

NO<sub>x</sub> allowances allocated to that source under §97.88 for any control period for which the withdrawal is to be effective. The Administrator will close the NO<sub>x</sub> Budget opt-in unit's compliance account and transfer any remaining allowances to a general account specified by the owners and operators of the NO<sub>x</sub> Budget opt-in unit.

(c) A NO<sub>x</sub> Budget opt-in unit that withdraws from the NO<sub>x</sub> Budget Trading Program shall comply with all requirements under the NO<sub>x</sub> Budget Trading Program concerning all years for which such NO<sub>x</sub> Budget opt-in unit was a NO<sub>x</sub> Budget opt-in unit, even if such requirements arise or must be complied with after the withdrawal takes effect.

(d) *Notification.* (1) After the requirements for withdrawal under paragraphs (a) and (b) of this section are met (including deduction of the full amount of NO<sub>x</sub> allowances required), the Administrator will issue a notification to the permitting authority and the NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> Budget opt-in unit of the acceptance of the withdrawal of the NO<sub>x</sub> Budget opt-in unit as of a specified effective date that is after such requirements have been met and that is prior to May 1 or after September 30.

(2) If the requirements for withdrawal under paragraphs (a) and (b) of this section are not met, the Administrator will issue a notification to the permitting authority and the NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> Budget opt-in unit that the request to withdraw is denied. If the NO<sub>x</sub> Budget opt-in unit's request to withdraw is denied, the NO<sub>x</sub> Budget opt-in unit shall remain subject to the requirements for a NO<sub>x</sub> Budget opt-in unit.

(e) *Permit revision.* After the Administrator issues a notification under paragraph (d)(1) of this section that the requirements for withdrawal have been met, the permitting authority will revise the NO<sub>x</sub> Budget permit covering the NO<sub>x</sub> Budget opt-in unit to terminate the NO<sub>x</sub> Budget opt-in permit as of the effective date specified under paragraph (d)(1) of this section. A NO<sub>x</sub> Budget opt-in unit shall continue to be a NO<sub>x</sub> Budget opt-in unit until the effective date of the termination.

(f) *Reapplication upon failure to meet conditions of withdrawal.* If the Administrator denies the request to withdraw the NO<sub>x</sub> Budget opt-in unit, the NO<sub>x</sub> authorized account representative may submit another request to withdraw in accordance with paragraphs (a) and (b) of this section.

(g) *Ability to return to the NO<sub>x</sub> Budget Trading Program.* Once a NO<sub>x</sub> Budget opt-in unit withdraws from the NO<sub>x</sub> Budget Trading Program and its NO<sub>x</sub> Budget opt-in permit is terminated under paragraph (e) of this section, the NO<sub>x</sub> authorized account representative may not submit another application for a NO<sub>x</sub> Budget opt-in permit under §97.83 for the unit prior to the date that is 4 years after the date on which the terminated NO<sub>x</sub> Budget opt-in permit became effective.

#### §97.87 Change in regulatory status.

(a) *Notification.* When a NO<sub>x</sub> Budget opt-in unit becomes a NO<sub>x</sub> Budget unit under §97.4(a), the NO<sub>x</sub> authorized account representative shall notify in writing the permitting authority and the Administrator of such change in the NO<sub>x</sub> Budget opt-in unit's regulatory status, within 30 days of such change.

(b) *Permitting authority's and Administrator's action.* (1)(i) When the NO<sub>x</sub> Budget opt-in unit becomes a NO<sub>x</sub> Budget unit under §97.4(a), the permitting authority will revise the NO<sub>x</sub> Budget opt-in unit's NO<sub>x</sub> Budget opt-in permit to meet the requirements of a NO<sub>x</sub> Budget permit under §97.23 as of an effective date that is the date on which such NO<sub>x</sub> Budget opt-in unit becomes a NO<sub>x</sub> Budget unit under §97.4(a).

