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for each unit multiplied by the number of tons of NO_x emissions, as determined in accordance with subpart H of this part, from the common stack for the control period for which compliance is being determined. In addition to the deductions under the first sentence of this paragraph (e)(1), the Administrator will deduct NO_x allowances for each such unit until the number of NO_x allowances deducted equals the number of NO_x allowances required to account for actual heat input under § 97.42(e) for the unit for the control period.

(f) *Deduction of banked allowances.* Each year starting in 2006, after the Administrator has completed the designation of banked NO_x allowances under § 97.55(b) and before May 1 of the year, the Administrator will determine the extent to which banked NO_x allowances otherwise available under paragraph (a) of this section are available for compliance in the control period for the current year, as follows:

(1) The Administrator will determine the total number of banked NO_x allowances held in compliance accounts, overdraft accounts, or general accounts.

(2) If the total number of banked NO_x allowances determined, under paragraph (f)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts is less than or equal to 10 percent of the sum of the trading program budgets under § 97.40 for all States for the control period, any banked NO_x allowance may be deducted for compliance in accordance with paragraphs (a) through (e) of this section.

(3) If the total number of banked NO_x allowances determined, under paragraph (f)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts exceeds 10 percent of the sum of the trading program budgets under § 97.40 for all States for the control period, any banked allowance may be deducted for compliance in accordance with paragraphs (a) through (e) of this section, except as follows:

(i) The Administrator will determine the following ratio: 0.10 multiplied by the sum of the trading program budgets under § 97.40 for all States for the

control period and divided by the total number of banked NO_x allowances determined, under paragraph (f)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts.

(ii) The Administrator will multiply the number of banked NO_x allowances in each compliance account or overdraft account by the ratio determined under paragraph (f)(3)(i) of this section. The resulting product is the number of banked NO_x allowances in the account that may be deducted for compliance in accordance with paragraphs (a) through (e) of this section. Any banked NO_x allowances in excess of the resulting product may be deducted for compliance in accordance with paragraphs (a) through (e) of this section, except that, if such NO_x allowances are used to make a deduction under paragraph (b) or (e) of this section, two (rather than one) such NO_x allowances shall authorize up to one ton of NO_x emissions during the control period and must be deducted for each deduction of one NO_x allowance required under paragraph (b) or (e) of this section.

(g) *Recordation of deductions.* The Administrator will record in the appropriate compliance account or overdraft account all deductions from such an account pursuant to paragraph (b), (d), (e), or (f) of this section.

[65 FR 2727, Jan. 18, 2000, as amended at 67 FR 21530, Apr. 30, 2002]

§ 97.55 Banking.

NO_x allowances may be banked for future use or transfer in a compliance account, an overdraft account, or a general account, as follows:

(a) Any NO_x allowance that is held in a compliance account, an overdraft account, or a general account will remain in such account unless and until the NO_x allowance is deducted or transferred under § 97.31, § 97.54, § 97.56, or subpart G or I of this part.

(b) The Administrator will designate, as a "banked" NO_x allowance, any NO_x allowance that remains in a compliance account, an overdraft account, or a general account after the Administrator has made all deductions for a

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given control period from the compliance account or overdraft account pursuant to §97.54 (except deductions pursuant to §97.54(d)(2)) and that was allocated for that control period or a control period in a prior year.

§97.56 Account error.

The Administrator may, at his or her sole discretion and on his or her own motion, correct any error in any NO_x Allowance Tracking System account. Within 10 business days of making such correction, the Administrator will notify the NO_x authorized account representative for the account.

§97.57 Closing of general accounts.

(a) The NO_x authorized account representative of a general account may instruct the Administrator to close the account by submitting a statement requesting deletion of the account from the NO_x Allowance Tracking System and by correctly submitting for recordation under §97.60 an allowance transfer of all NO_x allowances in the account to one or more other NO_x Allowance Tracking System accounts.

(b) If a general account shows no activity for a period of a year or more and does not contain any NO_x allowances, the Administrator may notify the NO_x authorized account representative for the account that the account will be closed and deleted from the NO_x Allowance Tracking System following 20 business days after the notice is sent. The account will be closed after the 20-day period unless before the end of the 20-day period the Administrator receives a correctly submitted transfer of NO_x allowances into the account under §97.60 or a statement submitted by the NO_x authorized account representative demonstrating to the satisfaction of the Administrator good cause as to why the account should not be closed.

Subpart G—NO_x Allowance Transfers

§97.60 Submission of NO_x allowance transfers.

The NO_x authorized account representatives seeking recordation of a NO_x allowance transfer shall submit the transfer to the Administrator. To

be considered correctly submitted, the NO_x allowance transfer shall include the following elements in a format specified by the Administrator:

(a) The numbers identifying both the transferor and transferee accounts;

(b) A specification by serial number of each NO_x allowance to be transferred; and

(c) The printed name and signature of the NO_x authorized account representative of the transferor account and the date signed.

§97.61 EPA recordation.

(a) Within 5 business days of receiving a NO_x allowance transfer, except as provided in paragraph (b) of this section, the Administrator will record a NO_x allowance transfer by moving each NO_x allowance from the transferor account to the transferee account as specified by the request, provided that:

(1) The transfer is correctly submitted under §97.60; and

(2) The transferor account includes each NO_x allowance identified by serial number in the transfer.

(b) A NO_x allowance transfer that is submitted for recordation following the NO_x allowance transfer deadline and that includes any NO_x allowances allocated for a control period in a prior year or the same year as the NO_x allowance transfer deadline will not be recorded until after the Administrator completes the recordation of NO_x allowance allocations under §97.53 for the control period in the same year as the NO_x allowance transfer deadline.

(c) Where a NO_x allowance transfer submitted for recordation fails to meet the requirements of paragraph (a) of this section, the Administrator will not record such transfer.

§97.62 Notification.

(a) *Notification of recordation.* Within 5 business days of recordation of a NO_x allowance transfer under §97.61, the Administrator will notify the NO_x authorized account representatives of both the transferor and transferee accounts.

(b) *Notification of non-recordation.* Within 10 business days of receipt of a NO_x allowance transfer that fails to meet the requirements of §97.61(a), the