



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL-9972-15-OAR]

**Allocations of Cross-State Air Pollution Rule Allowances from
New Unit Set-Asides for 2017 Control Periods**

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of data availability (NODA).

SUMMARY: The Environmental Protection Agency (EPA) is providing notice of the availability of preliminary lists of units eligible for second-round allocations of emission allowances for the 2017 control periods from the new unit set-asides (NUSAs) established under the Cross-State Air Pollution Rule (CSAPR). EPA has posted spreadsheets containing the lists on EPA's website. EPA will consider timely objections to the lists before determining the amounts of the second-round allocations.

DATES: Objections to the information referenced in this notice must be received on or before [insert date 30 days after date of publication in the Federal Register].

ADDRESSES: Submit your objections via email to CSAPR_NUSA@epa.gov. Include "2017 NUSA allocations" in the email subject line and include your name, title, affiliation, address, phone number, and email address in the body of the email.

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

SUPPLEMENTARY INFORMATION: Under each CSAPR trading program where EPA is responsible for determining emission allowance allocations, a portion of each state's emissions budget for the program for each control period is reserved in a NUSA (and in an additional Indian country NUSA in the case of states with Indian country within their borders) for allocation to certain units that would not otherwise receive allowance allocations. The procedures for identifying the eligible units for each control period and for allocating allowances from the NUSAs and Indian country NUSAs to those units are set forth in the CSAPR regulations at 40 CFR 97.411(b) and 97.412 (NO_x Annual Trading Program), 97.511(b) and 97.512 (NO_x Ozone Season Group 1 Trading Program), 97.611(b) and 97.612 (SO₂ Group 1 Trading Program), 97.711(b) and 97.712 (SO₂ Group 2 Trading Program), and 97.811(b) and 97.812 (NO_x Ozone Season Group 2 Trading Program). Each NUSA allowance allocation process involves up to two rounds of allocations to eligible units, termed "new" units, followed by the allocation to "existing" units of any allowances not allocated to new units.

This notice concerns EPA's preliminary identification of units eligible to receive allowances in the second round of NUSA allocations for the 2017 control periods. The units eligible for second-round allocations for a given control period are CSAPR-affected units that commenced commercial operation between January 1 of the year before that control period and November 30 of the year of that control period. In the case of the 2017 control periods, an eligible unit therefore must have commenced commercial operation between January 1, 2016 and November 30, 2017 (inclusive). Generally, where a unit is eligible to receive a second-round NUSA allocation under a given CSAPR trading program for a given control period, the unit's maximum potential second-round allocation equals the positive difference (if any) between the unit's emissions during the control period as reported under 40 CFR part 75 and any first-round NUSA allocation the unit received.¹ If the total of such maximum potential allocations to all eligible units would exceed the total allowances remaining in the NUSA, the allocations are reduced on a pro-rata basis.

¹ EPA notes that a unit's emissions occurring before its monitor certification deadline are not considered to have occurred during a control period and consequently are not included in the emission amounts used to determine NUSA allocations. See 40 CFR 97.406(c)(3), 97.506(c)(3), 97.606(c)(3), 97.706(c)(3), and 97.806(c)(3).

The preliminary lists of eligible units are set forth in Excel spreadsheets titled "CSAPR_NUSA_2017_NOx_Annual_2nd_Round_Prelim_Data," "CSAPR_NUSA_2017_NOx_Ozone_Season_2nd_Round_Prelim_Data," and "CSAPR_NUSA_2017_SO2_2nd_Round_Prelim_Data" available on EPA's website at <https://www.epa.gov/csapr/csapr-compliance-year-2017-nusa-nodas>. Each spreadsheet contains a separate worksheet for each state covered by that program showing each unit preliminarily identified as eligible for a second-round NUSA allocation. Each state worksheet also contains a summary showing (1) the quantity of allowances initially available in that state's 2017 NUSA, (2) the sum of the 2017 NUSA allowance allocations that were made in the first round to new units in that state, if any, and (3) the quantity of allowances in the 2017 NUSA available for second-round allocations to new units (or ultimately for allocations to existing units), if any.

Objections should be strictly limited to whether EPA has correctly identified the units eligible for second-round 2017 NUSA allocations according to the criteria established in the regulations and should be emailed to the address identified in **ADDRESSES**. Objections must include: (1) precise identification of the specific data the commenter believes are inaccurate, (2) new proposed data upon which the commenter believes EPA should rely instead, and (3) the reasons why EPA should rely on the

commenter's proposed data and not the data referenced in this notice.

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 allocations are subject to potential correction if a unit to which NUSA allowances have been allocated for a given control period is not actually an affected unit as of the start of that control period.²

(Authority: 40 CFR 97.411(b), 97.511(b), 97.611(b), 97.711(b), and 97.811(b).)

Dated: December 1, 2017. Reid P. Harvey,
Director, Clean Air Markets Division,
Office of Atmospheric Programs,
Office of Air and Radiation.

² See 40 CFR 97.411(c), 97.511(c), 97.611(c), 97.711(c), and 97.811(c).

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