

**10 CSR 10-6.372 Cross-State Air Pollution Rule Annual NO<sub>x</sub> Trading Allowance Allocations.**

(1) **Applicability.** This rule applies to all Transport Rule (TR) nitrogen oxides (NO<sub>x</sub>) Annual Units located in the State of Missouri.

(2) **Definitions.**

(A) Definitions for key words and phrases used in this rule may be found in 40 CFR 97.402 and 97.403.

(B) Definitions of certain terms specified in this rule, other than those defined in this rule section, may be found in 10 CSR 10-6.020.

(3) **General Provisions.**

This rule replaces 40 *Code of Federal Regulations* (CFR) 97.411(a), 40 CFR 97.411(b)(1) and 40 CFR 97.412(a) as promulgated under *Federal Register Notice* 76 FR 48208, August 8, 2011 and 77 FR 34830, June 12, 2012 as published by the Office of the Federal Register, U.S. National Archives and Records, 700 Pennsylvania Avenue NW, Washington, D.C. 20408.

(A) **Existing Units.**

1. The director must submit to the U.S. Environmental Protection Agency (EPA) in a format prescribed by the administrator the TR NO<sub>x</sub> Annual allowances listed in Table I taking into account any modifications necessary in accordance with paragraph (3)(A)2. of this rule. This submittal must meet the following schedule:

A. By June 1, 2016, the director will submit to EPA allowances for TR NO<sub>x</sub> Annual units for the control periods in 2017 and 2018.

B. By June 1, 2017, the director will submit to EPA allowances for TR NO<sub>x</sub> Annual units for the control periods in 2019 and 2020.

C. By June 1, 2018, the director will submit to EPA allowances for TR NO<sub>x</sub> Annual units for the control periods in 2021 and 2022.

D. By June 1, 2019, and June 1 of each year thereafter, the director will submit to EPA allowances for TR NO<sub>x</sub> Annual units for the control periods in the fourth year after the year in which the submission is made.

2. If a unit in Table I of this rule does not operate during two (2) consecutive control periods after 2014, the submittal made under paragraph (3)(A)1. of this rule will show zero (0) TR Annual NO<sub>x</sub> allowances for such unit for the control period in the fifth year after these two (2) such years and in each year after that fifth year. All TR NO<sub>x</sub> Annual allowances that would otherwise have been allocated to such unit will be allocated to the new unit set-aside for the State for the respective years involved. If this subsection is applicable, any resulting changes to the submittal under paragraph (3)(A)1. of this rule will be determined in accordance with the following:

A. Every year, the director will review the operation of each unit listed in Table I and notify stakeholders of any unit in Table I that

has not operated during two (2) consecutive control periods after 2014. Any notification made under this subparagraph will specify the first year in which allowances listed in Table I will be terminated for the applicable unit(s) under paragraph (3)(A)2. of this rule.

- B. For each notification required in subparagraph (3)(A)2.A. of this rule, the director will provide an opportunity for submission of objections to the units referenced in such notice that must be submitted by the deadline specified in such notification in order to be considered.
- C. If there are objections, the director will review them and provide notification stating the outcome.

**Table I**

<b>Source Name</b>	<b>Source ID</b>	<b>Unit ID</b>	<b>TR NO<sub>x</sub> Annual unit allowances (tons) for 2017 and thereafter</b>
Asbury	2076	1	884
Audrain Power Plant	55234	CT1	2
Audrain Power Plant	55234	CT2	2
Audrain Power Plant	55234	CT3	2
Audrain Power Plant	55234	CT4	2
Audrain Power Plant	55234	CT5	1
Audrain Power Plant	55234	CT6	1
Audrain Power Plant	55234	CT7	1
Audrain Power Plant	55234	CT8	1
Blue Valley	2132	3	126
Chamois Power Plant	2169	2	248
Chillicothe	2122	GT1A	2
Chillicothe	2122	GT1B	0
Chillicothe	2122	GT2A	0
Chillicothe	2122	GT2B	0
Columbia	2123	6	22
Columbia	2123	7	60
Columbia	2123	8	0
Columbia Energy Center (MO)	55447	CT01	1
Columbia Energy Center (MO)	55447	CT02	2
Columbia Energy Center (MO)	55447	CT03	1
Columbia Energy Center (MO)	55447	CT04	1
Dogwood Energy Facility	55178	CT-1	33
Dogwood Energy Facility	55178	CT-2	30
Empire District Elec Co Energy Ctr	6223	1	1
Empire District Elec Co Energy Ctr	6223	2	2
Empire District Elec Co Energy Ctr	6223	3A	11

Empire District Elec Co Energy Ctr	6223	3B	11
Empire District Elec Co Energy Ctr	6223	4A	12
Empire District Elec Co Energy Ctr	6223	4B	12
Essex Power Plant	7749	1	8
Fairgrounds	2082	CT01	0
Greenwood Energy Center	6074	1	6
Greenwood Energy Center	6074	2	4
Greenwood Energy Center	6074	3	6
Greenwood Energy Center	6074	4	8
Hawthorn	2079	5A	2,445
Hawthorn	2079	6	1
Hawthorn	2079	7	7
Hawthorn	2079	8	8
Hawthorn	2079	9	21
Higginsville Municipal Power Plant	2131	4A	2
Higginsville Municipal Power Plant	2131	4B	0
Holden Power Plant	7848	1	5
Holden Power Plant	7848	2	6
Holden Power Plant	7848	3	5
Howard Bend	2102	CT1A	0
Howard Bend	2102	CT1B	0
Iatan	6065	1	3,094
James River	2161	GT1	7
James River	2161	GT2	13
James River	2161	3	207
James River	2161	4	235
James River	2161	5	435
John Twitty Energy Center	6195	1	801
John Twitty Energy Center	6195	CT1A	1
John Twitty Energy Center	6195	CT1B	1
John Twitty Energy Center	6195	CT2A	1
John Twitty Energy Center	6195	CT2B	1
Labadie	2103	1	2,321
Labadie	2103	2	2,495
Labadie	2103	3	2,677
Labadie	2103	4	2,613
Lake Road	2098	6	414
Lake Road	2098	GT5	2
McCartney Generating Station	7903	MGS1A	10
McCartney Generating Station	7903	MGS1B	10
McCartney Generating Station	7903	MGS2A	10
McCartney Generating Station	7903	MGS2B	10
Meramec	2104	1	646
Meramec	2104	2	609
Meramec	2104	3	1,075
Meramec	2104	4	1,499

Meramec	2104	CT01	0
Meramec	2104	CT2A	0
Meramec	2104	CT2B	0
Mexico	6650	CT01	0
Moberly	6651	CT01	0
Montrose	2080	1	725
Montrose	2080	2	710
Montrose	2080	3	746
Moreau	6652	CT01	0
New Madrid Power Plant	2167	1	2,276
New Madrid Power Plant	2167	2	2,172
Nodaway Power Plant	7754	1	4
Nodaway Power Plant	7754	2	5
Northeast Generating Station	2081	11	0
Northeast Generating Station	2081	12	0
Northeast Generating Station	2081	13	0
Northeast Generating Station	2081	14	0
Northeast Generating Station	2081	15	0
Northeast Generating Station	2081	16	0
Northeast Generating Station	2081	17	1
Northeast Generating Station	2081	18	1
Peno Creek Energy Center	7964	CT1A	11
Peno Creek Energy Center	7964	CT1B	10
Peno Creek Energy Center	7964	CT2A	10
Peno Creek Energy Center	7964	CT2B	9
Peno Creek Energy Center	7964	CT3A	11
Peno Creek Energy Center	7964	CT3B	11
Peno Creek Energy Center	7964	CT4A	10
Peno Creek Energy Center	7964	CT4B	10
Ralph Green Station	2092	3	1
Rush Island	6155	1	2,086
Rush Island	6155	2	2,106
Sibley	2094	1	222
Sibley	2094	2	219
Sibley	2094	3	1,400
Sikeston	6768	1	1,268
Sioux	2107	1	1,874
Sioux	2107	2	1,690
South Harper Peaking Facility	56151	1	15
South Harper Peaking Facility	56151	2	19
South Harper Peaking Facility	56151	3	23
St. Francis Power Plant	7604	1	31
St. Francis Power Plant	7604	2	29
State Line (MO)	7296	1	8
State Line (MO)	7296	2-1	57
State Line (MO)	7296	2-2	59

Thomas Hill Energy Center	2168	MB1	829
Thomas Hill Energy Center	2168	MB2	1,296
Thomas Hill Energy Center	2168	MB3	2,674
Viaduct	2096	CT01	0
Total			45,818

(B) New Units.

1. For the TR NO<sub>x</sub> Annual control period in 2017 and each control period thereafter, the director must submit to EPA in a format prescribed by the administrator the TR NO<sub>x</sub> Annual allowances as determined under this subsection by July 1 of the applicable control period.
2. New unit set-asides.
  - A. Every year, the director will calculate the TR NO<sub>x</sub> Annual allowance allocation to each TR NO<sub>x</sub> Annual unit in a State, in accordance with subparagraph (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule, for the control period in the year of the applicable calculation and will share the results of the calculations with stakeholders.
  - B. The director will provide an opportunity for stakeholders to submit objections to the calculations. If there are objections—
    - (I) They must be submitted by the deadline specified along with the shared information required in subparagraph (3)(B)2.A. of this rule and must be limited to addressing whether the calculations (including the identification of the TR NO<sub>x</sub> Annual units) are in accordance with subparagraph (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule and 40 CFR 97.406(b)(2) and 40 CFR 97.430 through 40 CFR 97.435.
    - (II) The director will adjust the calculations to the extent necessary to ensure that they are in accordance with the provisions referenced in part (3)(B)2.B.(I) of this rule. The director will share the adjusted calculations detailing any adjustments that the director determines to be necessary with regard to allocations under subparagraph (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule and the reasons for accepting or rejecting any objections submitted in accordance with part (3)(B)2.B.(I) of this rule.
  - C. If the new unit set-aside for such control period contains any TR NO<sub>x</sub> Annual allowances that have not been allocated as the result of the final calculations from subparagraph (3)(B)2.B. of this rule, the director will notify stakeholders of any TR NO<sub>x</sub> Annual units that commenced commercial operation during the period starting January 1 of the year before the year of such control period and ending March 31 of year of such control period.

