

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

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 a compliance account under paragraph (b) of this section, the Administrator will establish a compliance account (unless the source that includes the opt-in source already has a compliance account or the opt-in source has, under § 74.4(c), a different designated representative than the designated representative for the source) and allocate allowances in accordance with subpart C of this part for combustion sources or subpart D of this part for process sources.

(b) *Request for opt-in account.* The designated representative of the opt-in source shall, on or after the effective date of the opt-in permit as specified in § 74.14(d), submit a letter requesting the opening of an compliance account (unless the source that includes the opt-in source already has a compliance account or the opt-in source has, under § 74.4(c), a different designated representative than the designated representative for the source) to the Administrator.

[60 FR 17115, Apr. 4, 1995, as amended at 70 FR 25336, May 12, 2005]

§ 74.41 Identifying allowances.

(a) *Identifying allowances.* Allowances allocated to an opt-in source will be assigned a serial number that identifies them as being allocated under an opt-in permit.

(b) *Submittal of opt-in allowances for auction.* (1) An authorized account representative may offer for sale in the spot auction under § 73.70 of this chapter allowances that are allocated to opt-in sources, if the allowances have a compliance use date earlier than the year in which the spot auction is to be held and if the Administrator has completed the deductions for compliance under § 73.35(b) for the compliance year corresponding to the compliance use date of the offered allowances.

(2) Authorized account representatives may not offer for sale in the advance auctions under § 73.70 of this chapter allowances allocated to opt-in sources.

§ 74.42 Limitation on transfers.

(a) With regard to a transfer request submitted for recordation during the period starting January 1 and ending with the allowance transfer deadline in the same year, the Administrator will not record a transfer of an opt-in allowance that is allocated to an opt-in source for the year in which the transfer request is submitted or a subsequent year.

(b) With regard to a transfer request during the period starting with the day after an allowance transfer deadline and ending December 31 in the same year, the Administrator will not record a transfer of an opt-in allowance that is allocated to an opt-in source for a year after the year in which the transfer request is submitted.

[70 FR 25336, May 12, 2005]

§ 74.43 Annual compliance certification report.

(a) *Applicability and deadline.* For each calendar year in which an opt-in source is subject to the Acid Rain emissions limitations, the designated

representative of the opt-in source shall submit to the Administrator, no later than 60 days after the end of the calendar year, an annual compliance certification report for the opt-in source.

(b) *Contents of report.* The designated representative shall include in the annual compliance certification report the following elements, in a format prescribed by the Administrator, concerning the opt-in source and the calendar year covered by the report:

- (1) Identification of the opt-in source;
- (2) An opt-in utilization report in accordance with § 74.44 for combustion sources and § 74.45 for process sources;
- (3) A thermal energy compliance report in accordance with § 74.47 for combustion sources and § 74.48 for process sources, if applicable;
- (4) Shutdown or reconstruction information in accordance with § 74.46, if applicable;
- (5) A statement that the opt-in source has not become an affected unit under § 72.6 of this chapter;
- (6) At the designated representative's option, the total number of allowances to be deducted for the year, using the formula in § 74.49, and the serial numbers of the allowances that are to be deducted; and
- (7) In an annual compliance certification report for a year during 1995 through 2005, at the designated representative's option, for opt-in sources that share a common stack and whose emissions of sulfur dioxide are not monitored separately or apportioned in accordance with part 75 of this chapter, the percentage of the total number of allowances under paragraph (b)(6) of this section for all such affected units that is to be deducted from each affected unit's compliance subaccount; and
- (8) In an annual compliance certification report for a year during 1995 through 2005, the compliance certification under paragraph (c) of this section.

(c) *Annual compliance certification.* In the annual compliance certification report under paragraph (a) of this section, the designated representative shall certify, based on reasonable inquiry of those persons with primary responsibility for operating the opt-in

source in compliance with the Acid Rain Program, whether the opt-in source was operated during the calendar year covered by the report in compliance with the requirements of the Acid Rain Program applicable to the opt-in source, including:

