

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

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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 (2004)].

Source: Adopted as Chapter 2: Air Pollution, Rule 207: Nitrogen Oxides Emissions, R71-23, 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. 128, 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 17, 2001; amended in R07-18 at 31 Ill. Reg. 14254, effective September 25, 2007.

SUBPART A: GENERAL PROVISIONS

Section 217.101 Measurement Methods

Measurement of nitrogen oxides must be according to:

- a) The phenol disulfonic acid procedures, 40 CFR 60, Appendix A, Method 7, as incorporated by reference in Section 217.104;
- b) Continuous emissions monitoring pursuant to 40 CFR 75, as incorporated by reference in Section 217.104;
- c) Determination of Nitrogen Oxides Emissions from Stationary Sources (Instrumental Analyzer Procedure), 40 CFR 60, Appendix A, Method 7E, as incorporated by reference in Section 217.104;
- d) Monitoring with portable monitors pursuant to ASTM D6522-00, as incorporated by reference in Section 217.104; and
- e) How do I conduct the initial and subsequent performance tests (for turbines), regarding NO_x pursuant to 40 CFR 60.4400, as incorporated by reference in Section 217.104.

(Source: Amended at 31 Ill. Reg. 14254, effective September 25, 2007)

Section 217.102 Abbreviations and Units

- a) The following abbreviations are used in this Part:

ASTM	American Society for Testing and Materials
Btu	British thermal unit
bhp	brake horsepower
CEMS	continuous emissions monitoring system
EGU	Electrical Generating Unit
dscf	dry standard cubic feet
g/bhp-hr	grams per brake horsepower-hour
kg	kilogram
kg/MW-hr	kilograms per megawatt-hour
lb	pound
lbs/mmBtu	pounds per million Btu
Mg	megagram or metric ton
mm	million
mmBtu	million British thermal units
mmBtu/hr	million British thermal units per hour
MWe	megawatt of electricity
MW	megawatt; one million watts
MW-hr	megawatt-hour
NATS	NO _x Allowance Tracking System
NO ₂	nitrogen dioxide
NO _x	nitrogen oxides
O ₂	oxygen
psia	pounds per square inch absolute
peoc	potential electrical output capacity
PTE	potential to emit
ppm	parts per million
ppmv	parts per million by volume
T	English ton
TPY	tons per year

- b) The following conversion factors have been used in this Part:

English	Metric
2.205 lb	1 kg
1 T	0.907 Mg
1 lb/T	0.500 kg/Mg

(Source: Amended at 31 Ill. Reg. 14254, effective September 25, 2007)

Section 217.104 Incorporations by Reference

The following materials are incorporated by reference. These incorporations do not include any later amendments or editions.

- a) The phenol disulfonic acid procedures, as published in 40 CFR 60, appendix A, Method 7 (2000);

- b) 40 CFR 96, subparts B, D, G, and H (1999);
- c) 40 CFR 96.1 through 96.3, 96.5 through 96.7, 96.50 through 96.54, 96.55(a) & (b), 96.56 and 96.57 (1999);
- d) 40 CFR 60, 72, 75 & 76 (2006);
- e) Alternative Control Techniques Document – NO_x Emissions from Cement Manufacturing, EPA-453/R94-004, U.S. Environmental Protection Agency-Office of Air Quality Planning and Standards, Research Triangle Park, N.C. 27711, March 1994;
- f) Section 11.6, Portland Cement Manufacturing, AP-42 Compilation of Air Emission Factors, Volume 1: Stationary Point and Area Sources, U.S. Environmental Protection Agency-Office of Air Quality Planning and Standards, Research Triangle Park, N.C. 27711, revised January 1995;
- g) 40 CFR 60.13 (2001);
- h) 40 CFR 60, Appendix A, Methods 3A, 7, 7A, 7C, 7D, 7E, 19, and 20 (2000);
- i) ASTM D6522-00, Standard Test Method for Determination of Nitrogen Oxides, Carbon Monoxide, and Oxygen Concentrations in Emissions from Natural Gas-Fired Reciprocating Engines, Combustion Turbines, Boilers, and Process Heaters Using Portable Analyzers (2000);
- k) Standards of Performance for Stationary Combustion Turbines, 40 CFR 60, Subpart KKKK, 60.4400 (2006);
- l) Compilation of Air Pollutant Emission Factors: AP-42, Volume I: Stationary Point and Area Sources (2000), USEPA;

(Source: Amended at 31 Ill. Reg. 14271, effective September 25, 2007)

SUBPART B: NEW FUEL COMBUSTION EMISSION SOURCES

Section 217.121 New Emission Sources

No person shall cause or allow the emission of nitrogen oxides (NO_x) into the atmosphere in any one hour period from any new fuel combustion emission source with an actual heat input equal to or greater than 73.2 MW (250 mmbtu/hr) to exceed the following standards and limitations:

- a) For gaseous fossil fuel firing, 0.310 kg/MW-hr (0.20 lbs/mmbtu) of actual heat input;
- b) For liquid fossil fuel firing, 0.464 kg/MW-hr (0.30 lbs/mmbtu) of actual heat input;
- c) For dual gaseous and liquid fossil fuel firing, 0.464 kg/MW-hr (0.30 lbs/mmbtu) of actual heat input;

- d) For solid fossil fuel firing, 1.08 kg/MW-hr (0.7 lbs./mmbtu) of actual heat input;
- e) For fuel combustion emission sources burning simultaneously any combination of solid, liquid and gaseous fossil fuels, an allowable emission rate shall be determined by the following equation:

$$E = (AG + BL + CS) Q$$

Where:

E = Allowable nitrogen oxides emissions rate

Q = Actual heat input derived from all fossil fuels

G = Percent of actual heat input derived from gaseous fossil fuel

L = Percent of actual heat input derived from liquid fossil fuel

S = Percent of actual heat input derived from solid fossil fuel

$$G + L + S = 100.0$$

and, where A, B, C and appropriate metric and English units are determined from the following table:

	<u>Metric</u>	<u>English</u>
E	kg/hr	lbs/hr
Q	MW	mmbtu/hr
A	0.023	0.003
B	0.023	0.003
C	0.053	0.007

SUBPART C: EXISTING FUEL COMBUSTION EMISSION SOURCES

Section 217.141 Existing Emission Sources in Major Metropolitan Areas

No person shall cause or allow the emission of nitrogen oxides into the atmosphere in any one hour period from any existing fuel combustion emission unit with an actual heat input equal to or greater than 73.2 MW (250 mmbtu/hr), located in the Chicago or St. Louis (Illinois) major metropolitan areas to exceed the following limitations:

- a) For gaseous and/or liquid fossil fuel firing, 0.46 kg/MW-hr (0.3 lbs./mmbtu) of actual heat input;
- b) For solid fossil fuel firing, 1.39 kg/MW-hr (0.9 lbs./mmbtu) of actual heat input;
- c) For fuel combustion emission units burning simultaneously any combination of

solid, liquid and gaseous fuel, the allowable emission rate shall be determined by the following equation:

$$E = (AG + BL + CS)Q$$

Where:

- E = allowable nitrogen oxides emissions rate
- Q = actual heat input
- G = percent of actual heat input derived from gaseous fossil fuel
- L = percent of actual heat input derived from liquid fossil fuel
- S = percent of actual heat input derived from solid fossil fuel

$$G + L + S = 100.0$$

and, where A, B, C and appropriate metric and English units are determined from the following table:

	<u>Metric</u>	<u>English</u>
E	Kg/hr	lbs/hr
Q	MW	Mmbtu/hr
A	0.023	0.003
B	0.023	0.003
C	0.068	0.009

- d) Exceptions: This rule shall not apply to existing fuel combustion sources which are either cyclone fired boilers burning solid or liquid fuel, or horizontally opposed fired boilers burning solid fuel.

SUBPART K: PROCESS EMISSION SOURCES

Section 217.301 Industrial Processes

- a) New Industrial Processes. No person shall cause or allow the emission of nitrogen oxides into the atmosphere from any new process producing products of organic nitrations and/or oxidations using nitric acid to exceed the following standards and limitations:
- 1) 2.5 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of nitric acid (100 percent acid basis) used in such new process (5.0 lbs/T).

- 2) Visible emissions in excess of 5 percent opacity.
- b) Existing Industrial Processes. No person shall cause or allow the emission of nitrogen oxides into the atmosphere from any existing process producing products of organic nitrations and/or oxidations using nitric acid to exceed 5.0 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of nitric acid (100 percent acid basis) used in such process (10.0 lbs/T).
- c) Exemption. Subsections (a) and (b) of this rule shall not apply to any industrial process using less than 90.7 metric tonnes (100 tons) of nitric acid (100 percent acid basis) annually or which produces less than 907 kg (1 ton) of nitrogen oxides (expressed as nitrogen dioxide) per year.

SUBPART O: CHEMICAL MANUFACTURE

Section 217.381 Nitric Acid Manufacturing Processes

- a) New Weak Nitric Acid Processes. No person shall cause or allow the emission of nitrogen oxides into the atmosphere from any new weak nitric acid manufacturing process to exceed the following standards and limitations:
 - 1) 1.5 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of acid produced (100 percent acid basis) (3.0 lbs/T);
 - 2) Visible emissions in excess of 5 percent opacity;
 - 3) 0.05 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of acid produced (100 percent acid basis) from any acid storage tank vents (0.1 lbs/T).
- b) Existing Weak Nitric Acid Processes. No person shall cause or allow the emission of nitrogen oxides into the atmosphere from any existing weak nitric acid manufacturing process to exceed the following standards and limitations:
 - 1) 2.75 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of acid produced (100 percent acid basis) (5.5 lbs/T);
 - 2) Visible emissions in excess of 5 percent opacity;
 - 3) 0.1 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of acid produced (100 percent acid basis) from any acid storage tank vents (0.2 lbs/T).
- c) Concentrated Nitric Acid Processes. No person shall cause or allow the emission of nitrogen oxides into the atmosphere from any concentrated nitric acid manufacturing process to exceed the following standards and limitations:

- 1) 1.5 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of acid produced (100 percent acid basis)(3.0 lbs/T);
 - 2) 225 ppm of nitrogen oxides (expressed as nitrogen dioxide) in any effluent gas stream emitted into the atmosphere;
 - 3) Visible emissions in excess of 5 percent opacity.
- d) Nitric Acid Concentrating Processes. No person shall cause or allow the emission of nitrogen oxides into the atmosphere from any nitric acid concentrating process to exceed the following limitations:
- 1) 1.5 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of acid produced (100 percent acid basis) (3.0 lbs/T);
 - 2) Visible emissions in excess of 5 percent opacity.

SUBPART Q: STATIONARY RECIPROCATING INTERNAL COMBUSTION ENGINES AND TURBINES

Section 217.386 Applicability

A stationary reciprocating internal combustion engine listed in Appendix G of this Part is subject to the requirements of this Subpart Q.

(Source: Added at 31 Ill. Reg. 14271, effective September 25, 2007)

Section 217.388 Control and Maintenance Requirements

On and after the applicable compliance date in Section 217.392, an owner or operator of an affected unit must inspect and maintain affected units as required by subsection (c) of this Section and comply with either the applicable emissions concentration as set forth in subsection (a) of this Section, or the requirements for an emissions averaging plan as specified in subsection (b) of this Section.

- a) The owner or operator must limit the discharge from an affected unit into the atmosphere of any vases that contain NO_x to no more than:
 - 1) 150 ppmv (corrected to 15 percent O₂ on a dry basis) for spark-ignited rich-burn engines;
 - 2) 210 ppmv (corrected to 15 percent O₂ on a dry basis) for spark-ignited lean burn engines.
- b) The owner or operator must comply with the requirements of the applicable emissions averaging plan as set forth in Section 217.390.
- c) The owner or operator must inspect and perform periodic maintenance on the affected unit, in accordance with a Maintenance Plan that documents:

- 1) For a unit not located at a natural gas transmission compressor station or storage facility, either:
 - A) The manufacturer's recommended inspection and maintenance of the applicable air pollution control equipment, monitoring device, and affected unit; or
 - B) If the original equipment manual is not available or substantial modifications have been made that require an alternative procedure for the applicable air pollution control device, monitoring device, or affected unit, the owner or operator must establish a plan for inspection and maintenance in accordance with what is customary for the type of air pollution control equipment, monitoring device, and affected unit.
- 2) For a unit located at a natural gas compressor station or storage facility, the operator's maintenance procedures for the applicable air pollution control device, monitoring device, and affected unit.