D. For each notification required in subparagraph (3)(B)2.C. of this rule, the director will provide an opportunity for submission of objections to the identification of TR NO<sub>x</sub> Annual units in such notification as well as for submission of the calculation of eligible allowances for units identified in such notification as described in part (3)(B)3.I.(III) of this rule.

(I) If there are objections, they must be submitted by the deadline specified in each notification required in subparagraph (3)(B)2.C. of this rule and must be limited to addressing whether the identification of TR NO<sub>x</sub> Annual units in such notification is in accordance with subparagraph (3)(B)2.C. of this rule. Any objection to each notification required in subparagraph (3)(B)2.C. of this rule must also include the calculation of eligible allowances for use in subparagraph (3)(B)3.I. of this rule, for each unit identified in such notification as specified in part (3)(B)3.I.(III) of this rule in order for such units to be eligible to receive any allowances in accordance with subparagraph (3)(B)3.I. of this rule. If the objections submitted under this part would add units that are not listed in the notification required in subparagraph (3)(B)2.C. of this rule; these objections must include the calculation of eligible allowances for such added units as specified in part (3)(B)3.I.(III) of this rule in order for such units to be eligible to receive any allowances in accordance with subparagraph (3)(B)3.I. of this rule.

(II) The director will adjust the identification of TR NO<sub>x</sub> Annual units in each notification required in subparagraph (3)(B)2.C. of this rule to the extent necessary to ensure that it is in accordance with subparagraph (3)(B)2.C. of this rule and will determine the TR NO<sub>x</sub> Annual allowance allocation to each TR NO<sub>x</sub> Annual unit in accordance with subparagraph (3)(B)3.I., (3)(B)3.J., and (3)(B)3.L. of this rule and 40 CFR 97.406(b)(2) and 40 CFR 97.430 through 40 CFR 97.435. By June 1 of each year, the director will notify stakeholders of any adjustments of the identification of TR NO<sub>x</sub> Annual units that the director determines to be necessary, the reasons for accepting or rejecting any objections submitted in accordance with part (3)(B)2.D.(I) of this rule, and the results of allowance determinations.

(III) For each notification required in part (3)(B)2.D.(II) of this rule, the director will provide an opportunity for submission of objections to the calculations referenced in such notice.

(IV) If there are objections, the director will review them and provide notification stating the outcome.

- E. If any TR NO<sub>x</sub> Annual allowances are added to the new unit set-aside after promulgation of each notification required in subparagraph (3)(B)2.D. of this rule, the director will promulgate additional notifications, as deemed appropriate, of the allocation of such TR NO<sub>x</sub> Annual allowances in accordance with subparagraph (3)(B)3.J. of this rule.
3. New unit TR NO<sub>x</sub> Annual allowance allocation. For each control period in 2017 and thereafter and for the TR NO<sub>x</sub> Annual units in Missouri, the director will allocate TR NO<sub>x</sub> Annual allowances to the TR NO<sub>x</sub> Annual units as follows:
- A. The TR NO<sub>x</sub> Annual allowances will be allocated to the following TR NO<sub>x</sub> Annual units, except as provided in subparagraph (3)(B)3.J. of this rule:
- (I) TR NO<sub>x</sub> Annual units that are not listed in Table I in paragraph (3)(A)2. of this rule;
  - (II) TR NO<sub>x</sub> Annual units whose allocation of an amount of TR NO<sub>x</sub> Annual allowances for such control period listed in Table I in paragraph (3)(A)2. of this rule is covered by 40 CFR 97.411(c)(2) or (3);
  - (III) TR NO<sub>x</sub> Annual units that are listed in Table I in paragraph (3)(A)2. of this rule and the allocation to such unit(s) is terminated for the applicable control period pursuant to paragraph (3)(A)2. of this rule, and that operate during the control period immediately preceding such control period; or
  - (IV) For purposes of subparagraph (3)(B)3.I. of this rule, TR NO<sub>x</sub> Annual units under 40 CFR 97.411(c)(1)(ii) whose allocation of an amount of TR NO<sub>x</sub> Annual allowances for such control period in the stakeholder notification required under part (3)(B)2.B.(II) of this rule is covered by 40 CFR 97.411(c)(2) or (3).
- B. The director will establish a separate new unit set-aside for the State for each such control period. Each such new unit set-aside will be allocated TR NO<sub>x</sub> Annual allowances in an amount equal to the applicable amount of tons of NO<sub>x</sub> emissions as set forth in 40 CFR 97.410(a) and will be allocated additional TR NO<sub>x</sub> Annual allowances (if any) in accordance with paragraph (3)(A)2. of this rule and 40 CFR 97.411(c)(5).
- C. The director will determine, for each TR NO<sub>x</sub> Annual unit described in subparagraph (3)(B)3.A. of this rule, an allocation of TR NO<sub>x</sub> Annual allowances for the later of the following control periods and for each subsequent control period:
- (I) The control period in 2017;
  - (II) The first control period after the control period in which the TR NO<sub>x</sub> Annual unit commences commercial operation;
  - (III) For a unit described in part (3)(B)3.A.(II) of this rule, the

first control period in which the TR NO<sub>x</sub> Annual unit operates in the State after operating in another jurisdiction and for which the unit is not already allocated one (1) or more TR NO<sub>x</sub> Annual allowances; and

(IV) For a unit described in part (3)(B)3.A.(III) of this rule, the first control period after the control period in which the unit resumes operation, or the first control period in which the allocation for such unit listed in Table I in paragraph (3)(A)2. of this rule is terminated pursuant to paragraph (3)(A)2. of this rule, whichever is later.

D. The allocation to each TR NO<sub>x</sub> Annual unit described in part (3)(B)3.A.(I) through (3)(B)3.A.(III) of this rule and for each control period described in subparagraph (3)(B)3.C. of this rule will be an amount equal to the unit's total tons of NO<sub>x</sub> emissions during the immediately preceding control period. The director will adjust the allocation amount in this subparagraph in accordance with subparagraphs (3)(B)3.E. through (3)(B)3.G. and (3)(B)3.L. of this rule.

E. The director will calculate the sum of the TR NO<sub>x</sub> Annual allowances determined for all such TR NO<sub>x</sub> Annual units under subparagraph (3)(B)3.D. of this rule in the State for such control period.

F. If the amount of TR NO<sub>x</sub> Annual allowances in the new unit set-aside for the State for such control period is greater than or equal to the sum under subparagraph (3)(B)3.E. of this rule, then the director will allocate the amount of TR NO<sub>x</sub> Annual allowances determined for each such TR NO<sub>x</sub> Annual unit under subparagraph (3)(B)3.D. of this rule.

G. If the amount of TR NO<sub>x</sub> Annual allowances in the new unit set-aside for the State for such control period is less than the sum under subparagraph (3)(B)3.E. of this rule, then the director will allocate to each such TR NO<sub>x</sub> Annual unit the amount of the TR NO<sub>x</sub> Annual allowances determined under subparagraph (3)(B)3.D. of this rule for the unit, multiplied by the amount of TR NO<sub>x</sub> Annual allowances in the new unit set-aside for such control period, divided by the sum under subparagraph (3)(B)3.E. of this rule, and rounded to the nearest allowance.

H. The director will notify the public, through the issuance of notifications as described in subparagraph (3)(B)2.A. and (3)(B)2.B. of this rule, of the amount of TR NO<sub>x</sub> Annual allowances allocated under subparagraphs (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule for such control period to each TR NO<sub>x</sub> Annual unit eligible for such allocation.

I. If, after completion of the procedures under subparagraphs (3)(B)3.E. through (3)(B)3.H. of this rule for such control period, any unallocated TR NO<sub>x</sub> Annual allowances remain in the new

unit set-aside for the State for such control period, the director will allocate such TR NO<sub>x</sub> Annual allowances as follows—

- (I) For any notifications required under subparagraph (3)(B)2.C. of this rule, any units identified in such notification may submit to the director by the deadline specified in such notification the calculation of eligible allowances for such control period as specified in part (3)(B)3.I.(III) of this rule. If a unit fails to submit the calculation of eligible allowances under this part by the applicable deadline, then no allowances will be awarded to such unit in accordance with this subparagraph;
- (II) For any objections submitted in accordance with part (3)(B)2.D.(I) of this rule that would add units that are not listed in the notification required under subparagraph (3)(B)2.C. of this rule, those objections may include for such added units the calculation of eligible allowances for such control period as specified in part (3)(B)3.I.(III) of this rule. If a unit fails to submit the calculation of eligible allowances under this part by the applicable deadline, then no allowances will be awarded to such unit in accordance with this subparagraph;
- (III) The calculation of eligible TR NO<sub>x</sub> Annual allowances for a specific control period for TR NO<sub>x</sub> Annual units that commenced commercial operation during the period starting January 1 of the year before the year of such control period and ending March 31 of year of such control period must be as follows;

$$EA = \frac{(ER)(HR)(NP_{cap})(CP_{Tot})(CF)(24 \text{ hours/day})(1,000 \text{ kW}/MWe)}{(2,000 \text{ lb/ton})(1,000,000 \text{ BTU}/mmBTU)}$$

Where:

