

## **CROSS-STATE AIR POLLUTION RULE (CSAPR) UPDATE FACT SHEET – SIP PROCESS FOR 2018 ALLOWANCE ALLOCATIONS**

**What is the first possible year for which a state can submit state-determined allowance allocations to replace the allowance allocations determined by EPA in the CSAPR NO<sub>x</sub> Ozone Season Group 2 trading program applicable to the state under the CSAPR Update FIPs?**

Each state affected by the CSAPR Update has an opportunity to submit a letter by December 27, 2016, notifying EPA of its intention to submit state-determined allowance allocations for the 2018 control period. States that meet the deadline have until April 3, 2017 to submit state-determined allowance allocations for the 2018 control period.

**What if a state does not submit a notification letter to EPA by December 27, 2016?**

If EPA does not receive the necessary notification by December 27, 2016, then EPA will record the EPA-determined, existing-unit allocations for 2018 by January 9, 2017.

**When must a state submit to EPA a SIP revision to replace 2018 EPA-determined, existing-unit allocations with state-determined allocations?**

For states that submitted a notification letter under the CSAPR Update, the SIP revision submittal deadline is April 3, 2017.

**What if a State does not submit a SIP revision after submitting their notification letter?**

If EPA does not receive a SIP revision by the April 3, 2017 submittal deadline, then EPA will record the 2018 EPA-determined, existing-unit allocations as prescribed under the CSAPR Update by April 15, 2017.

If a state that provides timely notice to EPA of intent to replace the 2018 EPA-determined, existing-unit allocations is no longer interested in doing so, the state may notify EPA, prior to the SIP revision submittal deadline, that it does not intend to submit a SIP revision. EPA will then record the 2018 EPA-determined, existing-unit allocations as soon as practicable, but no later than April 15, 2017.

**What requirements must the 2016 SIP revision meet?**

The 2018 SIP revision must meet the following requirements:

- o Allocates to existing units only. An existing unit is a unit that commenced commercial operation (i.e., began producing electricity for sale) before January 1, 2015.
- o Provides a list of the existing units and their 2018 state-determined allocations. The list must be provided electronically to EPA by the SIP revision submittal deadline and in a format prescribed by EPA. The instructions and templates for this format can be found on the [Allowance Allocations and Templates](#) page.
- o May not contain provisions that allow for any change in the units and state-determined allocations on the list and in any allocation previously determined and recorded by EPA in the CSAPR NO<sub>x</sub> Ozone Season Group 2 trading program.
- o Allocates a total amount of CSAPR NO<sub>x</sub> Ozone Season Group 2 allowances for 2018 that does not exceed the state trading budget minus the new unit set-aside and the Indian country new unit set-aside for the state.
- o Does not provide for any other distribution of allowances. For example, the SIP revision cannot provide for set-asides or auctions and cannot alter the new unit set-asides, the Indian country new unit set-asides, and any aspect of allowance allocation in the trading programs involved other than the 2018 existing-unit allocations.

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### **When will EPA record 2018 state-determined, existing-unit allocations, assuming all requirements are met?**

If, not later than April 3, 2017, the state submits to EPA a SIP revision meeting all the above-described requirements and EPA approves the SIP revision by October 1, 2017, EPA will record state-determined, existing-unit allocations for 2018 by October 1, 2017 under the CSAPR Update. Otherwise, EPA will record the EPA-determined, existing-unit allocations for 2018 by October 1, 2017.

### **Can states replace state-based allocations for allocations periods after 2018?**

Yes, states can submit SIP revisions to replace EPA-determined, existing unit allocations with state-determined allocations for control periods after 2018. Under the CSAPR Update, SIP revisions that allocate allowances for control periods in 2019 and 2020 and beyond are due December 1, 2017.

### **Where can I view the EPA-determined, existing-unit allocations?**

The final EPA-determined, existing unit allocations under the CSAPR Update are posted on EPA's website at: <https://www.epa.gov/csapr/cross-state-air-pollution-rule-csapr-allowance-allocations-and-templates>