(ii)(A) The Administrator will deduct from the compliance account for the NO<sub>x</sub> Budget unit under paragraph (b)(1)(i) of this section, or the overdraft account of the NO<sub>x</sub> Budget source where the unit is located, NO<sub>x</sub> allowances equal in number to and allocated for the same or a prior control period as:

(1) Any NO<sub>x</sub> allowances allocated to the NO<sub>x</sub> Budget unit (as a NO<sub>x</sub> Budget opt-in unit) under §97.88 for any control period after the last control period during which the unit's NO<sub>x</sub> Budget opt-in permit was effective; and

(2) If the effective date of the NO<sub>x</sub> Budget permit revision under paragraph (b)(1)(i) of this section is during a control period, the NO<sub>x</sub> allowances allocated to the NO<sub>x</sub> Budget unit (as a NO<sub>x</sub> Budget opt-in unit) under §97.88 for the control period multiplied by the number of days in the control period starting with the effective date of the permit revision under paragraph (b)(1)(i) of this section, divided by the total number of days in the control period, and rounded to the nearest whole number of NO<sub>x</sub> allowances as appropriate.

(B) The NO<sub>x</sub> authorized account representative shall ensure that the compliance account of the NO<sub>x</sub> Budget unit under paragraph (b)(1)(i) of this section, or the overdraft account of the NO<sub>x</sub> Budget source where the unit is located, contains the NO<sub>x</sub> allowances necessary for completion of the deduction under paragraph (b)(1)(ii)(A) of this section. If the compliance account or overdraft account does not contain the necessary NO<sub>x</sub> allowances, the Administrator will deduct the required number of NO<sub>x</sub> allowances, regardless of the control period for which they were allocated, whenever NO<sub>x</sub> allowances are recorded in either account.

(iii)(A) For every control period during which the NO<sub>x</sub> Budget permit revised under paragraph (b)(1)(i) of this section is in effect, the NO<sub>x</sub> Budget unit under paragraph (b)(1)(i) of this section will be treated, solely for purposes of NO<sub>x</sub> allowance allocations under §97.42, as a unit that commenced operation on the effective date of the NO<sub>x</sub> Budget permit revision under paragraph (b)(1)(i) of this section and will be allocated NO<sub>x</sub> allowances under §97.42. The unit's deadline under §97.84(b) for meeting monitoring requirements in accordance with subpart H of this part shall not be changed by the change in the unit's regulatory status or by the revision of the NO<sub>x</sub> Budget permit under paragraph (b)(1)(i) of this section.

(B) Notwithstanding paragraph (b)(1)(iii)(A) of this section, if the effective date of the NO<sub>x</sub> Budget permit revision under paragraph (b)(1)(i) of this section is during a control period, the following number of NO<sub>x</sub> allowances will be allocated to the NO<sub>x</sub> Budget

unit under paragraph (b)(1)(i) of this section under §97.42 for the control period: the number of NO<sub>x</sub> allowances otherwise allocated to the NO<sub>x</sub> Budget unit under §97.42 for the control period multiplied by the number of days in the control period starting with the effective date of the permit revision under paragraph (b)(1)(i) of this section, divided by the total number of days in the control period, and rounded to the nearest whole number of NO<sub>x</sub> allowances as appropriate.

(2)(i) When the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget opt-in unit does not renew its NO<sub>x</sub> Budget opt-in permit under §97.83(b), the Administrator will deduct from the NO<sub>x</sub> Budget opt-in unit's compliance account, or the overdraft account of the NO<sub>x</sub> Budget source where the NO<sub>x</sub> Budget opt-in unit is located, NO<sub>x</sub> allowances equal in number to and allocated for the same or a prior control period as any NO<sub>x</sub> allowances allocated to the NO<sub>x</sub> Budget opt-in unit under §97.88 for any control period after the last control period for which the NO<sub>x</sub> Budget opt-in permit is effective. The NO<sub>x</sub> authorized account representative shall ensure that the NO<sub>x</sub> Budget opt-in unit's compliance account or the overdraft account of the NO<sub>x</sub> Budget source where the NO<sub>x</sub> Budget opt-in unit is located contains the NO<sub>x</sub> allowances necessary for completion of such deduction. If the compliance account or overdraft account does not contain the necessary NO<sub>x</sub> allowances, the Administrator will deduct the required number of NO<sub>x</sub> allowances, regardless of the control period for which they were allocated, whenever NO<sub>x</sub> allowances are recorded in either account.

(ii) After the deduction under paragraph (b)(2)(i) of this section is completed, the Administrator will close the NO<sub>x</sub> Budget opt-in unit's compliance account. If any NO<sub>x</sub> allowances remain in the compliance account after completion of such deduction and any deduction under §97.54, the Administrator will close the NO<sub>x</sub> Budget opt-in unit's compliance account and transfer any remaining allowances to a general account specified by the owners and operators of the NO<sub>x</sub> Budget opt-in unit.

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