- EA = eligible TR NO<sub>x</sub> Annual Allowances
- ER = the unit's permitted emission rate from the unit's construction permit approved under 10 CSR 10-6.060 (lb/mmBTU)
- HR = the heat rate efficiency for the generator that the unit serves (BTU/KW-hr)
- NP<sub>Cap</sub> = nameplate capacity of the generator that the unit serves (MWe)
- CP<sub>Tot</sub> = number of days in the control period
- CF = the unit's default capacity factor from Table II below

Table II – Default Capacity Factors for New Units

Unit Types	Annual SO <sub>2</sub> & NO <sub>x</sub> Programs	Ozone Season NO <sub>x</sub> Program
Coal-Fired Steam Boiler	0.85	0.92
IGCC (Coal Gasification)	0.74	0.73
Oil-Fired Steam Boiler	0.30	0.39
Natural Gas-Fired Steam Boiler	0.44	0.47
Simple Cycle Combustion Turbine	0.24	0.32
Combined Cycle Combustion Turbine	0.66	0.71

(IV) The director will determine, for each unit described in subparagraph (3)(B)3.A. of this rule that commenced commercial operation during the period starting January 1 of the year before the year of such control period and ending March 31 of the year of such control period, the positive difference (if any) between the unit's emissions during the previous control period and the amount of TR NO<sub>x</sub> Annual allowances referenced in the notification required under part (3)(B)2.D.(II) of this rule for the unit for such control period;

(V) The director will determine the sum of the positive differences determined under part (3)(B)3.I.(IV) of this rule;

(VI) If the amount of unallocated TR NO<sub>x</sub> Annual allowances remaining in the new unit set-aside for the State for such control period is greater than or equal to the sum determined under part (3)(B)3.I.(V) of this rule, then the director will allocate the amount of TR NO<sub>x</sub> Annual allowances determined for each such TR NO<sub>x</sub> Annual unit under part (3)(B)3.I.(IV) of this rule; and

(VII) If the amount of unallocated TR NO<sub>x</sub> Annual allowances remaining in the new unit set-aside for the State for such control period is less than the sum under part (3)(B)3.I.(V) of this rule, then the director will allocate to each such TR NO<sub>x</sub> Annual unit the amount of the TR NO<sub>x</sub> Annual allowances determined under part (3)(B)3.I.(IV) of this rule for the unit, multiplied by the amount of unallocated TR NO<sub>x</sub> Annual allowances remaining in the new unit set-aside for such control period, divided by the sum under part

(3)(B)3.I.(V) of this rule, and rounded to the nearest allowance.

J. If, after completion of the procedures under subparagraphs (3)(B)3.I. and (3)(B)3.L. of this rule for such control period, any unallocated TR NO<sub>x</sub> Annual allowances remain in the new unit set-aside for the State for such control period, the director will allocate to each TR NO<sub>x</sub> Annual unit that is in the State, is allocated an amount of TR NO<sub>x</sub> Annual allowances listed in Table I in paragraph (3)(A)2. of this rule, and continues to be allocated TR NO<sub>x</sub> Annual allowances for such control period in accordance with paragraph (3)(A)2. of this rule, an amount of TR NO<sub>x</sub> Annual allowances equal to the following: the total amount of such remaining unallocated TR NO<sub>x</sub> Annual allowances in such new unit set-aside, multiplied by the unit's allocation listed in Table I in paragraph (3)(A)2. of this rule for such control period, divided by the remainder of the amount of tons in the applicable State NO<sub>x</sub> Annual trading budget minus the amount of tons in such new unit set-aside for the State for such control period, and rounded to the nearest allowance.

K. The director will notify the public, through the issuance of notifications in subparagraph (3)(B)2.C., (3)(B)2.D., and (3)(B)2.E. of this rule, of the amount of TR NO<sub>x</sub> Annual allowances allocated under subparagraphs (3)(B)3.I., (3)(B)3.J., and (3)(B)3.L. of this rule for such control period to each TR NO<sub>x</sub> Annual unit eligible for such allocation.

L. Allocation tabulations that exceed or are less than the new unit set-aside.

(I) Notwithstanding the requirements of subparagraphs (3)(B)3.B. through (3)(B)3.K. of this rule, if the calculations of allocations of a new unit set-aside for a control period in a given year under subparagraph (3)(B)3.G. of this rule, subparagraph (3)(B)3.F. and part (3)(B)3.I.(VII) of this rule, or subparagraph (3)(B)3.F., part (3)(B)3.I.(VI), and subparagraph (3)(B)3.J. of this rule would otherwise result in total allocations of such new unit set-aside exceeding the total amount of such new unit set-aside, then the director will adjust the results of the calculations under subparagraph (3)(B)3.G., part (3)(B)3.I.(VII), or subparagraph (3)(B)3.J. of this rule, as applicable, as follows. The director will list the TR NO<sub>x</sub> Annual units in descending order based on the amount of such units' allocations under subparagraph (3)(B)3.G., part (3)(B)3.I.(VII), or subparagraph (3)(B)3.J. of this rule, as applicable, and, in cases of equal allocation amounts, in alphabetical order of the relevant source's name and numerical order of the relevant unit's identification number,

and will reduce each unit's allocation under subparagraph (3)(B)3.G., part (3)(B)3.I.(VII), or subparagraph (3)(B)3.J. of this rule, as applicable, by one (1) TR NO<sub>x</sub> Annual allowance (but not below zero (0)) in the order in which the units are listed and will repeat this reduction process as necessary, until the total allocations of such new unit set-aside equal the total amount of such new unit set-aside.

(II) Notwithstanding the requirements of subparagraphs (3)(B)3.J. and (3)(B)3.K. of this rule, if the calculations of allocations of a new unit set-aside for a control period in a given year under subparagraph (3)(B)3.F., part (3)(B)3.I.(VI), and subparagraph (3)(B)3.J. of this rule would otherwise result in a total allocations of such new unit set-aside less than the total amount of such new unit set-aside, then the director will adjust the results of the calculations under subparagraph (3)(B)3.J. of this rule, as follows. The director will list the TR NO<sub>x</sub> Annual units in descending order based on the amount of such units' allocations under subparagraph (3)(B)3.J. of this rule and, in cases of equal allocation amounts, in alphabetical order of the relevant source's name and numerical order of the relevant unit's identification number, and will increase each unit's allocation under subparagraph (3)(B)3.J. of this rule by one (1) TR NO<sub>x</sub> Annual allowance in the order in which the units are listed and will repeat this increase process as necessary, until the total allocations of such new unit set-aside equal the total amount of such new unit set-aside.

- (4) Reporting and Record Keeping. The director must maintain TR NO<sub>x</sub> Annual unit allowance records submitted to EPA for each TR NO<sub>x</sub> Annual control period for a minimum of five (5) years.
- (5) Test Methods. *(Not Applicable)*.

**10 CSR 10-6.374 Cross-State Air Pollution Rule Ozone Season NO<sub>x</sub> Trading Allowance Allocations.**

(1) **Applicability.** This rule applies to all Transport Rule (TR) nitrogen oxides (NO<sub>x</sub>) Ozone Season Units located in the State of Missouri.

(2) **Definitions.**

- (A) Definitions for key words and phrases used in this rule may be found in 40 CFR 97.502 and 97.503.
- (B) Definitions of certain terms specified in this rule, other than those defined in this rule section, may be found in 10 CSR 10-6.020.

(3) **General Provisions.**

This rule replaces 40 *Code of Federal Regulations* (CFR) 97.511(a), 40 CFR 97.511(b)(1) and 40 CFR 97.512(a) as promulgated under *Federal Register Notice* 76 FR 48208, August 8, 2011 and 77 FR 34830, June 12, 2012 as published by the Office of the Federal Register, U.S. National Archives and Records, 700 Pennsylvania Avenue NW, Washington, D.C. 20408.

(A) **Existing Units.**

1. The director must submit to the U.S. Environmental Protection Agency (EPA) in a format prescribed by the administrator the TR NO<sub>x</sub> Ozone Season allowances listed in Table I taking into account any modifications necessary in accordance with paragraph (3)(A)2. of this rule. This submittal must meet the following schedule:
  - A. By June 1, 2016, the director will submit to EPA allowances for TR NO<sub>x</sub> Ozone Season units for the control periods in 2017 and 2018.
  - B. By June 1, 2017, the director will submit to EPA allowances for TR NO<sub>x</sub> Ozone Season units for the control periods in 2019 and 2020.
  - C. By June 1, 2018, the director will submit to EPA allowances for TR NO<sub>x</sub> Ozone Season units for the control periods in 2021 and 2022.
  - D. By June 1, 2019, and June 1 of each year thereafter, the director will submit to EPA allowances for TR NO<sub>x</sub> Ozone Season units for the control periods in the fourth year after the year in which the submission is made.
2. If a unit in Table I of this rule does not operate during two (2) consecutive control periods after 2014, the submittal made under paragraph (3)(A)1. of this rule will show zero (0) TR Ozone Season NO<sub>x</sub> allowances for such unit for the control period in the fifth year after these two (2) such years and in each year after that fifth year. All TR NO<sub>x</sub> Ozone Season allowances that would otherwise have been allocated to such unit will be allocated to the new unit set-aside for the State for the respective years involved. If this subsection is applicable, any resulting changes to the submittal under paragraph (3)(A)1. of this rule will be determined in

accordance with the following:

- A. Every year, the director will review the operation of each unit listed in Table I and notify stakeholders of any unit in Table I that has not operated during two (2) consecutive control periods after 2014. Any notification made under this subparagraph will specify the first year in which allowances listed in Table I will be terminated for the applicable unit(s) under paragraph (3)(A)2. of this rule.
- B. For each notification required in subparagraph (3)(A)2.A. of this rule, the director will provide an opportunity for submission of objections to the units referenced in such notice that must be submitted by the deadline specified in such notification in order to be considered.
- C. If there are objections, the director will review them and provide notification stating the outcome.