(Source: Added at 31 Ill. Reg. 14271, effective September 25, 2007)

Section 217.390 Emissions Averaging Plans

- a) An owner or operator of certain affected units may comply through an emissions averaging plan.
 - 1) A unit or units that commenced operation before January 1, 2002 may be included in only one emissions averaging plan, as follows: units located at a single source or at multiple sources in Illinois so long as the units are owned by the same company or parent company where the parent company has working control through stock ownership of its subsidiary corporations. A unit may be listed in only one emissions averaging plan.
 - 2) The following types of units may not be included in an emissions averaging plan: units that commence operation after January 1, 2002, unless the unit replaces an engine or turbine that commenced operation on or before January 1, 2002, or it replaces an engine or turbine that replaced a unit that commenced operation on or before January 1, 2002. The new unit must be used for the same purpose and have substantially equivalent or less process capacity or be permitted for less NO_x emissions on annual basis than the actual NO_x emissions of the unit or units that are replaced. The owner or operator of a unit that is shut down and replaced must comply with the provisions of Section 217.396(c)(3) before the replacement unit may be included in an emissions averaging plan.
- b) An owner or operator must submit an emissions averaging plan to the Agency by the applicable compliance date set forth in Section 217.392. The plan must

include, but is not limited to:

- 1) The list of affected units included in the plan by unit identification number and permit number.
 - 2) A sample calculation demonstrating compliance using the methodology provided in subsection (f) of this Section for both the ozone season and calendar year.
- c) An owner or operator may amend an emissions averaging plan only once per calendar year. An amended plan must be submitted to the Agency by May 1 of the applicable calendar year. If an amended plan is not received by the Agency by May 1 of the applicable calendar year, the previous year's plan will be the applicable emissions averaging plan.
- d) Notwithstanding subsection (c) of this Section, an owner or operator, and the buyer or seller, if applicable, must submit an updated emissions averaging plan or plans to the Agency within 60 days if a unit that is listed in an emissions averaging plan is sold or taken out of service.
- e) An owner or operator must:
- 1) Demonstrate compliance for both the ozone season (May 1 through September 30) and the calendar year (January 1 through December 31) by using the methodology and the units listed in the most recent emissions averaging plan submitted to the Agency pursuant to subsection (b) of this Section; the higher of the monitoring or test data determined pursuant to Section 217.394; and the actual hours of operation for the applicable control period;
 - 2) Notify the Agency by October 31 following the ozone season, if compliance cannot be demonstrated for that ozone season; and
 - 3) Submit to the Agency by January 31 following each calendar year, a compliance report containing the information required by Section 217.396(c)(4).
- f) The total mass of actual NO_x emissions from the units listed in the emissions averaging plan must be equal to or less than the total mass of allowable NO_x emissions for those units for both the ozone season and calendar year. The following equation must be used to determine compliance:

$$N_{act} \leq N_{all}$$

Where:

$$N_{act} = \sum_{i=1}^n EM_{act(i)}$$

$$N_{\text{all}} = \sum_{i=1}^n EM_{\text{all}(i)}$$

N_{act} = Total sum of the actual NO_x mass emissions from units included in the averaging plan for each fuel used (lbs per ozone season and calendar year).

N_{all} = Total sum of the allowable NO_x mass emissions from units included in the averaging plan for each fuel used (lbs per ozone season and calendar year).

$EM_{\text{all}(i)}$ = Total mass of allowable NO_x emissions in lbs for a unit as determined in subsection (g)(2) or (h)(2) of this Section.

$EM_{\text{act}(i)}$ = Total mass of actual NO_x emissions in lbs for a unit as determined in subsection (g)(1) or (h)(1) of this Section.

i = Subscript denoting an individual unit and fuel used.

n = Number of different units in the averaging plan.

g) For each unit in the averaging plan, and each fuel used by a unit, determine actual and allowable NO_x emissions using the following equations, except as provided for in subsection (h) of this Section:

1) Actual emissions must be determined as follows:

$$EM_{\text{act}(i)} = E_{\text{act}(i)} \cdot H_i$$

$$E_{\text{act}(i)} = \frac{\sum_{j=1}^m C_{d(\text{act}(j))} \cdot F_d \cdot \frac{20.9}{20.9 - \%O_{2d(j)}}}{m}$$

2) Allowable emissions must be determined as follows:

$$EM_{\text{all}(i)} = E_{\text{all}(i)} \cdot H_i$$

$$E_{\text{all}(i)} = \frac{\sum_{j=1}^m C_{d(\text{all}(j))} \cdot F_d \cdot \frac{20.9}{20.9 - \%O_{2d(j)}}}{m}$$

Where:

$EM_{\text{act}(i)}$ = Total mass of actual NO_x emissions in lbs for a unit, except as provided for in subsections (g)(3) and (g)(5) of this Section.

- $EM_{all(i)}$ = Total mass of allowable NO_x emissions in lbs for a unit, except as provided for in subsection (g)(3) of this Section.
- E_{act} = Actual NO_x emission rate (lbs/mmBtu) calculated according to the above equation.
- E_{all} = Allowable NO_x emission rate (lbs/mmBtu) calculated according to the above equation.
- H = Heat input (mmBtu/ozone season or mmBtu/year) calculated from fuel flow meter and the heating value of the fuel used.
- $C_{d(act)}$ = Actual concentration of NO_x in lb/dscf ($ppmv \times 1.194 \times 10^{-7}$) on a dry basis for the fuel used. Actual concentration is determined on each of the most recent test runs or monitoring passes performed pursuant to Section 217.394, whichever is higher.
- $C_{d(all)}$ = Allowable concentration of NO_x in lb/dscf (allowable emission limit in ppmv specified in Section 217.388(a)(1), except as provided for in subsection (g)(4), (g)(5), (g)(6), or (g)(7) of this Section, if applicable.
- F_d = The ratio of the gas volume of the products of combustion to the heat content of the fuel (dscf/mmBtu) as given in the table of F Factors included in 40 CFR 60, appendix A, Method 19 or as determined using 40 CFR 60, appendix A, Method 19.
- $\%O_{2d}$ = Concentration of oxygen in effluent gas stream measured on a dry basis during each of the applicable tests or monitoring runs used for determining emissions, as represented by a whole number percent, e.g., for 18.7% O_{2d} , 18.7 would be used.
- i = Subscript denoting an individual unit and the fuel used.
- j = Subscript denoting each test run or monitoring pass for an affected unit for a given fuel.
- m = The number of test runs or monitoring passes for an affected unit using a given fuel.

- 3) For a replacement unit that is electric-powered, the allowable NO_x emissions from the affected unit that was replaced should be used in the averaging calculations and the actual NO_x emissions for the electric-powered replacement unit ($EM_{act\ elec(i)}$) are zero. Allowable NO_x emissions for the electric-powered replacement are calculated using the actual total bhp-hrs generated by the electric-powered replacement unit on an ozone season and on an annual basis multiplied by the allowable NO_x emission rate in lb/bhp-hr of the replaced unit. The allowable mass of NO_x emissions from an electric-powered replacement unit ($EM_{all\ elec(i)}$) must be determined by multiplying the nameplate capacity of the unit by the hours operated during the ozone season or annually and the allowable NO_x emission rate of the replaced unit ($E_{all\ rep}$) in lb/mmBtu converted to lb/bhp-hr. For this calculation the following equation should be used:

$$EM_{all\ elec(i)} = bhp \cdot OP \cdot F \cdot E_{all\ rep(i)}$$

Where:

- $EM_{all\ elec(i)}$ = Mass of allowable NO_x emissions from the electric-powered replacement unit in pounds per ozone season or calendar year.
- bhp = Nameplate capacity of the electric-powered replacement unit in brake horsepower.
- OP = Operating hours during the ozone season or calendar year.
- F = Conversion factor of 0.0077 mmBtu/bhp-hr.
- $E_{all\ rep(i)}$ = Allowable NO_x emission rate (lbs/mmBtu) of the replaced unit.
- i = Subscript denoting an individual electric unit and the fuel used.
- 4) For a replacement unit that is not electric, the allowable NO_x emissions rate used in the above equations set forth in subsection (g)(2) of this Section must be the higher of the actual NO_x emissions as determined by testing or monitoring data or the applicable uncontrolled NO_x emissions factor from Compilation of Air Pollutant Emission Factors: AP-42, Volume I: Stationary Point and Area Sources, as incorporated by reference in Section 217.104 for the unit that was replaced.
- 5) For a unit that is replaced with purchased power, the allowable NO_x emissions rate used in the equations set forth in subsection (g)(2) of this Section must be the emissions concentration set forth in Section 217.388(a) or subsection (g)(6) of this Section, when applicable, for the type of unit that was replaced. For owners or operators replacing units with purchased power, the annual hours of operations that must be used are the calendar year hours of operation for the unit that was shut down, averaged over the three-year period prior to the shutdown. The actual NO_x emissions for the units replaced by purchased power ($EM_{(i)act}$) are zero. These units may be included in any emissions averaging plan for no more than five years beginning with the calendar year that the replaced unit is shut down
- 6) For non-Appendix G units used in an emissions averaging plan, allowable emissions rate used in the equations set forth in subsection (g)(2) of this Section must be the higher of the actual NO_x emissions as determined by testing or monitoring data or the applicable uncontrolled NO_x emissions factor from Compilation of Air Pollutant Emission Factors: AP-42, Volume I: Stationary Point and Area Sources, as incorporated by reference in Section 217.104.

- h) For units that use CEMS, the data must show that the total mass of actual NO_x emissions determined pursuant to subsection (h)(1) of this Section is less than or equal to the allowable NO_x emissions calculated in accordance with the equations in subsections (f) and (h)(2) of this Section for both the ozone season and calendar year. The equations in subsection (g) of this Section will not apply.
- 1) The total mass of actual NO_x emissions in lbs for a unit (EM_{act}) must be the sum of the total mass of actual NO_x emissions from each affected unit using CEMS data collected in accordance with 40 CFR 60 or 75, or alternate methodology that has been approved by the Agency or USEPA and included in a federally enforceable permit.
 - 2) The allowable NO_x emissions must be determined as follows:

$$EM_{all(i)} = \sum_{j=1}^m (Cd_j \cdot flow_j \cdot 1.194 \cdot 10^{-7})$$

Where:

- EM_{all(i)} = Total mass of allowable NO_x emissions in lbs for a unit.
 flow_{ji} = Stack flow (dscf/hr) for a given stack.
 Cd_j = Allowable concentration of NO_x (ppmv) specified in Section 217.388(a) for a given stack (1.194 x 10⁻⁷ converts to lb/dscf).
 j = subscript denoting each hour operation of a given unit.
 m = Total number of hours of operation of a unit.
 i = Subscript denoting an individual unit and the fuel used.

(Source: Added at 31 Ill. Reg. 14271, effective September 25, 2007)

Section 217.392 Compliance

On and after January 1, 2008, an owner or operator of an affected engine listed in Appendix G may not operate the affected engine unless the requirements of this Subpart Q are met or the affected engine is exempt pursuant to Section 217.386(b).

(Source: Added at 31 Ill. Reg. 14271, effective September 25, 2007)

Section 217.394 Testing and Monitoring

- a) An owner or operator must conduct an initial performance test pursuant to subsection (c)(1) or (c)(2) of this Section as follows:
 - 1) By January 1, 2008, for affected engines listed in Appendix G. Performance tests must be conducted on units listed in Appendix G, even if the unit is included in an emissions averaging plan pursuant to Section 217.388(b).

- 2) Within the first 876 hours of operation per calendar year. Performance tests must be conducted on units that are not affected units that are included in an emissions averaging plan and operate more than 876 hours per calendar year.
 - 3) Once within the five-year period after the applicable compliance date set forth in Section 217.392. Performance tests must be conducted on units that are not affected units that are included in an emissions averaging plan and that operate fewer than 876 hours per calendar year.
- b) An owner or operator must conduct subsequent performance tests pursuant to subsection (c)(1) or (c)(2) of this Section as follows:
- 1) For affected engines listed in Appendix G and all units included in an emissions averaging plan, once every five years. Testing must be performed in the calendar year by May 1 or within 60 days after starting operation, whichever is later;
 - 2) If the monitored data shows that the unit is not in compliance with the applicable emissions concentration or emissions averaging plan, the owner or operator must report the deviation to the Agency in writing within 30 days and conduct a performance test pursuant to subsection (c) of this Section within 90 days after the determination of noncompliance; and
 - 3) When, in the opinion of the Agency or USEPA, it is necessary to conduct testing to demonstrate compliance with Section 217.388, the owner or operator of a unit must, at his or her own expense, conduct the test in accordance with the applicable test methods and procedures specified in this Section within 90 days after receipt of a notice to test from the Agency or USEPA.
- c) Testing Procedures:
- 1) For an engine: The owner or operator must conduct a performance test using Method 7 or 7E of 40 CFR 60, appendix A, as incorporated by reference in Section 217.104. Each compliance test must consist of three separate runs, each lasting a minimum of 60 minutes. NO_x emissions must be measured while the affected unit is operating at peak load. If the unit combusts more than one type of fuel (gaseous or liquid), including backup fuels, a separate performance test is required for each fuel.
 - 2) For a turbine included in an emissions averaging plan: The owner or operator must conduct a performance test using the applicable procedures and methods in 40 CFR 60.4400, as incorporated by reference in Section 217.104.
- d) Monitoring: Except for those years in which a performance test is conducted pursuant to subsection (a) or (b) of this Section, the owner or operator of an affected unit or a unit included in an emissions averaging plan must monitor NO_x

concentrations annually, once between January 1 and May 1 or within the first 876 hours of operation per calendar year, whichever is later. If annual operation is less than 876 hours per calendar year, each affected unit must be monitored at least once every five years. Monitoring must be performed as follows:

- 1) A portable NO_x monitor and method ASTM D6522-00, as incorporated by reference in Section 217.104, or a method approved by the Agency must be used. If the engine or turbine combusts both liquid and gaseous fuels as primary or backup fuels, separate monitoring is required for each fuel.
 - 2) NO_x and O₂ concentrations measurements must be taken three times for a duration of at least 20 minutes. Monitoring must be done at highest achievable load. The concentrations from the three monitoring runs must be averaged to determine whether the affected unit is in compliance with the applicable emissions concentration or emissions averaging plan, as specified in Section 217.388.
- e) Instead of complying with the requirements of subsections (a), (b), (c) and (d) of this Section, an owner or operator may install and operate a CEMS on an affected unit that meets the applicable requirements of 40 CFR 60, subpart A and appendix B, incorporated by reference in Section 217.104, and complies with the quality assurance procedures specified in 40 CFR 60, appendix F or 40 CFR 75, as incorporated by reference in Section 217.104, or an alternate procedure as approved by the Agency or USEPA in a federally enforceable permit. The CEMS must be used to demonstrate compliance with the applicable emissions concentration or emissions averaging plan only on an ozone season and annual basis.

(Source: Added at 31 Ill. Reg. 14271, effective September 25, 2007)

Section 217.396 Recordkeeping and Reporting

- a) Recordkeeping. The owner or operator of an Appendix G unit or a unit included in an emissions averaging plan must maintain records that demonstrate compliance with the requirements of this Subpart Q, which include, but are not limited to:
 - 1) Identification, type (e.g., lean-burn, gas-fired), and location of each unit.
 - 2) Calendar date of the record.
 - 3) The number of hours the unit operated on a monthly basis and during each ozone season.
 - 4) Type and quantity of the fuel used on a daily basis.
 - 5) The results of all monitoring performed on the unit and reported deviations.
 - 6) The results of all tests performed on the unit.

- 7) The plan for performing inspection and maintenance of the units, air pollution control equipment, and the applicable monitoring device, pursuant to Section 217.388(d).
 - 8) A log of inspections and maintenance performed on the unit's air emissions, monitoring device, and air pollution control device. These records must include, at a minimum, date, load levels and any manual adjustments, along with the reason for the adjustment (e.g., air to fuel ratio, timing or other settings).
 - 9) If complying with the emissions averaging plan provisions of Sections 217.388(b) and 217.390, copies of the calculations used to demonstrate compliance with the ozone season and annual control period limits, noncompliance reports for the ozone season, and ozone and annual control period compliance reports submitted to the Agency.
 - 10) Identification of time periods for which operating conditions and pollutant data were not obtained by either the CEMS or alternate monitoring procedures, including the reasons for not obtaining sufficient data and a description of corrective actions taken.
- b) The owner or operator of an affected unit or unit included in an emissions averaging plan must maintain the records required by subsection (a) of this Section for a period of five years at the source at which the unit is located. The records must be made available to the Agency and USEPA upon request.
- c) Reporting Requirements
- 1) The owner or operator must notify the Agency in writing 30 days and five days prior to testing, pursuant to Section 217.394(a) and (b) and:
 - A) If, after the 30-days notice for an initially scheduled test is sent, there is a delay (e.g., due to operational problems) in conducting the performance test as scheduled, the owner or operator of the unit must notify the Agency as soon as possible of the delay in the original test date, either by providing at least seven days prior notice of the rescheduled date of the performance test or by arranging a new test date with the Agency by mutual agreement;
 - B) Provide a testing protocol to the Agency 60 days prior to testing; and
 - C) Not later than 30 days after the completion of the test, submit the results of the test to the Agency.
 - 2) Pursuant to the requirements for monitoring in Section 217.394(d), the owner or operator of the unit must report to the Agency any monitored

exceedances of the applicable NO_x concentration from Section 217.388(a) or (b) within 30 days after performing the monitoring.

- 3) Within 90 days after permanently shutting down an affected unit or a unit included in an emissions averaging plan, the owner or operator of the unit must withdraw or amend the applicable permit to reflect that the unit is no longer in service.
- 4) If demonstrating compliance through an emissions averaging plan:
 - A) By October 31 following the applicable ozone season, the owner or operator must notify the Agency if he or she cannot demonstrate compliance for that ozone season; and
 - B) By January 30 following the applicable calendar year, the owner or operator must submit to the Agency a report that demonstrates the following:
 - i) For all units that are part of the emissions averaging plan, the total mass of allowable NO_x emissions for the ozone season and for the annual control period;
 - ii) The total mass of actual NO_x emissions for the ozone season and annual control period for each unit included in the averaging plan;
 - iii) The calculations that demonstrate that the total mass of actual NO_x emissions are less than the total mass of allowable NO_x emissions using equations in Section 217.390(f) and (g); and
 - iv) The information required to determine the total mass of actual NO_x emissions and the calculations performed in subsection (d)(4)(B)(iii) of this Section.
- 5) If operating a CEMS, the owner or operator must submit an excess emissions and monitoring systems performance report in accordance with the requirements of 40 CFR 60.7(c) and 60.13 or 40 CFR 75, incorporated by reference in Section 217.104, or an alternate procedure approved by the Agency or USEPA and included in a federally enforceable permit.

(Source: Added at 31 Ill. Reg. 14271, effective September 25, 2007)

SUBPART T: CEMENT KILNS

Section 217.400 Applicability

The requirements of this Subpart shall apply to the types of cement kilns listed below with process

rates in tons per hour (TPH) of clinker produced that are greater than or equal to the following:

- a) Long dry kilns -- 12 TPH;
- b) Long wet kilns -- 10 TPH;
- c) Preheater kilns -- 16 TPH; and
- d) Preheater/precalciner kilns -- 22 TPH.

(Source: Added at 25 Ill. Reg. 4597, effective March 15, 2001.)

Section 217.402 Control Requirements

- a) After May 30, 2004, an owner or operator of any cement kiln subject to the requirements of this Subpart shall not operate the kiln during the initial control period or any subsequent control period, unless the owner or operator complies with subsection (a)(1), (a)(2), (a)(3), (a)(5) or (a)(6) of this Section for kilns that commenced operation prior to January 1, 1996, or subsection (a)(4) or (a)(6) of this Section for kilns that commenced operation on or after January 1, 1996.
 - 1) The kiln is operated with a low-NO_x burner or a mid-kiln firing system;
 - 2) The kiln shall not exceed the applicable NO_x emission limitation in pounds per ton of clinker (lb/T), expressed in the rates listed below:
 - A) Long dry kilns -- 5.1 lb NO_x/T of clinker;
 - B) Long wet kilns -- 6.0 lb NO_x/T of clinker;
 - C) Preheater kilns -- 3.8 lb NO_x/T of clinker; or
 - D) Preheater/precalciner kilns -- 2.8 lb NO_x/T of clinker.
 - 3) The kiln achieves a 30 percent or greater reduction from its uncontrolled baseline, established as set forth in this subsection (a)(3), and complies with the following:
 - A) Uncontrolled baseline emissions shall be determined using the following equation:

$$UBE = \frac{[EF \times SPR]}{2000 \text{ lbs NO}_x / T}$$

Where:

UBE = Uncontrolled Baseline NO_x emissions expressed in tons of NO_x per control period;

- EF = Emissions factor, expressed in lbs of NO_x per ton of clinker produced per control period, based on one of the methods in subsection (a)(3)(B) of this Section; and
- SPR = Seasonal production rate, expressed in tons of clinker produced per control period, using the average of the two highest control period operating rates from the previous three-year period at the time the application for the permit with federally enforceable conditions is submitted to the Agency pursuant to subsection (a)(3)(C) of this Section.
- B) Emissions factors shall be determined using one of the following methods:
- i) The average of the emission factors for the type of kiln from the Compilation of Air Pollutant Emission Factors (AP-42) and the Alternative Control Techniques Document -- NO_x Emissions from Cement Manufacturing, as incorporated by reference in Section 217.104 of this Part;
 - ii) The site-specific emission factor developed from representative emissions testing, pursuant to 40 CFR 60, Appendix A, Method 7, 7A, 7C, 7D, or 7E, incorporated by reference in Section 217.104 of this Part, based on a range of typical operating conditions. The owner or operator must establish that these operating conditions are representative, subject to approval by the Agency, and must certify that the emissions testing is being conducted under representative conditions; or
 - iii) An alternate method for establishing the emissions factors, when submitted with supporting data to substantiate such emissions factors and approved by the Agency as set forth in subsection (a)(3)(C) of this Section.
- C) The owner or operator must submit an emission reduction plan to the Agency and obtain approval of that plan by the Agency. Such plan shall be effective only when contained as federally enforceable conditions in a permit. Such plan shall include any alternate procedures for monitoring, testing, reporting, or recordkeeping approved by the Agency, or other provisions as appropriate.
- 4) Any kiln subject to this Subpart that commenced operation on or after January 1, 1996, must meet the more stringent of the requirements of this Subpart or other CAA requirements, or rules promulgated thereunder,

applicable to kilns. If a kiln is required to comply with a more stringent requirement pursuant to the CAA, and chooses to do so in lieu of complying with this Subpart, the owner or operator must submit an emissions reduction plan that demonstrates that compliance with the CAA requirement results in emissions reductions that are equal to or exceed the requirements of this Section and obtain a permit containing federally enforceable conditions addressing such CAA requirement.

- 5) The owner or operator obtains an alternate emissions standard for operating the kiln pursuant to Section 28.1 of the Act [415 ILCS 5/28.1], and in accordance with 35 Ill. Adm. Code 104, Subpart D, provisions for adjusted standards. An adjusted standard or alternate emissions standard with an alternate compliance schedule shall be granted by the Board to the extent consistent with federal law. Such alternate shall be effective only when included as a federally enforceable condition in a permit approved by USEPA or approved as a SIP revision. The adjusted standard shall include any alternate procedures for control, compliance, monitoring, operation, testing, reporting, or recordkeeping that are appropriate. In addition, the owner or operator must demonstrate, as justification for the adjusted standard, that the control requirements contained in this Subpart, as they apply to cement kilns, meet one or more of the following criteria:
 - A) Unreasonable cost of control resulting from plant, age, location or basic process design;
 - B) Physical impossibility of installing necessary control equipment; or
 - C) Other factors specific to the cement kiln that support an alternate emissions standard.
 - 6) The owner or operator obtains approval by the Agency and USEPA to allow the kiln to participate in the federal NO_x Trading Program. Such participation will be effective upon issuance of a permit containing all necessary federally enforceable permit conditions addressing the kiln's participation in the federal NO_x Trading Program pursuant to 40 CFR 96 and the Illinois NO_x Trading Program regulations at 35 Ill. Adm. Code Part 217. The owner or operator is not subject to the requirements of this Subpart for the duration of its participation in the NO_x Trading Program, except for the requirement to submit the initial compliance report pursuant to Section 217.408(a) of this Subpart.
- b) 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 NO_x SIP Call (63 Fed. Reg. 57,355 (October 27, 1998)) that are located in USEPA Region V or that are contiguous to Illinois have adopted regulations to implement NO_x trading programs and other required reductions of NO_x emissions pursuant*

to the NO_x SIP Call, and such regulations have received final approval by USEPA as part of the respective states' SIPS for ozone, or a final FIP for ozone promulgated by USEPA is effective for such other states. [415 ILCS 5/9.9(f)]

(Source: Added at 25 Ill. Reg. 4597, effective March 15, 2001.)

Section 217.404 Testing

- a) Any owner or operator of a kiln that commenced operation prior to May 1, 2003, and using a low-NO_x burner or mid-kiln firing system to demonstrate compliance pursuant to Section 217.402(a)(1) of this Subpart must maintain and operate the device according to the manufacturer's specifications as approved by the Agency.
- b) Any owner or operator of a kiln that commenced operation prior to May 1, 2003, and demonstrating compliance pursuant to Section 217.402(a)(2), (a)(3)(C), or (a)(5) of this Subpart must complete an initial performance test between May 1, 2003, and May 30, 2004, and subsequent annual testing during each control period in which the kiln is operated. This testing must be consistent with the requirements of 40 CFR 60, Appendix A, Method 7, 7A, 7C, 7D, or 7E, incorporated by reference in Section 217.104 of this Part, or such alternate test method that has been approved by the Agency pursuant to Section 217.402 (a)(3)(C) of this Subpart or the Board pursuant to Section 217.402 (a)(5) of this Subpart.
- c) The owner or operator of a kiln that commences operation on or after May 1, 2003, must complete, as appropriate, an initial performance test within one year after initial startup and subsequent annual testing during each control period in which the kiln is operated. This testing must be consistent with the test methods listed in subsection (b) of this Section.

(Source: Added at 25 Ill. Reg. 4597, effective March 15, 2001.)