- (1) Whether the opt-in source was operated in compliance with applicable Acid Rain emissions limitations, including whether the opt-in source held allowances, as of the allowance transfer deadline, in its compliance subaccount (after accounting for any allowance deductions or other adjustments under § 73.34(c) of this chapter) not less than the opt-in source's total sulfur dioxide emissions during the calendar year covered by the annual report;
- (2) Whether the monitoring plan that governs the opt-in source has been maintained to reflect the actual operation and monitoring of the opt-in source and contains all information necessary to attribute monitored emissions to the opt-in source;
- (3) Whether all the emissions from the opt-in source or group of affected units (including the opt-in source) using a common stack were monitored or accounted for through the missing data procedures and reported in the quarterly monitoring reports in accordance with part 75 of this chapter;
- (4) Whether the facts that form the basis for certification of each monitor at the opt-in source or group of affected units (including the opt-in source) using a common stack or of an opt-in source's qualifications for using an Acid Rain Program excepted monitoring method or approved alternative monitoring method, if any, have changed;
- (5) If a change is required to be reported under paragraph (c)(4) of this section, specify the nature of the change, the reason for the change, when the change occurred, and how the unit's compliance status was determined subsequent to the change, including what method was used to determine emissions when a change mandated the need for monitoring recertification; and
- (6) When applicable, whether the opt-in source was operating in compliance

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with its thermal energy plan as provided in § 74.47 for combustion sources and § 74.48 for process sources.

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§ 74.44 Reduced utilization for combustion sources.

(a) *Calculation of utilization*—(1) *Annual utilization.* (i) Except as provided in paragraph (a)(1)(ii) of this section, annual utilization for the calendar year shall be calculated as follows:

$$\text{Annual Utilization} = \text{Actual heat input} + \text{Reduction from improved efficiency}$$

where,

(A) “Actual heat input” shall be the actual annual heat input (in mmBtu) of the opt-in source for the calendar year determined in accordance with appendix F of part 75 of this chapter.

(B) “Reduction from improved efficiency” shall be the sum of the following four elements: Reduction from demand side measures that improve the efficiency of electricity consumption; reduction from demand side measures that improve the efficiency of steam consumption; reduction from improvements in the heat rate at the opt-in source; and reduction from improvement in the efficiency of steam production at the opt-in source. Qualified demand side measures applicable to the calculation of utilization for opt-in sources are listed in appendix A, section 1 of part 73 of this chapter.

(C) “Reduction from demand side measures that improve the efficiency of electricity consumption” shall be a good faith estimate of the expected kilowatt hour savings during the calendar year for such measures and the corresponding reduction in heat input (in mmBtu) resulting from those measures. The demand side measures shall be implemented at the opt-in source, in the residence or facility to which the opt-in source delivers electricity for consumption or in the residence or facility of a customer to whom the opt-in source’s utility system sells electricity. The verified amount of such reduction shall be submitted in accordance with paragraph (c)(2) of this section.

(D) “Reduction from demand side measures that improve the efficiency of steam consumption” shall be a good faith estimate of the expected steam savings (in mmBtu) from such measures during the calendar year and the corresponding reduction in heat input (in mmBtu) at the opt-in source as a result of those measures. The demand side measures shall be implemented at the opt-in source or in the facility to which the opt-in source delivers steam for consumption. The verified amount of such reduction shall be submitted in accordance with paragraph (c)(2) of this section.

(E) “Reduction from improvements in heat rate” shall be a good faith estimate of the expected reduction in heat rate during the calendar year and the corresponding reduction in heat input (in mmBtu) at the opt-in source as a result of all improved unit efficiency measures at the opt-in source and may include supply-side measures listed in appendix A, section 2.1 of part 73 of this chapter. The verified amount of such reduction shall be submitted in accordance with paragraph (c)(2) of this section.

(F) “Reduction from improvement in the efficiency of steam production at the opt-in source” shall be a good faith estimate of the expected improvement in the efficiency of steam production at the opt-in source during the calendar year and the corresponding reduction in heat input (in mmBtu) at the opt-in source as a result of all improved steam production efficiency measures. In order to claim improvements in the efficiency of steam production, the designated representative of the opt-in source must demonstrate to the satisfaction of the Administrator that the heat rate of the opt-in source has not increased. The verified amount of such reduction shall be submitted in accordance with paragraph (c)(2) of this section.

(G) Notwithstanding paragraph (a)(1)(i)(B) of this section, where two or more opt-in sources, or two or more opt-in sources and Phase I units, include in their annual compliance certification reports their good faith estimate of kilowatt hour savings or steam savings from the same specific measures: