawal have been met, the department shall revise the CAIR permit covering the CAIR SO_2 opt-in unit to terminate the CAIR opt-in permit for such unit as of the effective date specified under subdivision (4). The unit shall continue to be a CAIR SO_2 opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR SO_2 trading program concerning any control periods for which the unit is a CAIR SO_2 opt-in unit, even if such requirements arise or must be complied with after the withdrawal takes effect.

(7) If the department denies the CAIR SO_2 opt-in unit's request to withdraw, the CAIR designated representative may submit another request to withdraw in accordance with subdivisions (2) and (3).

(8) Notwithstanding subdivisions (1) through (7), a CAIR SO_2 opt-in unit shall not be eligible to withdraw from the CAIR SO_2 trading program if the CAIR designated representative of the CAIR SO_2 opt-in unit requests, and the department issues a CAIR SO_2 opt-in permit providing for, allocation to the CAIR SO_2 opt-in unit of CAIR SO_2 allowances under subsection (j)(4).

(9) Once a CAIR SO_2 opt-in unit withdraws from the CAIR SO_2 trading program and its CAIR opt-in permit is terminated under this section, the CAIR designated representative may not submit another application for a CAIR opt-in permit under subsection (e) for such CAIR SO_2 opt-in unit before the date that is four (4) years after the date on which the withdrawal became effective. Such new application for a CAIR opt-in permit shall be treated as an initial application for a CAIR opt-in permit under subsection (f).

(i) When a CAIR SO_2 opt-in unit becomes a CAIR SO_2 unit under section 1 of this rule, then the CAIR designated representative shall notify in writing the department and the U.S. EPA of such change in the CAIR SO_2 opt-in unit's regulatory status, within thirty (30) days of such change. If there is a change in the regulatory status, the department and the U.S. EPA will take the following actions concerning the CAIR SO_2 opt-in source:

(1) When the CAIR SO_2 opt-in unit becomes a CAIR SO_2 unit under section 1 of this rule, the department shall revise the CAIR SO_2 opt-in unit's CAIR opt-in permit to meet the requirements of a CAIR permit under section 7(d) and (7)(e) of this rule, and remove the CAIR opt-in provisions, as of the date on which the CAIR SO_2 opt-in unit becomes a CAIR SO_2 unit under section 1 of this rule.

(2) The U.S. EPA will deduct from the compliance account of the source that includes the CAIR SO_2 opt-in unit that becomes a CAIR SO_2 unit under section 1 of this rule, CAIR SO_2 allowances equal in amount to and allocated for the same or a prior control period as follows:

(A) Any CAIR SO_2 allowances allocated to the CAIR SO_2 opt-in unit under subsection (j) for any control period after the date on which the CAIR SO_2 opt-in unit becomes a CAIR SO_2 unit under section 1 of this rule.

(B) If the date on which the CAIR SO_2 opt-in unit becomes a CAIR SO_2 unit under section 1 of this rule is not December 31, the CAIR SO_2 allowances allocated to the CAIR SO_2 opt-in unit under subsection (j) for the control period that includes the date on which the CAIR SO_2 opt-in unit becomes a CAIR SO_2 unit under section 1 of this rule, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR SO_2 opt-in unit becomes a CAIR SO_2 unit under section 1 of this rule divided by the total number of days in the control period and rounded to the nearest whole allowance as appropriate.

(3) The CAIR designated representative shall ensure that the compliance account of the source that includes the CAIR SO_2 opt-in unit that becomes a CAIR SO_2 unit under section 1 of this rule contains the CAIR SO_2 allowances necessary for completion of the deduction under subdivision (2).

(j) The department shall allocate CAIR SO_2 allowances to CAIR SO_2 opt-in sources as follows:

(1) When the CAIR opt-in permit is issued under subsection (f)(7), the department shall allocate CAIR SO_2 allowances to the

CAIR SO_2 opt-in unit, and submit to the U.S. EPA the allocation for the control period in which a CAIR SO_2 opt-in unit enters the CAIR SO_2 trading program under subsection (f)(9), in accordance with subdivision (3) or (4).

(2) By not later than October 31 of the control period in which a CAIR SO_2 opt-in unit enters the CAIR SO_2 trading program under subsection (f)(9) and October 31 of each year thereafter, the department shall allocate CAIR SO_2 allowances to the CAIR SO_2 opt-in unit, and submit to the U.S. EPA the allocation for the control period that includes such submission deadline and in which the unit is a CAIR SO_2 opt-in unit, in accordance with subdivision (3) or (4).

(3) For each control period for which a CAIR SO_2 opt-in unit is to be allocated CAIR SO_2 allowances, the department shall allocate in accordance with the following procedures:

(A) The heat input, in million British thermal units (MMBtu), used for calculating the CAIR SO_2 allowance allocation shall be the lesser of the following:

(i) The CAIR SO_2 opt-in unit's baseline heat input determined under subsection (f)(5).