**Table I**

<b>Source Name</b>	<b>Source ID</b>	<b>Unit ID</b>	<b>TR NO<sub>x</sub> Ozone Season unit allowances (tons) for 2017 and thereafter</b>
Asbury	2076	1	394
Audrain Power Plant	55234	CT1	1
Audrain Power Plant	55234	CT2	1
Audrain Power Plant	55234	CT3	1
Audrain Power Plant	55234	CT4	1
Audrain Power Plant	55234	CT5	1
Audrain Power Plant	55234	CT6	1
Audrain Power Plant	55234	CT7	1
Audrain Power Plant	55234	CT8	1
Blue Valley	2132	3	65
Chamois Power Plant	2169	2	101
Chillicothe	2122	GT1A	1
Chillicothe	2122	GT1B	0
Chillicothe	2122	GT2A	0
Chillicothe	2122	GT2B	0
Columbia	2123	6	18
Columbia	2123	7	26
Columbia	2123	8	0

Columbia Energy Center (MO)	55447	CT01	1
Columbia Energy Center (MO)	55447	CT02	1
Columbia Energy Center (MO)	55447	CT03	1
Columbia Energy Center (MO)	55447	CT04	0
Dogwood Energy Facility	55178	CT-1	23
Dogwood Energy Facility	55178	CT-2	18
Empire District Elec Co Energy Ctr	6223	1	1
Empire District Elec Co Energy Ctr	6223	2	1
Empire District Elec Co Energy Ctr	6223	3A	6
Empire District Elec Co Energy Ctr	6223	3B	6
Empire District Elec Co Energy Ctr	6223	4A	6
Empire District Elec Co Energy Ctr	6223	4B	6
Essex Power Plant	7749	1	7
Fairgrounds	2082	CT01	0
Greenwood Energy Center	6074	1	2
Greenwood Energy Center	6074	2	2
Greenwood Energy Center	6074	3	3
Greenwood Energy Center	6074	4	3
Hawthorn	2079	5A	1,082
Hawthorn	2079	6	1
Hawthorn	2079	7	6
Hawthorn	2079	8	7
Hawthorn	2079	9	21
Higginsville Municipal Power Plant	2131	4A	1
Higginsville Municipal Power Plant	2131	4B	0
Holden Power Plant	7848	1	3
Holden Power Plant	7848	2	4
Holden Power Plant	7848	3	3
Howard Bend	2102	CT1A	0
Howard Bend	2102	CT1B	0
Iatan	6065	1	1,374
James River	2161	GT1	6
James River	2161	GT2	12
James River	2161	3	87
James River	2161	4	102
James River	2161	5	186
John Twitty Energy Center	6195	1	351
John Twitty Energy Center	6195	CT1A	1
John Twitty Energy Center	6195	CT1B	1
John Twitty Energy Center	6195	CT2A	1

John Twitty Energy Center	6195	CT2B	1
Labadie	2103	1	986
Labadie	2103	2	1,038
Labadie	2103	3	1,115
Labadie	2103	4	1,100
Lake Road	2098	6	178
Lake Road	2098	GT5	1
McCartney Generating Station	7903	MGS1A	9
McCartney Generating Station	7903	MGS1B	9
McCartney Generating Station	7903	MGS2A	8
McCartney Generating Station	7903	MGS2B	8
Meramec	2104	1	255
Meramec	2104	2	250
Meramec	2104	3	483
Meramec	2104	4	632
Meramec	2104	CT01	0
Meramec	2104	CT2A	0
Meramec	2104	CT2B	0
Mexico	6650	CT01	0
Moberly	6651	CT01	0
Montrose	2080	1	311
Montrose	2080	2	295
Montrose	2080	3	307
Moreau	6652	CT01	0
New Madrid Power Plant	2167	1	989
New Madrid Power Plant	2167	2	994
Nodaway Power Plant	7754	1	4
Nodaway Power Plant	7754	2	5
Northeast Generating Station	2081	11	0
Northeast Generating Station	2081	12	0
Northeast Generating Station	2081	13	0
Northeast Generating Station	2081	14	0
Northeast Generating Station	2081	15	0
Northeast Generating Station	2081	16	0
Northeast Generating Station	2081	17	0
Northeast Generating Station	2081	18	0
Peno Creek Energy Center	7964	CT1A	8
Peno Creek Energy Center	7964	CT1B	7
Peno Creek Energy Center	7964	CT2A	7
Peno Creek Energy Center	7964	CT2B	6

Peno Creek Energy Center	7964	CT3A	7
Peno Creek Energy Center	7964	CT3B	8
Peno Creek Energy Center	7964	CT4A	8
Peno Creek Energy Center	7964	CT4B	8
Ralph Green Station	2092	3	1
Rush Island	6155	1	885
Rush Island	6155	2	916
Sibley	2094	1	91
Sibley	2094	2	94
Sibley	2094	3	611
Sikeston	6768	1	548
Sioux	2107	1	773
Sioux	2107	2	690
South Harper Peaking Facility	56151	1	12
South Harper Peaking Facility	56151	2	16
South Harper Peaking Facility	56151	3	20
St. Francis Power Plant	7604	1	19
St. Francis Power Plant	7604	2	18
State Line (MO)	7296	1	5
State Line (MO)	7296	2-1	28
State Line (MO)	7296	2-2	29
Thomas Hill Energy Center	2168	MB1	366
Thomas Hill Energy Center	2168	MB2	557
Thomas Hill Energy Center	2168	MB3	1,166
Viaduct	2096	CT01	0
<b>Total</b>			<b>19,830</b>

(B) New Units.

1. For the TR NO<sub>x</sub> Ozone Season control period in 2017 and each control period thereafter, the director must submit to EPA in a format prescribed by the administrator the TR NO<sub>x</sub> Ozone Season allowances as determined under this subsection by July 1 of the applicable control period.
2. New unit set-asides.
  - A. Every year, the director will calculate the TR NO<sub>x</sub> Ozone Season allowance allocation to each TR NO<sub>x</sub> Ozone Season unit in a State, in accordance with subparagraph (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule, for the control period in the year of the applicable calculation and will share the results of the calculations with stakeholders.
  - B. The director will provide an opportunity for stakeholders to submit objections to the calculations.
    - (I) If there are objections, they must be submitted by the

deadline specified along with the shared information required in subparagraph (3)(B)2.A. of this rule and must be limited to addressing whether the calculations (including the identification of the TR NO<sub>x</sub> Ozone Season units) are in accordance with subparagraph (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule and 40 CFR 97.506(b)(2) and 40 CFR 97.530 through 40 CFR 97.535.

(II) The director will adjust the calculations to the extent necessary to ensure that they are in accordance with the provisions referenced in part (3)(B)2.B.(I) of this rule. The director will share the adjusted calculations detailing any adjustments that the director determines to be necessary with regard to allocations under subparagraph (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule and the reasons for accepting or rejecting any objections submitted in accordance with part (3)(B)2.B.(I) of this rule.

C. If the new unit set-aside for such control period contains any TR NO<sub>x</sub> Ozone Season allowances that have not been allocated as the result of the final calculations from subparagraph (3)(B)2.B. of this rule, the director will notify stakeholders of any TR NO<sub>x</sub> Ozone Season units that commenced commercial operation during the period starting May 1 of the year before the year of such control period and ending March 31 of year of such control period.

D. For each notification required in subparagraph (3)(B)2.C. of this rule, the director will provide an opportunity for submission of objections to the identification of TR NO<sub>x</sub> Ozone Season units in such notification as well as for submission of the calculation of eligible allowances for units identified in such notification as described in part (3)(B)3.I.(III) of this rule.

(I) If there are objections, they must be submitted by the deadline specified in each notification required in subparagraph (3)(B)2.C. of this rule and must be limited to addressing whether the identification of TR NO<sub>x</sub> Ozone Season units in such notification is in accordance with subparagraph (3)(B)2.C. of this rule. Any objection to each notification required in subparagraph (3)(B)2.C. of this rule must also include the calculation of eligible allowances for use in subparagraph (3)(B)3.I. of this rule, for each unit identified in such notification as specified in part (3)(B)3.I.(III) of this rule in order for such units to be eligible to receive any allowances in accordance with subparagraph (3)(B)3.I. of this rule. If the objections submitted under this part would add units that are not listed in the public notice required in subparagraph (3)(B)2.C. of this rule; these objections must include the calculation of eligible allowances for such added units as specified in part

(3)(B)3.I.(III) of this rule in order for such units to be eligible to receive any allowances in accordance with subparagraph (3)(B)3.I. of this rule.

(II) The director will adjust the identification of TR NO<sub>x</sub> Ozone Season units in each notification required in subparagraph (3)(B)2.C. of this rule to the extent necessary to ensure that it is in accordance with subparagraph (3)(B)2.C. of this rule and will determine the TR NO<sub>x</sub> Ozone Season allowance allocation to each TR NO<sub>x</sub> Ozone Season unit in accordance with subparagraph (3)(B)3.I., (3)(B)3.J., and (3)(B)3.L. of this rule and 40 CFR 97.506(b)(2) and 40 CFR 97.530 through 40 CFR 97.535. By June 1 of each year, the director will notify stakeholders of any adjustments of the identification of TR NO<sub>x</sub> Ozone Season units that the director determines to be necessary, the reasons for accepting or rejecting any objections submitted in accordance with part (3)(B)2.D.(I) of this rule, and the results of allowance determinations.

(III) For each notification required in part (3)(B)2.D.(II) of this rule, the director will provide an opportunity for submission of objections to the calculations referenced in such notice.

(IV) If there are objections, the director will review them and provide notification stating the outcome.

E. If any TR NO<sub>x</sub> Ozone Season allowances are added to the new unit set-aside after promulgation of each notification required in subparagraph (3)(B)2.D. of this rule, the director will promulgate additional notifications, as deemed appropriate, of the allocation of such TR NO<sub>x</sub> Ozone Season allowances in accordance with subparagraph (3)(B)3.J. of this rule.

