

POLLUTION CONTROL BOARD
NOTICE OF ADOPTED AMENDMENTS

POLLUTION CONTROL BOARD
NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Nitrogen Oxides Emissions
- 2) Code Citation: 35 Ill. Adm. Code 217

<u>Section Numbers:</u>	<u>Adopted Action:</u>
217.450	New
217.452	New
217.454	New
217.456	New
217.458	New
217.460	New
217.462	New
217.464	New
217.466	New
217.468	New
217.470	New
217.472	New
217.474	New
217.476	New
217.478	New
217.480	New
217.482	New
217.700	New
217.702	New
217.704	New
217.706	New
217.708	New
217.710	New
217.712	New
217.800	New
217.805	New
217.810	New
217.815	New
217.820	New
217.825	New
217.830	New
217.835	New
217.840	New
217.845	New
217.850	New
217.855	New
217.860	New
217.865	New

- 3) Statutory Authority: 415 ILCS 5/9.9, 10, 27 and 28.5
- 5) Effective Date of Amendments: April 17, 2001

- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these amendments contain incorporations by reference? Yes. See Section 217.104. All incorporations are pursuant to Section 5-75 of the Illinois Administrative Procedure Act.
- 8) A copy of the adopted amendments, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notices of Proposal Published in Illinois Register: 24 Ill. Reg. 16200, November 3, 2000; 24 Ill. Reg. 16467, November 13, 2000
- 10) Has JCAR issued a Statement of Objection to these amendments? No
- 11) Differences between proposal and final version: Final version combines two Board dockets for publication: R01-16 (Sections 217.700 - 217.712) and R01-17 (Sections 217.450 - 217.482 and Sections 217.800 - 217.865). The section numbers for Subpart U were changed to allow for a sequential progression. The rules as proposed listed Subpart U as 217.6xx. Final rules list Subpart U as 217.4xx.
Section 217.454 in the proposal contained a subsection regulating low-emitter requirements. These requirements have been moved to Section 217.472.
In Sections 217.710 and 217.712, added subsections allowing low capacity factor units to use alternative monitoring techniques.
In Section 217.805, removed the requirement that only units permitted to operate prior to 1995 are eligible to participate in Subpart X. Also made changes in Sections 217.820 and 217.825 to allow these additional units to calculate baseline emissions, and determine creditable reductions.
Made several non-substantive clarifying/correction changes.
JCAR suggested several nonsubstantive typographical and grammatical changes which the Board included in the final version.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements letter? Yes
- 13) Will these amendments replace emergency amendments currently in effect?
No
- 14) Are there any amendments pending on this Part? No

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

15) Summary and Purpose of Amendments: A complete description of this Section 28.5 fast-track rulemaking is included in the Board's March 1, 2001 opinion and order in docket R01-11, which is available from the address below. These rules are adopted to control the emissions of nitrogen oxides (NOx) from large electrical generating units (EGUs) and large non-EGUs, during the ozone control season (May 1 through September 30. For Subpart U only, the ozone control period will be May 31 through September 30, 2004, and then from May 1 to September 30 of subsequent years). The amendments are intended to meet the State of Illinois' obligation under the Clean Air Act, 42 USC 7401 et seq. (CAA) to submit a State Implementation Plan (SIP) that addresses the requirements of the NOx SIP Call, 63 Fed. Reg. 57,356 (Oct. 27, 1998). The amendments are also intended to meet the requirements of Section 9.9 of the Environmental Protection Act, 415 ILCS 5/9.9. Included in this rulemaking are new 35 Ill. Adm. Code 217 Subparts U, V, and X, and other general provisions in Part 211 (which also appear in today's Illinois Register).

16) Information and questions regarding these adopted amendments shall be directed to:

Bobb Beauchamp
 100 W. Randolph Street
 James R. Thompson Center
 Suite 11-500
 Chicago, Illinois 60601
 (312) 814-6926

Copies of the Board's opinions and orders may be requested from the Clerk of the Board at the address above. Please refer to docket numbers R01-16 and R01-17 in your request. The Board order is also available from the Board's Web site (www.ipcb.state.il.us).

The full text of the adopted amendments begins on the next page:

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

TITLE 35: ENVIRONMENTAL PROTECTION
 SUBTITLE B: AIR POLLUTION
 CHAPTER I: POLLUTION CONTROL BOARD
 SUBCHAPTER C: EMISSION STANDARDS AND LIMITATIONS
 FOR STATIONARY SOURCES

PART 217
 NITROGEN OXIDES EMISSIONS
 SUBPART A: GENERAL PROVISIONS

Section 217.100 Scope and Organization
 217.101 Measurement Methods
 217.102 Abbreviations and Units
 217.103 Definitions
 217.104 Incorporations by Reference

SUBPART B: NEW FUEL COMBUSTION EMISSION SOURCES

Section 217.121 New Emission Sources

SUBPART C: EXISTING FUEL COMBUSTION EMISSION SOURCES

Section 217.141 Existing Emission Sources in Major Metropolitan Areas

SUBPART K: PROCESS EMISSION SOURCES

Section 217.301 Industrial Processes

SUBPART O: CHEMICAL MANUFACTURE

Section 217.381 Nitric Acid Manufacturing Processes

SUBPART T: CEMENT KILNS

Section 217.400 Applicability
 217.402 Control Requirements
 217.404 Testing
 217.406 Monitoring
 217.408 Reporting
 217.410 Recordkeeping

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

SUBPART U: NO(x) CONTROL AND TRADING PROGRAM FOR SPECIFIED NO(x) GENERATING UNITS

Section	Purpose
217.450	Severability
217.452	Applicability
217.454	Compliance Requirements
217.456	Permitting Requirements
217.458	Subpart U NO(x) Trading Budget
217.460	Methodology for Obtaining NO(x) Allowances
217.462	Methodology for Determining NO(x) Allowances from the New Source Set-Aside
217.464	NO(x) Allocations Procedure for Subpart U Budget Units
217.466	New Source Set-Asides for "New" Budget Units
217.468	Early Reduction Credits (ERCS) for Budget Units
217.470	Low-Emitter Requirements
217.472	Opt-In Units
217.474	Opt-In Process
217.476	Opt-In Budget Units: Withdrawal from the NO(x) Trading Program
217.478	Opt-In Budget Units: Change in Regulatory Status
217.480	Allowance Allocations to Opt-In Budget Units
217.482	

SUBPART V: ELECTRIC POWER GENERATION

Section	Purpose
217.521	Lake of Egypt Power Plant
217.700	Severability
217.702	Applicability
217.704	Emission Limitations
217.706	NO(x) Averaging
217.708	Monitoring
217.710	Reporting and Recordkeeping
217.712	

SUBPART W: NO(x) TRADING PROGRAM FOR ELECTRICAL GENERATING UNITS

Section	Purpose
217.750	Severability
217.752	Applicability
217.754	Compliance Requirements
217.756	Permitting Requirements
217.760	NO(x) Trading Budget
217.762	Methodology for Calculating NO(x) Allowances for Budget Electrical Generating Units ("EGUS")
217.764	NO(x) Allocations for Budget EGUS