Section 217.406 Monitoring

- a) The owner or operator of a kiln subject to this Subpart must submit a complete monitoring plan addressing the applicable requirements of subsection (b) of this Section to the Agency and obtain approval of such plan by the Agency. The monitoring plan shall identify the operating conditions to be monitored and the records to be maintained under Section 217.410 of this Subpart. For any kiln that commences operation on or before August 31, 2003, such plan shall be submitted on or before August 31, 2003. For any other kiln subject to this Subpart, such plan shall be submitted with the construction permit application for such kiln. Such plan will be effective only when included as federally enforceable conditions in a permit issued by the Agency.
- b) The plan must:
 - 1) Identify the specific operating conditions to be monitored and the correlation between the operating conditions and NO_x emission rates;

- 2) Include the data and information that the owner or operator used to identify the correlation between NO_x emission rates and these operating conditions;
 - 3) Identify how the owner or operator will monitor these operating conditions on an hourly or other basis, as approved by the Agency, the quality assurance procedures or practices that will be employed to ensure that the data generated by monitoring these operating conditions will be representative and accurate, and the type and format of the records of these operating conditions that will be maintained by the owner or operator under Section 217.410 of this Subpart;
 - 4) If operating a low-NO_x burner or mid-kiln firing system, the plan must include only monitoring the parameters indicated in the manufacturer's specifications and recommendations for the low-NO_x burner or mid-kiln firing system as approved by the Agency; and
 - 5) Notwithstanding the requirements of subsections (b)(1) and (b)(2) of this Section requiring the monitoring of operating parameters, if the owner or operator elects to monitor NO_x emissions using a continuous emissions monitoring system (CEMS), the owner or operator must submit a monitoring plan subject to approval by the Agency that contains the applicable provisions of 40 CFR 60.13 and of Method 7E in Appendix A contained in 40 CFR 60, as incorporated by reference in Section 217.104 of this Part, and additional provisions regarding accuracy, data capture, and monitoring frequency.
- c) The owner or operator must monitor the operating parameters of the emission unit and predict NO_x emission rates in accordance with the plan specified in the applicable operating permit.

(Source: Added at 25 Ill. Reg. 4597, effective March 15, 2001.)

Section 217.408 Reporting

- a) By May 31, 2004, or within one year after initial startup, whichever occurs later, the owner or operator of a kiln subject to the requirements of this Subpart must submit to the Agency an initial compliance certification for each kiln subject to the requirements of Section 217.402 of this Subpart. This certification must contain the following information as applicable:
 - 1) The identity and type of each kiln subject to this Subpart, the name and address of the plant where the kiln is located, and the name and telephone number of the person responsible for demonstrating compliance with this Subpart;
 - 2) A demonstration that each kiln is in compliance with Section 217.402 of this Subpart, identifying the provision with which it is complying and is

- accompanied by a summary of the approved compliance method, e.g., performance test for the kiln and other supporting data being relied upon by the owner or operator;
- 3) If demonstrating compliance by use of a low-NO_x burner or mid-kiln firing system pursuant to Section 217.402(a)(1) of this Subpart, a copy of the manufacturer's recommended maintenance and schedule for maintenance as approved by the Agency;
 - 4) If demonstrating compliance pursuant to Section 217.402(a)(3)(C) or (a)(5) of this Subpart, the date on which the permit containing the emission reduction plan or SIP revision was received as federally enforceable conditions; and
 - 5) If demonstrating compliance pursuant to Section 217.402(a)(6) of this Subpart, the date of issuance and the identification of the permit authorizing, through federally enforceable conditions, participation in the federal NO_x Trading Program.
- b) Beginning in 2004, by December 31 of each year, owners and operators complying with this Subpart pursuant to Section 217.402(a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) must, as a seasonal component of its annual emission report pursuant to 35 Ill. Adm. Code 254, report the total NO_x emissions of each subject kiln during the control period of each year to the Agency, if the kiln operated during this period.

(Source: Added at 25 Ill. Reg. 4597, effective March 15, 2001.)

Section 217.410 Recordkeeping

- a) Any owner or operator of a cement kiln subject to this Subpart must produce and maintain records that include, but are not limited to:
 - 1) Emissions in pounds of NO_x per ton of clinker produced from each kiln subject to the requirements of Section 217.402(a)(2), (a)(3)(C) or (a)(5) of this Subpart;
 - 2) The date, time, and duration of any startup, shutdown, or malfunction in the operation of any cement kiln subject to this Subpart or any emissions monitoring equipment. The records shall include a description of the malfunction and maintenance activity;
 - 3) If operating a low-NO_x burner or mid-kiln firing system: the date, time and duration of any regularly scheduled maintenance, with a description of the activity, and tons of clinker produced from each kiln;
 - 4) The results of any required performance testing;
 - 5) Daily cement kiln clinker production in tons per day; and

- 6) The records of monitoring required by Section 217.406 of this Subpart.
- b) All records required to be produced or maintained shall be retained on site for a minimum of three years and be made available to the Agency upon request.

(Source: Added at 25 Ill. Reg. 4597, effective March 15, 2001.)

SUBPART U: NO_x CONTROL AND TRADING PROGRAM FOR SPECIFIED NO_x GENERATING UNITS

Section 217.450 Purpose

The purpose of this Subpart is to cap the emissions of nitrogen oxides (NO_x) 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 NO_x Trading Program, 40 CFR 96, consistent with the provisions of this Subpart.

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

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 April 17, 2001)

Section 217.454 Applicability

- a) 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 mmbtu/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/mmbtu. 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 Section 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 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 NO_x Trading Budget.
- b) Those units that meet the above criteria and are subject to the NO_x 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 NO_x allowances from the Subpart U or Subpart W NO_x Trading Budget, except for any allowance from the new source set-aside in accordance with Section 217.468 of this Subpart. Such unit must acquire NO_x allowances in an amount not less than the NO_x emissions from such budget unit during the control period (rounded to the nearest whole ton) in accordance with the federal NO_x Trading Program, Subpart X of this Part or pursuant to a permanent transfer of NO_x allocations pursuant to Section 217.462(b) of this Subpart.
 - e) 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 NO_x 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 NO_x trading programs and other required reductions of NO_x emissions pursuant to the NO_x SIP Call, and such regulations have received final approval by USEPA as part of the respective states' SIPs for ozone, or a final FIP for ozone promulgated by USEPA is effective.* [415 ILCS 5/9.9(f)]

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

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 96, excluding 40 CFR 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.
 - 2) 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.

- 3) 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
 - 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.
 - 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 beyond 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.
 - C) 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 under the NO_x Trading Program.
- 2) 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.
- f) 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 the NO_x Trading Program.
 - 3) Any provision 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 the source) shall also apply to the owner and operator of such source and to the owner and operator of the budget units subject to the requirements of this Subpart at the source.
 - 4) Any provision of this Subpart or the NO_x Trading Program that applies to a budget unit subject to 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.

- 5) 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).
- 6) 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.
- g) 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.

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

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.
 - 2) 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.
 - 3) 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.
 - 4) 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.
 - 5) 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.

- 6) 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 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 17, 2001)

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 217.474 and 217.476 of this Subpart.
- c) The Agency shall adjust the Subpart U NO_x Trading Budget available for allocations in subsection (a) of this Section to remove allowances from units opting 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 4,882 allowances, the Agency will adjust the Subpart U NO_x Trading Budget pro-rata.
- e) If USEPA adjusts the Subpart U NO_x Trading Budget as to any individual budget unit, the Subpart U NO_x Trading Budget shall not be adjusted pro-rata, and only the allowance allocation for that budget unit will be adjusted.

(Source: Added at 25 Ill. Reg.5914, effective April 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.
- b) 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) Subject to adjustment in accordance with this Subpart, or revocation or 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 April 17, 2001)

Section 217.464 Methodology for Determining NO_x Allowances from the New 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 lbs/mmbtu or the permitted NO_x emission rate, but not less than 0.055 lbs/mmbtu.

- 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/mmbtu as determined in accordance with subsection (a) of this Section.

Where A = allowances of NO_x/control period.

- c) The projected heat input shall be determined as set forth below, divided by 2000 lbs/ton:
- 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 April 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 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 at 25 Ill. Reg.5914, effective April 17, 2001)

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 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 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 April 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.
- 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/mmbtu) for the first control period in which ERC's 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 control period) and the budget unit's actual NO_x emission rate for the applicable control period, divided by 2000 lbs/ton, and rounded to the nearest ton;
 - 2) Upon request of the account representative, the ERC allowance allocation for 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 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.
- j) 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, effective April 17, 2001)

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 potential NO_x mass emissions by the unit's maximum potential hourly NO_x mass emissions;
 - 4) Require that the unit's potential 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/mmbtu for combustion turbines burning natural gas exclusively during the control period; 1.2 lbs/mmbtu for combustion turbines burning any fuel oil during the control period; 1.5 lbs/mmbtu for boilers burning natural gas exclusively during the control period; or 2 lbs/mmbtu 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 required 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 hourly heat input specified by the manufacturer or the highest observed hourly heat input, or both, are not representative. The 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.
- c) 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 E 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 emissions 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 budget by the allowances issued for NO_x reductions obtained in accordance with Subpart X of this Part.

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

Section 217.476 Opt-In Process

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 mmbtu) 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 April 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, 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 or 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) Reapplication 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.
- f) 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 is withdrawn.

(Source: Added at 25 Ill. Reg.5914, effective April 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 such 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 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 April 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 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 the December 31 after the first control period for which the budget permit is in effect and 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 NO_x emission rate (in lbs/mmbtu) determined pursuant to Section 217.476(c) of this Subpart; or
 - B) The lowest NO_x 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 April 17, 2001)

SUBPART V: ELECTRIC POWER GENERATION

Section 217.521 Lake of Egypt Power Plant

- a) The standard for nitrogen oxides of Section 217.121(d) does not apply when solid fossil fuel containing 25 percent by weight or more of coal refuse is burned in Southern Illinois Power Cooperative's Unit No. 4 at its Lake of Egypt Power Plant.
- b) The standard for nitrogen oxides of Section 217.121(e) does not apply when solid fossil fuel containing 25 percent by weight or more of coal refuse is burned in combination with gaseous, liquid or other solid fossil fuel in Southern Illinois Power Cooperative's Unit No. 4 at its Lake of Egypt Power Plant.

(Source: Amended at 2 Ill. Reg. 17, p. 101, effective April 13, 1978)

Section 217.700 Purpose

The purpose of this Subpart is to control the emissions of nitrogen oxides (NO_x) from electrical generating units (EGUs) during the ozone control period (for purposes of Subpart V, the ozone control period is May 1 through September 30 of each year, beginning in 2003), by limiting the emissions of NO_x from EGUs to no more than 0.25 lbs/mmbtu of actual heat input during each ozone control period.

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

Section 217.702 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, subsection or clause not found invalid.

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

Section 217.704 Applicability

The following fossil fuel-fired stationary boilers, combustion turbines or combined cycle systems are electrical generating units (EGUs) and shall be subject to this Subpart on and after May 1, 2003:

- a) Any unit serving a generator that has a nameplate capacity greater than 25 MWe and produces electricity for sale, excluding those units listed in Appendix D of this Part and any new unit at a source listed in Appendix D of this Part.
- b) Any unit with a maximum design heat input that is greater than 250 mmbtu/hr that commences operation on or after January 1, 1999, serving at any time a generator that has a nameplate capacity of 25 MWe or less and has the potential to use 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/mmbtu. If the size of the generator is greater than this calculated number, the unit is an EGU subject to the provisions of this Subpart.

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

Section 217.706 Emission Limitations

- a) On or after May 1, 2003, no owner or operator subject to this Subpart shall cause or allow the emissions of NO_x into the atmosphere from any EGU to exceed 0.25 lbs/mmbtu of actual heat input during each ozone control period, based on a control period average for that unit.
- b) Notwithstanding the emission limitation in subsection (a) of this Section, any EGU subject to a more stringent NO_x emission limitation pursuant to any State or federal statute, including the Act, the Clean Air Act, or any regulations promulgated thereunder, shall comply with both the requirements of this Subpart and that more stringent emission limitation.

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

Section 217.708 NO_x Averaging

- a) Notwithstanding Section 217.706(a) of this Subpart, the owners or operators of EGUs listed in Appendix F of this Part and the owner or operator of Soyland Power may elect to demonstrate compliance with this Subpart by averaging for

the ozone control period the NO_x emission rates with any EGU listed in Appendix F or any EGU at Soyland Power's Alsey Illinois facility that commenced commercial operation on or before January 1, 2000.

- b) The average NO_x emission rate for all EGUs being averaged pursuant to this Section must not exceed 0.25 lbs/mmbtu and shall be determined as follows:

$$ER_{avg} = \frac{\sum_{i=1}^n (HI_i \times ER_i)}{\sum_{i=1}^n HI_i}$$

Where:

ER_{avg} = average emission rate in lbs/mmbtu of all EGUs in averaging demonstration

HI_i = heat input for the ozone control period of EGU i, in mmbtu, as specified in the NO_x averaging demonstration

ER_i = actual NO_x emission rate of EGU i, in lbs/mmbtu, as specified in the NO_x averaging demonstration

n = number of EGUs that are averaging

- c) Averaging under this Subpart must be authorized through federally enforceable permit conditions for such EGU.
- d) An EGU may be included in only one NO_x averaging demonstration during an ozone control period.
- e) Compliance by averaging for each ozone control period must be demonstrated by November 30 following each ozone control period.
- f) If averaging is used to demonstrate compliance with this Subpart, the effect of a failure to demonstrate such compliance shall be that the compliance status of each EGU shall be determined pursuant to Section 217.706(a) as if the NO_x emission rates of such EGUs were not averaged.
- g) The owner or operator of any EGU that elects to participate in an averaging demonstration to demonstrate compliance with this Subpart cannot average with

any other EGU for which the owner or operator of such EGU does not maintain the required records, data, and reports, or does not submit copies of such records, data, or reports to the Agency upon request.

