

Environmental Protection Agency

§ 1042.715

(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_x+HC credits to show compliance with a NO_x emission standard or use NO_x credits to show compliance with a NO_x+HC emission standard.

§ 1042.705. Generating and calculating emission credits.

The provisions of this section apply separately for calculating emission credits for NO_x, NO_x+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

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emission credits if we are unable to verify them after reviewing your reports or auditing your records.

(c) Reserved credits become actual emission credits only when we verify them in reviewing your final report.

§ 1042.720 Trading emission credits.

(a) Trading is the exchange of emission credits between manufacturers. You may use traded emission credits for averaging, banking, or further trading transactions.

(b) You may trade actual emission credits as described in this subpart. You may also trade reserved emission credits, but we may revoke these emission credits based on our review of your records or reports or those of the company with which you traded emission credits. You may trade banked credits to any certifying manufacturer.

(c) If a negative emission credit balance results from a transaction, both the buyer and seller are liable, except in cases we deem to involve fraud. See § 1042.255(e) for cases involving fraud. We may void the certificates of all engine families participating in a trade that results in a manufacturer having a negative balance of emission credits. See § 1042.745.

§ 1042.725 Information required for the application for certification.

(a) You must declare in your application for certification your intent to use the provisions of this subpart for each engine family that will be certified using the ABT program. You must also declare the FELs you select for the engine family for each pollutant for which you are using the ABT program. Your FELs must comply with the specifications of subpart B of this part, including the FEL caps. FELs must be expressed to the same number of decimal places as the emission standards.

(b) Include the following in your application for certification:

(1) A statement that, to the best of your belief, you will not have a negative balance of emission credits for any averaging set when all emission credits are calculated at the end of the year.

(2) Detailed calculations of projected emission credits (positive or negative) based on projected production volumes.

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§ 1042.730 ABT reports.

(a) If any of your engine families are certified using the ABT provisions of this subpart, you must send an end-of-year report within 90 days after the end of the model year and a final report within 270 days after the end of the model year. We may waive the requirement to send the end-of-year report, as long as you send the final report on time.

(b) Your end-of-year and final reports must include the following information for each engine family participating in the ABT program:

(1) Engine-family designation.

(2) The emission standards that would otherwise apply to the engine family.

(3) The FEL for each pollutant. If you changed an FEL during the model year, identify each FEL you used and calculate the positive or negative emission credits under each FEL. Also, describe how the FEL can be identified for each engine you produced. For example, you might keep a list of engine identification numbers that correspond with certain FEL values.

(4) The projected and actual production volumes for the model year with a point of first retail sale in the United States, as described in § 1042.705(c). If you changed an FEL during the model year, identify the actual production volume associated with each FEL.

(5) Maximum engine power for each engine configuration, and the production-weighted average engine power for the engine family.

(6) Useful life.

(7) Calculated positive or negative emission credits for the whole engine family. Identify any emission credits that you traded, as described in paragraph (d)(1) of this section.

(c) Your end-of-year and final reports must include the following additional information:

(1) Show that your net balance of emission credits from all your participating engine families in each averaging set in the applicable model year is not negative.

(2) State whether you will retain any emission credits for banking.

(3) State that the report's contents are accurate.