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

217.766	New Source Set-Asides for "New" Budget EGUS
217.770	Early Reduction Credits for Budget EGUS
217.774	Opt-In Units
217.776	Opt-In Process
217.778	Budget Opt-In Units: Withdrawal from NO(x) Trading Program
217.780	Opt-In Units: change in Regulatory Status
217.782	Allowance Allocations to Budget Opt-In Units

SUBPART X: VOLUNTARY NO(x) EMISSIONS REDUCTION PROGRAM

Section	Purpose
217.800	Emission Unit Eligibility
217.805	Participation Requirements
217.810	NO(x) Emission Reductions and the Subpart X Trading Budget
217.815	Baseline Emissions Determination
217.820	Calculation of Creditable NO(x) Emission Reductions
217.825	Limitations on NO(x) Emission Reductions
217.830	NO(x) Emission Reductions Proposal
217.835	Agency Action
217.840	Emissions Determination Methods
217.845	Emissions Monitoring
217.850	Reporting
217.855	Recordkeeping
217.860	Enforcement
217.865	

APPENDIX A	Rule Into Section Table
APPENDIX B	Section Into Rule Table
APPENDIX C	Compliance Dates
APPENDIX D	Non-Electrical Generating Units
APPENDIX E	Large Non-Electrical Generating Units
APPENDIX F	Allowances for Electrical Generating Units

AUTHORITY: Implementing Sections 9.9 and 10 and authorized by Sections 27 and 28.5 of the Environmental Protection Act (415 ILCS 5/9.9, 10, 27 and 28.5.)

SOURCE: Adopted as Chapter 2: Air Pollution, Rule 207: Nitrogen Oxides Emissions, 7/1-23, 4 PCB 191, April 13, 1972, filed and effective April 14, 1972; amended at 2 Ill. Reg. 17, p. 101, effective April 13, 1978; codified at 7 Ill. Reg. 13609; amended in R01-9 at 25 Ill. Reg. 126, effective December 26, 2000; amended in R01-11 at 25 Ill. Reg. 4597, effective March 15, 2001; amended in R01-16 and R01-17 at 25 Ill. Reg. 5914, effective April 7, 2001.

SUBPART U: NO(x) CONTROL AND TRADING PROGRAM FOR SPECIFIED NO(x) GENERATING UNITS

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

Section 217.450 Purpose

The purpose of this Subpart is to cap the emissions of nitrogen oxides (NOx) during the ozone control period from units subject to the provisions of this Subpart (budget units) by determining source allocations and by implementing the federal NOx Trading Program, 40 CFR 95, consistent with the provisions of this Subpart.

(Source: Added at 25 Ill. Reg. 5914 effective APR 17 2009)

Section 217.452 Severability

If any Section, subsection or clause of this Subpart is found invalid, such finding shall not affect the validity of this Subpart as a whole or any Section, sentence or clause not found invalid.

(Source: Added at 25 Ill. Reg. 5914 effective APR 17 2009)

Section 217.454 Applicability

1) This Subpart applies to any fossil fuel-fired stationary boiler, combustion turbine, or combined cycle system, with a maximum design heat input greater than 250 mbtu/hr and that is:

1) A unit listed in Appendix E of this Subpart, irrespective of any subsequent changes in ownership, unit designation, or name of the unit; or

2) A unit not listed in Appendix E of this Subpart that:

A) At no time serves a generator producing electricity for sale;

B) At any time serves a generator producing electricity for sale, if such generator has a nameplate capacity of 25 MWe or less and has the potential to use no more than 50% of the potential electrical output capacity of the unit. Fifty percent of a unit's potential electrical output capacity shall be determined by multiplying the unit's maximum design heat input by 0.0488 MWe/mbtu. If the size of the generator is smaller than this calculated number, the unit is subject to the provisions of this Subpart, but if the size of the generator is greater than this calculated number, the unit is subject to the provisions of Subpart W of this Part;

C) Is part of any source, as that term is defined in 35 Ill. Adm. Code 211.6130, listed in Appendix E of this Part; or

D) Is a unit subject to Subpart W of this Part (excluding any unit listed in Appendix F of this Part, regardless of any change in ownership or any change of operator), and the

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

owner or operator makes a permanent election, at the time of applying for a budget permit pursuant to this Part, to subject the unit to the requirements of this Subpart rather than Subpart W of this Part. Any unit for which such an election is made will not receive an allocation from the Subpart U or Subpart W NOx Trading Budget.

b) Those units that meet the above criteria and are subject to the NOx Trading Program emissions limitations contained in this Subpart are budget units.

c) Low-emitter status: Notwithstanding subsection (a) of this Section, the owner or operator of a budget unit subject to the requirements of subsection (a) of this Section may elect low-emitter status by obtaining a permit with federally enforceable conditions that meet the requirements of Section 217.472(a). Starting with the effective date of such permit, the unit shall be subject only to the requirements of Section 217.472.

d) The owner or operator of any budget unit not listed in Appendix E of this Part but subject to this Subpart shall not receive an allocation of NOx allowances from the Subpart U or Subpart W NOx Trading Budget or from the Subpart U NOx Trading Budgets, except for any allowance from the new source set-aside in accordance with Section 217.468 of this Subpart. Such unit must acquire NOx allowances in an amount not less than the NOx emissions from such budget unit during the control period (rounded to the nearest whole ton) in accordance with the federal NOx Trading Program, Subpart X of this Part or pursuant to a permanent transfer of NOx allocations pursuant to Section 217.462(b) of this Subpart.

Notwithstanding any other provisions of this Subpart, a source and units at the source subject to the provisions of subsection (a) of this Section will become subject to this Subpart on the first day of the control season subsequent to the calendar year in which all of the other states subject to the provisions of the NOx SIP call (63 Fed. Reg. 57355 (October 27, 1998)) that are located in USEPA Region V or are that contiguous to Illinois have adopted regulations to implement NOx trading programs and other required reductions of NOx emissions pursuant to the NOx SIP call, and such regulations have received final approval by USEPA as part of the respective states' SIPs for ozone, or a final TIP for ozone promulgated by USEPA is effective. [415 ILCS 519/9(c)(1)]

(Source: Added at 25 Ill. Reg. 5914 effective APR 17 2009)

Section 217.456 Compliance Requirements

All budget units subject to the requirements of this Subpart must comply with the following:

a) The requirements of this Subpart and 40 CFR 95, excluding 40 CFR

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

96.4(b), 96.55(c), and subparts C, E, and I, as incorporated by reference in Section 217.104 of this Part. To the extent that this Subpart contains provisions which are inconsistent with any provisions of 40 CFR 96, the owner or operator of budget units subject to this Subpart shall comply with the provisions of this Subpart in lieu of those provisions which were incorporated by reference.

b) Budget permit requirements:

1) The owner or operator of each source with one or more budget units at the source subject to this Subpart must submit a complete permit application for a budget permit in accordance with the provisions of Section 217.458(a)(4), (a)(5) or (a)(6), as applicable, to be issued by the Agency with federally enforceable conditions covering the NO(x) Trading Program (budget permit) and that complies with the requirements of Section 217.458 of this Subpart.