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

Section 217.710 Monitoring

- a) The owner or operator of an EGU subject to this Subpart shall install, calibrate, maintain and operate continuous emissions monitoring systems (CEMS) for NO_x that meet the requirements of 40 CFR 75, subpart B.
- b) Notwithstanding subsection (a), the owner or operator of a gas-fired peaking unit or oil-fired peaking unit as defined in 40 CFR 72.2 may determine NO_x emissions in accordance with the emissions estimation protocol of 40 CFR 75, subpart E.
- c) Notwithstanding subsection (a), the owner or operator of a combustion turbine that operates less than 350 hour per ozone control period may determine the heat input and NO_x emissions of the turbine as follows:

- 1) Heat input shall be determined from the metered fuel usage to the turbine or the calculated heat input determined as the product of the turbine's maximum hourly heat input and hours of operation as recorded by operating instrumentation on the turbine;

- 2) NO_x emissions shall be determined as the product of the heat input, as determined above, and the appropriate default NO_x emission factors below:

0.7 lbs/mmbtu - Natural gas

1.2 lbs/mmbtu - Fuel oil

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

Section 217.712 Reporting and Recordkeeping

The owner or operator of an EGU subject to the requirements of this Subpart shall:

- a) Comply with the recordkeeping and reporting requirements of 40 CFR 75 applicable to NO_x emissions during the ozone control period, including, but not limited to, 40 CFR 75.54(b) and (d), incorporated by reference in Section 217.104 of this Part.
- b) Notwithstanding subsection (a), the owner or operator of a combustion turbine for which heat input and NO_x emissions are determined pursuant to subsection 217.710(c) of this Subpart shall comply with the following recordkeeping and reporting requirements:

- 1) Maintain records of the heat input and NO_x emissions of the turbine as determined in accordance with Section 217.710(c) of this Subpart, and records of metered fuel use or operating hours used to determine heat input; and
 - 2) Annually report the heat input and NO_x emissions of the turbine as determined in accordance with Section 217.710(c) of this Subpart, for each ozone control period, by November 30 of each year.
- c) Submit, with the report required under subsection (c) of this Section, the following certification statement, to be signed by a responsible official:

“I certify under penalty of law that this report and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons directly responsible for gathering the information, the information is, to the best of my knowledge and belief after due inquiry, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

Signature

Name

Official Title

Telephone No.

Date Signed

- d) If demonstrating compliance through Section 217.706(a) of this Subpart, by November 30 of each year beginning in 2003, submit to the Agency a report that demonstrates each EGU has not exceeded a NO_x emission rate of 0.25 lbs/mmbtu during the ozone control period.
- e) If demonstrating compliance through Section 217.708 of this Subpart, by November 30 of each year beginning in 2003, submit to the Agency a report that demonstrates the following:
 - 1) For all EGUs participating in the averaging demonstration, the averaged ozone control period NO_x emission rate pursuant to the equation in Section 217.708(b) of this Subpart;
 - 2) The average ozone control period NO_x emission rate of each EGU participating in the averaging demonstration; and

- 3) The information required to determine the averaged NO_x emission rate pursuant to Section 217.708(b) of this Subpart.
- f) Keep and maintain, for 5 years, all records and data necessary to demonstrate compliance with the requirements of this Subpart, and upon request make such records and data available to Agency and USEPA representatives for inspection and copying during working hours.
- g) Submit copies of any records and data required by this Section to the Agency within 30 days after receipt of a written request by the Agency.

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

SUBPART W: NO_x TRADING PROGRAM FOR ELECTRICAL GENERATING UNITS

Section 217.750 Purpose

The purpose of this Subpart is to control the emissions of nitrogen oxides (NO_x) during the ozone control period (May 1 through September 30 of each year, except that in 2004, “control period” means May 31 through September 30) from electrical generating units (EGUs) by determining source allocations and implementing the NO_x Trading Program pursuant to 40 CFR 96, as authorized by Section 9.9 of the Act [415 ILCS 5/9.9].

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.751 Sunset Provisions

The provisions of this Subpart W shall not apply for any control period in 2009 or thereafter. Noncompliance with the provisions of this Subpart that occurred prior to 2009 is subject to the applicable provisions of this Subpart.

(Source: Added at 33 Ill. Reg. 15754, effective November 2, 2009)

Section 217.752 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. 128, effective December 26, 2000)

Section 217.754 Applicability

- a) The following fossil fuel-fired stationary boilers, combustion turbines or combined cycle systems are electrical generating units (EGUs) and are subject to this Subpart:
 - 1) Any unit serving a generator that has a nameplate capacity greater than 25

MWe and produces electricity for sale, excluding those units listed in Appendix D of this Part.

- 2) Any unit with a maximum design heat input that is greater than 250 mmbtu/hr that commences operation on or after January 1, 1999, serving at any time a generator that has a nameplate capacity of 25 MWe or less and has the potential to use 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/mmbtu. If the size of the generator is greater than this calculated number, the unit is an EGU subject to the provisions of this Subpart.
- b) Those units that meet the above criteria and are subject to the NO_x Trading Program emissions limitations contained in this Subpart are budget EGUs.
 - c) Low-emitter status: Notwithstanding subsection (a) of this Section, the owner or operator of a budget EGU under subsection (a) of this Section may elect low-emitter status by obtaining a permit with federally enforceable conditions meeting the requirements of subsection (c)(1) of this Section. Starting with the effective date of such permit, the EGU shall not be a budget EGU and shall be subject only to the requirements of this subsection (c).
 - 1) For each control period under this subsection (c), the federally enforceable permit conditions must:
 - A) Restrict the EGU to burning only natural gas, fuel oil, or natural gas and fuel oil;
 - B) Limit the EGU's potential NO_x mass emissions for the control period to 25 tons or less;
 - C) Restrict the EGU's operating hours during the control period to the number calculated by dividing 25 tons of potential NO_x mass emissions by the EGU's maximum potential hourly NO_x mass emissions;
 - D) Require that the EGU's potential NO_x mass emissions be calculated by using the monitoring provisions of 40 CFR 75 or, if the EGU does not rely on these monitoring provisions, by using the applicable default rate, as follows:
 - i) Select the applicable default NO_x emission rate from one of the following:

0.7 lb/mmbtu for combustion turbines burning natural gas exclusively during the control period;

- 1.2 lbs/mmbtu for combustion turbines burning any fuel oil during the control period;
- 1.5 lbs/mmbtu for boilers burning natural gas exclusively during the control period; or
- 2 lbs/mmbtu for boilers burning any fuel oil during the control period.
- ii) Multiply the default NO_x emission rate under subsection (c)(1)(D)(i) of this Section by the EGU's unit-specific maximum rated heat input (mmbtu), 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 EGU may request in the permit application required by this subsection (c) that the Agency use a lower value for the EGU's maximum rated hourly heat input. The Agency may approve such lower value if the owner or operator demonstrates that the maximum hourly heat input specified by the manufacturer or the highest observed hourly heat input, or both, are not representative. The owner or operator must also demonstrate that such lower value is representative of the EGU's current capabilities because modifications have been made to the EGU that permanently limit the EGU's capacity;
- E) Require that the owner or operator of the EGU retain for five years, at the source that includes the EGU, 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
- F) Require that the owner or operator of the EGU report to the Agency the EGU's hours of operation (treating any partial hour of operation as a whole hour of operation), heat input, and fuel use by type during each control period. This report shall be submitted by November 1 of each year the EGU elects low-emitter status.
- 2) The Agency will notify USEPA in writing of each EGU electing low-emitter status pursuant to the requirements of subsection (c)(1) of this Section and when any of the following occurs:
- A) The permit with federally enforceable conditions that includes the restrictions in subsection (c)(1) of this Section is issued by the Agency;
- B) Such permit is revised to remove any such restriction;

- C) Such permit includes any such restriction that is no longer applicable; or
 - D) The EGU does not comply with any such restriction.
- 3) The EGU shall become a budget EGU, subject to the requirements of this Subpart if, for any control period under subsection (c) of this Section, the fuel use restriction or the operating hours restriction under subsection (c)(1) of this Section is removed from the EGU's permit or otherwise becomes no longer applicable, or the EGU does not comply with the fuel use restriction or the operating hours restriction under subsection (c)(1) of this Section. Such EGU shall be treated as commencing operation and, for a unit under subsection (a)(1) of this Section, commencing commercial operation, on September 30 of the year prior to the control period for which the fuel use restriction or the operating hours restriction is no longer applicable or during which the EGU does not comply with the fuel use restriction or the operating hours restriction.
- 4) The owner or operator of an EGU to which the Agency has ever allocated allowances may elect low-emitter status. In that case, the Agency will reduce the EGU trading budget by the number of allowances corresponding to the amount of NO_x emissions the EGU is permitted to emit during the control period as set forth in the EGU's federally enforceable state operating permit.
- d) Notwithstanding the provisions in subsection (a) of this Section, sources may opt-in to the NO_x Trading Program and will receive allowance allocations consistent with applicable requirements, if they meet the requirements for a budget opt-in unit pursuant to Sections 217.774 through 217.782 of this Part.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.756 Compliance Requirements

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

- a) The requirements of this Subpart and 40 CFR 96 (excluding 40 CFR 96.4(b) and 96.55(c), and excluding 40 CFR 96, Subparts C, E, and I) as incorporated by reference in Section 217.104 of this Part.
- b) Permit requirements:
 - 1) The owner or operator of each source with one or more budget EGUs at the source must apply for a permit issued by the Agency with federally enforceable conditions covering the NO_x Trading Program ("budget permit") that complies with the requirements of Section 217.758 of this Part.

- 2) The owner or operator of each budget source and each budget EGU at the source must operate the budget EGU in compliance with such budget permit.
- c) Monitoring requirements:
- 1) The owner or operator of each budget source and each budget EGU at the source must comply with the monitoring requirements of 40 CFR 96, subpart H. The account representative of each budget source and each budget EGU at the source must comply with those sections of the monitoring requirements of 40 CFR 96, subpart H, applicable to an account representative.
 - 2) The compliance of each budget EGU with the budget 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.
- d) NO_x requirements:
- 1) By November 30 of each year, the allowance transfer deadline, the account representative of each budget source and each budget EGU at the source shall hold allowances available for compliance deductions under 40 CFR 96.54 in the budget EGU's compliance account or the source's overdraft account. The number of allowances held shall not be less than the budget EGU's total tons of NO_x emissions for the control period, rounded to the nearest whole ton, as determined in accordance with 40 CFR 96, subpart H, plus any number necessary to account for actual utilization (e.g., for testing, start-up, malfunction, and shut down) under 40 CFR 96.42(e) for the control period.
 - 2) Each ton of NO_x emitted in excess of the number of NO_x allowances held by the owner or operator for each budget EGU for each control period shall constitute a separate violation of this Part and the Act.
 - 3) A budget EGU shall be subject to the monitoring and NO_x requirements of subsections (c)(1) and (d)(1) of this Section starting on the later of May 31, 2004, the date on which the EGU commences OR 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 NO_x SIP CALL (63 Fed. Reg. 57355 (October 27, 1998)) THAT ARE LOCATED IN USEPA REGION V OR THAT ARE CONTIGUOUS TO ILLINOIS HAVE ADOPTED REGULATIONS TO IMPLEMENT NO_x TRADING PROGRAMS AND OTHER REQUIRED REDUCTIONS OF NO_x EMISSIONS PURSUANT TO THE NO_x SIP CALL, AND SUCH REGULATIONS HAVE RECEIVED FINAL APPROVAL BY USEPA AS PART OF THE RESPECTIVE STATES' SIPS FOR OZONE, OR A FINAL FIP FOR OZONE

PROMULGATED BY USEPA IS EFFECTIVE. [415 ILCS 5/9.9(f)]