3. New unit TR NO<sub>x</sub> Ozone Season allowance allocation. For each control period in 2017 and thereafter and for the TR NO<sub>x</sub> Ozone Season units in Missouri, the director will allocate TR NO<sub>x</sub> Ozone Season allowances to the TR NO<sub>x</sub> Ozone Season units as follows:

A. The TR NO<sub>x</sub> Ozone Season allowances will be allocated to the following TR NO<sub>x</sub> Ozone Season units, except as provided in subparagraph (3)(B)3.J. of this rule:

(I) TR NO<sub>x</sub> Ozone Season units that are not listed in Table I in paragraph (3)(A)2. of this rule;

(II) TR NO<sub>x</sub> Ozone Season units whose allocation of an amount of TR NO<sub>x</sub> Ozone Season allowances for such control period listed in Table I in paragraph (3)(A)2. of this rule is covered by 40 CFR 97.511(c)(2) or (3);

(III) TR NO<sub>x</sub> Ozone Season units that are listed in Table I in paragraph (3)(A)2. of this rule and the allocation to such unit(s) is terminated for the applicable control period

pursuant to paragraph (3)(A)2. of this rule, and that operate during the control period immediately preceding such control period; or

(IV) For purposes of subparagraph (3)(B)3.I. of this rule, TR NO<sub>x</sub> Ozone Season units under 40 CFR 97.511(c)(1)(ii) whose allocation of an amount of TR NO<sub>x</sub> Ozone Season allowances for such control period in the stakeholder notification required under part (3)(B)2.B.(II) of this rule is covered by 40 CFR 97.511(c)(2) or (3).

B. The director will establish a separate new unit set-aside for the State for each such control period. Each such new unit set-aside will be allocated TR NO<sub>x</sub> Ozone Season allowances in an amount equal to the applicable amount of tons of NO<sub>x</sub> emissions as set forth in 40 CFR 97.510(a) and will be allocated additional TR NO<sub>x</sub> Ozone Season allowances (if any) in accordance with paragraph (3)(A)2. of this rule and 40 CFR 97.511(c)(5).

C. The director will determine, for each TR NO<sub>x</sub> Ozone Season unit described in subparagraph (3)(B)3.A. of this rule, an allocation of TR NO<sub>x</sub> Ozone Season allowances for the later of the following control periods and for each subsequent control period:

(I) The control period in 2017;

(II) The first control period after the control period in which the TR NO<sub>x</sub> Ozone Season unit commences commercial operation;

(III) For a unit described in part (3)(B)3.A.(II) of this rule, the first control period in which the TR NO<sub>x</sub> Ozone Season unit operates in the State after operating in another jurisdiction and for which the unit is not already allocated one (1) or more TR NO<sub>x</sub> Ozone Season allowances; and

(IV) For a unit described in part (3)(B)3.A.(III) of this rule, the first control period after the control period in which the unit resumes operation, or the first control period in which the allocation for such unit listed in Table I in paragraph (3)(A)2. of this rule is terminated pursuant to paragraph (3)(A)2. of this rule, whichever is later.

D. The allocation to each TR NO<sub>x</sub> Ozone Season unit described in part (3)(B)3.A.(I) through (3)(B)3.A.(III) of this rule and for each control period described in subparagraph (3)(B)3.C. of this rule will be an amount equal to the unit's total tons of NO<sub>x</sub> emissions during the immediately preceding control period. The director will adjust the allocation amount in this subparagraph in accordance with subparagraphs (3)(B)3.E. through (3)(B)3.G. and (3)(B)3.L. of this rule.

E. The director will calculate the sum of the TR NO<sub>x</sub> Ozone Season allowances determined for all such TR NO<sub>x</sub> Ozone Season units under subparagraph (3)(B)3.D. of this rule in the State for such

control period.

- F. If the amount of TR NO<sub>x</sub> Ozone Season allowances in the new unit set-aside for the State for such control period is greater than or equal to the sum under subparagraph (3)(B)3.E. of this rule, then the director will allocate the amount of TR NO<sub>x</sub> Ozone Season allowances determined for each such TR NO<sub>x</sub> Ozone Season unit under subparagraph (3)(B)3.D. of this rule.
- G. If the amount of TR NO<sub>x</sub> Ozone Season allowances in the new unit set-aside for the State for such control period is less than the sum under subparagraph (3)(B)3.E. of this rule, then the director will allocate to each such TR NO<sub>x</sub> Ozone Season unit the amount of the TR NO<sub>x</sub> Ozone Season allowances determined under subparagraph (3)(B)3.D. of this rule for the unit, multiplied by the amount of TR NO<sub>x</sub> Ozone Season allowances in the new unit set-aside for such control period, divided by the sum under subparagraph (3)(B)3.E. of this rule, and rounded to the nearest allowance.
- H. The director will notify the public, through the issuance of notifications as described in subparagraph (3)(B)2.A. and (3)(B)2.B. of this rule, of the amount of TR NO<sub>x</sub> Ozone Season allowances allocated under subparagraphs (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule for such control period to each TR NO<sub>x</sub> Ozone Season unit eligible for such allocation.
- I. If, after completion of the procedures under subparagraphs (3)(B)3.E. through (3)(B)3.H. of this rule for such control period, any unallocated TR NO<sub>x</sub> Ozone Season allowances remain in the new unit set-aside for the State for such control period, the director will allocate such TR NO<sub>x</sub> Ozone Season allowances as follows—
- (I) For any notifications required under subparagraph (3)(B)2.C. of this rule, any units identified in such notification may submit to the director by the deadline specified in such notification the calculation of eligible allowances for such control period as specified in part (3)(B)3.I.(III) of this rule. If a unit fails to submit the calculation of eligible allowances under this part by the applicable deadline, then no allowances will be awarded to such unit in accordance with this subparagraph;
  - (II) For any objections submitted in accordance with part (3)(B)2.D.(I) of this rule that would add units that are not listed in the notification required under subparagraph (3)(B)2.C. of this rule, those objections may include for such added units the calculation of eligible allowances for such control period as specified in part (3)(B)3.I.(III) of this rule. If a unit fails to submit the calculation of eligible allowances under this part by the applicable deadline, then no allowances will be awarded to such unit in accordance with this subparagraph;

(III) The calculation of eligible TR NO<sub>x</sub> Ozone Season allowances for a specific control period for TR NO<sub>x</sub> Ozone Season units that commenced commercial operation during the period starting May 1 of the year before the year of such control period and ending March 31 of year of such control period must be as follows;

$$EA = \frac{(ER)(HR)(NP_{Cap})(CP_{Tot})(CF)(24 \text{ hours/day})(1,000 \text{ kW/MW}_e)}{(2,000 \text{ lb/ton})(1,000,000 \text{ BTU/mmBTU})}$$

Where:

EA = eligible TR NO<sub>x</sub> Ozone Season Allowances

ER = the unit's permitted emission rate from the unit's construction permit approved under 10 CSR/10-6.060 (lb/mmBTU)

HR = the heat rate efficiency for the generator that the unit serves (BTU/kW-hr)

NP<sub>Cap</sub> = nameplate capacity of the generator that the unit serves (MWe)

CP<sub>Tot</sub> = number of days in the control period

CF = the unit's default capacity factor from Table II below

Table II – Default Capacity Factors for New Units

Unit Types	Annual SO <sub>2</sub> & NO <sub>x</sub> Programs	Ozone Season NO <sub>x</sub> Program
Coal-Fired Steam Boiler	0.85	0.92
IGCC (Coal Gasification)	0.74	0.73
Oil-Fired Steam Boiler	0.30	0.39
Natural Gas-Fired Steam Boiler	0.44	0.47
Simple Cycle Combustion Turbine	0.24	0.32
Combined Cycle Combustion Turbine	0.66	0.71

(IV) The director will determine, for each unit described in

subparagraph (3)(B)3.A. of this rule that commenced commercial operation during the period starting May 1 of the year before the year of such control period and ending March 31 of the year of such control period, the positive difference (if any) between the unit's emissions during the previous control period and the amount of TR NO<sub>x</sub> Ozone Season allowances referenced in the notification required under part (3)(B)2.D.(II) of this rule for the unit for such control period;

- (V) The director will determine the sum of the positive differences determined under part (3)(B)3.I.(IV) of this rule;
- (VI) If the amount of unallocated TR NO<sub>x</sub> Ozone Season allowances remaining in the new unit set-aside for the State for such control period is greater than or equal to the sum determined under part (3)(B)3.I.(V) of this rule, then the director will allocate the amount of TR NO<sub>x</sub> Ozone Season allowances determined for each such TR NO<sub>x</sub> Ozone Season unit under part (3)(B)3.I.(IV) of this rule; and
- (VII) If the amount of unallocated TR NO<sub>x</sub> Ozone Season allowances remaining in the new unit set-aside for the State for such control period is less than the sum under part (3)(B)3.I.(V) of this rule, then the director will allocate to each such TR NO<sub>x</sub> Ozone Season unit the amount of the TR NO<sub>x</sub> Ozone Season allowances determined under part (3)(B)3.I.(IV) of this rule for the unit, multiplied by the amount of unallocated TR NO<sub>x</sub> Ozone Season allowances remaining in the new unit set-aside for such control period, divided by the sum under part (3)(B)3.I.(V) of this rule, and rounded to the nearest allowance.

