3745-14-05 **NOx allowance allocations.**

[Comment: For dates of non-regulatory government publications, publications of recognized organizations and associations, federal rules, and federal statutory provisions referenced in this rule, see the "Incorporation by Reference" section at the end of rule 3745-14-01 of the Administrative Code.]

(A) The state trading program budget allocated by the director under paragraph (C) of this rule for a control period shall equal the total number of tons of NOx emissions apportioned to the NOx budget units in Ohio for the control period, as determined by the applicable, approved state implementation plan, less the sum of the NOx emission limitations (in tons) for each unit exempt under paragraph (C)(2) of rule 3745-14-01 of the Administrative Code that is not allocated any NOx allowances under paragraph (C)(2) or (C)(3) of this rule for the control period and whose NOx emission limitation is not included in the current calculations under paragraph (C)(4)(e)(ii)(b) of this rule for the control period. (Ohio's trading program budget is forty-nine thousand four hundred sixty NOx allowances: forty-five thousand four hundred thirty-two for units under paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code, and four thousand twenty-eight for units under paragraph (C)(1)(b) of rule 3745-14-01 of the Administrative Code.)

(B) Timing requirements for NOx allowance allocations.

(1) The NOx allowance allocations, determined in accordance with paragraphs (C)(1) to (C)(3) of this rule, for the control periods in 2004 through 2007 are set forth in appendices A and B of this rule.

(2) By April 1, 2005, the director shall submit to the administrator the NOx allowance allocations, determined in accordance with paragraphs (C)(1) to (C)(3) of this rule, for the control periods in 2008 through 2012.

(3) By April 1, 2010, and by April 1 of 2015, and thereafter by April first of the year that is five years after the last year for which NOx allowance allocations are determined, the director shall submit to the administrator the NOx allowance allocations determined in accordance with paragraphs (C)(1) to (C)(3) of this rule, for the control periods in the years that are three, four, five, six and seven years after the applicable deadline under this paragraph.

(4) By April 1, 2004 and April first of each year thereafter, the director shall submit to the administrator the NOx allowance allocations determined in accordance with paragraph (C)(4) of this rule, for the control period in the year of the applicable deadline under this paragraph.

(5) If the director fails to submit to the administrator the NOx allowance allocations in accordance with paragraphs (B)(1) to (B)(3) of this rule, the administrator

shall allocate, for the applicable control period, the same number of NOx allowances to NOx budget units as were allocated to the NOx budget units for the preceding control period.

(6) The director shall make available to the public each determination of NOx allowance allocations under this rule according to the following procedures:

(a) Notice shall be given: by publication in a newspaper of general circulation in the area where the source is located and in the "Ohio EPA Weekly Review"; to persons on a mailing list developed by the director, including those who request in writing to be on the list; and by other means if necessary to assure adequate notice to the affected public;

(b) The notice shall identify the names and addresses of the affected facilities; the NOx allowances to be assigned to each NOx budget unit at each facility; the name and address of the director; and the name, address, and telephone number of a person from whom interested persons may obtain additional information;

(c) The director shall provide at least thirty days for public comment;

(d) The director shall keep a record of the commenters and also of the issues raised during the public participation process and such records shall be available to the public.

(C) NOx allowance allocations.

(1) Heat inputs used to calculate NOx allowance allocations.

(a) The heat input (in mmBtu) used for calculating NOx allowance allocations for each NOx budget unit under paragraph (C)(1) of rule 3745-14-01 of the Administrative Code shall be:

(i) For a NOx allowance allocation under paragraph (B)(1) of this rule:

(a) For a unit under paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code, the average of the two highest amounts of the unit's heat input for the control periods in 1995 through 1998; or

(b) For a unit under paragraph (C)(1)(b) of rule 3745-14-01 of the Administrative Code, the control period in 1995 or, if the director determines that reasonably reliable data are available for control periods in 1996 through 1998, the average of the two highest amounts of the unit's heat input for the control periods in 1995 through 1998.