- 4) 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, and Sections 217.774 through 217.782 of this Part.
 - 5) 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 is allocated.
 - 6) 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 in accordance with the NO_x Trading Program. No provision of the NO_x Trading Program, the budget permit application, the budget permit, or a retired unit 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.
 - 7) An allowance allocated by the Agency or USEPA under the NO_x Trading Program does not constitute a property right.
 - 8) Upon recordation by USEPA under 40 CFR 96, subpart F or G, or Section 217.782 of this Part, every allocation, transfer, or deduction of an allowance to or from a budget EGU's compliance account or to or from the overdraft account of the budget source where the budget EGU is located is deemed to amend automatically, and become a part of, any budget permit of the budget EGU. This automatic amendment of the budget permit shall be deemed an operation of law and will not require any further review.
- e) Recordkeeping and reporting requirements:
- 1) Unless otherwise provided, the owner or operator of the budget source and each budget EGU at the source shall keep on site at the source each of the documents listed in subsections (e)(1)(A) through (e)(1)(D) of this Section for a period of five years from the date the document is created. This period may be extended for cause, at any time prior to the end of five years, in writing by the Agency or USEPA.
 - A) The account certificate of representation of the account representative for the source and each budget EGU at the source, 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 documents must be retained on site at the source beyond 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 40 CFR 96, subpart H, 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.
 - C) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_x Trading Program or documents necessary to demonstrate compliance with the requirements of the NO_x Trading Program or with the requirements of this Subpart.
 - D) Copies of all documents used to complete a budget permit application and any other submission under the NO_x Trading Program.
- 2) The account representative of a budget source and each budget EGU at the source must submit to the Agency and USEPA the reports and compliance certifications required under the NO_x Trading Program, including those under 40 CFR 96, subparts D and H, and Section 217.774 of this Part.
- f) Liability:
- 1) No revision of a permit for a budget EGU shall excuse any violation of the requirements of the NO_x Trading Program that occurs prior to the date that the revision to such budget permit takes effect.
 - 2) Each budget source and each budget EGU shall meet the requirements of the NO_x Trading Program.
 - 3) Any provision of the NO_x Trading Program that applies to a budget source (including any provision applicable to the account representative of a budget source) shall also apply to the owner and operator of such budget source and to the owner and operator of each budget EGU at the source.
 - 4) Any provision of the NO_x Trading Program that applies to a budget EGU (including any provision applicable to the account representative of a budget EGU) shall also apply to the owner and operator of such budget EGU. Except with regard to the requirements applicable to budget EGUs with a common stack under 40 CFR 96, subpart H, the owner and operator and the account representative of one budget EGU shall not be liable for any violation by any other budget EGU of which they are not an owner or operator or the account representative.
 - 5) The account representative of a budget EGU that has excess emissions in any control period shall surrender the allowances as required for deduction under 40 CFR 96.54(d)(1).

- 6) 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.
- g) Effect on other authorities. No provision of the NO_x Trading Program, a budget permit application, a budget permit, a low-emitter exemption under Section 217.754(c) of this Subpart, or a retired unit exemption under 40 CFR 96.5 shall be construed as exempting or excluding the owner and operator and, to the extent applicable, the account representative of a budget source or budget EGU, from compliance with any other regulation promulgated under the CAA, the Act, an approved State implementation plan, or a federally enforceable permit.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.758 Permitting Requirements

- a) Budget permit requirements:
 - 1) Each source with a budget EGU is required to submit a complete permit application addressing all applicable NO_x Trading Program requirements for a permit meeting the requirements of this Section, applicable to each budget EGU at the source. Each budget permit (including any draft or proposed budget permit, if applicable) will contain elements required for a complete budget permit application under subsection (b)(2) of this Section.
 - 2) Each budget permit (including a draft or proposed budget permit, if applicable) shall contain federally enforceable conditions addressing all applicable NO_x Trading Program requirements and shall be a complete and segregable portion of the source's entire permit under subsection (a)(1) of this Section.
 - 3) No budget permit shall be issued, and no NO_x allowance account shall be established for a budget EGU at a source, 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 the budget EGU at the source.
 - 4) For budget EGUs 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 unit must submit a budget permit application meeting the requirements of this Section on or before November 1, 2003.
 - 5) For budget EGUs 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 unit must submit a budget permit application meeting the requirements of this Section on or before August 1, 2003.

- 6) For budget EGUs that are subject to Section 39.5 of the Act and that commence operation on or after August 1, 2003, and for budget EGUs not subject to Section 39.5 of the Act and that commence operation on or after November 1, 2003, the owner or operator of such 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 Section.
- b) Budget permit applications:
- 1) Duty to apply. The owner or operator of any source with one or more budget EGUs shall submit to the Agency a complete budget permit application for the source under subsection (b)(2) of this Section by the applicable deadline in subsection (a)(4), (a)(5), or (a)(6) of this Section. The owner or operator of any source with one or more budget EGUs shall reapply for a budget permit for the source as required by this Subpart, 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 shall include the following elements concerning the source 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 shall also be included, if applicable;
 - B) Identification of each budget EGU at the source. An explanation of whether each EGU is a budget EGU under Section 217.754 or 217.774 of this Part;
 - C) The compliance requirements of Section 217.756 of this Part; and
 - D) For each opt-in unit at the source the following certification statements by the account representative:
 - i) “I certify that each unit for which this permit application is submitted under Section 217.774 of this Part is not a budget EGU under Section 217.754 of this Part and is not covered by a retired unit exemption that is in effect under 40 CFR 96.5.”
 - ii) If the application is for an initial budget permit, “I certify that each unit for which this permit application is submitted under Section 217.774 of this Part, and 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 Section 217.774(d) of this Part.”

- 3) An application for a budget permit shall be treated as a modification of the EGU’s existing federally enforceable permit, if such a permit has been issued for that EGU, and shall be subject to the same procedural requirements. When the Agency issues a budget permit, it shall be incorporated into and become part of that EGU’s existing federally enforceable permit.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.760 NO_x Trading Budget

The NO_x trading budget available for allowance allocations for each control period shall be determined as follows:

- a) The total base EGU trading budget is 30,701 tons per control period subject, however, to the following:
 - 1) In 2004 through 2006, 5% of this number shall be allocated to the new source set-aside under Section 217.768 of this Part, resulting in an EGU trading budget of 29,166 tons available for allocation per control period; and
 - 2) In 2007 and thereafter, 2% of this amount shall be allocated to the new source set-aside, resulting in an EGU trading budget of 30,087 tons available for allocation per control period.
- b) The Agency must adjust the total base EGU trading budget available for allocation in subsection (a) of this Section to remove allowances from budget EGUs opting to become exempt pursuant to the requirements for low-emitters in Section 217.754(c)(4) of this Part.
- c) If USEPA adjusts the total base EGU trading budget for any reason, the Agency will adjust the budget pro rata.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.762 Methodology for Calculating NO_x Allocations for Budget Electrical Generating Units (EGUs)

The methodology for calculating the allowances to be allocated to budget EGUs is based on the following emission rates and heat inputs:

- a) The applicable NO_x emission rates are as follows:

- 1) For budget EGUs listed in Appendix F: 0.15 lb/mmbtu.
 - 2) For budget EGUs not listed in Appendix F: The more stringent of 0.15 lb/mmbtu or the permitted NO_x emission rate, but not less than 0.055 lb/mmbtu.
- b) Heat input (HI) (in mmbtu/control period) is determined as follows:
- 1) The budget EGU's two highest heat inputs from the control periods four to six years prior to the year for which the allocation is being made are averaged. However, for a budget EGU that did not commence commercial operation at least six years prior to the control period for which the allocation is being made, the heat inputs for the following control periods shall be used:
 - A) If the budget EGU has heat input for the control period four years prior to the year for which the NO_x allocation is being made, but not for the control periods five and six years prior, the heat input for that control period four years prior shall be used; or
 - B) If the budget EGU has heat inputs for the control periods four and five years prior to the year for which the NO_x allocation is being made, but not for the control period six years prior, the heat input for the control periods four and five years prior shall be averaged.
 - 2) The budget EGU's heat input in subsection (b)(1) of this Section for the control period in each year will be determined in accordance with:
 - A) 40 CFR 75, as incorporated by reference in Section 217.104 of this Part, if the budget EGU was otherwise subject to its requirements for the year; or
 - B) The best available data reported to the Agency for the budget EGU if the budget EGU was not subject to the requirements of 40 CFR 75, for the year.
- c) The general equation for determining allowances is:

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

Where:

HI = heat input (in mmbtu/control period) as determined in Section 217.762(b) of this Part.

ER = The NO_x emission rate in lbs/mmbtu as determined in Section

217.762(a) of this Part.

A = allowances of NO_x/control period.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.764 NO_x Allocations for Budget EGUs

For each control period, the Agency will allocate the total number of NO_x allowances in the trading budget apportioned to budget EGUs under Section 217.760 of this Part. These allocations will be issued as provided in subsections (a) through (f) of this Section and Section 217.768 for this Part of new sources. Specifically:

- a) In 2004, 2005, and 2006 (or the first three years of the program):
 - 1) The Agency will allocate to each budget EGU that is listed in Appendix F of this Part the number of allowances listed in Column 7 of Appendix F of this Part for that budget EGU, as well as any allowances that are not allocated from the new source set-aside to budget EGUs in subsection (a)(2) of this Section. Any such allowances from the new source set-aside will be allocated to budget EGUs listed in Appendix F of this Part pursuant to 217.768(j) of this Part.
 - 2) The Agency will allocate allowances from the new source set-aside to budget EGUs that commenced commercial operation on or after January 1, 1995, pursuant to Section 217.768 of this Part.
 - 3) The Agency will report these allocations to USEPA at the time it submits the SIP.
- b) In 2007 (or the fourth year of the program):
 - 1) The Agency will allocate to each budget EGU that is listed in Appendix F of this Part the number of allowances listed in Column 8 of Appendix F for that budget EGU, and any allowances that are not allocated to budget EGUs under subsection (b)(2) of this Section will be allocated as provided in subsection (b)(4) of this Section.
 - 2) The Agency will apportion to each budget EGU that commenced commercial operation on or after January 1, 1995, and before May 1, 2003, allowances as calculated in the following equation:

$$A = \frac{0.80 \cdot (HI \cdot ER)}{2000}$$

Where:

HI = heat input (in mmbtu/control period) as determined

in Section 217.762(b) of this Part.

ER = the NO_x emission rate in lbs/mmbtu, as determined in Section 217.762(a)(2) of this Part.

A = allowances of NO_x/control period.

- 3) Notwithstanding subsection (b)(2) of this Section, if the total number of allowances determined by subsection (b)(2) of this Section is more than 6,017, which is the number of allowances remaining in the trading budget after allocations have been made to budget EGUs in subsection (b)(1) of this Section, the Agency will prorate the number of NO_x allowances available to budget EGUs pursuant to the criteria in subsection (b)(2) of this Section so that the total number of allowances allocated to these budget EGUs does not exceed 6,017.
 - 4) If the total number of allowances allocated pursuant to subsection (b)(2) of this Section is less than 6,017, which is the number of allowances remaining in the trading budget after allocations have been made to budget EGUs in subsection (b)(1) of this Section, the Agency will allocate the remaining allowances to budget EGUs as follows:
 - A) For budget EGUs in subsection (b)(1) of this Section, the pro-rata allocation shall be determined by the heat input calculated pursuant to Section 217.762(b) of this Part, multiplied by the emission rate in Section 217.762(a)(1) of this Part.
 - B) For budget EGUs in subsection (b)(2) of this Section, the pro-rata allocation shall be determined by the heat input calculated pursuant to Section 217.762(b) of this Part, multiplied by the emission rate in Section 217.762(a)(2) of this Part.
 - 5) The Agency will allocate allowances from the new source set-aside, pursuant to Section 217.768 of this Part, to budget EGUs that commenced commercial operation after May 1, 2003 and that have not operated for the full 2003 control period.
 - 6) The Agency will report these allocations to USEPA by April 1, 2004, except for allocations from the new source set-aside, which the Agency will report by May 1, 2007.
- c) In 2008 (or the fifth year of the program):
- 1) The Agency will allocate to each budget EGU that is listed in Appendix F of this Part the number of allowances listed in Column 8 of Appendix F for that budget EGU, and any allowances that are not allocated to budget EGUs under subsection (b)(2) of this Section will be allocated as provided in subsection (b)(4) of this Section.

- 2) The Agency will apportion to each budget EGU that commenced commercial operation on or after January 1, 1995, and before May 1, 2004, allowances as calculated in the following equation:

$$A = \frac{0.80 \cdot (HI \cdot ER)}{2000}$$

Where:

HI = heat input (in mmbtu/control period) as determined in Section 217.762(b) of this Part.

ER = the NO_x emission rate in lbs/mmbtu, as determined in Section 217.762(a)(2) of this Part.

A = allowances of NO_x/control period.

- 3) Notwithstanding subsection (c)(2) of this Section, if the total number of allowances determined by subsection (c)(2) of this Section is more than 6,017, which is the number of allowances remaining in the trading budget after allocations have been made to budget EGUs in subsection (c)(1) of this Section, the Agency will prorate the number of NO_x allowances available to budget EGUs pursuant to the criteria in subsection (c)(2) of this Section so that the total number of allowances allocated to these budget EGUs does not exceed 6,017.
- 4) If the total number of allowances allocated pursuant to subsection (c)(2) of this Section is less than 6,017, which is the number of allowances remaining in the trading budget after allocations have been made to budget EGUs in subsection (c)(1) of this Section, the Agency will allocate the remaining allowances to budget EGUs as follows:
- A) For budget EGUs in subsection (c)(1) of this Section, the pro-rata allocation shall be determined by the heat input calculated pursuant to Section 217.762(b) of this Part, multiplied by the emission rate in Section 217.762(a)(1) of this Part.
- B) For budget EGUs in subsection (c)(2) of this Section, the pro-rata allocation shall be determined by the heat input calculated pursuant to Section 217.762(b) of this Part, multiplied by the emission rate in Section 217.762(a)(2) of this Part.
- 5) The Agency will allocate allowances from the new source set-aside, pursuant to Section 217.768 of this Part, to budget EGUs that commenced commercial operation after May 1, 2004 and that have not operated for the full 2004 control period.