2) The owner or operator of one or more budget units subject to this Subpart must operate each such budget unit in compliance with such budget permit or complete budget permit application, as applicable.

3) The owner or operator of one or more budget units subject to this Subpart, at the time of filing an application for a permit under this Section, must submit a complete application for either a permit incorporating a source-wide overdraft account (as such term is defined in 40 CFR 96.2) or a permit incorporating unit specific compliance accounts for each budget unit at the source subject to this Subpart. Such election shall be at the sole discretion of the owner or operator of the source and the Agency shall incorporate such election into a permit issued to the source pursuant to this Subpart.

c) Monitoring requirements:

1) For budget units subject to the requirements of this Subpart, and which commence operation on and after January 1, 2000, the owner or operator of each such budget unit at the source must comply with the monitoring requirements of 40 CFR 96, subpart H. The account representative of each such budget unit at the source shall comply with those sections of the monitoring requirements of 40 CFR 96, subpart H, applicable to an account representative. The compliance of each budget unit subject to the requirements of subsection (c)(1) or subsection (c)(3)(A) of this Section with the control period NO(x) emissions limitation under subsection (d) of this Section shall be determined by the emissions measurements recorded and reported in accordance with 40 CFR 96, subpart H.

2) For budget units which commenced operation prior to January 1, 2000:

A) The owner or operator of each such budget unit at the source must comply with the requirements of 40 CFR 96, subpart H, or

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

B) If the monitoring requirements of 40 CFR 96, subpart H, are demonstrated by the source to be technically infeasible as applied to a budget unit subject to the requirements of this Subpart, the owner or operator of such budget unit may monitor by an alternative monitoring procedure for the budget unit approved by the Agency and the Administrator of USEPA pursuant to the provisions of 40 CFR 75, subpart E. Such alternative monitoring procedures must be contained as federally enforceable conditions in the unit's permit.

4) The compliance of each budget unit subject to the requirements of subsection (c)(3)(B) of this Section shall be determined by the emissions measurements recorded and reported in accordance with the federally enforceable conditions in the budget unit's permit addressing monitoring as required by subsection (c)(3)(B) of this Section.

d) Allowance requirements:

1) As of November 30 of each year, the allowance transfer deadline, the account representative of each source subject to the requirements of this Subpart must hold allowances available for compliance deductions under 40 CFR 96.54 for each budget unit at the source subject to this Subpart in the budget unit's compliance accounts, or the source's overdraft account. The number of allowances held in these accounts shall not be less than the total NO(x) emissions for the control period (rounded to the nearest whole ton), as determined in accordance with subsection (c) of this Section, plus any number of allowances necessary to account for actual utilization (e.g., for testing, start-up, malfunction, and shut down) under 40 CFR 96.42(e) for all budget units at the source subject to this Subpart. Compliance with this provision shall be demonstrated if, as of the allowance transfer deadline, the sum of the allowances available for compliance deductions for all budget units at the source subject to this Subpart is equal to or greater than the total NO(x) emissions (rounded to the nearest whole ton) from all budget units at the source subject to this Subpart.

2) Allowances shall be held in, deducted from, or transferred among allowance accounts in accordance with this Subpart and 40 CFR 96, subparts F and G.

3) Each ton of NO(x) emitted by a source with one or more budget units subject to this Subpart in any control period in excess of the NO(x) allowances held by the owner or operator for each budget unit at the source subject to this Subpart for each control period shall constitute a separate violation of this Subpart and the Act.

4) In order to comply with the requirements of subsection (d)(1) of this Section, an allowance may not be utilized for a control period in a year prior to the year for which the allowance was allocated.

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

- 5) An allowance allocated by the Agency or USEPA under the NO(x) Trading Program is a limited authorization to emit one ton of NO(x). No provision of the NO(x) Trading Program, any permit issued or permit application submitted pursuant to this Subpart, or an exemption under 40 CFR 96.5 and no provision of law shall be construed to limit the authority of the United States or the State to terminate or limit this authorization.
- 6) An allowance allocated by the Agency or USEPA under the NO(x) Trading Program or pursuant to this Subpart does not constitute a property right.
- 7) Upon recordation by USEPA under 40 CFR 96, subpart F or G, every allocation, transfer, or deduction of an allowance to or from a budget unit's compliance account or to or from the source's general or overdraft account where the budget unit is located is deemed to amend automatically and become a part of any budget permit of the budget unit. This automatic amendment of the budget permit shall occur by operation of law and will not require any further review.
- e) Recordkeeping and reporting requirements:
- 1) Unless otherwise provided, the owner or operator of a source subject to the requirements of this Subpart must keep at the source each of the documents listed in subsections (e)(1)(A) through (e)(1)(D) of this Section for a period of 5 years from the date the document is created. This period may be extended for cause at any time prior to the end of 5 years in writing by the Agency or USEPA.
- A) The account certificate of representation for the account representative for the source and each budget unit at the source subject to the requirements of this Subpart and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 40 CFR 96.13, provided that the certificate and such supporting documents must be retained on site at the source and such five-year period until such documents are superseded because of the submission of a new account certificate of representation changing the account representative.
- B) All emissions monitoring information, in accordance with subsection (c) of this Section, provided that to the extent that 40 CFR 96, subpart H, provides for a three-year period for recordkeeping, the three-year period shall apply. Copies of all reports, compliance certifications, and other submissions and all records made or required under this Subpart or the NO(x) Trading Program or documents necessary to demonstrate compliance with the requirements of this Subpart or the NO(x) Trading Program.
- D) Copies of all documents used to complete a budget permit application and any other submission under this Subpart or
- 1) The account representative of a source and each budget unit at the source subject to the requirements of this Subpart must submit to the Agency and USEPA the reports and compliance certifications required under this Subpart and the NO(x) Trading Program, including those under 40 CFR 96, subparts D and H, liability:
- 1) No revision of a budget permit shall excuse any violation of the requirements of the NO(x) Trading Program or this Subpart that occurs prior to the date that the revision under such budget permit takes effect.
- 2) Each budget source and each budget unit at the source shall meet the requirements of this Subpart or the NO(x) Trading Program that applies to a source subject to the requirements of this Subpart (including a provision applicable to the account representative of such source) shall also apply to the owner and operator of such source and to the owner and operator of the budget unit's subject to the requirements of this Subpart at the source.
- Any provision of this Subpart or the requirements of this Subpart (including a provision applicable to the account representative of such budget unit) shall also apply to the owner and operator of such budget unit. Except with regard to the requirements applicable to budget units with a common stack under 40 CFR 96, subpart H, the owner and operator and the account representative of one budget unit shall not be liable for any violation by any other budget unit of which they are not an owner or operator or the account representative and that is located at a source of which they are not an owner or operator or the account representative.
- 4) Excess emissions requirements: The account representative of a source that has excess emissions in any control period shall surrender the allowances as required for deduction under 40 CFR 96.54(d)(1).
- 5) The owner or operator of a budget EGU that has excess emissions in any control period shall pay any fine, penalty, or assessment or comply with any other remedy imposed under 40 CFR 96.54(d)(3) and the Act.
- 9) Effect on other authorities: No provision of this Subpart, the NO(x) Trading Program, a budget permit application, a budget permit, or a retired budget unit exemption under 40 CFR 96.5 shall be construed as exempting or excluding the owner or operator and, to the extent applicable, the account representative of a source or budget unit from compliance with any other regulations promulgated under the CAA, the Act, an approved State implementation plan, or a federally enforceable permit.

