

**§ 74.26**

**§ 74.26 Allocation formula.**

(a) The Administrator will calculate the annual allowance allocation for a combustion source based on the data, corrected as necessary, under § 74.20 through § 74.25 as follows:

(1) For combustion sources for which the current promulgated SO<sub>2</sub> emissions limit under § 74.25 is greater than or equal to the current allowable SO<sub>2</sub> emissions rate under § 74.24, the number of allowances allocated for each year equals:

$$\text{Allowances} = \frac{\left[ \begin{array}{c} \text{baseline} \\ \text{or} \\ \text{alternative baseline} \end{array} \right] \times \text{the lesser of } \left[ \begin{array}{c} \text{the actual SO}_2 \text{ emissions rate} \\ \text{or} \\ \text{the 1985 allowable SO}_2 \text{ emissions rate} \\ \text{or} \\ \text{the current allowable SO}_2 \text{ emissions rate} \end{array} \right]}{2000}$$

(2) For combustion sources for which the current promulgated SO<sub>2</sub> emissions limit under § 74.25 is less than the current allowable SO<sub>2</sub> emissions rate under § 74.24.

(i) The number of allowances for each year ending prior to the effective date of the promulgated SO<sub>2</sub> emissions limit equals:

$$\text{Allowances} = \frac{\left[ \begin{array}{c} \text{baseline} \\ \text{or} \\ \text{alternative baseline} \end{array} \right] \times \text{the lesser of } \left[ \begin{array}{c} \text{the actual SO}_2 \text{ emissions rate} \\ \text{or} \\ \text{the 1985 allowable SO}_2 \text{ emissions rate} \\ \text{or} \\ \text{the current allowable SO}_2 \text{ emissions rate} \end{array} \right]}{2000}$$

(ii) The number of allowances for the year that includes the effective date of

the promulgated SO<sub>2</sub> emissions limit and for each year thereafter equals:

$$\text{Allowances} = \frac{\left[ \begin{array}{c} \text{baseline} \\ \text{or} \\ \text{alternative baseline} \end{array} \right] \times \text{the lesser of } \left[ \begin{array}{c} \text{the actual SO}_2 \text{ emissions rate} \\ \text{or} \\ \text{the 1985 allowable SO}_2 \text{ emissions rate} \\ \text{or} \\ \text{the current promulgated SO}_2 \text{ emissions rate} \end{array} \right]}{2000}$$

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

**§ 74.28 Allowance allocation for combustion sources becoming opt-in sources on a date other than January 1.**

(a) *Dates of entry.* (1) If an opt-in source provided monthly data under § 74.20, the opt-in source's opt-in permit may become effective at the beginning

of a calendar quarter as of January 1, April 1, July 1, or October 1.

(2) If an opt-in source provided annual data under § 74.20, the opt-in source's opt-in permit must become effective on January 1.

(b) *Prorating by Calendar Quarter.* Where a combustion source's opt-in permit becomes effective on April 1,

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July 1, or October 1 of a given year, the Administrator will prorate the allowance allocation for that first year by the calendar quarters remaining in the year as follows:  
 Allowances for the first year

$$= \left( \frac{\text{first year partial baseline}}{\text{baseline or alternative baseline}} \right) \times \text{annual allocation of allowances for the first year}$$

(1) For combustion sources that commenced operations before January 1, 1985,

$$\text{first year partial baseline} = \frac{\sum_{\text{Year}=1985}^{1987} \text{fuel consumption for remaining calendar quarters}}{3}$$

(2) For combustion sources that commenced operations after January 1, 1985,

$$\text{first year partial baseline} = \frac{\sum_{\text{First 3 consecutive years}} \text{fuel consumption for the remaining calendar quarters}}{3}$$

(3) Under paragraphs (b) (1) and (2) of this section, first year for which the opt-in permit will be effective.

(i) "Remaining calendar quarters" shall be the calendar quarters in the first year for which the opt-in permit will be effective.  
 (ii) Fuel consumption for remaining calendar quarters =

$$\sum_{\text{months=Apr., Jul., or Oct.}}^{\text{Dec}} \cdot \sum_{\text{Fuel Types}} \text{quantity of fuel consumed} \times \text{heat content} \times \text{unit conversion}$$

where unit conversion  
 = 2 for coal  
 = 0.001 for oil  
 = 1 for gas

For other fuels, the combustion source must specify unit conversion;  
 and where starting month  
 = April, if effective date is April 1;  
 = July, if effective date is July 1; and  
 = October, if effective date is October 1.

**Subpart D—Allowance Calculations for Process Sources [Reserved]**

**Subpart E—Allowance Tracking and Transfer and End of Year Compliance**

**§ 74.40 Establishment of opt-in source allowance accounts.**

(a) *Establishing accounts.* Not earlier than the date on which a combustion or process source becomes an affected unit under this part and upon receipt of a request for an opt-in account under paragraph (b) of this section, the Administrator will establish an account and allocate allowances in accordance with subpart C of this part for