J If, after completion of the procedures under subparagraphs (3)(B)3.I. and (3)(B)3.L. of this rule for such control period, any unallocated TR NO<sub>x</sub> Ozone Season allowances remain in the new unit set-aside for the State for such control period, the director will allocate to each TR NO<sub>x</sub> Ozone Season unit that is in the State, is allocated an amount of TR NO<sub>x</sub> Ozone Season allowances listed in Table I in paragraph (3)(A)2. of this rule, and continues to be allocated TR NO<sub>x</sub> Ozone Season allowances for such control period in accordance with paragraph (3)(A)2. of this rule, an amount of TR NO<sub>x</sub> Ozone Season allowances equal to the following: the total amount of such remaining unallocated TR NO<sub>x</sub> Ozone Season allowances in such new unit set-aside, multiplied by the unit's allocation listed in Table I in paragraph (3)(A)2. of this rule for such control period, divided by the remainder of the amount of tons in the applicable State NO<sub>x</sub> Ozone Season trading budget minus the amount of tons in such new unit set-aside for the

State for such control period, and rounded to the nearest allowance.

K. The director will notify the public, through the issuance of notifications in subparagraph (3)(B)2.C., (3)(B)2.D., and (3)(B)2.E. of this rule, of the amount of TR NO<sub>x</sub> Ozone Season allowances allocated under subparagraphs (3)(B)3.I., (3)(B)3.J., and (3)(B)3.L. of this rule for such control period to each TR NO<sub>x</sub> Ozone Season unit eligible for such allocation.

L. Allocation tabulations that exceed or are less than the new unit set-aside.

(I) Notwithstanding the requirements of subparagraphs (3)(B)3.B. through (3)(B)3.K. of this rule, if the calculations of allocations of a new unit set-aside for a control period in a given year under subparagraph (3)(B)3.G. of this rule, subparagraph (3)(B)3.F. and part (3)(B)3.I.(VII) of this rule, or subparagraph (3)(B)3.F., part (3)(B)3.I.(VI), and subparagraph (3)(B)3.J. of this rule would otherwise result in total allocations of such new unit set-aside exceeding the total amount of such new unit set-aside, then the director will adjust the results of the calculations under subparagraph (3)(B)3.G., part (3)(B)3.I.(VII), or subparagraph (3)(B)3.J. of this rule, as applicable, as follows. The director will list the TR NO<sub>x</sub> Ozone Season units in descending order based on the amount of such units' allocations under subparagraph (3)(B)3.G., part (3)(B)3.I.(VII), or subparagraph (3)(B)3.J. of this rule, as applicable, and, in cases of equal allocation amounts, in alphabetical order of the relevant source's name and numerical order of the relevant unit's identification number, and will reduce each unit's allocation under subparagraph (3)(B)3.G., part (3)(B)3.I.(VII), or subparagraph (3)(B)3.J. of this rule, as applicable, by one (1) TR NO<sub>x</sub> Ozone Season allowance (but not below zero (0)) in the order in which the units are listed and will repeat this reduction process as necessary, until the total allocations of such new unit set-aside equal the total amount of such new unit set-aside.

(II) Notwithstanding the requirements of subparagraphs (3)(B)3.J. and (3)(B)3.K. of this rule, if the calculations of allocations of a new unit set-aside for a control period in a given year under subparagraph (3)(B)3.F., part (3)(B)3.I.(VI), and subparagraph (3)(B)3.J. of this rule would otherwise result in a total allocations of such new unit set-aside less than the total amount of such new unit set-aside, then the director will adjust the results of the calculations under subparagraph (3)(B)3.J. of this rule, as follows. The director will list the TR NO<sub>x</sub> Ozone Season

units in descending order based on the amount of such units' allocations under subparagraph (3)(B)3.J. of this rule and, in cases of equal allocation amounts, in alphabetical order of the relevant source's name and numerical order of the relevant unit's identification number, and will increase each unit's allocation under subparagraph (3)(B)3.J. of this rule by one (1) TR NO<sub>x</sub> Ozone Season allowance in the order in which the units are listed and will repeat this increase process as necessary, until the total allocations of such new unit set-aside equal the total amount of such new unit set-aside.

- (4) Reporting and Record Keeping. The director must maintain TR NO<sub>x</sub> Ozone Season unit allowance records submitted to EPA for each TR NO<sub>x</sub> Ozone Season control period for a minimum of five (5) years.
- (5) Test Methods. *(Not Applicable)*.



**10 CSR 10-6.376 Cross-State Air Pollution Rule Annual SO<sub>2</sub> Trading Allowance Allocations.**

- (1) **Applicability.** This rule shall apply to all Transport Rule (TR) sulfur dioxide (SO<sub>2</sub>) Annual Group 1 Units located in the State of Missouri.
- (2) **Definitions.**
  - (A) Definitions for key words and phrases used in this rule may be found in 40 CFR 97.602 and 97.603.
  - (B) Definitions of certain terms specified in this rule, other than those defined in this rule section, may be found in 10 CSR 10-6.020.
- (3) **General Provisions.**

This rule replaces 40 *Code of Federal Regulations* (CFR) 97.611(a), 40 CFR 97.611(b)(1) and 40 CFR 97.612(a) as promulgated under *Federal Register Notice* 76 FR 48208, August 8, 2011 and 77 FR 34830, June 12, 2012 as published by the Office of the Federal Register, U.S. National Archives and Records, 700 Pennsylvania Avenue NW, Washington, D.C. 20408.

  - (A) **Existing Units.**
    1. The director must submit to the U.S. Environmental Protection Agency (EPA) in a format prescribed by the administrator the TR SO<sub>2</sub> Annual allowances listed in Table I taking into account any modifications necessary in accordance with paragraph (3)(A)2. of this rule. This submittal must meet the following schedule:
      - A. By June 1, 2016, the director will submit to EPA allowances for TR SO<sub>2</sub> Annual units for the control periods in 2017 and 2018.
      - B. By June 1, 2017, the director will submit to EPA allowances for TR SO<sub>2</sub> Annual units for the control periods in 2019 and 2020.
      - C. By June 1, 2018, the director will submit to EPA allowances for TR SO<sub>2</sub> Annual units for the control periods in 2021 and 2022.
      - D. By June 1, 2019, and June 1 of each year thereafter, the director will submit to EPA allowances for TR SO<sub>2</sub> Annual units for the control periods in the fourth year after the year in which the submission is made.
    2. If a unit in Table I of this rule does not operate during two (2) consecutive control periods after 2014, the submittal made under paragraph (3)(A)1. of this rule will show zero (0) TR Annual SO<sub>2</sub> allowances for such unit for the control period in the fifth year after these two (2) such years and in each year after that fifth year. All TR SO<sub>2</sub> Annual allowances that would otherwise have been allocated to such unit will be allocated to the new unit set-aside for the State for the respective years involved. If this subsection is applicable, any resulting changes to the submittal under paragraph (3)(A)1. of this rule will be determined in accordance with the following:
      - A. Every year, the director will review the operation of each unit listed in Table I and notify stakeholders of any unit in Table I that

has not operated during two (2) consecutive control periods after 2014. Any notification made under this subparagraph will specify the first year in which allowances listed in Table I will be terminated for the applicable unit(s) under paragraph (3)(A)2. of this rule.

B. For each notification required in subparagraph (3)(A)2.A. of this rule, the director will provide an opportunity for submission of objections to the units referenced in such notice that must be submitted by the deadline specified in such notification in order to be considered.

C. If there are objections, the director will review them and provide notification stating the outcome.

**Table I**

<b>Source Name</b>	<b>Source ID</b>	<b>Unit ID</b>	<b>TR SO<sub>2</sub> Group 1 unit allowances (tons) for 2017 and thereafter</b>
Asbury	2076	1	4,480
Audrain Power Plant	55234	CT1	0
Audrain Power Plant	55234	CT2	0
Audrain Power Plant	55234	CT3	0
Audrain Power Plant	55234	CT4	0
Audrain Power Plant	55234	CT5	0
Audrain Power Plant	55234	CT6	0
Audrain Power Plant	55234	CT7	0
Audrain Power Plant	55234	CT8	0
Blue Valley	2132	3	452
Chamois Power Plant	2169	2	893
Chillicothe	2122	GT1A	0
Chillicothe	2122	GT1B	0
Chillicothe	2122	GT2A	1
Chillicothe	2122	GT2B	0
Columbia	2123	6	78
Columbia	2123	7	215
Columbia	2123	8	0
Columbia Energy Center (MO)	55447	CT01	0
Columbia Energy Center (MO)	55447	CT02	0
Columbia Energy Center (MO)	55447	CT03	0
Columbia Energy Center (MO)	55447	CT04	0
Dogwood Energy Facility	55178	CT-1	1
Dogwood Energy Facility	55178	CT-2	1
Empire District Elec Co Energy Ctr	6223	1	0
Empire District Elec Co Energy Ctr	6223	2	0
Empire District Elec Co Energy Ctr	6223	3A	1

Empire District Elec Co Energy Ctr	6223	3B	1
Empire District Elec Co Energy Ctr	6223	4A	1
Empire District Elec Co Energy Ctr	6223	4B	1
Essex Power Plant	7749	1	0
Fairgrounds	2082	CT01	1
Greenwood Energy Center	6074	1	1
Greenwood Energy Center	6074	2	0
Greenwood Energy Center	6074	3	0
Greenwood Energy Center	6074	4	1
Hawthorn	2079	5A	2,643
Hawthorn	2079	6	0
Hawthorn	2079	7	0
Hawthorn	2079	8	0
Hawthorn	2079	9	1
Higginsville Municipal Power Plant	2131	4A	0
Higginsville Municipal Power Plant	2131	4B	0
Holden Power Plant	7848	1	0
Holden Power Plant	7848	2	1
Holden Power Plant	7848	3	0
Howard Bend	2102	CT1A	1
Howard Bend	2102	CT1B	1
Iatan	6065	1	9,833
James River	2161	GT1	0
James River	2161	GT2	0
James River	2161	3	747
James River	2161	4	847
James River	2161	5	1,566
John Twitty Energy Center	6195	1	2,883
John Twitty Energy Center	6195	CT1A	0
John Twitty Energy Center	6195	CT1B	0
John Twitty Energy Center	6195	CT2A	0
John Twitty Energy Center	6195	CT2B	0
Labadie	2103	1	9,056
Labadie	2103	2	9,265
Labadie	2103	3	9,633
Labadie	2103	4	9,929
Lake Road	2098	6	1,490
Lake Road	2098	GT5	2
McCartney Generating Station	7903	MGS1A	0
McCartney Generating Station	7903	MGS1B	0
McCartney Generating Station	7903	MGS2A	0
McCartney Generating Station	7903	MGS2B	0
Meramec	2104	1	2,326
Meramec	2104	2	2,192
Meramec	2104	3	3,869
Meramec	2104	4	5,394

