

**§ 74.48**

**40 CFR Ch. I (7-1-03 Edition)**

an opt-in utilization report for the calendar year as part of its annual compliance certification report under § 74.44(c)(1).

(ii) The designated representative of an opt-in source must submit a thermal energy compliance report for the calendar year as part of the annual compliance certification report, which must include the following elements in a format prescribed by the Administrator:

(A) The name, authorized account representative identification number, and telephone number of the designated representative of the opt-in source;

(B) The name, authorized account representative identification number, and telephone number of the designated representative of each replacement unit;

(C) The opt-in source's account identification number in the Allowance Tracking System (ATS);

(D) The account identification number in the Allowance Tracking System (ATS) for each replacement unit;

(E) The actual amount of total thermal energy reduced at the opt-in source during the calendar year, including all energy flows (steam, gas, or hot water) used for any process or in any heating or cooling application;

(F) The actual amount of thermal energy at each replacement unit, including all energy flows (steam, gas, or hot water) used for any process or in any heating or cooling application, replacing the thermal energy at the opt-in source;

(G) The actual amount of total thermal energy at each replacement unit after replacing thermal energy at the opt-in source, including all energy flows (steam, gas, or hot water) used for any process or in any heating or cooling application;

(H) Actual total fuel input at each replacement unit as determined in accordance with part 75 of this chapter;

(I) Calculations of allowance adjustments to be performed by the Administrator in accordance with paragraph (d)(2) of this section.

(2) *Allowance adjustments by Administrator.* (i) The Administrator will adjust the number of allowances in the Allowance Tracking System accounts

for the opt-in source and for each replacement unit to reflect any changes between the estimated values submitted in the thermal energy plan pursuant to paragraph (a) of this section and the actual values submitted in the thermal energy compliance report pursuant to paragraph (d) of this section. The values to be considered for this adjustment include:

(A) The number of allowances transferable by the opt-in source to each replacement unit, calculated in paragraph (b) of this section using the actual, rather than estimated, thermal energy at the replacement unit replacing thermal energy at the opt-in source.

(B) The number of allowances deducted from the Allowance Tracking System account of the opt-in source, calculated under § 74.44(b)(2).

(ii) If the opt-in source includes in the opt-in utilization report under § 74.44 estimates for reductions in heat input, then the Administrator will adjust the number of allowances in the Allowance Tracking System accounts for the opt-in source and for each replacement unit to reflect any differences between the estimated values submitted in the opt-in utilization report and the actual values submitted in the confirmation report pursuant to § 74.44(c)(2).

(3) *Liability.* The owners and operators of an opt-in source or a replacement unit governed by an approved thermal energy plan shall be liable for any violation of the plan or this section at that opt-in source or replacement unit that is governed by the thermal energy plan, including liability for fulfilling the obligations specified in part 77 of this chapter and section 411 of the Act.

[60 FR 17115, Apr. 4, 1995, as amended at 63 FR 18841, 18842, Apr. 16, 1998]

**§ 74.48 Transfer of allowances from the replacement of thermal energy—process sources. [Reserved]**

**§ 74.49 Calculation for deducting allowances.**

(a) *Allowance deduction formula.* The following formula shall be used to determine the total number of allowances to be deducted for the calendar year

## Environmental Protection Agency

## § 74.50

from the allowances held in an opt-in source's compliance subaccount as of the allowance transfer deadline applicable to that year:

Total allowances deducted = Tons emitted + Allowances deducted for reduced utilization where:

(1)(i) Except as provided in paragraph (a)(1)(ii) of this section, "Tons emitted" shall be the total tons of sulfur dioxide emitted by the opt-in source during the calendar year, as reported in accordance with subpart F of this part for combustion sources or subpart G of this part for process sources.

(ii) If the effective date of the opt-in source's permit took effect on a date other than January 1, "Tons emitted" for the first calendar year shall be the total tons of sulfur dioxide emitted by the opt-in source during the calendar quarters for which the opt-in source's opt-in permit is effective, as reported in accordance with subpart F of this part for combustion sources or subpart G of this part for process sources.

(2) "Allowances deducted for reduced utilization" shall be the total number of allowances deducted for reduced utilization as calculated in accordance with § 74.44 for combustion sources or § 74.45 for process sources.

(b) [Reserved]

### § 74.50 Deducting opt-in source allowances from ATS accounts.

(a)(1) *Deduction of allowances.* The Administrator may deduct any allowances that were allocated to an opt-in source under § 74.40 by removing, from any Allowance Tracking System accounts in which they are held, the allowances in an amount specified in paragraph (d) of this section, under the following circumstances:

(i) When the opt-in source has permanently shut down; or

(ii) When the opt-in source has been reconstructed; or

(iii) When the opt-in source becomes an affected unit under § 72.6 of this chapter; or

(iv) When the opt-in source fails to renew its opt-in permit.

(2) An opt-in allowance may not be deducted under paragraph (a)(1) of this section from any Allowance Tracking System Account other than the ac-

count of the opt-in source allocated such allowance:

(i) After the Administrator has completed the process of recordation as set forth in § 73.34(a) of this chapter following the deduction of allowances from the opt-in source's compliance subaccount for the year for which such allowance may first be used; or

(ii) If the opt-in source includes in the annual compliance certification report estimates of any reduction in heat input resulting from improved efficiency under § 74.44(a)(1)(i), after the Administrator has completed action on the confirmation report concerning such estimated reduction pursuant to § 74.44(c)(2)(iii)(E)(3), (4), and (5) for the year for which such allowance may first be used.

(b) *Method of deduction.* The Administrator will deduct allowances beginning with those allowances with the latest recorded date of transfer out of the opt-in source's unit account.

(c) *Notification of deduction.* When allowances are deducted, the Administrator will send a written notification to the authorized account representative of each Allowance Tracking System account from which allowances were deducted. The notification will state:

(1) The serial numbers of all allowances deducted from the account,

(2) The reason for deducting the allowances, and

(3) The date of deduction of the allowances.

(d) *Amount of deduction.* The Administrator may deduct allowances in accordance with paragraph (a) of this section in an amount required to offset any excess emissions in accordance with part 77 of this chapter and when an opt-in source does not hold allowances equal in number to and with the same or earlier compliance use date for the calendar years specified under § 74.46(b)(1) (i) through (iv) in an amount required to be deducted under § 74.46(b)(1) (i) through (iv).

[60 FR 17115, Apr. 4, 1995, as amended at 63 FR 18842, Apr. 16, 1998]