(ii) The CAIR SO_2 opt-in unit's heat input, as determined in accordance with section 10 of this rule, for the immediately prior control period, except when the allocation is being calculated for the control period in which the CAIR SO_2 opt-in unit enters the CAIR SO_2 trading program under subsection (f)(9).

(B) The SO_2 emission rate, in million British thermal units (MMBtu), used for calculating CAIR SO_2 allowance allocations shall be the lesser of the following:

(i) The CAIR SO_2 opt-in unit's baseline SO_2 emissions rate, in pounds per million British thermal units (lb/MMBtu), determined under subsection (f)(6) and multiplied by seventy percent (70%).

(ii) The most stringent state or federal SO_2 emissions limitation applicable to the CAIR SO_2 opt-in unit at any time during the control period for which CAIR SO_2 allowances are to be allocated.

(C) The department shall allocate CAIR SO_2 allowances to the CAIR SO_2 opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under clause (A), multiplied by the SO_2 emission rate under clause (B), divided by two thousand (2,000) pounds per ton, and rounded to the nearest whole allowance as appropriate.

(4) Notwithstanding subdivision (3) and if the CAIR designated representative requests, and the department issues a CAIR opt-in permit (based on a demonstration of the intent to repower stated under subsection (e)(5)) providing for, allocation to a CAIR SO_2 opt-in unit of CAIR SO_2 allowances under this subdivision, subject to the conditions in subsections (f)(10) and (h), the department shall allocate to the CAIR SO_2 opt-in unit as follows:

(A) For each control period in 2010 through 2014 for which the CAIR SO_2 opt-in unit is to be allocated CAIR SO_2 allowances as follows:

(i) The heat input, in million British thermal units (MMBtu), used for calculating CAIR SO_2 allowance allocations shall be determined as described in subdivision (3)(A).

(ii) The SO_2 emission rate, in pounds per million British thermal units (lb/MMBtu), used for calculating CAIR SO_2 allowance allocations shall be the lesser of:

(AA) the CAIR SO_2 opt-in unit's baseline SO_2 emissions rate, in pounds per million British thermal units (lb/MMBtu), determined under subsection (f)(6); or

(BB) the most stringent state or federal SO_2 emissions limitation applicable to the CAIR SO_2 opt-in unit at any time during the control period in which the CAIR SO_2 opt-in unit enters the CAIR SO_2 trading program under subsection (f)(9).

(iii) The department shall allocate CAIR SO_2 allowances to the CAIR SO_2 opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under item (i), multiplied by the SO_2 emission rate under item (ii), divided by two thousand (2,000) pounds per ton, and rounded to the nearest whole allowance as appropriate.

(B) For each control period in 2015 and thereafter for which the CAIR SO_2 opt-in unit is to be allocated CAIR SO_2 allowances as follows:

(i) The heat input, in million British thermal units (MMBtu), used for calculating the CAIR SO_2 allowance allocations shall be determined as described in subdivision (3)(A).

(ii) The SO_2 emission rate, in pounds per million British thermal units (lb/MMBtu), used for calculating the CAIR SO_2 allowance allocation shall be the lesser of:

(AA) the CAIR SO_2 opt-in unit's baseline SO_2 emissions rate, in pounds per million British thermal units (lb/MMBtu), determined under subsection (f)(6) multiplied by ten percent (10%); or

(BB) the most stringent state or federal SO_2 emissions limitation applicable to the CAIR SO_2 opt-in unit at any time during the control period for which CAIR SO_2 allowances are to be allocated.

(iii) The department shall allocate CAIR SO_2 allowances to the CAIR SO_2 opt-in unit in an amount equaling the heat input item (i), multiplied by the SO_2 emission rate under clause (B)(ii), divided by two thousand (2,000) pounds per ton, and rounded to the nearest whole allowance as appropriate.

(5) The U.S. EPA will record, in the compliance account of the source that includes the CAIR SO_2 opt-in unit, the CAIR SO_2 allowances allocated by the department to the CAIR SO_2 opt-in unit under subdivision (1).

(6) By December 1 of the control period in which a CAIR SO_2 opt-in unit enters the CAIR SO_2 trading program under subsection (f)(9) and December 1 of each year thereafter, the U.S. EPA will record, in the compliance account of the source that includes the CAIR SO_2 opt-in unit, the CAIR SO_2 allowances allocated by the department to the CAIR SO_2 opt-in unit under subdivision (2).

*These documents are incorporated by reference. Copies may be obtained from the Government Printing Office, 732 North Capitol Street NW, Washington, D.C. 20401 or are available for review and copying at the Indiana Department of Environmental Management, Office of Air Quality, Indiana Government Center-North, Tenth Floor, 100 North Senate Avenue, Indianapolis, Indiana 46204. *(Air Pollution Control Board; 326 IAC 24-2-11; filed Jan 26, 2007, 10:25 a.m.: 20070221-IR-326050117FRA; errata filed Jan 29, 2007, 2:43 p.m.: 20070221-IR-326050117ACA; filed May 12, 2009, 11:16 a.m.: 20090610-IR-326080005FRA)*