- 6) The Agency will report these allocations to USEPA by April 1, 2005, except for allocations from the new source set-aside, which the Agency will report by May 1, 2008.
- d) In 2009 (or the sixth year of the program):
- 1) The Agency will allocate to each budget EGU that is listed in Appendix F of this Part the number of allowances listed in Column 9 of Appendix F for that budget EGU and any allowances that are not allocated to budget EGUs under subsection (d)(2) of this Section will be allocated as provided in subsection (d)(4) of this Section.
 - 2) The Agency will apportion to each budget EGU that commenced commercial operation on or after January 1, 1995, and before May 1, 2005, allowances calculated in the following equation:

$$A = \frac{0.50 \cdot (HI \cdot ER)}{2000}$$

Where:

HI = heat input (in mmbtu/control period) as determined in Section 217.762(b) of this Part.

ER = the NO_x emission rate in lbs/mmbtu, as determined in Section 217.762(a)(2) of this Part.

A = allowances of NO_x/control period.

- 3) Notwithstanding subsection (d)(2) of this Section, if the total number of allowances determined by subsection (d)(2) of this Section is more than 15,043, which is the number of allowances remaining in the trading budget after allocations have been made to budget EGUs in subsection (d)(1) of this Section, the Agency will prorate the total number of NO_x allowances available to budget EGUs that received allowances pursuant to the criteria in subsection (d)(2) of this Section so that the total number of allowances allocated to these budget EGUs does not exceed 15,043.
- 4) If the total number of allowances allocated pursuant to subsection (d)(2) of this Section is less than 15,043, which is the number of allowances remaining in the trading budget after allocations have been made to budget EGUs in subsection (d)(1) of this Section, the Agency will allocate the remaining allowances to budget EGUs as follows:
 - A) For budget EGUs in subsection (d)(1) of this Section, the pro-rata allocation shall be determined by the heat input calculated pursuant to Section 217.762(b) of this Part, multiplied by the emission rate in Section 217.762(a)(1) of this Part.

- B) For budget EGUs in subsection (d)(2) of this Section, the pro-rata allocation shall be determined by the heat input calculated pursuant to Section 217.762(b) of this Part, multiplied by the emission rate in Section 217.762(a)(2) of this Part.
- 5) The Agency will allocate allowances from the new source set-aside, pursuant to Section 217.768 of this Part, to budget EGUs that commenced commercial operation after May 1, 2005 and that have not operated for the full 2005 control period.
- 6) As of April 30, 2009, if the number of allowances in the new source set-aside exceeds 3% of the total number of tons of NO_x emissions in the trading budget apportioned to budget EGUs as determined pursuant to Section 217.768(i) and (j) of this Part, the number of allowances above 3% will be allocated to budget EGUs receiving allowances pursuant to this subsection (d).
- 7) The Agency will report these allocations to USEPA by April 1, 2006, except for allocations from the new source set-aside, which the Agency will report by May 1, 2009.
- e) In 2010 (or the seventh year of the program):
- 1) The Agency will allocate to each budget EGU that is listed in Appendix F of this Part the number of allowances listed in Column 9 of Appendix F for that budget EGU and any allowances that are not allocated to budget EGUs under subsection (e)(2) of this Section as provided in subsection (e)(4) of this Section.
- 2) The Agency will assign to each budget EGU that commenced commercial operation on or after January 1, 1995, and before May 1, 2006, allowances as calculated in the following equation:

$$A = \frac{0.50 \cdot (HI \cdot ER)}{2000}$$

Where:

HI = heat input (in mmbtu/control period) as determined in Section 217.762(b) of this Part.

ER = the NO_x emission rate in lbs/mmbtu, as determined in Section 217.762(a)(2) of this Part.

A = allowances of NO_x/control period.

- 3) Notwithstanding subsection (e)(2) of this Section, if the total number of allowances determined by subsection (e)(2) of this Section is more than 15,043, which is the number of allowances remaining in the trading

- budget after allocations have been made to budget EGUs in subsection (e)(1) of this Section, the Agency will prorate the total number of NO_x allowances allocated to budget EGUs that received allowances pursuant to the criteria in subsection (e)(2) of this Section so that the total number of allowances allocated to these budget EGUs does not exceed 15,043.
- 4) If the total number of allowances allocated pursuant to subsection (e)(2) of this Section is less than 15,043, which is the number of allowances remaining in the trading budget after allocations have been made to budget EGUs in subsection (e)(1) of this Section, the Agency will allocate the remaining allowances to budget EGUs as follows:
 - A) For budget EGUs in subsection (e)(1) of this Section, the pro-rata allocation shall be determined by the heat input calculated pursuant to Section 217.762(b) of this Part, multiplied by the emission rate in Section 217.762(a)(1) of this Part.
 - B) For budget EGUs in subsection (e)(2) of this Section, the pro-rata allocation shall be determined by the heat input calculated pursuant to Section 217.762(b) of this Part, multiplied by the emission rate in Section 217.762(a)(2) of this Part.
 - 5) The Agency will allocate allowances from the new source set-aside, pursuant to Section 217.768 of this Part, to budget EGUs that commenced commercial operation after May 1, 2006 and that have not operated for the full 2006 control period.
 - 6) As of April 30, 2010, if the number of allowances in the new source set-aside exceeds 3% of the total number of tons of NO_x emissions in the trading budget apportioned to budget EGUs as determined pursuant to Section 217.768(i) and (j) of this Part, the number of allowances above 3% will be allocated to budget EGUs receiving allowances pursuant to this subsection (e).
 - 7) The Agency will report these allocations to USEPA by April 1, 2007, except for allocations from the new source set-aside, which the Agency will report by May 1, 2010.
- f) In 2011 (or the eighth year) of the program and annually thereafter:
- 1) The Agency will apportion the available NO_x allowances to each budget EGU based on its heat input determined in Section 217.762(b) of this Part, multiplied by:
 - A) For budget EGUs that commenced commercial operation prior to January 1, 1995, the NO_x emission rate determined in Section 217.762(a)(1) of this Part.

- B) For budget EGUs that commenced commercial operation on or after January 1, 1995, the NO_x emission rate determined in Section 217.762(a)(2) of this Part.
- 2) The Agency will allocate allowances from the new source set-aside, pursuant to Section 217.768 of this Part, to budget EGUs that commenced commercial operation after the control period four years prior to the year in which allocations are made and that have not operated for the full control period four years prior to the year in which the allocations are being made.
- 3) As of April 30, 2011, if the number of allowances in the new source set-aside exceeds 3% of the total number of tons of NO_x emissions in the trading budget apportioned to budget EGUs as determined pursuant to Section 217.768(e) and (f) of this Part, the number of allowances above 3% will be allocated to budget EGUs receiving allowances pursuant to this subsection (f).
- 4) The Agency will report these allocations to USEPA by April 1 of each year that is three years prior to the year in which the allocations are being made, except for allocations from the new source set-aside, which the Agency will report by May 1 of each year in which the allocations are being made.

BOARD NOTE: Because of litigation involving the NO_x SIP Call, *Michigan v. EPA*, No. 98-1497, 2000 WL 180650 (D.C. Cir. March 3, 2000), the years defining the control periods may change. Should this occur, the dates set forth under each year will be considered to adjust correspondingly.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.768 New Source Set-Asides for “New” Budget EGUs

- a) “New” budget EGUs
- 1) A “new” budget EGU is one that commenced commercial operation on or after January 1, 1995, and does not receive allowances pursuant to Section 217.764 of this Part.
- 2) “New” budget EGUs must have an allowance for every ton of NO_x emitted during the control period as provided in Section 217.756(d) of this Part.
- 3) A “new” budget EGU may request from the Agency a number of allowances that is not more than the number of allowances for which it is eligible, as determined in subsection (e) of this Section.
- b) The Agency shall apportion allowances from the new source set-aside as follows:

- 1) For 2004, 2005, and 2006, to budget EGUs that commenced commercial operation on or after January 1, 1995; and
 - 2) For 2007 and thereafter, to budget EGUs that have not operated the full control period four years prior to the control period for which the allocation is being made.
- c) The Agency will establish a new source set-aside for each control period. Each new source set-aside will be allocated allowances equal to:
- 1) 5% of the EGU trading budget in 2004, 2005, and 2006, which is 1,535 allowances, subject to adjustment to reflect additions or deletions to the EGU trading budget;
 - 2) 2% of the EGU of the trading budget in 2007 and thereafter, which is 614 allowances, subject to adjustment to reflect additions or deletions to the EGU trading budget.
 - 3) As of April 30 of the applicable year, beginning in 2009 and thereafter, if the number of allowances in the new source set-aside is greater than or equal to 3% of the total number of tons of NO_x emissions in the trading budget apportioned to budget EGUs, which is 921 allowances, subject to adjustment to reflect additions or deletions to the EGU trading budget, pursuant to subsections (i) and (j) of this Section, the number of allowances above 3% will be allocated to budget EGUs receiving allowances pursuant to Section 217.764 of this Part. These allowances shall be allocated on a pro-rata basis.
- d) The account representative of a “new” budget EGU under subsection (a) of this Section may obtain 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 budget EGU and before March 1 of the control period for which the allocation is requested.
- e) In an allocation request under subsection (d) of this Section, the account representative may request allowances for a control period in a number that does not exceed the projected heat input in mmbtu during the applicable control period multiplied by the more stringent of 0.15 lb/mmbtu or the permitted emission rate, but no more stringent than 0.055 lb/mmbtu. The projected heat input shall be determined as set forth below, divided by 2000 lbs/ton:
- 1) For “new” budget EGUs that have heat input from at least three control periods prior to the allocation year, the average of the budget EGU’s two highest seasonal heat inputs from the control periods one to three years prior to the allocation year;

- 2) For “new” budget EGUs that have heat input from only two control periods prior to the allocation year, the average of the budget EGU’s seasonal heat inputs from the control periods one and two years prior to the allocation year;
 - 3) For “new” budget EGUs 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 EGUs that have commenced commercial operation but have not operated for at least 77 days of the control period prior to the allocation year, the budget EGU’s maximum design heat input for the control period as designated in the construction permit.
- f) Beginning in 2007, the Agency will review and allocate allowances pursuant to each allocation request, contingent upon receiving payment pursuant to subsection (k) of this Section, by April 15 of the applicable year, as follows:
- 1) Upon receipt of the allocation request, the Agency will determine whether the request is consistent with the requirements of subsections (d) and (e) of this Section and will make any necessary adjustments to the request to ensure that the control period and the number of allowances requested are consistent with those requirements of subsections (d) and (e) of this Section.
 - 2) If the new source set-aside for the control period for which allowances are requested has a number of allowances greater than or equal to the total number requested by all “new” budget EGUs, the Agency will allocate the number of allowances requested to the “new” budget EGUs.
 - 3) If the new source set-aside for the control period for which allowances are requested has a number of allowances less than the total number of allowances requested by all “new” budget EGUs, the Agency will allocate the available allowances to the “new” budget EGUs on a pro-rata basis, based on the number of allowances requested.
- g) For “new” budget EGUs that commenced commercial operation on or after January 1, 1995, but prior to January 1, 2004, the Agency will notify the account representative of the number of allowances that have been allocated to the “new” budget EGU by March 30 of the applicable year. There will be no charge for allowances received under this subsection.
- h) For “new” budget EGUs that commenced commercial operation on or after January 1, 2004, the Agency will notify by March 30 of the applicable year the account representative of the number of allowances that are eligible for purchase for the “new” budget EGU pursuant to the requirements of subsection (k) of this Section. If the Agency does not receive payment by April 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 EGUs that received allocations pursuant to subsection (f)(2) of this Section, up to the number of allowances requested by each account representative. Such additional allocations are subject to the purchase requirements of subsection (k) of this Section, to the extent applicable.

- i) For “new” budget EGUs that have commenced commercial operation but have operated for 76 or fewer days of the control period in 2003, USEPA will deduct allowances to account for the actual utilization of the EGU during the 2004 control period consistent with the provisions of 40 CFR 96.42(e). Any allowances allocated by the Agency for such “new” budget EGUs that are not used for compliance during the 2004 control period shall be returned to the Agency’s new source set-aside account.
- j) For the years 2004, 2005, and 2006, any allowances that are not allocated pursuant to subsections (g), (h) and (i) of this Section will be allocated on a pro-rata basis to the budget EGUs listed in Appendix F of this Part. There will be no charge for allowances received under this subsection.
- k) Fees for new source set-aside allowances:
 - 1) “New” budget EGUs that commence commercial operation on or after January 1, 2004, that obtain allowances allocated from the new source set-aside shall pay for such allocations pursuant to Section 9.9 of the Act.
 - 2) The price of allowances from the new source set-aside shall be:
 - A) The average price at which NO_x allowances are traded in the interstate NO_x Trading Program for the preceding control period; and
 - B) For 2004 only, the price shall be the average price at which NO_x allowances were traded in 2003 in the Ozone Transport Region.
 - 3) The fees collected by the Agency from the sale of allowances will be distributed pro-rata to budget EGUs receiving allowances pursuant to Section 217.764 of this Part on the basis of allocated allowances subject to Agency administrative costs assessed pursuant to Section 9.9 of the Act.
- l) A “new” budget EGU will become an existing budget EGU and will receive allowances pursuant to the requirements of Section 217.764 of this Part, as follows:
 - 1) For a budget EGU that commences commercial operation between and including January 1, 1995, and April 30, 2003, the budget EGU will be allocated allowances in 2004 for the 2007 control period and will become

an existing budget EGU on May 1, 2007.