(ii) For a NOx allowance allocation under paragraphs (B)(2) and (B)(3) of this rule, the average of the unit's two highest control period heat input in the years that are four, five, six, seven and eight years before the first year for which the allocation is being calculated;

(iii) For a NOx allowance allocation under paragraphs (B)(2) and (B)(3) of this rule, if a NOx budget unit does not have five years of control period heat input, the following shall apply:

(a) For a NOx budget unit with more than two years of control period heat input data the average of the two highest control period heat input;

(b) For a NOx budget unit with only two years of control period heat input data, the average of the control period heat input for those two years; or

(c) For a NOx budget unit with one year of control period heat input data, the heat input for that control period.

(b) The unit's heat input for the control period in each year specified in paragraph (C)(1)(a) of this rule shall be determined in accordance with 40 CFR Part 75. Notwithstanding the first sentence of this paragraph (C)(1)(b) of this rule:

(i) For a NOx allowance allocation under paragraph (B) of this rule, such heat input shall be determined using the best available data reported to the director for the unit if the unit was not otherwise subject to the requirements of 40 CFR Part 75 for the control period;

(ii) For a NOx allowance allocation under paragraph (B)(2) or (B)(3) of this rule for a unit exempt under paragraph (C)(2) of rule 3745-14-01 of the Administrative Code, such heat input shall be treated as zero if the unit is exempt under paragraph (C)(2) of rule 3745-14-01 of the Administrative Code during the control period.

(2) For each group of control periods specified in paragraphs (B)(1) to (B)(3) of this rule, the director shall allocate, to all NOx budget units under paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code that commenced operation before May 1, 1997 for allocations under paragraph (B)(1) of this rule; May 1, 2003 for allocations under paragraph (B)(2) of this rule; and May first of the year five years before the first year for which the allocation under paragraph (B)(3) of this rule is being calculated, a total number of NOx allowances equal to ninety-five per cent in 2004 and 2005, and ninety-three per cent in all subsequent years, of the portion of the state trading program budget

under paragraph (A) of this rule covering such units. The director shall allocate allowances in accordance with the following procedures:

(a) The director shall allocate NOx allowances to each NOx budget unit under paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code for each control period in an amount equaling the lesser of 0.15 pound per mmBtu or the unit's most stringent state or federal NOx emission limitation multiplied by the heat input determined under paragraph (C)(1) of this rule, divided by two thousand pounds per ton, rounded to the nearest whole NOx allowance as appropriate.

(b) If the initial total number of NOx allowances allocated to all NOx budget units under paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code for a control period under paragraph (C)(2)(a) of this rule does not equal ninety-five per cent in 2004 and 2005, and ninety-three per cent in all subsequent years, of the state trading program budget under paragraph (A) of this rule covering such units, the director shall adjust the total number of NOx allowances allocated to all such NOx budget units for the control period under paragraph (C)(2)(a) of this rule so that the total number of NOx allowances allocated equals ninety- five per cent in 2004 and 2005, and ninety- three per cent in all subsequent years, of such portion of the state trading program budget. This adjustment shall be made by multiplying each unit's allocation by ninety- five per cent in 2004 and 2005, and ninety- three per cent in all subsequent years, of such portion of the state trading program budget under paragraph (A) of this rule, dividing by the total number of NOx allowances allocated under paragraph (C)(2)(a) of this rule for the control period, and rounding to the nearest whole number of NOx allowances as appropriate.

(3) For each group of control periods under paragraphs (B)(1) to (B)(3) of this rule, the director shall allocate to all NOx budget units under paragraph (C)(1)(b) of rule 3745-14-01 of the Administrative Code that commenced operation before May 1, 1997 for allocations under paragraph (B)(1) of this rule; May 1, 2003 for allocations under paragraph (B)(2) of this rule, and May first of the year five years before the first year for which the allocation under paragraph (B)(3) of this rule is being calculated, a total number of NOx allowances equal to ninety-five per cent of portion of the state trading program budget under paragraph (A) of this rule covering such units. The director shall allocate allowances in accordance with the following procedures:

(a) The director shall allocate NOx allowances to each NOx budget unit under paragraph (C)(1)(b) of rule 3745-14-01 of the Administrative Code for each control period in an amount equaling the lesser of 0.17 pound per mmBtu or the unit's most stringent state or federal NOx emission limitation multiplied by the heat input determined under paragraph (C)(1) of this rule, divided by

two thousand pounds per ton, and rounded to the nearest whole number of NOx allowances as appropriate.