Meramec	2104	CT01	1
Meramec	2104	CT2A	0
Meramec	2104	CT2B	0
Mexico	6650	CT01	1
Moberly	6651	CT01	2
Montrose	2080	1	2,608
Montrose	2080	2	2,555
Montrose	2080	3	2,684
Moreau	6652	CT01	1
New Madrid Power Plant	2167	1	8,190
New Madrid Power Plant	2167	2	7,628
Nodaway Power Plant	7754	1	0
Nodaway Power Plant	7754	2	0
Northeast Generating Station	2081	11	0
Northeast Generating Station	2081	12	0
Northeast Generating Station	2081	13	0
Northeast Generating Station	2081	14	0
Northeast Generating Station	2081	15	0
Northeast Generating Station	2081	16	0
Northeast Generating Station	2081	17	1
Northeast Generating Station	2081	18	0
Peno Creek Energy Center	7964	CT1A	0
Peno Creek Energy Center	7964	CT1B	0
Peno Creek Energy Center	7964	CT2A	0
Peno Creek Energy Center	7964	CT2B	0
Peno Creek Energy Center	7964	CT3A	0
Peno Creek Energy Center	7964	CT3B	0
Peno Creek Energy Center	7964	CT4A	0
Peno Creek Energy Center	7964	CT4B	0
Ralph Green Station	2092	3	0
Rush Island	6155	1	9,492
Rush Island	6155	2	8,700
Sibley	2094	1	799
Sibley	2094	2	788
Sibley	2094	3	5,037
Sikeston	6768	1	4,564
Sioux	2107	1	6,743
Sioux	2107	2	6,083
South Harper Peaking Facility	56151	1	0
South Harper Peaking Facility	56151	2	0
South Harper Peaking Facility	56151	3	0
St. Francis Power Plant	7604	1	1
St. Francis Power Plant	7604	2	1
State Line (MO)	7296	1	0
State Line (MO)	7296	2-1	2
State Line (MO)	7296	2-2	3

Thomas Hill Energy Center	2168	MB1	2,982
Thomas Hill Energy Center	2168	MB2	4,665
Thomas Hill Energy Center	2168	MB3	9,621
Viaduct	2096	CT01	0
<b>Total</b>			<b>160,959</b>

(B) New Units.

1. For the TR SO<sub>2</sub> Annual control period in 2017 and each control period thereafter, the director must submit to EPA in a format prescribed by the administrator the TR SO<sub>2</sub> Annual allowances as determined under this subsection by July 1 of the applicable control period.
2. New unit set-asides.
  - A. Every year, the director will calculate the TR SO<sub>2</sub> Annual allowance allocation to each TR SO<sub>2</sub> Annual unit in a State, in accordance with subparagraph (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule, for the control period in the year of the applicable calculation and will share the results of the calculations with stakeholders.
  - B. The director will provide an opportunity for stakeholders to submit objections to the calculations. If there are objections—
    - (I) They must be submitted by the deadline specified along with the shared information required in subparagraph (3)(B)2.A. of this rule and must be limited to addressing whether the calculations (including the identification of the TR SO<sub>2</sub> Annual units) are in accordance with subparagraph (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule and 40 CFR 97.606(b)(2) and 40 CFR 97.630 through 40 CFR 97.635.
    - (II) The director will adjust the calculations to the extent necessary to ensure that they are in accordance with the provisions referenced in part (3)(B)2.B.(I) of this rule. The director will share the adjusted calculations detailing any adjustments that the director determines to be necessary with regard to allocations under subparagraph (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule and the reasons for accepting or rejecting any objections submitted in accordance with part (3)(B)2.B.(I) of this rule.
  - C. If the new unit set-aside for such control period contains any TR SO<sub>2</sub> Annual allowances that have not been allocated as the result of the final calculations from subparagraph (3)(B)2.B. of this rule, the director will notify stakeholders of any TR SO<sub>2</sub> Annual units that commenced commercial operation during the period starting January 1 of the year before the year of such control period and ending March 31 of year of such control period.

D. For each notification required in subparagraph (3)(B)2.C. of this rule, the director will provide an opportunity for submission of objections to the identification of TR SO<sub>2</sub> Annual units in such notification as well as for submission of the calculation of eligible allowances for units identified in such notification as described in part (3)(B)3.I.(III) of this rule.

(I) If there are objections, they must be submitted by the deadline specified in each notification required in subparagraph (3)(B)2.C. of this rule and must be limited to addressing whether the identification of TR SO<sub>2</sub> Annual units in such notification is in accordance with subparagraph (3)(B)2.C. of this rule. Any objection to each notification required in subparagraph (3)(B)2.C. of this rule must also include the calculation of eligible allowances for use in subparagraph (3)(B)3.I. of this rule, for each unit identified in such notification as specified in part (3)(B)3.I.(III) of this rule in order for such units to be eligible to receive any allowances in accordance with subparagraph (3)(B)3.I. of this rule. If the objections submitted under this part would add units that are not listed in the notification required in subparagraph (3)(B)2.C. of this rule; these objections must include the calculation of eligible allowances for such added units as specified in part (3)(B)3.I.(III) of this rule in order for such units to be eligible to receive any allowances in accordance with subparagraph (3)(B)3.I. of this rule.

(II) The director will adjust the identification of TR SO<sub>2</sub> Annual units in each notification required in subparagraph (3)(B)2.C. of this rule to the extent necessary to ensure that it is in accordance with subparagraph (3)(B)2.C. of this rule and will determine the TR SO<sub>2</sub> Annual allowance allocation to each TR SO<sub>2</sub> Annual unit in accordance with subparagraph (3)(B)3.I., (3)(B)3.J., and (3)(B)3.L. of this rule and 40 CFR 97.606(b)(2) and 40 CFR 97.630 through 40 CFR 97.635. By June 1 of each year, the director will notify stakeholders of any adjustments of the identification of TR SO<sub>2</sub> Annual units that the director determines to be necessary, the reasons for accepting or rejecting any objections submitted in accordance with part (3)(B)2.D.(I) of this rule, and the results of allowance determinations.

(III) For each notification required in part (3)(B)2.D.(II) of this rule, the director will provide an opportunity for submission of objections to the calculations referenced in such notice.

(IV) If there are objections, the director will review them and provide notification stating the outcome.

- E. If any TR SO<sub>2</sub> Annual allowances are added to the new unit set-aside after promulgation of each notification required in subparagraph (3)(B)2.D. of this rule, the director will promulgate additional notifications, as deemed appropriate, of the allocation of such TR SO<sub>2</sub> Annual allowances in accordance with subparagraph (3)(B)3.J. of this rule.
3. New unit TR SO<sub>2</sub> Annual allowance allocation. For each control period in 2017 and thereafter and for the TR SO<sub>2</sub> Annual units in Missouri, the director will allocate TR SO<sub>2</sub> Annual allowances to the TR SO<sub>2</sub> Annual units as follows:
- A. The TR SO<sub>2</sub> Annual allowances will be allocated to the following TR SO<sub>2</sub> Annual units, except as provided in subparagraph (3)(B)3.J. of this rule:
- (I) TR SO<sub>2</sub> Annual units that are not listed in Table I in paragraph (3)(A)2. of this rule;
  - (II) TR SO<sub>2</sub> Annual units whose allocation of an amount of TR SO<sub>2</sub> Annual allowances for such control period listed in Table I in paragraph (3)(A)2. of this rule is covered by 40 CFR 97.611(c)(2) or (3);
  - (III) TR SO<sub>2</sub> Annual units that are listed in Table I in paragraph (3)(A)2. of this rule and the allocation to such unit(s) is terminated for the applicable control period pursuant to paragraph (3)(A)2. of this rule, and that operate during the control period immediately preceding such control period; or
  - (IV) For purposes of subparagraph (3)(B)3.I. of this rule, TR SO<sub>2</sub> Annual units under 40 CFR 97.611(c)(1)(ii) whose allocation of an amount of TR SO<sub>2</sub> Annual allowances for such control period in the stakeholder notification required under part (3)(B)2.B.(II) of this rule is covered by 40 CFR 97.611(c)(2) or (3).
- B. The director will establish a separate new unit set-aside for the State for each such control period. Each such new unit set-aside will be allocated TR SO<sub>2</sub> Annual allowances in an amount equal to the applicable amount of tons of SO<sub>2</sub> emissions as set forth in 40 CFR 97.610(a) and will be allocated additional TR SO<sub>2</sub> Annual allowances (if any) in accordance with paragraph (3)(A)2. of this rule and 40 CFR 97.611(c)(5).
- C. The director will determine, for each TR SO<sub>2</sub> Annual unit described in subparagraph (3)(B)3.A. of this rule, an allocation of TR SO<sub>2</sub> Annual allowances for the later of the following control periods and for each subsequent control period:
- (I) The control period in 2017;
  - (II) The first control period after the control period in which the TR SO<sub>2</sub> Annual unit commences commercial operation;
  - (III) For a unit described in part (3)(B)3.A.(II) of this rule, the

first control period in which the TR SO<sub>2</sub> Annual unit operates in the State after operating in another jurisdiction and for which the unit is not already allocated one (1) or more TR SO<sub>2</sub> Annual allowances; and

(IV) For a unit described in part (3)(B)3.A.(III) of this rule, the first control period after the control period in which the unit resumes operation, or the first control period in which the allocation for such unit listed in Table I in paragraph (3)(A)2. of this rule is terminated pursuant to paragraph (3)(A)2. of this rule, whichever is later.