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

(Source: Added 7/2004, 25 Ill. Reg. 5914, effective April 1, 2004)

Section 217.458 Permitting Requirements

- a) Budget permit requirements:
- 1) The owner or operator of each source with one or more budget units subject to this Subpart is required to timely submit, in accordance with subsection (a)(4), (a)(5), or (a)(6) of this Section, as applicable, a complete permit application addressing all requirements of this Subpart applicable to such budget units. Each budget permit (including a draft or proposed budget permit, if applicable) shall contain federally enforceable conditions addressing all applicable requirements of the NO(x) Trading Program and requirements of this Subpart and shall be a complete and segregable portion of the source's entire permit.
 - 2) No budget permit will be issued, and no NO(x) allowance account will be established for any budget unit subject to this Subpart, until the Agency and USEPA have received a complete account certificate of representation under 40 CFR 96, Subpart B, for an account representative of the source and each budget unit at the source subject to this Subpart.
 - 3) For any budget unit subject to this Subpart that commenced operation before November 1, 2003, and for which a CAAPP permit is not required pursuant to Section 39.5 of the Act, the owner or operator of such budget unit must submit a budget permit application meeting the requirements of this Subpart on or before November 1, 2003.
 - 4) For any budget unit subject to this Subpart that commenced operation before August 1, 2003, and for which a CAAPP permit is required pursuant to Section 39.5 of the Act, the owner or operator of such budget unit must submit a budget permit application meeting the requirements of this Subpart on or before August 1, 2003.
 - 5) For any budget unit subject to this Subpart that is subject to Section 39.5 of the Act and that commences operation on or after August 1, 2003, and for any budget unit subject to this Subpart and not subject to Section 39.5 of the Act that commences operation on or after November 1, 2003, the owner or operator of such budget units must submit applications for construction and operating permits pursuant to the requirements of Sections 39 and 39.5 of the Act and 35 Ill. Adm. Code 201 and such applications must specify that they are applying for budget permits, and must address the budget permit application requirements of this Subpart.
- b) Budget permit applications:
- 1) Duty to apply: The owner or operator of any source with one or more budget units subject to this Subpart must submit to the

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

- Agency one or more complete budget permit applications under subsection (b)(2) of this Section for such budget units by the applicable deadline in subsection (a)(4), (a)(5), or (a)(6) of this Section. The owner or operator of any source with such budget units must reapply for a budget permit as required by this Subpart, and 35 Ill. Adm. Code 201 and Sections 39 and 39.5 of the Act.
- 2) Information requirements for budget permit applications: A complete budget permit application must include the following elements concerning the budget units for which the application is submitted:
 - A) Identification of the source, including plant name. The ORIS (Office of Regulatory Information Systems) or facility code assigned to the source by the Energy Information Administration must also be included, if applicable;
 - B) Identification of each fossil fuel-fired combustion turbine, stationary boiler or combined cycle system budget unit at the source.
 - C) An explanation why each budget unit is subject to the requirements of Section 217.454 of this Subpart; and
 - D) The compliance requirements of Section 217.456 of this Subpart.
 - 3) Federally enforceable status of budget permit: An application for a budget permit shall be treated as a modification of the source's existing federally enforceable permit, if such permit has been issued for the source and shall be subject to the same procedural requirements as the original application. When the Agency issues a budget permit, it shall be incorporated into and become a segregable part of the source's existing federally enforceable permit.
- (Source: Added at 25 Ill. Reg. 5914, effective April 1, 2004)

Section 217.460 Subpart U NO(x) Trading Budget

- a) The initial NO(x) allowances available for allocation for each control period (the Subpart U NO(x) Trading Budget) for budget units subject to the provisions of this Subpart shall be 4,882 tons per control period, subject to adjustment in accordance with subsections (b), (c) and (d) of this Section, and subject to the new source set-aside for budget units subject to this Subpart, as set forth in Sections 217.462 and 217.464 of this Subpart. The Subpart U NO(x) Trading Budget shall be initially allocated as set forth in Appendix E of this Part.
- b) The Agency may adjust the Subpart U NO(x) Trading Budget available for allocations in subsection (a) of this Section by adding allowances for budget units subject to this Subpart opting to become subject to this Subpart pursuant to the requirements for opt-in units in Sections

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

- c) The Agency shall adjust the Subpart U NO(x) Trading Budget available for allocations in subsection (a) of this Section to remove allowances for units optng to become exempt pursuant to the requirements for low-emitters in Sections 217.454(c) and 217.472 of this Subpart.
- d) Except as set forth in subsection (e) of this Section, if USEPA adjusts the base Subpart U NO(x) Trading Budget of 4,887 allowances, the Agency will adjust the Subpart U NO(x) Trading Budget as to any if USEPA adjusts the Subpart U NO(x) Trading Budget shall not individual budget unit, the Subpart U NO(x) Trading Budget for that be adjusted pro-rata, and only the allowance allocation for that budget unit will be adjusted.

(Source: Added at 25 Ill. Reg. 5914, effective APR 17 2001)

Section 217.462 Methodology for Obtaining NO(x) Allocations

- a) Appendix E of this Part identifies the sources with existing budget units subject to this Subpart and the number of NO(x) allowance allocations that each such budget unit is eligible to receive each control period, subject to adjustment in accordance with Section 217.460 of this Subpart and for transfers made in accordance with subsection (b) of this section. Each named budget unit's allocation will be adjusted proportionally based on the adjusted Subpart U NO(x) Trading Budget as provided by Section 217.460 of this Subpart. The owner or operator of budget units subject to this Subpart may permanently transfer all or part of their allocation of allowances pursuant to Column 5 of Appendix E of this Part, subject to adjustment in accordance with this Subpart, to another budget unit subject to this Subpart, or to a budget unit subject to Subpart W of this Part. Such transfer will be effective by submitting a written request to the Agency that is signed by the account representative for the transferring budget unit and containing the account number for the recipient budget unit. The owner or operator of budget units subject to this Subpart may not permanently transfer all or part of the new source set aside indicated as the difference between Column 4 and Column 5 of Appendix E of this Part.
- c) Revision of the federal NO(x) Trading Program or this Subpart, allocations pursuant to Appendix E of this Part exist for the life of the program, including all or a portion of any allocation transferred to another budget unit pursuant to the provisions of this Subpart.