(b) If the initial total number of NOx allowances allocated to all NOx budget units under paragraph (C)(1)(b) of rule 3745-14-01 of the Administrative Code for a control period under paragraph (C)(3)(a) of this rule does not equal ninety-five per cent of the portion of the state trading program budget under paragraph (A) of this rule covering such units, the director shall adjust the total number of NOx allowances allocated to all such NOx budget units for the control period under paragraph (C)(3)(a) of this rule so that the total number of NOx allowances allocated equals ninety-five per cent of the portion of the state trading program budget under paragraph (A) of this rule covering such units. This adjustment shall be made by multiplying each unit's allocation by ninety-five per cent of the portion of the state trading program budget under paragraph (A) of this rule covering such units, dividing by the total number of NOx allowances allocated under paragraph (C)(3)(a) of this rule, and rounding to the nearest whole NOx allowance as appropriate.

(4) For each control period under paragraph (B)(4) of this rule, the director shall allocate NOx allowances to NOx budget units under paragraph (C)(1) of rule 3745-14-01 of the Administrative Code that commence operation, or are projected to commence operation, on or after the following dates: May 1, 1997, for control periods under paragraph (B)(1) of this rule; May 1, 2003, for control periods under paragraph (B)(2) of this rule; and May first of the year five years before the beginning of the group of five years that includes the control period, for control periods under paragraph (B)(3) of this rule. The director shall make the allocations under this paragraph (C)(4) of this rule in accordance with the following procedures:

(a) The director shall establish a new source set-aside for each control period. Each new source set-aside shall be allocated NOx allowances equal to five per cent of the total state trading program budget under paragraph (A) of this rule, rounded to the nearest whole number of NOx allowances as appropriate.

(b) The NOx authorized account representative of a NOx budget unit specified in paragraph (C)(4) of this rule may submit to the director a request, in a format specified by the director, to be allocated NOx allowances for the control period. The NOx allowance allocation request shall be submitted to the director on or after the date on which the director issues a permit to construct the unit and by January first before the control period for which the NOx allowances are requested.

(c) In a NOx allowance allocation request under paragraph (C)(4)(b) of this rule, the NOx authorized account representative for a NOx budget unit under

paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code may request for a control period NOx allowances in an amount that does not exceed the lesser of:

(i) 0.15 pound per mmBtu multiplied by the unit's maximum design heat input, multiplied by the lesser of three thousand six hundred seventy-two hours or the number of hours remaining in the control period starting with the day in the control period on which the unit commences operation or is projected to commence operation, divided by two thousand pounds per ton, and rounded to the nearest whole number of NOx allowances as appropriate; or

(ii) The unit's most stringent state or federal NOx emission limitation multiplied by the unit's maximum design heat input, multiplied by the lesser of three thousand six hundred seventy-two hours or the number of hours remaining in the control period starting with the day in the control period on which the unit commences operation or is projected to commence operation, divided by two thousand pounds per ton, and rounded to the nearest whole number of NOx allowances as appropriate.

(d) In a NOx allowance allocation request under paragraph (C)(4)(b) of this rule, the NOx authorized account representative for a NOx budget unit under paragraph (C)(1)(b) of rule 3745-14-01 of the Administrative Code may request for the control period NOx allowances in an amount that does not exceed the lesser of:

(i) 0.17 pound per mmBtu multiplied by the unit's maximum design heat input, multiplied by the lesser of three thousand six hundred seventy two hours or the number of hours remaining in the control period starting with the day in the control period on which the unit commences operation or is projected to commence operation, divided by two thousand pounds per ton, and rounded to the nearest whole number of NOx allowances as appropriate; or

(ii) The unit's most stringent state or federal NOx emission limitation multiplied by the unit's maximum design heat input, multiplied by the lesser of three thousand six hundred seventy-two hours or the number of hours remaining in the control period starting with the day in the control period on which the unit commences operation or is projected to commence operation, divided by two thousand pounds per ton, and rounded to the nearest whole number of NOx allowances as appropriate.

