### § 96.31

# § 96.31 Permitting authority's and Administrator's action on compliance certifications.

(a) The permitting authority or the Administrator may review and conduct independent audits concerning any compliance certification or any other submission under the  $NO_X$  Budget Trading Program and make appropriate adjustments of the information in the compliance certifications or other submissions.

(b) The Administrator may deduct  $NO_X$  allowances from or transfer  $NO_X$  allowances to a unit's compliance account or a source's overdraft account based on the information in the compliance certifications or other submissions, as adjusted under paragraph (a) of this section.

## Subpart E—NO<sub>X</sub> Allowance Allocations

### §96.40 State trading program budget.

The State trading program budget allocated by the permitting authority under  $\S96.42$  for a control period will equal the total number of tons of  $NO_X$  emissions apportioned to the  $NO_X$  Budget units under  $\S96.4$  in the State for the control period, as determined by the applicable, approved State implementation plan.

# $\S\,96.41$ Timing requirements for $NO_{\rm X}$ allowance allocations.

(a) By September 30, 1999, the permitting authority will submit to the Administrator the  $NO_X$  allowance allocations, in accordance with  $\S 96.42$ , for the control periods in 2003, 2004, and 2005.

(b) By April 1, 2003 and April 1 of each year thereafter, the permitting authority will submit to the Administrator the NO<sub>X</sub> allowance allocations, in accordance with §96.42, for the control period in the year that is three years after the year of the applicable deadline for submission under this paragraph (b). If the permitting authority fails to submit to the Administrator the NO<sub>X</sub> allowance allocations in accordance with this paragraph (b), the Administrator will allocate, for the applicable control period, the same number of NOx allowances as were allocated for the preceding control period.

(c) By April 1, 2004 and April 1 of each year thereafter, the permitting authority will submit to the Administrator the  $\mathrm{NO}_{\mathrm{X}}$  allowance allocations, in accordance with §96.42, for any  $\mathrm{NO}_{\mathrm{X}}$  allowances remaining in the allocation set-aside for the prior control period.

#### § 96.42 NO<sub>X</sub> allowance allocations.

(a)(1) The heat input (in mmBtu) used for calculating  $NO_X$  allowance allocations for each  $NO_X$  Budget unit under  $\S\,96.4$  will be:

(i) For a  $NO_X$  allowance allocation under  $\S96.41(a)$ , the average of the two highest amounts of the unit's heat input for the control periods in 1995, and 1997 if the unit is under  $\S96.4(a)(1)$  or the control period in 1995 if the unit is under  $\S96.4(a)(2)$ ; and

(ii) For a  $NO_X$  allowance allocation under §96.41(b), the unit's heat input for the control period in the year that is four years before the year for which the  $NO_X$  allocation is being calculated.

(2) The unit's total heat input for the control period in each year specified under paragraph (a)(1) of this section will be determined in accordance with part 75 of this chapter if the  $\mathrm{NO}_{\mathrm{X}}$  Budget unit was otherwise subject to the requirements of part 75 of this chapter for the year, or will be based on the best available data reported to the permitting authority for the unit if the unit was not otherwise subject to the requirements of part 75 of this chapter for the year.

(b) For each control period under  $\S96.41$ , the permitting authority will allocate to all NO<sub>X</sub> Budget units under  $\S96.4(a)(1)$  in the State that commenced operation before May 1 of the period used to calculate heat input under paragraph (a)(1) of this section, a total number of NO<sub>X</sub> allowances equal to 95 percent in 2003, 2004, and 2005, or 98 percent thereafter, of the tons of NO<sub>X</sub> emissions in the State trading program budget apportioned to electric generating units under  $\S96.40$  in accordance with the following procedures:

(1) The permitting authority will allocate  $NO_X$  allowances to each  $NO_X$  Budget unit under  $\S96.4(a)(1)$  in an amount equaling 0.15 lb/mmBtu multiplied by the heat input determined under paragraph (a) of this section,