(Source: Added at 25 Ill. Reg. 5914, effective APR 17 2001)

Section 217.464 Methodology for Determining NO(x) Allowances from the New

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

Source Set-Aside

- a) The methodology for calculating the allowances available to be allocated to new budget units subject to this Subpart from the new source set-aside is based on the more stringent emission rate of 0.15 lb/mbtu or the permitted NO(x) emission rate, but not less than 0.055 lb/mbtu.
- b) The general equation for determining allowances is:

$$A = \frac{HI \times ER}{2000}$$

where HI = heat input (in mmbtu/control period) as determined in accordance with subsection (c) of this Section.

where ER = The NO(x) emission rate in lbs/mbtu as determined in accordance with subsection (a) of this Section.
- c) The projected heat input shall be determined as set forth below:
 - 1) For "new" budget units subject to this Subpart that have seasonal heat input from at least 3 control periods prior to the allocation year, the average of the budget unit's 2 highest seasonal heat inputs from the control periods 1 to 3 years prior to the allocation year;
 - 2) For "new" budget units subject to this Subpart that have seasonal heat input from only 2 control periods prior to the allocation year, the average of the budget unit's seasonal heat inputs from the control periods 1 and 2 years prior to the allocation year;
 - 3) For "new" budget units subject to this Subpart that have seasonal heat input from only the control period prior to the allocation year, the heat input from that control period; or
 - 4) For "new" budget units subject to this Subpart that have not operated for at least 77 days of the control period prior to the allocation year, the budget unit's maximum design heat input for the control period as designated in the construction permit.

(Source: Added at 25 Ill. Reg. 5914, effective APR 17 2001)

Section 217.466 NO(x) Allocations Procedure for Subpart U Budget Units

For each control period, the Agency will allocate the total number of NO(x) allowances in the Subpart U NO(x) Trading Budget apportioned to budget units

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

under Section 217.460 of this Subpart, subject to adjustment as provided in this Subpart. These allocations will be issued as provided in subsections (a) and (b) of this Section, as follows:

- a) The Agency will allocate to each budget unit that is listed in Appendix E of this Part the number of allowances listed in Column 5 of Appendix E of this Part for that budget unit for each 3-year period of the program. The Agency will report these allocations to USEPA by March 1 of 2004, and triennially thereafter.
- b) The Agency will allocate allowances from the new source set-aside to "new" budget units as set forth in Section 217.468 of this Subpart.
- c) The Agency will report allocations from the new source set-aside to USEPA by April 1 of each year for the following year.
- d) To the extent that allowances remain in the new source set-aside after any allocation pursuant to subsection (b) of this Section, the Agency shall allocate any such remaining allowances pro-rata to the owner or operator of the budget units listed in Appendix E of this Part to the extent a whole allowance may be allocated to any such owner or operator. The Agency will make such allocation by April 15 of each year. If there are insufficient allowances to allocate a whole allowance to any such owner or operator of a budget unit listed in Appendix E of this Part, such allowances shall be retained by the Agency in the new source set-aside. Any such allowances retained in the new source set-aside shall be accumulated in the new source set-aside and may either:
 - 1) Be available for allocation to new budget units for future control periods, subject to the provisions of Section 217.468 of this Subpart; or
 - 2) If, after any annual allocation to new budget units, there are sufficient allowances accumulated in the new source set-aside to allocate one or more whole allowances to the owner or operator of existing budget units listed in Appendix E of this Part on a pro-rata basis, such accumulated whole allowances shall be allocated pro-rata to such owner or operators.

(Source: Added

Appendix E of this Part

25

Ill. Reg.

5914

effective

Section 217.468 New Source Set-Asides for "New" Budget Units

- a) For the 2004, 2005 and 2006 control periods, a "new" budget unit is one that commenced commercial operation on or after January 1, 2000. For the 2007 and later control periods, a "new" budget unit is one that commenced commercial operation no more than 3 control periods prior to the year the allocation is requested pursuant to this Section. Those units that commenced commercial operation on or after January 1, 2000, but before May 31, 2004, become "existing" budget units on October 1, 2004. Those units that commenced commercial operation on or after May 31, 2004, become "existing" budget units the

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

end of the third control period after they commenced commercial operation.

- b) "New" budget units must have an allowance for every ton of NO_x emitted during the control period as provided in Section 217.456(d) of this Subpart.
- c) The Agency will establish a new source set-aside for each control period from which "new" budget units may purchase NO_x allowances. Each new source set-aside will be allocated allowances equal to 3% of each source's initial total Subpart U NO_x Trading Budget allocation as reflected in Column 5 of Appendix E of this Part, which is 146 allowances, for each control period. The allocation for the new source set-aside from each source shall be based on 3% of the source's initial allocation, without regard to subsequent adjustment to any such source's current allocation, including permanent transfer of allowances to another source or revision of the Subpart U NO_x Trading Budget by USEPA.
- d) A "new" budget unit may request to purchase from the Agency a number of allowances that is not more than the number of allowances for which it is eligible, as determined in Section 217.464 of this Subpart, and subject to the provisions of this Section.
- e) The account representative of a "new" budget unit under subsection (a) of this Section may purchase allowances from the new source set-aside by submitting to the Agency a request, in writing or in a format specified by the Agency, to be allocated allowances for the current control period from the new source set-aside. The allocation request for each applicable control period must be submitted after the date on which the Agency issues a construction permit to the "new" budget unit and before February 1 of the control period for which the allocation is requested.
- f) The Agency will notify the account representative by March 1 of the applicable year of the number of allowances that are eligible for purchase for the "new" budget unit pursuant to the requirements of this Section. If the Agency does not receive payment by March 15 of the applicable year, the account representative will forfeit his/her eligibility to purchase the allowances offered. The Agency will make available for purchase those forfeited allowances on a pro-rata basis to "new" budget units requesting allocations pursuant to this Section, up to the number of allowances requested by each account representative. Such additional allocations are subject to the purchase requirements of subsection (g) of this Section.
- g) The price of allowances from the new source set-aside shall be:
 - 1) For 2004 only, the price shall be the average price at which NO_x allowances were traded in 2003 in the Ozone Transport Region; and
 - 2) For all years other than 2004, the average price at which NO_x allowances were traded in the Interstate NO_x Trading Program for the preceding control period.
- h) The fees collected by the Agency from the sale of allowances will be

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

distributed pro-rata to budget units receiving allowances pursuant to Appendix E of this part on the basis of allocated allowances, subject to Agency administrative costs assessed pursuant to Section 9.9 of the Act.