(e) The director shall review each NOx allowance allocation request submitted in accordance with paragraph (C)(4)(b) of this rule and shall allocate NOx allowances pursuant to such request as follows:

(i) Upon receipt of the NOx allowance allocation request, the director shall make any necessary adjustments to the request to ensure that the requirements of paragraphs (C)(4), (C)(4)(b), (C)(4)(c), and (C)(4)(d) of this rule are met.

(ii) The director shall determine the following amounts:

(a) The sum of the NOx allowances requested (as adjusted under paragraph (C)(4)(e)(i) of this rule) in all NOx allowance allocation requests under paragraph (C)(4)(b) of this rule for the control period; and

(b) For units exempt under paragraph (C)(2) of rule 3745-14-01 of the Administrative Code that commenced operation, or are projected to commence operation, on or after May 1, 1997, for control periods under paragraph (B)(1) of this rule; May 1, 2003, for control periods under paragraph (B)(2) of this rule; and May first of the year five years before beginning of the group of five years that includes the control period for control periods under paragraph (B)(3) of this rule, the sum of the NOx emission limitations (in tons of NOx) on which each unit's exemption under paragraph (C)(2) of rule 3745-14-01 of the Administrative Code is based.

(iii) If the number of NOx allowances in the new source set-aside, under paragraph (C)(4)(a) of this rule, for the control period less the amount under paragraph (C)(4)(e)(ii)(b) of this rule is not less than the amount determined under paragraph (C)(4)(e)(ii)(a) of this rule, the director shall allocate the amount of the NOx allowances requested (as adjusted under paragraph (C)(4)(e)(i) of this rule) to the NOx budget unit for which the allocation request was submitted.

(iv) If the number of NOx allowances in the new source set-aside, under paragraph (C)(4)(a) of this rule, for the control period less the amount under paragraph (C)(4)(e)(ii)(b) of this rule is less than the amount determined under paragraph (C)(4)(e)(ii)(a) of this rule, the director shall allocate, to the NOx budget unit for which the allocation request was submitted, the amount of NOx allowances requested (as adjusted under paragraph (C)(4)(e)(i) of this rule) multiplied by the number of NOx allowances in the new source set-aside for the control period less the amount determined under paragraph (C)(4)(e)(ii)(b) of this rule, divided by the amount determined under paragraph (C)(4)(e)(ii)(a) of

this rule, and rounded to the nearest whole number of NOx allowances as appropriate.

(f) By April first of the year for which the request for allocations from the new unit allocation set-aside was made under paragraph (C)(4)(b) of this rule, the director shall take appropriate action under paragraph (C)(4)(e) of this rule and notify the NOx authorized account representative that submitted the request and the administrator of the number of NOx allowances allocated for the control period to the NOx budget unit.

(5) For a NOx budget unit that is allocated NOx allowances under paragraph (C)(4) of this rule for a control period, the administrator shall deduct NOx allowances under paragraph (E)(2) or (E)(5) of rule 3745-14-06 of the Administrative Code to account for the actual utilization of the unit during the control period. The administrator shall calculate the number of NOx allowances to be deducted to account for the unit's actual utilization using the following formulas and rounding to the nearest whole NOx allowance as appropriate, provided that the number of NOx allowances to be deducted shall be zero if the number calculated is less than zero:

(a) NOx allowances deducted for actual utilization for units under paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code equals the unit's NOx allowances allocated for the control period minus the unit's actual control period utilization multiplied by the lesser of 0.15 pound per mmBtu or the unit's most stringent state or federal NOx emission limitation, divided by two thousand pounds per ton rounded to the nearest whole NOx allowance as appropriate.

