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40 CFR Ch. I (7-1-07 Edition)

§ 1051.715 How do I trade emission credits?

(a) Trading is the exchange of emission credits between manufacturers. You may use traded emission credits for averaging, banking, or further trading transactions. Traded emission credits may be used only within the averaging set in which they were generated.

(b) You may trade banked credits to any certifying manufacturer.

(c) You may trade actual emission credits as described in this subpart. You may also trade reserved emission credits, but we may revoke these emission credits based on our review of your records or reports or those of the company with which you traded emission credits.

(d) If a negative emission credit balance results from a transaction, both the buyer and seller are liable, except

in cases we deem to involve fraud. See § 1051.255(e) for cases involving fraud. We may void the certificates of all engine families participating in a trade that results in a manufacturer having a negative balance of emission credits. See § 1051.745.

[70 FR 40505, July 13, 2005]

§ 1051.720 How do I calculate my average emission level or emission credits?

(a) Calculate your average emission level for each type of recreational vehicle or engine for each model year according to the following equation and round it to the nearest tenth of a g/km or g/kW-hr. Use consistent units throughout the calculation.

(1) For exhaust emissions:

(i) Calculate the average emission level as:

$$\text{Emission level} = \left[\sum_i (\text{FEL})_i \times (\text{UL})_i \times (\text{Production})_i \right] / \left[\sum_i (\text{Production})_i \times (\text{UL})_i \right]$$

Where:

FEL_i = The FEL to which the engine family is certified.

UL_i = The useful life of the engine family.

Production_i = The number of vehicles in the engine family.

(ii) Use U.S.-directed production projections for initial certification, and actual U.S.-directed production volumes to determine compliance at the end of the model year.

(2) For vehicles that have standards expressed as g/kW-hr and a useful life in kilometers, convert the useful life to kW-hr based on the maximum power

output observed over the emission test and an assumed vehicle speed of 30 km/hr as follows: UL (kW-hr) = UL (km) × Maximum Test Power (kW) ÷ 30 km/hr. (Note: It is not necessary to include a load factor, since credit exchange is not allowed between vehicles certified to g/kW-hr standards and vehicles certified to g/km standards.)

(3) For evaporative emission standards expressed as g/m²/day, use the useful life value in years multiplied by 365.24 and calculate the average emission level as:

$$\text{Emission level} = \left[\sum_i (\text{FEL})_i \times (\text{UL})_i \times (\text{Production})_i \right] / \left[\sum_i (\text{Production})_i \times (\text{UL})_i \right]$$

Where:

FEL_i = The FEL to which the engine family is certified, as described in paragraph (a)(4) of this section.

Production_i = The number of vehicles in the engine family times the average internal surface area of the vehicles' fuel tanks.

(4) Determine the FEL for calculating credits under paragraph (a)(3) of

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this section using any of the following values:

- (i) The FEL to which the tank is certified, as long as the FEL is at or below 3.0 g/m²/day.
- (ii) 10.4 g/m²/day. However, if you use this value to establish the FEL for any of your tanks, you must use this value to establish the FEL for every tank not covered by paragraph (a)(4)(i) of this section.
- (iii) The measured permeation rate of the tank or the measured permeation

rate of a thinner-walled tank of the same material. However, if you use this approach to establish the FEL for any of your tanks, you must establish an FEL based on emission measurements for every tank not covered by paragraph (a)(4)(i) of this section.

(b) If your average emission level is below the average standard, calculate credits available for banking according to the following equation and round them to the nearest tenth of a gram:

$$\text{Credit} = [(\text{Average standard} - \text{Emission level})] \times \left[\sum_i (\text{Production})_i \times (\text{UL})_i \right]$$

(c) If your average emission level is above the average standard, calculate your preliminary credit deficit accord-

ing to the following equation, rounding to the nearest tenth of a gram:

$$\text{Deficit} = [(\text{Emission level} - \text{Average standard})] \times \left[\sum_i (\text{Production})_i \times (\text{UL})_i \right]$$

[67 FR 68347, Nov. 8, 2002, as amended at 70 FR 40505, July 13, 2005]

§ 1051.725 What must I include in my applications for certification?

(a) You must declare in your applications for certification your intent to use the provisions of this subpart. You must also declare the FELs you select for each engine family. Your FELs must comply with the specifications of subpart B of this part, including the FEL caps. FELs must be expressed to the same number of decimal places as the applicable standards.

(b) Include the following in your application for certification:

(1) A statement that, to the best of your belief, you will not have a negative balance of emission credits for any averaging set when all emission credits are calculated at the end of the year. This means that if you believe that your average emission level will be above the standard (*i.e.*, that you will have a deficit for the model year), you must have banked credits (or project to

have received traded credits) to offset the deficit.

(2) Detailed calculations of projected emission credits (positive or negative) based on projected production volumes. If you will generate positive emission credits, state specifically where the emission credits will be applied (for example, whether they will be traded or reserved for banking). If you have projected negative emission credits, state the source of positive emission credits to offset the negative emission credits. Describe whether the emission credits are actual or reserved and whether they will come from banking, trading, or a combination of these. If you intend to rely on trading, identify from which manufacturer the emission credits will come.

[70 FR 40506, July 13, 2005]

§ 1051.730 What ABT reports must I send to EPA?

(a) If any of your engine families are certified using the ABT provisions of