(Source: Added at 25 Ill. Reg. 5914-- effective APR 17 2001)

Section 217.470 Early Reduction Credits (ERCs) for Budget Units

If a budget unit reduces its NO(x) emission rate as required by the applicable provisions of subsection (c) of this Section in the 2001 or 2002 control period, or if approved by USEPA the 2003 control period, for use in 2004 control period, or later control periods authorized by USEPA, the account representative may request early reduction credits (ERCs) for such reductions, and the Agency will allocate ERCs to the budget unit in accordance with the following:

- a) Each budget unit for which the account representative requests any ERCs under subsection (d) of this Section must monitor NO(x) emissions in accordance with 40 CFR 96, subpart H, as incorporated by reference in Section 217.104 of this Part, starting with the control period prior to the control period for which ERCs will first be requested, and for each control period for which ERCs will be requested. For example, if ERCs are requested for reductions made in the 2001 control period, the budget unit must have implemented the applicable monitoring for the 2000 control period. The budget unit's monitoring system availability must be at least 90% during the control period prior to the control period in which the NO(x) emissions reduction is made and the budget unit must be in compliance with any applicable State or federal emissions or emissions-related requirements.
- (e) of this Section shall be determined in accordance with 40 CFR 96, subpart H.
- b) The NO(x) emission rate and heat input under subsections (c) through (e) of this Section shall be determined in accordance with 40 CFR 96, subpart H.
- c) Each budget unit for which ERCs are requested under subsection (d) of this Section must have reduced its NO(x) emission rate for each control period for which ERCs are requested by 30% or more below the actual NO(x) emissions rate (lbs/mbtu) for the first control period in which ERCs are requested.
- d) The account representative of a budget unit that meets the requirements of subsections (a) through (c) of this Section may submit to the Agency a request for ERCs for the budget unit based on NO(x) emission rate reductions made by the budget unit in control periods 2001, 2002 and 2003.
 - 1) The number of ERCs that may be requested for any applicable control period shall be an amount equal to the budget unit's heat input for such control period multiplied by the difference between the budget unit's NO(x) emission rate (meeting the requirements of subsection (c) of this Section for the applicable

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

- 2) Upon request of a particular budget unit may be deposited in the source's overdraft account rather than in the budget unit's compliance account; and
- 3) The early reduction request must be submitted by November 1 for reductions made in the previous control period in a format specified by the Agency.
- e) In the event that the May 31, 2004 date for implementing the NO(x) SIP Call is delayed, the early reduction request must be submitted in accordance with any rulemaking or guidance by USEPA on the distribution of the Compliance Supplement Pool under the NO(x) SIP Call, 63 Fed. Reg. 57356 (October 27, 1998).
- f) The Agency will allocate ERCs to the budget units meeting the requirements of subsections (a) through (c) of this Section and covered by ERC requests meeting the requirements of subsection (d) of this Section in accordance with the following procedures:
 - 1) The Agency shall allocate no more than 2,427 ERCs over three years, as follows:
 - A) Not more than one-half of the total ERC allowances for reductions made in the control period in 2001;
 - B) Not less than one-half of the total ERC allowances for reductions made in the control period in 2002; and
 - C) If approved by USEPA, any ERC allowances not allocated pursuant to subsection (f)(1)(A) or (B) of this Section, for reductions made in the control period in 2003.
 - 2) If the number of ERC allowances requested for a reduction achieved in any control period is less than or equal to the number of ERC allowances designated for that control period in subsection (f)(1) of this Section, the Agency will allocate one allowance for each accepted ERC request; and
 - 3) If the number of ERC allowances requested for a reduction achieved in any control period is greater than the number of ERC allowances designated for that control period in subsection (f)(1) of this Section, the Agency will allocate allowances for accepted requests on a pro-rata basis.

- g) By April 1, the Agency will notify the account representative submitting an ERC request for the subsequent control period of the number of ERC allowances that will be allocated to each budget unit for that control period.
- h) By May 1, 2004, the Agency will submit to USEPA the ERC allocations made by the Agency under this Section. USEPA will record such allocations to the extent that they are consistent with the requirements of this Section.
- i) ERC allowances recorded under subsection (h) of this Section may be deducted under 40 CFR 96.54, as incorporated by reference in Section

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

217.104 of this Part for the control period in 2004 or such control periods as may be specified by USEPA. Notwithstanding 40 CFR 96.55(a), USEPA will deduct as retired any ERC allowances that are not deducted for compliance in accordance with 40 CFR 96.54 for the control period in 2004 or such control periods as may be specified by USEPA.

- 1) ERC allowances are treated as banked allowances in 2004 for the purposes of 40 CFR 96.55(a) and (b).

(Source: Added at 25 Ill. Reg. 5914.03 effective APR 17 2004)

Section 217.472 Low-Emitter Requirements

Starting with the effective date of the permit referred to in Section 217.454(c), the budget unit electing low-emitter status shall be subject only to the requirements of this Section.

- A) For each control period the owner or operator elects low-emitter status, the federally enforceable permit conditions must:
- 1) Restrict the unit to burning only natural gas, fuel oil, or natural gas and fuel oil;
 - 2) Limit the unit's potential NO[X] mass emissions for the control period to 25 tons or less;
 - 3) Restrict the unit's operating hours to the number calculated by dividing 25 tons of operating NO[X] mass emissions by the unit's maximum potential hourly NO[X] mass emissions, shall be calculated by using the monitoring provisions of 40 CFR 75, or if the unit does not rely on these monitoring provisions, as follows:
 - A) Select the applicable default NO[X] emission rate: 0.7 lbs/mbtu for combustion turbines burning natural gas exclusively during the control period; 1.2 lbs/mbtu for combustion turbines burning any fuel oil during the control period; 1.5 lbs/mbtu for boilers burning natural gas exclusively during the control period; or 2 lbs/mbtu for boilers burning any fuel oil during the control period.
 - B) Multiply the default NO[X] emission rate under subsection (a)(4)(A) of this Section by the unit's maximum rated hourly heat input which is the higher of the manufacturer's maximum rated hourly heat input or the highest observed hourly heat input. The owner or operator of the unit may request in the permit application regulated by this subsection that the Agency use a lower value for the unit's maximum rated hourly heat input. The Agency may approve such lower value if the owner or operator demonstrates that the maximum observed hourly heat input, or both, are not representative. The

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

owner or operator must demonstrate that such lower value is representative of the unit's current capabilities because modifications have been made to the unit that permanently limit the unit's capacity.