(b) NOx allowances deducted for actual utilization for units under paragraph (C)(1)(b) of rule 3745-14-01 of the Administrative Code equals the unit's NOx allowances allocated for the control period minus the unit's actual control period utilization multiplied by the lesser of 0.17 pound per mmBtu or the unit's most stringent state or federal NOx emission limitation, divided by two thousand pounds per ton rounded to the nearest whole NOx allowance as appropriate.

Where the :

"Unit's NOx allowances allocated for control period" is the number of NOx allowances allocated to the unit for the control period under paragraph (C)(4) of this rule; and

"Unit's actual control period utilization" is the utilization (in mmBtu), as defined in paragraph (B) of rule 3745-14-01 of the Administrative Code, of the unit during the control period.

(6) After making the deductions for compliance under paragraph (E)(2), (E)(5) or (E)(6) of rule 3745-14-06 of the Administrative Code for a control period, the administrator shall notify the director whether any NOx allowances remain in the new unit allocation set-aside for the control period. The director shall allocate any such NOx allowances to the NOx budget units in the state using the following formula and rounding to the nearest whole NOx allowance as appropriate:

(Unit's share of NOx allowances remaining in the new unit allocation set-aside) = (total NOx allowances remaining in new unit allocation set-aside) x (unit's NOx allowance allocation) / (state trading program budget excluding the new unit allocation set-aside)

Where the:

"Total NOx allowances remaining in new unit allocation set-aside" is the total number of NOx allowances remaining in the new unit allocation set-aside for the control period;

"Unit's NOx allowance allocation" is the number of NOx allowances allocated under paragraph (C)(2) or (C)(3) of this rule to the unit for the control period to which the new unit allocation set-aside applies; and

"State trading program budget excluding new unit allocation set-aside" is the state's trading program budget under paragraph (A) of this rule for the control period to which the new unit allocation set-aside applies multiplied by ninety-five per cent rounded to the nearest whole NOx allowance as appropriate.

(7) Notwithstanding paragraph (C)(6) of this rule, the director shall not allocate the total amount of NOx allowances remaining in the new unit allocation set-aside from the 2005 control period to existing NOx budget units in the state. Of the total of two thousand two hundred twenty-seven new unit set aside allowances from the 2005 control period that are available for allocation, the director shall allocate one thousand nine hundred eighty-seven allowances to existing NOx budget units and withhold two hundred forty allowances for permanent retirement. (This reduction is necessary to off-set emission increases associated with the termination of the automobile inspection maintenance program ("E-Check") in the Cincinnati and Dayton areas).

(8) The director shall establish an allocation set-aside for each control period beginning in 2006 for energy efficiency/renewable energy projects. Each energy efficiency/renewable energy project set-aside shall be allocated NOx allowances equal to one per cent of the tons of NOx emissions in the state trading program budget under paragraph (A) of this rule as applicable to units identified by paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code, rounded to the nearest whole NOx allowance as appropriate.

(a) Applicants may submit a proposal to the director for an energy efficiency/renewable energy project and request allocations from the energy efficiency/renewable energy project set-aside for energy reductions obtained as a result of the project. The director shall review proposals based on criteria determined by the director, and notify applicants of approved projects. Proposals must contain the following:

(i) A detailed description of the project; and

(ii) An estimate of the number of allocations that will be requested.

(b) To receive allocations for the energy efficiency/renewable energy projects approved by the director, the applicant must submit a completed project report that verifies that the project was completed as proposed and that proposed energy reductions were obtained.

(c) Upon verification of the project's success, the director shall award the required allocations to the applicant.

(d) Allocations shall be awarded on an annual basis and for no more than five consecutive years for each approved energy efficiency/renewable energy project.

(9) The director shall establish an allocation set-aside for each control period beginning in 2006 for innovative technology projects. Each innovative technology project set-aside shall be allocated NOx allowances equal to one per cent of the tons of NOx emissions in the state trading program budget under paragraph (A) of this rule as applicable to units identified by paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code, rounded to the nearest whole NOx allowance as appropriate.

