

§ 1042.660

40 CFR Ch. I (7–1–08 Edition)

compliance with applicable certification requirements for international safety. We may set appropriate additional conditions on such exemptions, and may void the exemption if those conditions are not met.

**§ 1042.660 Requirements for vessel manufacturers, owners, and operators.**

(a) The provisions of 40 CFR part 94, subpart K, apply to manufacturers, owners, and operators of marine vessels that contain Category 3 engines subject to the provisions of 40 CFR part 94, subpart A.

(b) For vessels equipped with emission controls requiring the use of specific fuels, lubricants, or other fluids, owners and operators must comply with the manufacturer/remanufacturer's specifications for such fluids when operating the vessels. Failure to comply with the requirements of this paragraph is a violation of 40 CFR 1068.101(b)(1).

(c) For vessels equipped with SCR systems requiring the use of urea or other reductants, owners and operators must report to us within 30 days any operation of such vessels without the appropriate reductant. Failure to comply with the requirements of this paragraph is a violation of 40 CFR 1068.101(a)(2).

**Subpart H—Averaging, Banking, and Trading for Certification**

**§ 1042.701 General provisions.**

(a) You may average, bank, and trade (ABT) emission credits for purposes of certification as described in this subpart to show compliance with the standards of this part. Participation in this program is voluntary.

(b) The definitions of subpart J of this part apply to this subpart. The following definitions also apply:

(1) *Actual emission credits* means emission credits you have generated that we have verified by reviewing your final report.

(2) *Applicable emission standard* means an emission standard that is specified in subpart B of this part. Note that for other subparts, "applicable emission standard" is defined to also include FELs.

(3) *Averaging set* means a set of engines in which emission credits may be exchanged only with other engines in the same averaging set.

(4) *Broker* means any entity that facilitates a trade of emission credits between a buyer and seller.

(5) *Buyer* means the entity that receives emission credits as a result of a trade.

(6) *Reserved emission credits* means emission credits you have generated that we have not yet verified by reviewing your final report.

(7) *Seller* means the entity that provides emission credits during a trade.

(8) *Standard* means the emission standard that applies under subpart B of this part for engines not participating in the ABT program of this subpart.

(9) *Trade* means to exchange emission credits, either as a buyer or seller.

(c) Emission credits may be exchanged only within an averaging set. Except as specified in paragraph (d) of this section, the following criteria define the applicable averaging sets:

(1) Recreational engines.

(2) Commercial Category 1 engines.

(3) Category 2 engines.

(d) Emission credits generated by commercial Category 1 engine families may be used for compliance by Category 2 engine families. Such credits must be discounted by 25 percent.

(e) You may not use emission credits generated under this subpart to offset any emissions that exceed an FEL or standard. This applies for all testing, including certification testing, in-use testing, selective enforcement audits, and other production-line testing. However, if emissions from an engine exceed an FEL or standard (for example, during a selective enforcement audit), you may use emission credits to recertify the engine family with a higher FEL that applies only to future production.

(f) Engine families that use emission credits for one or more pollutants may not generate positive emission credits for another pollutant.

(g) Emission credits may be used in the model year they are generated or in future model years. Emission credits may not be used for past model years.

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(h) You may increase or decrease an FEL during the model year by amending your application for certification under § 1042.225.

(i) You may use NO<sub>x</sub>+HC credits to show compliance with a NO<sub>x</sub> emission standard or use NO<sub>x</sub> credits to show compliance with a NO<sub>x</sub>+HC emission standard.

### § 1042.705 Generating and calculating emission credits.

The provisions of this section apply separately for calculating emission credits for NO<sub>x</sub>, NO<sub>x</sub>+HC, or PM.

(a) For each participating family, calculate positive or negative emission credits relative to the otherwise applicable emission standard. Calculate positive emission credits for a family that has an FEL below the standard. Calculate negative emission credits for a family that has an FEL above the standard. Sum your positive and negative credits for the model year before rounding. Round calculated emission credits to the nearest kilogram (kg), using consistent units throughout the following equation:

$$\text{Emission credits (kg)} = (\text{Std} - \text{FEL}) \times (\text{Volume}) \times (\text{Power}) \times (\text{LF}) \times (\text{UL}) \times (10^{-3})$$

Where:

Std = The emission standard, in g/kW-hr.

FEL = The family emission limit for the engine family, in g/kW-hr.

Volume = The number of engines eligible to participate in the averaging, banking, and trading program within the given engine family during the model year, as described in paragraph (c) of this section.

Power = The average value of maximum engine power of all the engine configurations within an engine family, calculated on a production-weighted basis, in kilowatts.

LF = Load factor. Use 0.69 for propulsion marine engines and 0.51 for auxiliary marine engines. We may specify a different load factor if we approve the use of special test procedures for an engine family under 40 CFR 1065.10(c)(2), consistent with good engineering judgment.

UL = The useful life for the given engine family, in hours.

(b) [Reserved]

(c) In your application for certification, base your showing of compliance on projected production volumes for engines whose point of first retail

sale is in the United States. As described in § 1042.730, compliance with the requirements of this subpart is determined at the end of the model year based on actual production volumes for engines whose point of first retail sale is in the United States. Do not include any of the following engines to calculate emission credits:

(1) Engines permanently exempted under subpart G of this part or under 40 CFR part 1068.

(2) Exported engines.

(3) Engines not subject to the requirements of this part, such as those excluded under § 1042.5.

(4) [Reserved]

(5) Any other engines, where we indicate elsewhere in this part 1042 that they are not to be included in the calculations of this subpart.

### § 1042.710 Averaging emission credits.

(a) Averaging is the exchange of emission credits among your engine families.

(b) You may certify one or more engine families to an FEL above the emission standard, subject to the FEL caps and other provisions in subpart B of this part, if you show in your application for certification that your projected balance of all emission-credit transactions in that model year is greater than or equal to zero.

(c) If you certify an engine family to an FEL that exceeds the otherwise applicable emission standard, you must obtain enough emission credits to offset the engine family's deficit by the due date for the final report required in § 1042.730. The emission credits used to address the deficit may come from your other engine families that generate emission credits in the same model year, from emission credits you have banked, or from emission credits you obtain through trading.

### § 1042.715 Banking emission credits.

(a) Banking is the retention of emission credits by the manufacturer generating the emission credits for use in averaging or trading in future model years.

(b) You may use banked emission credits from the previous model year for averaging or trading before we verify them, but we may revoke these