

US EPA ARCHIVE DOCUMENT

Questions and Answers Concerning Non-EGUs Transitioning from the NO_x Budget Trading Program to the CAIR NO_x Program

- Q1:** In 2008, will a unit that is not an electricity generating unit under 40 CFR 51.123(cc) (referred to as a non-EGU), but that currently must meet the requirements of the NO_x Budget Trading Program (NBP) also be subject to the ozone season NO_x program under the Clean Air Interstate Regulation (CAIR) ?
- A1:** It depends. If your State agency elects to bring NO_x Budget Trading Program non-EGUs into CAIR, the answer is yes. But if the State chooses not to bring these units into CAIR, then the answer is no. See 40 CFR 51.123(aa)(2)(i). At this time, it is EPA's understanding that only DE, MD, IL, and NJ will not be bringing their non-EGUs into CAIR. You should contact your State agency to confirm this information.
-
- Q2:** Suppose that a State agency has decided not to bring NBP non-EGUs into the CAIR NO_x ozone season program. Given that the non-EGUs in that State will no longer be in the NBP after 2008 and are not CAIR units, is it permissible for these units to discontinue the Part 75 monitoring and reporting of NO_x mass emissions data in 2009 ?
- A2:** No, in most cases. If the State continues to rely on emission reductions from the non-EGU to meet the NO_x emission reduction requirements under the NO_x SIP Call (which is the likely scenario), then Part 75 monitoring and reporting of NO_x mass emissions data for the unit must continue. These emissions data may be reported on an ozone season-only basis unless the State agency requires year-round reporting. See 40 CFR 51.121(i)(4).
-
- Q3:** Suppose that a non-EGU in the current NO_x Budget Trading Program is located in a State that has annual CAIR NO_x and SO₂ programs and an ozone season CAIR NO_x program. If the State agency has elected to bring its NBP non-EGUs into CAIR, will this unit be subject to the annual CAIR NO_x and SO₂ programs as well as the ozone season CAIR NO_x program ?
- A3:** No. When a NBP non-EGU is brought into CAIR, the unit can only be subject to the CAIR NO_x ozone season program, irrespective of whether the State in which the unit is located has annual CAIR NO_x and SO₂ programs.
- Compare 40 CFR 51.123(o)(2) and (p) with 51.123(aa)(2)(i) and (ee)(1). See also 70 FR 25290, 1st column, May 12, 2005.
-

Q4: Suppose that a non-EGU is in the NO_x Budget Trading Program and has been reporting NO_x mass emissions and heat input data on an ozone season-only basis. The unit is located in a State that has both an annual and an ozone season CAIR NO_x program. The State agency has elected to bring NBP non-EGUs into CAIR. Is it acceptable to continue reporting NO_x mass emissions and heat input data on an ozone season-only basis for this unit, or must the owner or operator switch to year-round reporting ?

A4: Unless the State CAIR NO_x ozone season rule requires year-round reporting, the owner or operator may continue to report emissions data on an ozone season-only basis for this unit, since it is subject only to the CAIR NO_x ozone season program.

Q5: Suppose that a State agency has decided not to bring its NBP non-EGUs into the CAIR NO_x ozone season program. Will these units still be subject to the NO_x Budget Trading Program in 2008 ?

A5: Yes. Even if the State agency has elected not to bring its NBP non-EGUs into CAIR, these units will still be in the NO_x Budget Trading Program in 2008, which is the final year of the NBP. EPA will no longer administer the NBP after the 2008 ozone season. See 40 CFR 51.121(r).

Q6: For a non-EGU that is transitioning from the NBP to the CAIR NO_x ozone season program, are any monitoring plan revisions or additional monitoring system certifications required ?

A6: If the State agency has decided to bring its NBP non-EGUs into the CAIR NO_x ozone season program, no monitoring plan revisions or additional certifications are required in 2007, with one possible exception. If the non-EGUs have not been required to monitor and report heat input data under the NBP, but are required to do so under the State CAIR NO_x ozone season rule, then each unit must implement a Part 75-compliant heat input monitoring methodology before the start of the 2008 ozone season.

If the State agency has decided not to bring its NBP non-EGUs into the CAIR NO_x ozone season program, no monitoring plan revisions or additional certifications are required in either 2007 or 2008, since both of these years are covered by the NBP. In 2009, however, the units' classification codes in the electronic monitoring plan must be changed (in a manner consistent with the new XML reporting format) to indicate that the units are still required to report emissions data for the purposes of the NO_x SIP Call, but are not CAIR units. EPA will develop a special classification code for these units.

Q7: If a State agency has decided not to bring NBP non-EGUs into the CAIR NO_x ozone season program, will these units be required to have representatives after 2008, to make official Part 75 submittals to EPA? If so, what type of representative is required for the units ?

A7: Yes. If the State continues to rely on emission reductions from the non-EGU to meet the NO_x emission reduction requirements under the NO_x SIP Call, then, after 2008, even though the unit is not subject to CAIR, it must continue to have a representative (i.e., a designated representative). The designated representative will make the official Part 75 submissions to EPA, in order to comply with Part 75 emissions monitoring and reporting requirements. See 40 CFR 51.121(i)(4).

Q8: Once a NO_x Budget Trading Program non-EGU becomes a CAIR NO_x ozone season unit, are there any restrictions on the unit's ability to trade its NO_x allowances with other CAIR NO_x units in 2009 and beyond ?

A8: All CAIR NO_x ozone season units, including non-EGUs, may trade their CAIR NO_x ozone season allowances without restriction. Also, any unused NO_x allowances from the NBP may be used to comply with the CAIR NO_x ozone season program in 2009 and thereafter.

For further information, see: <http://www.epa.gov/airmarkets/progsregs/cair/faq-10.html>