(a) Applicants may submit a proposal to the director for an innovative technology project and request allocations from the innovative technology project set-aside for NOx reductions or energy reductions obtained. The director shall review proposals based on criteria determined by the director, and notify applicants of approved projects. Proposals must contain the following:

(i) A detailed description of the project; and

(ii) An estimate of the number of allocations that will be requested.

(b) To receive allocations for the innovative technology projects approved by the director, the applicant shall submit a completed project report that

verifies that the project was completed as proposed and that proposed NOx reductions or energy reductions were obtained.

(c) Upon verification of the project's success, the director shall award the required allocations to the applicant.

(d) Allocations shall be awarded on an annual basis and for no more than five consecutive years for each approved innovative technology project.

(10) Allowances remaining at the end of each year in the energy efficiency/renewable energy allocation set-aside or in the innovative technology project allocation set-aside, shall be allocated to NOx budget units under paragraph (C)(1)(a) of rule 3745-14-01 of the Administrative Code in the following year, prorated on the basis of each unit's previous year allocations.

(D) Early reduction credit. The owner or operator of a NOx budget unit may request early reduction credit for NOx emission rate reductions made in the unit during the 2001, 2002 or 2003 control periods. The director may allocate NOx allowances, to be used in 2004 and 2005, to the unit in accordance with the following requirements:

(1) Each NOx budget unit for which the owner or operator requests any early reduction credit under this rule shall monitor and report NOx emissions in accordance with rule 3745-14-08 of the Administrative Code starting in the 2000 control period and for each control period for which such early reduction credit is requested. The unit's per cent monitor data availability shall be not less than ninety per cent during the 2000 control period, and the unit shall be in compliance with any applicable state or federal emission control requirements during 2000 through 2003.

(2) The NOx emission rate and heat input under paragraphs (D)(3) and (D)(4) of this rule shall be determined in accordance with rule 3745-14-08 of the Administrative Code.

(3) Each NOx budget unit for which the owner or operator requests early reduction credit under paragraph (D)(4) of this rule shall reduce its NOx emission rate for each control period for which early reduction credit is requested to less than eighty per cent of the unit's NOx emission rate in the 2000 control period. Early reduction credits shall not be earned for NOx reductions required under the state implementation plan or otherwise required under any provision of the Clean Air Act.

(4) The NOx authorized account representative of a NOx budget unit that meets the requirements of paragraphs (D)(1) and (D)(3) of this rule may submit to the director a request for early reduction credit based on NOx emission rate reductions for the unit in any or all of the control periods in 2001, 2002 or 2003.

(a) The NOx authorized account representative may request early reduction credit for NOx reductions made in the 2001, 2002 or 2003 control periods in the amount equal to the following: the unit's heat input for such control period multiplied by the difference between the unit's NOx emission rate (in pound per mmBtu) during the 2000 control period and the NOx emission rate (in pound per mmBtu) for each control period for which early reduction credits are requested, divided by two thousand pounds per ton and rounded to the nearest whole number of tons as appropriate.

(b) Requests for early reduction credit for reductions made in 2001 and 2002 shall be submitted, in a format specified by the director, by February 1, 2003; and for reductions made in 2003, by February 1, 2004.

(5) The director shall allocate NOx allowances, to NOx budget units meeting the requirements of paragraphs (D)(1) to (D)(3) of this rule and covered by early reduction credit requests meeting the requirements of paragraph (D)(4)(b) of this rule, in accordance with the following procedures:

(a) Upon receipt of such early reduction credit requests, the director shall make any necessary adjustments to the request to ensure that the amount of the early reduction credit requested meets the requirement of paragraphs (D)(1) to (D)(4) of this rule.

(b) If the combined number of early reduction credit in all accepted early reduction credit requests for 2001 and 2002 is not greater than eleven thousand one hundred fifty- one, and the early reduction credit in all accepted early reduction credit requests for 2003 is not greater than eleven thousand one hundred fifty, the director shall allocate to each NOx budget unit covered by such accepted requests one allowance for each early reduction credit requested.

