

ENVIRONMENTAL PROTECTION AGENCY

FRL-9942-27-OAR

40 CFR Part 97

**Allocations of Cross-State Air Pollution Rule Allowances from
New Unit Set-Asides for the 2015 Compliance Year**

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule; notice of data availability (NODA).

SUMMARY: The Environmental Protection Agency (EPA) is providing notice of emission allowance allocations to certain units under the new unit set-aside (NUSA) provisions of the Cross-State Air Pollution Rule (CSAPR) federal implementation plans (FIPs). EPA has completed final calculations for the second round of NUSA allowance allocations for the 2015 compliance year of the CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 Trading Programs. EPA has posted spreadsheets showing the second-round 2015 NUSA allocations of CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 allowances to new units as well as the allocations to existing units of the remaining CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 allowances not allocated to new units in either round of the 2015 NUSA allocation process. EPA will record the allocated CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 allowances in

sources' Allowance Management System (AMS) accounts by February 15, 2016.

DATES: [insert date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Questions concerning this action should be addressed to Robert Miller at (202) 343-9077 or miller.robert1@epa.gov or to Kenon Smith at (202) 343-9164 or smith.kenon@epa.gov.

SUPPLEMENTARY INFORMATION: Under the CSAPR FIPs, a portion of each state budget for each of the four CSAPR trading programs is reserved as a NUSA from which allowances are allocated to eligible units through an annual one- or two-round process. EPA has described the CSAPR NUSA allocation process in five NODAs previously published in the *Federal Register* (80 FR 30988, June 1, 2015; 80 FR 44882, July 28, 2015; 80 FR 55061, September 14, 2015; 80 FR 69883, November 12, 2015; 80 FR 77591, December 15, 2015). In the most recent of these previous NODAs, EPA provided notice of preliminary lists of new units eligible for second-round 2015 NUSA allocations of CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 allowances and provided an opportunity for the public to submit objections.

EPA received no objections to the preliminary lists of new units eligible for second-round 2015 NUSA allocations of CSAPR NO_x Annual, SO₂ Group 1, or SO₂ Group 2 allowances whose

availability was announced in the December 15 NODA. EPA is therefore making second-round 2015 NUSA allocations of CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 allowances to the new units identified on these lists in accordance with the procedures set forth in 40 CFR 97.412(a)(9) and (12), 97.612(a)(9) and (12), and 97.712(a)(9) and (12).

As described in the December 15 NODA, any allowances remaining in the CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 NUSAs for a given state and control period after the second round of NUSA allocations to new units is completed are to be allocated to the existing units in the state according to the procedures set forth in 40 CFR 97.412(a)(10) and (12), 97.612(a)(10) and (12), and 97.712(a)(10) and (12). EPA has determined that CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 allowances do remain in the NUSAs for a number of states following completion of second-round 2015 NUSA allocations; accordingly, EPA is allocating these allowances to existing units. The NUSA allowances are generally allocated to the existing units in proportion to the allocations previously made to the existing units under 40 CFR 97.411(a)(1), 97.611(a)(1), and 97.711(a)(1), adjusted for rounding.

Under 40 CFR 97.412(b)(10), 97.612(b)(10), and 97.712(b)(10), any allowances remaining in the CSAPR NO_x Annual,

SO₂ Group 1, and SO₂ Group 2 Indian country NUSAs for a given state and control period after the second round of Indian country NUSA allocations to new units are added to the NUSA for that state or are made available for allocation by the state pursuant to an approved SIP revision. No new units eligible for allocations of CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 allowances from any 2015 Indian country NUSA have been identified, and no state has an approved SIP revision governing allocation of 2015 CSAPR allowances. The Indian country NUSA allowances are therefore being added to the NUSAs for the respective states and are included in the pools of allowances that are being allocated to existing units under 40 CFR 97.412(b)(10) and (12), 97.612(b)(10) and (12), and 97.712(b)(10) and (12).

The final unit-by-unit data and allowance allocation calculations are set forth in Excel spreadsheets titled "CSAPR_NUSA_2015_NOx_Annual_2nd_Round_Final_Data_New_Units", "CSAPR_NUSA_2015_SO2_2nd_Round_Final_Data_New_Units", "CSAPR_NUSA_2015_NOx_Annual_2nd_Round_Final_Data_Existing_Units", and "CSAPR_NUSA_2015_SO2_2nd_Round_Final_Data_Existing_Units", available on EPA's website at <http://www.epa.gov/crossstaterule/actions.html>.

Pursuant to CSAPR's allowance recordation timing requirements, the allocated NUSA allowances will be recorded in sources' AMS accounts by February 15, 2016. EPA notes that an allocation or lack of allocation of allowances to a given unit does not constitute a determination that CSAPR does or does not apply to the unit. EPA also notes that NUSA allocations of CSAPR NO_x Annual, SO₂ Group 1, and SO₂ Group 2 allowances are subject to potential correction if a unit to which NUSA allowances have been allocated for a given compliance year is not actually an affected unit as of January 1 of the compliance year.¹

(Authority: 40 CFR 97.411(b), 97.611(b), and 97.711(b).)

Dated: February 1, 2016. Reid P. Harvey,
Director, Clean Air Markets Division,
Office of Atmospheric Programs,
Office of Air and Radiation.

¹ See 40 CFR 97.411(c), 97.611(c), and 97.711(c).

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