

## Environmental Protection Agency

## §97.57

overdraft accounts, or general accounts.

(2) If the total number of banked NO<sub>x</sub> allowances determined, under paragraph (f)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts is less than or equal to 10 percent of the sum of the trading program budgets under §97.40 for all States for the control period, any banked NO<sub>x</sub> allowance may be deducted for compliance in accordance with paragraphs (a) through (e) of this section.

(3) If the total number of banked NO<sub>x</sub> allowances determined, under paragraph (f)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts exceeds 10 percent of the sum of the trading program budgets under §97.40 for all States for the control period, any banked allowance may be deducted for compliance in accordance with paragraphs (a) through (e) of this section, except as follows:

(i) The Administrator will determine the following ratio: 0.10 multiplied by the sum of the trading program budgets under §97.40 for all States for the control period and divided by the total number of banked NO<sub>x</sub> allowances determined, under paragraph (f)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts.

(ii) The Administrator will multiply the number of banked NO<sub>x</sub> allowances in each compliance account or overdraft account by the ratio determined under paragraph (f)(3)(i) of this section. The resulting product is the number of banked NO<sub>x</sub> allowances in the account that may be deducted for compliance in accordance with paragraphs (a) through (e) of this section. Any banked NO<sub>x</sub> allowances in excess of the resulting product may be deducted for compliance in accordance with paragraphs (a) through (e) of this section, except that, if such NO<sub>x</sub> allowances are used to make a deduction under paragraph (b) or (e) of this section, two (rather than one) such NO<sub>x</sub> allowances shall authorize up to one ton of NO<sub>x</sub> emissions during the control period and must be deducted for each deduction of one NO<sub>x</sub> allowance required under paragraph (b) or (e) of this section.

(g) *Recordation of deductions.* The Administrator will record in the appropriate compliance account or overdraft account all deductions from such an account pursuant to paragraph (b), (d), (e), or (f) of this section.

### §97.55 Banking.

NO<sub>x</sub> allowances may be banked for future use or transfer in a compliance account, an overdraft account, or a general account, as follows:

(a) Any NO<sub>x</sub> allowance that is held in a compliance account, an overdraft account, or a general account will remain in such account unless and until the NO<sub>x</sub> allowance is deducted or transferred under §97.31, §97.54, §97.56, or subpart G or I of this part.

(b) The Administrator will designate, as a “banked” NO<sub>x</sub> allowance, any NO<sub>x</sub> allowance that remains in a compliance account, an overdraft account, or a general account after the Administrator has made all deductions for a given control period from the compliance account or overdraft account pursuant to §97.54 (except deductions pursuant to §97.54(d)(2)) and that was allocated for that control period or a control period in a prior year.

### §97.56 Account error.

The Administrator may, at his or her sole discretion and on his or her own motion, correct any error in any NO<sub>x</sub> Allowance Tracking System account. Within 10 business days of making such correction, the Administrator will notify the NO<sub>x</sub> authorized account representative for the account.

### §97.57 Closing of general accounts.

(a) The NO<sub>x</sub> authorized account representative of a general account may instruct the Administrator to close the account by submitting a statement requesting deletion of the account from the NO<sub>x</sub> Allowance Tracking System and by correctly submitting for recordation under §97.60 an allowance transfer of all NO<sub>x</sub> allowances in the account to one or more other NO<sub>x</sub> Allowance Tracking System accounts.

(b) If a general account shows no activity for a period of a year or more and does not contain any NO<sub>x</sub> allowances, the Administrator may notify

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the NO<sub>x</sub> authorized account representative for the account that the account will be closed and deleted from the NO<sub>x</sub> Allowance Tracking System following 20 business days after the notice is sent. The account will be closed after the 20-day period unless before the end of the 20-day period the Administrator receives a correctly submitted transfer of NO<sub>x</sub> allowances into the account under § 97.60 or a statement submitted by the NO<sub>x</sub> authorized account representative demonstrating to the satisfaction of the Administrator good cause as to why the account should not be closed.

### Subpart G—NO<sub>x</sub> Allowance Transfers

#### § 97.60 Submission of NO<sub>x</sub> allowance transfers.

The NO<sub>x</sub> authorized account representatives seeking recordation of a NO<sub>x</sub> allowance transfer shall submit the transfer to the Administrator. To be considered correctly submitted, the NO<sub>x</sub> allowance transfer shall include the following elements in a format specified by the Administrator:

- (a) The numbers identifying both the transferor and transferee accounts;
- (b) A specification by serial number of each NO<sub>x</sub> allowance to be transferred; and
- (c) The printed name and signature of the NO<sub>x</sub> authorized account representative of the transferor account and the date signed.

#### § 97.61 EPA recordation.

(a) Within 5 business days of receiving a NO<sub>x</sub> allowance transfer, except as provided in paragraph (b) of this section, the Administrator will record a NO<sub>x</sub> allowance transfer by moving each NO<sub>x</sub> allowance from the transferor account to the transferee account as specified by the request, provided that:

- (1) The transfer is correctly submitted under § 97.60; and
- (2) The transferor account includes each NO<sub>x</sub> allowance identified by serial number in the transfer.

(b) A NO<sub>x</sub> allowance transfer that is submitted for recordation following the NO<sub>x</sub> allowance transfer deadline and that includes any NO<sub>x</sub> allowances allocated for a control period in a prior

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year or the same year as the NO<sub>x</sub> allowance transfer deadline will not be recorded until after the Administrator completes the recordation of NO<sub>x</sub> allowance allocations under § 97.53 for the control period in the same year as the NO<sub>x</sub> allowance transfer deadline.

(c) Where a NO<sub>x</sub> allowance transfer submitted for recordation fails to meet the requirements of paragraph (a) of this section, the Administrator will not record such transfer.

#### § 97.62 Notification.

(a) *Notification of recordation.* Within 5 business days of recordation of a NO<sub>x</sub> allowance transfer under § 97.61, the Administrator will notify the NO<sub>x</sub> authorized account representatives of both the transferor and transferee accounts.

(b) *Notification of non-recordation.* Within 10 business days of receipt of a NO<sub>x</sub> allowance transfer that fails to meet the requirements of § 97.61(a), the Administrator will notify the NO<sub>x</sub> authorized account representatives of both accounts subject to the transfer of:

- (1) A decision not to record the transfer; and
- (2) The reasons for such non-recordation.

(c) Nothing in this section shall preclude the submission of a NO<sub>x</sub> allowance transfer for recordation following notification of non-recordation.

### Subpart H—Monitoring and Reporting

#### § 97.70 General requirements.

The owners and operators, and to the extent applicable, the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget unit, shall comply with the monitoring, recordkeeping, and reporting requirements as provided in this subpart and in subpart H of part 75 of this chapter. For purposes of complying with such requirements, the definitions in § 97.2 and in § 72.2 of this chapter shall apply, and the terms “affected unit,” “designated representative,” and “continuous emission monitoring system” (or “CEMS”) in part 75 of this chapter shall be deemed to refer to the terms “NO<sub>x</sub> Budget unit,” “NO<sub>x</sub> authorized account representative,” and