

## Environmental Protection Agency

## § 73.53

signed by the authorized account representative and identifying each account into which any transfer of allowances, submitted on or after the date on which the Administrator receives such statement, is authorized. Such authorization shall be binding on any authorized account representative for such account and shall apply to all transfers into the account that are submitted on or after such date of receipt, unless and until the Administrator receives a statement in a format prescribed by the Administrator and signed by the authorized account representative retracting the authorization for the account.

(ii) The statement under paragraph (b)(2)(i) of this section shall include the following: "By this signature, I authorize any transfer of allowances into each Allowance Tracking System account listed herein, except that I do not waive any remedies under 40 CFR part 73, or any other remedies under State or federal law, to obtain correction of any erroneous transfers into such accounts. This authorization shall be binding on any authorized account representative for such account unless and until a statement signed by the authorized account representative retracting this authorization for the account is received by the Administrator."

(3) Transfers of allowances to or from compliance subaccounts submitted for recordation following the allowance transfer deadline will not be recorded until after completion of the process of recordation set forth in § 73.34(a).

[58 FR 3694, Jan. 11, 1993, as amended at 63 FR 68404, Dec. 11, 1998]

### § 73.51 Prohibition.

Except as provided in § 73.34(a), the Administrator will not record a transfer of allowances from a future year subaccount to a subaccount for an earlier year.

### § 73.52 EPA recordation.

(a) *General recordation.* Except as provided in § 73.50, § 73.51, and this paragraph (a), the Administrator will record an allowance transfer by no later than five business days following receipt of an allowance transfer request pursuant to § 73.50, by moving each allowance from the transferor ac-

count to the transferee account as specified by the request pursuant to § 73.50, provided that:

(1) The information submitted pursuant to § 73.50 is complete;

(2) The transferor account includes each allowance identified by serial number in the allowance transfer request submitted pursuant to § 73.50, except when a request for transfer of the unit's allowances in perpetuity is indicated correctly on the allowance transfer submission;

(3) If the allowances identified by serial number specified pursuant to § 73.50(b)(1)(ii) are subject to the limitation on transfer imposed pursuant to § 72.44(h)(1)(i) of this chapter, § 74.42 of this chapter, or § 74.47(c) of this chapter, the transfer is in accordance with such limitation; and

(4) The transfer meets all applicable requirements of this subpart.

(b) Where an allowance transfer submitted for recordation fails to meet the requirements of this subpart, the Administrator will not record such transfer.

[58 FR 3694, Jan. 11, 1993, as amended at 60 FR 17114, Apr. 4, 1995]

### § 73.53 Notification.

(a) *Notification of recordation.* The Administrator will notify each party to an allowance transfer within five business days following the recordation of the transfer. Notice will be given in writing or in a format to be specified by the Administrator, to the authorized account representatives of both the transferor and transferee accounts.

(b) *Notification of non-recordation.* By no later than five business days following receipt of an allowance transfer request by the Administrator, the Administrator will notify, in writing or in a format to be specified by the Administrator, the authorized account representatives of the accounts subject to the allowance transfer request submitted for recordation of:

(1) A decision not to record the transfer, and

(2) The reasons for such non-recordation.

(c) Nothing in this section shall preclude the submission of an allowance

transfer request for recordation following notification of non-recordation.

**Subpart E—Auctions, Direct Sales, and Independent Power Producers Written Guarantee**

SOURCE: 56 FR 65601, Dec. 17, 1991, unless otherwise noted.

**§ 73.70 Auctions.**

(a) *Allowances to be auctioned.* Every year the Administrator will auction allowances from the Auction Subaccount, established pursuant to subpart B of this part, according to the following schedule:

TABLE I—ALLOWANCE SCHEDULE FOR AUCTIONS

Year of purchase	Spot auction	Advance auction	Advance auction*
1993 .....	50,000 <sup>a</sup>	100,000 <sup>b</sup>	
1994 .....	50,000 <sup>a</sup>	100,000 <sup>b</sup>	25,000 <sup>c</sup>
1995 .....	50,000 <sup>a</sup>	100,000 <sup>b</sup>	25,000 <sup>c</sup>
1996 .....	150,000	100,000 <sup>b</sup>	25,000 <sup>c</sup>
1997 .....	150,000	125,000 <sup>b</sup>	25,000 <sup>c</sup>
1998 .....	150,000	125,000 <sup>b</sup>	
1999 .....	150,000	125,000 <sup>b</sup>	
2000 and after .....	125,000	125,000 <sup>b</sup>	

<sup>a</sup> Not usable until 1995.  
<sup>b</sup> Not usable until 7 years after purchase.  
<sup>c</sup> Not usable until 6 years after purchase.  
 \*These are unsold advance allowances from the direct sale program for 1993, 1994, 1995, and 1996 respectively.

In addition to the allowances listed above, the Administrator will auction allowances pursuant to paragraph (c) of this section and § 73.72(q) in the amounts and at the times provided for therein.

(b) *Timing of the auctions.* The spot auction and the advance auction will be held on the same day, selected each year by the Administrator, but no later than March 31 of each year. The Administrator will conduct one spot auction and one advance auction in each calendar year.

(c) *Submittal for other allowances for auction.* Authorized account representatives may offer allowances for sale at auction, provided that allowances are dated for the year in which they are offered or for any previous year or for seven years following the year in which they are offered. Such authorized account representatives may specify a minimum price for the allowances offered at the auctions. The authorized account representative must notify the

Administrator fifteen business days prior to the auctions, using the SO<sub>2</sub> Allowance Offer Form published by the Administrator, or by means of electronic communication if the Administrator, following public notice, so requires or permits at some future time. The notification shall include:

- (1) The compliance use date of the allowances offered;
- (2) The number of allowances to be sold and any other information identifying the allowances offered that may be required by subpart C of this part;
- (3) Any minimum price; and
- (4) Whether the authorized account representative is willing to sell fewer allowances than the number stated in paragraph (c)(2) of this section, if the full amount cannot be sold. After notification, the Administrator will deduct allowances from the appropriate Allowance Tracking System account from which allowances are being offered and place them in a separate subaccount for such allowances.

(d) *Conduct of the auctions.* (1) The Administrator will rank all bids in descending order of bid price starting with the highest. Allowances will be sold from the Auction Subaccount in this order at the amounts specified in the bids until there are no allowances in the subaccount. If all allowances are sold from the Auction Subaccount, including unsold allowances transferred from the preceding year's direct sale, and if bids still remain, the Administrator will sell allowances offered by the authorized account representatives, beginning with those offered at the lowest minimum price. Allowances offered at the lowest minimum price will be matched with the highest bid remaining after the Auction Subaccount is exhausted. Sales of offered allowances, including, but not limited to, allowances offered by more than one offeror at the same minimum bid price, will continue in ascending order of minimum price, starting with the lowest, and descending order of remaining bids, starting with the highest, until:

- (i) All allowances are sold,
- (ii) No bids remain, or
- (iii) Prices of remaining bids do not meet minimum prices required in remaining offers.