- 5) Require that for 5 years at the source that includes the unit, records demonstrating that the operating hours restriction, the fuel use restriction and the other requirements of the permit related to these restrictions were met; and
- 6) Require that the owner or operator of the unit report to the Agency for each control period the unit's hours of operation (treating any partial hour of operation as a whole hour of operation), heat input and fuel use by type. This report shall be submitted by November 1 of each year the unit elects low-emitter status.
- b) The Agency will notify the USEPA in writing of each unit electing low-emitter status pursuant to the requirements of subsection (a) of this Section and when any of the following occurs:
 - 1) The permit with federally enforceable conditions that includes the restrictions in subsection (a) of this Section is issued by the Agency;
 - 2) Such permit is revised to remove any such restriction;
 - 3) Such permit includes any such restriction that is no longer applicable; or
 - 4) The unit does not comply with any such restriction. The unit shall become subject to the requirements of this Subpart if for any control period under this Section, the fuel use restriction or the operating hours restriction under subsection (a) of this Section is removed from the unit's permit or otherwise is no longer applicable, or the unit does not comply with the fuel use restriction or the operating hours restriction under subsection (a) of this Section. Such unit shall be treated as commencing operation on September 30 of the control period for which the fuel use restriction or the operating hours restriction is no longer applicable or during which the unit does not comply with the fuel use restriction or the operating hours restriction.
- d) The owner or operator of a unit to which the Agency has ever allocated allowances under Appendix B of this Part may elect low-emitter status. In that case, the Agency will reduce the Subpart U NO[X] budget by the number of allowances equal to the amount of NO[X] emissions the unit is permitted to emit during the control period, pursuant to a federally enforceable condition in the unit's permit. The owner or operator of a unit electing low-emitter status may demonstrate that it holds sufficient allowances to cover the unit's NO[X] emissions by offsetting the emission from such unit, not to exceed its permitted emission limit as included in its federally enforceable permit, with allowances issued for voluntary NO[X] reductions meeting the requirements of Subpart X of this Part. The Agency will not reduce the Subpart U NO[X] budgets by the allowances issued for NO[X]

POLLUTION CONTROL BOARD
NOTICE OF ADOPTED AMENDMENTS

reductions obtained in accordance with Subpart X of this Part.

(Source: Added at 25 Ill. Reg. 5914, effective APR 17 2001)

Section 217.474 Opt-In Units

- a) Any operating fossil fuel-fired stationary boiler, combustion turbine, combined cycle system, cement kiln or stationary internal combustion engine in the State may qualify under this Subpart to become an opt-in budget unit if it:
 - 1) Is not a budget EGU under Subpart W of this Part;
 - 2) Vents all of its emissions to a stack;
 - 3) Has documented heat input for more than 876 hours in the six months immediately preceding the submission of an application for an initial budget permit under subsection (d) of this Section;
 - 4) Is not covered by a retired unit exemption under 40 CFR 96.5; and
 - 5) Is not covered by the low-emitter exemption under Section 217.454(c) of this Subpart.
- b) Except as otherwise provided in this Subpart, an opt-in budget unit shall be treated as a budget unit for purposes of applying this Subpart and 40 CFR 96.
- c) Authorized account Representative:
 - 1) If an opt-in unit is located at the same source as one or more budget units, it shall have the same account representative as those budget units.
 - 2) If the opt-in unit is not located at the same source as one or more budget units, the owner or operator of the opt-in unit shall submit a complete account certificate of representation under 40 CFR 96.13.
- d) To apply for a budget permit, the account representative of a unit meeting the qualifications of subsection (a) of this Section must, except as provided under Section 217.478(f) of this Subpart, submit to the Agency:
 - 1) A budget permit application for the unit that:
 - A) Meets the requirements under Section 217.458 of this Subpart; and
 - B) Contains provisions for a change in the regulatory status of the unit to an opt-in budget unit under Section 217.454 of this Subpart pursuant to the provisions of Section 217.480(b) of this Subpart.
 - 2) A monitoring plan for the unit in accordance with 40 CFR 96. subpart H.

(Source: Added at 25 Ill. Reg. 5914, effective APR 17 2001)

Section 217.476 Opt-In Process

POLLUTION CONTROL BOARD
NOTICE OF ADOPTED AMENDMENTS

The Agency will issue or deny a budget permit for an opt-in unit in accordance with Section 217.458 of this Subpart and the following:

- a) The Agency will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a budget permit for an opt-in unit. A monitoring plan is sufficient, for purposes of interim review, if the plan contains information demonstrating that the NO(x) emission rate and heat input of the unit are monitored and reported in accordance with 40 CFR 96, subpart H. A determination of sufficiency shall not be construed as acceptance or approval of that unit's monitoring plan.
- b) If the Agency determines that the unit's monitoring plan is sufficient under subsection (a) of this Section and after completion of the monitoring system certification under 40 CFR 96, subpart H, the NO(x) emission rate and the heat input of the unit shall be monitored and reported in accordance with 40 CFR 96, subpart H, for one full control period during which the monitoring system availability is not less than 90% and during which the unit is in full compliance with any applicable State or Federal emissions or emissions-related requirements.
- c) Based on the information monitored and reported under subsection (b) of this Section, the unit's baseline heat rate shall be calculated as the unit's total heat input (in mbtu) for the control period, and the unit's baseline NO(x) emission rate shall be calculated as the unit's total NO(x) emissions (in lbs) for the control period divided by the unit's baseline heat rate.

(Source: Added at 25 Ill. Reg. 5914, effective APR 17 2001)

Section 217.478 Opt-In Budget Units: Withdrawal from the NO(x) Trading Program

- a) Requesting withdrawal: To withdraw from the NO(x) Trading Program, the account representative of an opt-in budget unit shall submit to the Agency a request to withdraw from the NO(x) Trading Program and to withdraw the budget permit effective as of a specified date between (and not including) September 30 and May 1. The submission shall be made no later than 90 days prior to the requested effective date of withdrawal.
- b) Conditions for withdrawal: Before an opt-in budget unit may withdraw from the NO(x) Trading Program and the budget permit may be withdrawn under this section, the following conditions must be met:
 - 1) For the control period immediately before the withdrawal is to be effective, the account representative must submit to the Agency an annual compliance certification report in accordance with 40 CFR 96.30.
 - 2) If the opt-in budget unit has excess emissions for the control period immediately before the withdrawal is to be effective,

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

USEPA has deducted from the opt-in budget unit's compliance account, or the overdraft account of the NO(x) budget source where the opt-in budget unit is located, the number of allowances required in accordance with 40 CFR 96.54(d) for the control period.

- 3) After the requirements for withdrawal under subsections (b)(1) and (2) of this Section are met, USEPA will deduct from the opt-in unit's compliance account, or the overdraft account of the budget source where the opt-in budget unit is located, allowances equal in number to any allowances allocated to that unit under Section 217.782 of this Subpart for the control period for which the withdrawal is to be effective and earlier control periods. USEPA will close the opt-in budget unit's compliance account and will establish, and transfer any remaining allowances to, a new general account for the owners and operators of the opt-in unit. The account representative for the opt-in budget unit shall become the account representative for the general account.

- c) An opt-in budget unit that withdraws from the Subpart U NO(x) Trading Program shall comply with all requirements under the NO(x) Trading Program concerning all years for which such opt-in budget unit was an opt-in budget unit, even if such requirements arise or must be complied with after the withdrawal takes effect.