- 2) For a budget EGU that commences commercial operation after April 30, 2003, the budget EGU will become an existing budget EGU in the control period for which it receives an allocation pursuant to Section 217.764 of this Part. It will be considered a “new” budget EGU and will receive its allowances from the new source set-aside in the intervening years from start-up until it receives allocations pursuant to Section 217.764 of this Part.

BOARD NOTE: Because of litigation involving the NO_x SIP Call, Michigan v. EPA, No. 98-1497 2000 WL 180650 (D.C. Cir. March 3, 2000), the years defining the control periods may change. Should this occur, other dates in this Section will be considered to adjust as necessary.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.770 Early Reduction Credits for Budget EGUs

If a budget EGU reduces its NO_x emission rate as required by the applicable provisions of subsection (c) of this Section in the 2001, 2002, or 2003 control period, for use in the 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 EGU in accordance with the following:

- a) Each budget EGU for which the account representative requests any ERCs under subsection (d) of this Section shall 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 EGU must have implemented the applicable monitoring for the 2000 control period. The unit’s monitoring system availability shall be not less than 90% during the control period prior to the control period in which the NO_x emissions reduction is made and the unit must be in compliance with any applicable State or federal emissions or emissions-related requirements.
- 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 EGU 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, as follows:
 - 1) For budget EGUs subject to the requirements of Title IV of the CAA and not included in a NO_x averaging plan pursuant to 40 CFR 72 and 76, as incorporated by reference in Section 217.104 of this Part, at least 30% less than the NO_x emission rate specified in the applicable Title IV permit or other applicable federally enforceable permit.

- 2) For budget EGUs subject to the requirements of Title IV of the CAA and included in a NO_x averaging plan pursuant to 40 CFR 72 and 76, at least 30% less than the annual emission rate required in the NO_x averaging plan in the applicable Title IV permit or other applicable federally enforceable permit.
 - 3) For budget EGUs not subject to the requirements of Title IV of the CAA, at least 30% less than the actual NO_x emissions rate (lbs/mmbtu) for the 2000 control period.
- d) The account representative of a budget EGU that meets the requirements of subsections (a) through (c) of this Section may submit to the Agency a request for ERCs for a EGU based on NO_x emission rate reductions made by the EGU in control periods 2001, 2002, and 2003, in accordance with subsection (c) of this Section.
- 1) The number of ERCs for any applicable control period shall be an amount equal to the unit's heat input for such control period multiplied by the difference between the EGU's NO_x emission rate (meeting the requirements of subsection (c) of this Section for the applicable control period) and the EGU's actual NO_x emission rate for the applicable control period, divided by 2000 lbs/ton, and rounded to the nearest ton.
 - 2) Upon request of the account representative, the ERC allowance allocation for a particular EGU may be deposited in the source's general account rather than in the unit's compliance account.
 - 3) The early reduction request must be submitted in a format specified by the Agency by:
 - A) November 1, 2001, for reductions made in the 2001 control period;
 - B) November 1, 2002, for reductions made in the 2002 control period; and
 - C) November 1, 2003, for reductions made in the 2003 control period.
- e) In the event that the date for implementing the NO_x SIP Call, May 31, 2004, 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).
- f) The Agency will allocate ERCs to the budget EGUs 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) Upon receipt of each ERC request, the Agency will accept the request

- only if the requirements of subsections (a) through (d) of this Section are met and will make any necessary adjustment to the request to ensure that the amount of the ERCs requested meets the requirements of subsections (b) through (d) of this Section;
- 2) The Agency shall allocate at least 15,261 ERCs over three years, as follows:
 - A) If USEPA has approved this Subpart as a SIP revision, not more than one-half of the total ERC allowances for reductions made in the control period in 2001;
 - B) Not more than one-half of the total ERC allowances for reductions made in the control period in 2002; and
 - C) Any ERC allowances not allocated pursuant to subsection (f)(2)(A) or (B) of this Section, for reductions made in the control period in 2003.
 - 3) If the number of ERC allowances requested for a reduction achieved in the control period in 2003 is less than or equal to the number of ERC allowances designated for that control period in subsection (f)(2)(A) of this Section, the Agency will allocate to each budget EGU one allowance for each accepted ERC request;
 - 4) If the number of ERC allowances requested for a reduction achieved in the control period in 2003 is greater than the number of ERC allowances designated for that control period in subsection (f)(2)(A) of this Section, the Agency will allocate to each budget EGU allowances for accepted requests on a pro-rata basis.
- g) 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 EGU for that control period as follows:
- 1) By March 1, 2002, for ERCs requested for and earned in the 2001 control period;
 - 2) By March 1, 2003, for ERCs requested for and earned in the 2002 control period; and
 - 3) By March 1, 2004, for ERCs requested for and earned in the 2003 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 for compliance under 40 CFR 96.54, as incorporated by reference in Section 217.104 of this Part, for the control period in 2004 or such additional 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.
- j) 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. 128, effective December 26, 2000)

Section 217.774 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 a budget opt-in unit if it:
 - 1) Is not a budget EGU under Section 217.754 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;
 - 5) Is not covered by the low-emitter exemption under Section 217.754(c) of this Part; and
 - 6) Is not located at a source listed in Appendix D of this Part.
- b) Except as otherwise provided in this Part, a budget opt-in unit shall be treated as a budget EGU 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 EGUs, it shall have the same account representative as those budget EGUs.
 - 2) If the opt-in unit is not located at the same source as one or more budget EGUs, 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 217.778(f) of this Part, submit to the Agency:

- 1) A budget permit application for the unit that:
 - A) Meets the requirements under Section 217.758 of this Part; and
 - B) Contains provisions for a change in the regulatory status of the unit to a budget opt-in unit under Section 217.754 of this Part pursuant to the provisions of Section 217.780(b) of this Part.
- 2) A monitoring plan for the unit in accordance with 40 CFR 96, subpart H.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.776 Opt-In Process

The owner or operator of a unit meeting the qualifications of Section 217.774(a) of this Part may submit an application for a budget permit for a budget opt-in unit under Section 217.774(d) of this Part. The Agency will issue or deny a budget permit for such opt-in unit in accordance with Section 217.758 of this Part 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 mmbtu) 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. 128, effective December 26, 2000)

Section 217.778 Budget Opt-In Units: Withdrawal from NO_x Trading Program

- a) Requesting withdrawal. To withdraw from the NO_x Trading Program, the

account representative of a budget opt-in 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.
- 1) Before a budget opt-in 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:
 - A) 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.
 - B) If the budget opt-in unit has excess emissions for the control period immediately before the withdrawal is to be effective, USEPA has deducted from the budget opt-in unit's compliance account, or the overdraft account of the NO_x budget source where the budget opt-in unit is located, the number of allowances required in accordance with 40 CFR 96.54(d) for the control period.
 - 2) After the requirements for withdrawal under subsection (b)(1) 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 budget opt-in unit is located, allowances equal in number to any allowances allocated to that unit under Section 217.782 of this Part for the same or earlier control period for which the withdrawal is to be effective. USEPA will close the budget opt-in 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 budget opt-in unit shall become the account representative for the general account.
- c) A budget opt-in unit that withdraws from the NO_x Trading Program shall comply with all requirements under the NO_x Trading Program concerning all years for which such budget opt-in unit was a budget opt-in 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 or 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 budget opt-in unit that the opt-in unit's request to withdraw its budget permit is denied. If the budget opt-in unit's request to withdraw is denied, the budget opt-in unit shall remain subject to the requirements for a budget opt-in unit.
- e) Reapplication upon failure to meet conditions of withdrawal. If the Agency denies the budget opt-in unit's request to withdraw, the account representative of the budget opt-in unit may submit another request to withdraw in accordance with subsections (a) and (b) of this Section.
- f) 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 217.774(d) of this Part for the unit prior to the date that is four years after the date on which the budget permit with opt-in conditions is withdrawn.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.780 Opt-In Units: Change in Regulatory Status

- a) Notification. When an opt-in unit becomes a budget opt-in unit under Section 217.754(d) of this Part, 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 after such change.
- b) Any permit application that provides for a change in the regulatory status of a unit to a budget opt-in unit pursuant to Section 217.774(d)(1)(B) of this Part and is included in a budget permit is effective on the date on which such opt-in unit becomes a budget opt-in unit under Section 217.754 of this Part.
- c) USEPA action.
 - 1) USEPA will deduct from the compliance account for the budget opt-in unit under this Section, or the overdraft account of the budget source where the budget opt-in 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 217.782 of this Part 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 budget opt-in unit (as an opt-in unit) under Section 217.782 of this Part 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 budget opt-in unit under subsection (b) of this Section, or the overdraft account of the budget source where the budget opt-in 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 budget opt-in unit under subsection (b) of this Section will be treated, solely for purposes of allowance allocations under Section 217.764 or 217.768 of this Part, 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 217.764 or 217.768 of this Part.
 - 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 budget opt-in unit under subsection (b) of this Section or under Section 217.764 or 217.768 of this Part for the control period: the number of allowances otherwise allocated to the budget opt-in unit under Section 217.764 or 217.768 of this Part 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 budget opt-in unit issued pursuant to Section 217.774(d), USEPA will deduct from the budget opt-in unit's compliance account, or the overdraft account of the budget source where the budget opt-in unit is located, allowances equal in number to and allocated for the same or a prior control period as any allowances allocated to the budget opt-in unit under Section 217.782 of this Part for any control period after the last control period for which the budget permit is effective. The account representative shall ensure that the budget opt-in unit's compliance account or the overdraft account of the budget source where the budget opt-in 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. 128, effective December 26, 2000)

Section 217.782 Allowance Allocations to Budget Opt-In 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 allocate allowances to the budget opt-in unit and submit to USEPA the allocation for the control period in accordance with subsection (b) of this Section.
 - 2) By no later than the 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 budget opt-in unit and submit to USEPA allocations for the next control period, in accordance with subsection (b) of this Section.
- b) For each control period for which the budget opt-in unit has a budget permit, the budget opt-in 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 217.776(c) of this Part; or
 - B) The opt-in unit's heat input, for the control period in the year prior to the year of the 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 budget opt-in 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 NO_x emission rate (in lbs/mmbtu) determined pursuant to Section 217.776(c) of this Part; or

- B) The lowest NO_x 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 during the control period, regardless of the averaging period to which the emissions limitation applies.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)

Section 217.APPENDIX C Compliance Dates

Every owner or operator of a new emission source was required to comply with the standards and limitations of this Part by April 14, 1972.

Except as otherwise provided in the next paragraph, every owner or operator of an existing emission source was required to comply with the standards and limitations of this Part by December 31, 1973.

Every owner or operator of an existing coal fired fuel combustion emission source was required to comply with the applicable standards and limitations of this Part by May 30, 1975.

Section 217.APPENDIX G: Existing Reciprocating Internal Combustion Engines Affected by the NO_x SIP Call

Plant ID	Point ID	Segment
ANR Pipeline Co. – Sandwich		
093802AAF	E-108	1
Natural Gas Pipeline Co. of America 8310		
027807AAC	730103540041	1
Natural Gas Pipeline Co. of America Sta 110		
073816AAA	851000140011	1
073816AAA	851000140012	2
073816AAA	851000140013	3
073816AAA	851000140014	4
073816AAA	851000140041	1
073816AAA	851000140051	1
Northern Illinois Gas Co. - Stor Sta 359		
113817AAA	730105440021	1
113817AAA	730105440031	1
113821AAA	730105430021	1
113821AAA	730105430051	1

Panhandle Eastern Pipe Line Co.-Glenarm		
167801AAA	87090038002	1
167801AAA	87090038004	1
167801AAA	87090038005	1
Panhandle Eastern Pipeline - Tuscola St		
041804AAC	73010573009	9
041804AAC	73010573010	10
041804AAC	73010573011	11
041804AAC	73010573012	12
041804AAC	73010573013	13
Panhandle Eastern Pipeline Co.		
149820AAB	7301057199G	3
149820AAB	7301057199I	1
149820AAB	7301057199J	1
149820AAB	7301057199K	1
Panhandle Eastern Pipeline Co.-Glenarm		
167801AAA	87090038001	1
Phoenix Chemical Co.		
085809AAA	730700330101	1
085809AAA	730700330102	2
085809AAA	730700330103	3

(Source: Added at 31 Ill. Reg. 14254, effective September 25, 2007)