(c) If the combined number of early reduction credit in all accepted early reduction credit requests for 2001 and 2002 is greater than eleven thousand one hundred fifty-one, or the early reduction credit in all accepted early reduction credit requests for 2003 is greater than eleven thousand one hundred fifty, the director shall allocate NOx allowances to each NOx budget unit covered by such requests according to the following formula and rounded to the nearest whole number of NOx allowances as appropriate:

(unit's allocated early reduction credit) = (unit's adjusted early reduction credit) x (A)/ (total adjusted early reduction credit requested by all units)

Where:

A = eleven thousand one hundred fifty-one for early reduction credit request made for early reductions made in 2001 and 2002; and eleven thousand one hundred fifty for early reduction credit requests for early reductions made in 2003;

"Unit's adjusted early reduction credit" means the number of early reduction credit for the unit for the combined years 2001 and 2002, or 2003 in accepted early reduction credit requests, as adjusted under paragraph (D)(5)(a) of this rule;

"Total adjusted early reduction credit requested by all units" means the number of early reduction credit for all units for the combined years 2001 and 2002, or 2003 in accepted early reduction credit requests, as adjusted under paragraph (D)(5)(a) of this rule.

(6) The director shall notify the NOx authorized account representatives who requested early reduction credit according to paragraph (D)(4) of this rule the amount of early reduction credit the administrator will record as NOx allowances for early reductions made during the control periods in 2001, 2002 and 2003 by the following dates:

(a) April 1, 2003, for NOx emission rate reductions made during the 2001 and 2002 control periods; and

(b) April 1, 2004, for NOx emission rate reductions made during the 2003 control period.

(7) The director shall submit to the administrator the NOx allowance allocations determined in accordance with paragraph (D)(5) of this rule by the following dates:

(a) By May 1, 2003, for NOx emission reductions made during the 2001 and 2002 control periods;

(b) By May 1, 2004, for NOx emission reductions made during the 2003 control period.

(8) NOx allowances recorded under paragraph (D)(7) of this rule may be deducted for compliance under paragraph (E) of rule 3745-14-06 of the Administrative Code for the control periods in 2004 and 2005. Notwithstanding paragraph (F)(1)(a) of rule 3745-14-06 of the Administrative Code, the administrator shall deduct, as retired, any NOx allowance that is recorded under paragraph (D)(7) of this rule and is not deducted for compliance in accordance with paragraph (E) of rule 3745-14-06 of the Administrative Code for the control periods in 2004 and 2005.

(9) NOx allowances recorded under paragraph (D)(7) of this rule are treated as banked allowances in 2004 and 2005 for the purposes of paragraph (F)(1)(b) of rule 3745-14-06 of the Administrative Code.

(10) The total number of NOx allowances available for early reduction credit shall be twenty two thousand three hundred one. Of this amount, eleven thousand one hundred fifty-one NOx allowances shall be available as early reduction credit for reductions made in the control periods in 2001 and 2002, and eleven thousand one hundred fifty NOx allowances shall be available as early reduction credit for reductions made in the control period in 2003. NOx allowances available for reductions made in the 2001 and 2002 control periods that are not allocated by the director in accordance with paragraph (D)(5) of this rule shall be available for reductions made during the control period in 2003. NOx allowances available for reductions made in the 2001, 2002 and 2003 control periods that are not allocated or recorded by the director in accordance with paragraph (D)(5) of this rule shall be retired.

Effective: 07/19/2008

R.C. 119.032 review dates: 04/10/2008 and 07/19/2013

CERTIFIED ELECTRONICALLY
Certification

07/09/2008
Date

Promulgated Under: 119.03
Statutory Authority: 3704.03(E)
Rule Amplifies: 3704.03(A), 3704.03(D), 3704.03(E)
Prior Effective Dates: 6/21/94, 7/18/02, 5/25/04, 5/7/05, 4/24/06(emer.), 7/17/06