- d) Notification:
 - 1) After the requirements for withdrawal under subsections (a) and (b) of this Section are met (including deduction of the full amount of allowances required), the Agency will revise the budget permit indicating a specified effective date for the withdrawal that is after the requirements in subsections (a) and (b) of this Section have been met and that is prior to May 1 of after September 30.

- 2) If the requirements for withdrawal under subsections (a) and (b) of this Section are not met, the Agency will issue a notification to the owner or operator and the account representative of the opt-in budget unit that the opt-in unit's request to withdraw its budget permit is denied. If the opt-in budget unit's request to withdraw is denied, the opt-in budget unit shall remain subject to the requirements for an opt-in budget unit.

- e) Readapplication upon failure to meet conditions of withdrawal: If the Agency denies the opt-in budget unit's request to withdraw, the account representative of the opt-in budget unit may submit another request to withdraw in accordance with subsections (a) and (b) of this Section.
 - 1) Ability to return to the NO(x) Trading Program: Once an opt-in unit withdraws from the NO(x) Trading Program and its budget permit is withdrawn under this Section, the account representative may not submit another application for a budget permit under Section 217.474(d) of this Subpart for the unit prior to the date that is four years after the date on which the budget permit with opt-in conditions,

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

is withdrawn.

(Source: Added at 25 Ill. Reg. 5914 = effective APR 17 2001)

Section 217.480 Opt-in Units: Change in Regulatory Status

- a) Notification: When an opt-in unit becomes an opt-in budget unit under Section 217.476 of this Subpart, the owner or operator shall notify the Agency and USEPA in writing of such change in the opt-in unit's regulatory status within 30 days of such change.

- b) Any permit application that provides for a change in the regulatory status of a unit to an opt-in budget unit pursuant to Section 217.474(d)(1)(B) of this Subpart and included in a budget permit, is effective on the date on which the opt-in unit becomes an opt-in budget unit under Section 217.454 of this Subpart.

- c) USEPA's action.

- 1) USEPA will deduct from the compliance account for the opt-in budget unit under this Section, or the overdraft account of the budget source where the opt-in budget unit is located, allowances equal in number to and allocated for the same or a prior control period as:
 - A) Any allowances allocated to the budget unit (as an opt-in unit) under Section 217.482 of this Subpart for any control period after the last control period during which the unit's budget permit was effective; and

- B) If the effective date of any budget permit under subsection (b) of this Section is during a control period, the allowances allocated to the opt-in budget unit (as an opt-in unit) under Section 217.482 of this Subpart for the control period multiplied by the ratio of the number of days in the control period, starting with the effective date of the budget permit under subsection (b) of this Section, divided by the total number of days in the control period.

- 2) The account representative shall ensure that the compliance account of the opt-in budget unit under subsection (b) of this Section, or the overdraft account of the budget source where the opt-in budget unit is located, contains the allowances necessary for completion of the deduction under subsection (c)(1) of this Section. If the compliance account or overdraft account does not contain sufficient allowances, USEPA will deduct the required number of allowances, regardless of the control period for which they were allocated, whenever allowances are recorded in either account.

- 3) For every control period during which any budget permit under subsection (b) of this Section is effective, the opt-in budget unit under subsection (b) of this Section will be treated, solely for purposes of allowance allocations under Section 217.466 or

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

217.468 of this Subpart, as a unit that commenced operation on the effective date of the budget permit under subsection (b) of this Section and will be allocated allowances in accordance with Section 217.466 or 217.468 of this Subpart.

4) Notwithstanding subsection (c)(2) of this Section, if the effective date of any budget permit under subsection (b) of this Section is during a control period, the following number of allowances will be allocated to the opt-in budget unit for the control period: the number of allowances otherwise allocated to the opt-in budget unit under Section 217.466 or 217.468 of this Subpart for the control period multiplied by the ratio of the number of days in the control period, starting with the effective date of the budget permit under subsection (b) of this Section, divided by the total number of days in the control period.

d) When the owner or operator of an opt-in unit does not renew the budget permit for the opt-in budget unit issued pursuant to Section 217.474(d), USEPA will deduct from the opt-in budget unit's compliance account, or the overdraft account of the budget source where the opt-in budget unit is located, allowances equal in number to and allocated for the same or a prior control period as any allowances allocated to the opt-in budget unit under Section 217.482 of this Subpart for any control period after the last control period for which the budget permit is effective. The account representative shall ensure that the opt-in budget unit's compliance account or the overdraft account of the budget source where the opt-in budget unit is located contains the allowances necessary for completion of such deduction. If the compliance account or overdraft account does not contain sufficient allowances, USEPA will deduct the required number of allowances, regardless of the control period for which they were allocated, whenever allowances are recorded in either account.

e) After the deduction under subsection (d) of this Section is completed, USEPA will close the opt-in unit's compliance account. If any allowances remain in the compliance account after completion of such deduction and any deduction under 40 CFR 96.54, USEPA will close the opt-in unit's compliance account and will establish, and transfer any remaining allowances to, a new general account for the owner or operator of the opt-in unit. The account representative for the opt-in unit shall become the account representative for the general account.

(Source: Added at 25 Ill. Reg. 5914, effective APR 17 2001)

Section 217.482 Allowance Allocations to Opt-In Budget Units

a) Allowance Allocations:
 1) By the December 31 immediately before the first control period for which the budget permit is effective, the Agency will

POLLUTION CONTROL BOARD
NOTICE OF ADOPTED AMENDMENTS

allocate allowances to the opt-in budget unit and submit to USEPA the allocation for the control period in accordance with subsection (b) of this Section.

2) By no later than December 31 after the first control period for which the budget permit is in effect and the December 31 of each year thereafter, the Agency will allocate allowances to the opt-in budget unit and submit to USEPA allocations for the next control period, in accordance with subsection (b) of this Section.

b) For the first control period, and for each subsequent control period for which the opt-in budget unit has a budget permit, the opt-in budget unit will be allocated allowances in accordance with the following procedures:
 1) The heat input (in mmbtu) used for calculating allowance allocations will be the lesser of:

- A) The opt-in unit's baseline heat input determined pursuant to Section 217.476(c) of this Subpart; or
- B) The opt-in unit's heat input, for the control period in the year prior to the year of the first control period for which the allocations are being calculated, as determined in accordance with 40 CFR 96, Subpart H.

2) The Agency will allocate allowances to the opt-in budget unit in an amount equaling the heat input (in mmbtu) determined under subsection (b)(1) of this Section multiplied by the lesser of:

- A) The unit's baseline NOx] emission rate (in lbs/mmbtu) determined pursuant to Section 217.476(c) of this Subpart; or
- B) The lowest NOx] emissions limitation (calculated in lbs/mmbtu) under State or Federal law that is applicable to the budget opt-in unit for the year of the control period for which the allocations are being calculated, regardless of the averaging period to which the emissions limitation applies.

(Source: Added at 25 Ill. Reg. 5914, effective APR 17 2001)