D. The allocation to each TR SO<sub>2</sub> Annual unit described in part (3)(B)3.A.(I) through (3)(B)3.A.(III) of this rule and for each control period described in subparagraph (3)(B)3.C. of this rule will be an amount equal to the unit's total tons of SO<sub>2</sub> emissions during the immediately preceding control period. The director will adjust the allocation amount in this subparagraph in accordance with subparagraphs (3)(B)3.E. through (3)(B)3.G. and (3)(B)3.L. of this rule.

E. The director will calculate the sum of the TR SO<sub>2</sub> Annual allowances determined for all such TR SO<sub>2</sub> Annual units under subparagraph (3)(B)3.D. of this rule in the State for such control period.

F. If the amount of TR SO<sub>2</sub> Annual allowances in the new unit set-aside for the State for such control period is greater than or equal to the sum under subparagraph (3)(B)3.E. of this rule, then the director will allocate the amount of TR SO<sub>2</sub> Annual allowances determined for each such TR SO<sub>2</sub> Annual unit under subparagraph (3)(B)3.D. of this rule.

G. If the amount of TR SO<sub>2</sub> Annual allowances in the new unit set-aside for the State for such control period is less than the sum under subparagraph (3)(B)3.E. of this rule, then the director will allocate to each such TR SO<sub>2</sub> Annual unit the amount of the TR SO<sub>2</sub> Annual allowances determined under subparagraph (3)(B)3.D. of this rule for the unit, multiplied by the amount of TR SO<sub>2</sub> Annual allowances in the new unit set-aside for such control period, divided by the sum under subparagraph (3)(B)3.E. of this rule, and rounded to the nearest allowance.

H. The director will notify the public, through the issuance of notifications as described in subparagraph (3)(B)2.A. and (3)(B)2.B. of this rule, of the amount of TR SO<sub>2</sub> Annual allowances allocated under subparagraphs (3)(B)3.B. through (3)(B)3.G. and (3)(B)3.L. of this rule for such control period to each TR SO<sub>2</sub> Annual unit eligible for such allocation.

I. If, after completion of the procedures under subparagraphs (3)(B)3.E. through (3)(B)3.H. of this rule for such control period, any unallocated TR SO<sub>2</sub> Annual allowances remain in the new unit

set-aside for the State for such control period, the director will allocate such TR SO<sub>2</sub> Annual allowances as follows—

- (I) For any notifications required under subparagraph (3)(B)2.C. of this rule, any units identified in such notification may submit to the director by the deadline specified in such notification the calculation of eligible allowances for such control period as specified in part (3)(B)3.I.(III) of this rule. If a unit fails to submit the calculation of eligible allowances under this part by the applicable deadline, then no allowances will be awarded to such unit in accordance with this subparagraph;
- (II) For any objections submitted in accordance with part (3)(B)2.D.(I) of this rule that would add units that are not listed in the notification required under subparagraph (3)(B)2.C. of this rule, those objections may include for such added units the calculation of eligible allowances for such control period as specified in part (3)(B)3.I.(III) of this rule. If a unit fails to submit the calculation of eligible allowances under this part by the applicable deadline, then no allowances will be awarded to such unit in accordance with this subparagraph;
- (III) The calculation of eligible TR SO<sub>2</sub> Annual allowances for a specific control period for TR SO<sub>2</sub> Annual units that commenced commercial operation during the period starting January 1 of the year before the year of such control period and ending March 31 of year of such control period must be as follows;

$$EA = \frac{(ER)(HR)(NP_{Cap})(CP_{Tot})(CF)(24 \text{ hours/day})(1,000 \text{ kW/MW}_e)}{(2,000 \text{ lb/ton})(1,000,000 \text{ BTU/mmBTU})}$$

Where:

- EA = eligible TR SO<sub>2</sub> Annual Allowances
- ER = the unit's permitted emission rate from the unit's construction permit approved under 10 CSR 10-6.060 (lb/mmBTU)
- HR = the heat rate efficiency for the generator that the unit serves (BTU/kW-hr)
- NP<sub>Cap</sub> = nameplate capacity of the generator that the unit serves (MWe)
- CP<sub>Tot</sub> = number of days in the control period
- CF = the unit's default capacity factor from Table II below

Table II – Default Capacity Factors for New Units

Unit Types	Annual SO <sub>2</sub> & NO <sub>x</sub> Programs	Ozone Season NO <sub>x</sub> Program
Coal-Fired Steam Boiler	0.85	0.92
IGCC (Coal Gasification)	0.74	0.73
Oil-Fired Steam Boiler	0.30	0.39
Natural Gas-Fired Steam Boiler	0.44	0.47
Simple Cycle Combustion Turbine	0.24	0.32
Combined Cycle Combustion Turbine	0.66	0.71

(IV) The director will determine, for each unit described in subparagraph (3)(B)3.A. of this rule that commenced commercial operation during the period starting January 1 of the year before the year of such control period and ending March 31 of the year of such control period, the positive difference (if any) between the unit's emissions during the previous control period and the amount of TR SO<sub>2</sub> Annual allowances referenced in the public notice required under part (3)(B)2.D.(II) of this rule for the unit for such control period;

(V) The director will determine the sum of the positive differences determined under part (3)(B)3.I.(IV) of this rule;

(VI) If the amount of unallocated TR SO<sub>2</sub> Annual allowances remaining in the new unit set-aside for the State for such control period is greater than or equal to the sum determined under part (3)(B)3.I.(V) of this rule, then the director will allocate the amount of TR SO<sub>2</sub> Annual allowances determined for each such TR SO<sub>2</sub> Annual unit under part (3)(B)3.I.(IV) of this rule; and

(VII) If the amount of unallocated TR SO<sub>2</sub> Annual allowances remaining in the new unit set-aside for the State for such control period is less than the sum under part (3)(B)3.I.(V) of this rule, then the director will allocate to each such TR SO<sub>2</sub> Annual unit the amount of the TR SO<sub>2</sub> Annual allowances determined under part (3)(B)3.I.(IV) of this rule for the unit, multiplied by the amount of unallocated TR SO<sub>2</sub> Annual allowances remaining in the new unit set-aside for such control period, divided by the sum under part

(3)(B)3.I.(V) of this rule, and rounded to the nearest allowance.

J. If, after completion of the procedures under subparagraphs (3)(B)3.I. and (3)(B)3.L. of this rule for such control period, any unallocated TR SO<sub>2</sub> Annual allowances remain in the new unit set-aside for the State for such control period, the director will allocate to each TR SO<sub>2</sub> Annual unit that is in the State, is allocated an amount of TR SO<sub>2</sub> Annual allowances listed in Table I in paragraph (3)(A)2. of this rule, and continues to be allocated TR SO<sub>2</sub> Annual allowances for such control period in accordance with paragraph (3)(A)2. of this rule, an amount of TR SO<sub>2</sub> Annual allowances equal to the following: the total amount of such remaining unallocated TR SO<sub>2</sub> Annual allowances in such new unit set-aside, multiplied by the unit's allocation listed in Table I in paragraph (3)(A)2. of this rule for such control period, divided by the remainder of the amount of tons in the applicable State SO<sub>2</sub> Annual trading budget minus the amount of tons in such new unit set-aside for the State for such control period, and rounded to the nearest allowance.

K. The director will notify the public, through the issuance of notifications in subparagraph (3)(B)2.C., (3)(B)2.D., and (3)(B)2.E. of this rule, of the amount of TR SO<sub>2</sub> Annual allowances allocated under subparagraphs (3)(B)3.I., (3)(B)3.J., and (3)(B)3.L. of this rule for such control period to each TR SO<sub>2</sub> Annual unit eligible for such allocation.

L. Allocation tabulations that exceed or are less than the new unit set-aside.

(D) Notwithstanding the requirements of subparagraphs (3)(B)3.B. through (3)(B)3.K. of this rule, if the calculations of allocations of a new unit set-aside for a control period in a given year under subparagraph (3)(B)3.G. of this rule, subparagraph (3)(B)3.F. and part (3)(B)3.I.(VII) of this rule, or subparagraph (3)(B)3.F., part (3)(B)3.I.(VI), and subparagraph (3)(B)3.J. of this rule would otherwise result in total allocations of such new unit set-aside exceeding the total amount of such new unit set-aside, then the director will adjust the results of the calculations under subparagraph (3)(B)3.G., part (3)(B)3.I.(VII), or subparagraph (3)(B)3.J. of this rule, as applicable, as follows. The director will list the TR SO<sub>2</sub> Annual units in descending order based on the amount of such units' allocations under subparagraph (3)(B)3.G., part (3)(B)3.I.(VII), or subparagraph (3)(B)3.J. of this rule, as applicable, and, in cases of equal allocation amounts, in alphabetical order of the relevant source's name and numerical order of the relevant unit's identification number,

and will reduce each unit's allocation under subparagraph (3)(B)3.G., part (3)(B)3.I.(VII), or subparagraph (3)(B)3.J. of this rule, as applicable, by one (1) TR SO<sub>2</sub> Annual allowance (but not below zero (0)) in the order in which the units are listed and will repeat this reduction process as necessary, until the total allocations of such new unit set-aside equal the total amount of such new unit set-aside.

(II) Notwithstanding the requirements of subparagraphs (3)(B)3.J. and (3)(B)3.K. of this rule, if the calculations of allocations of a new unit set-aside for a control period in a given year under subparagraph (3)(B)3.F., part (3)(B)3.I.(VI), and subparagraph (3)(B)3.J. of this rule would otherwise result in a total allocations of such new unit set-aside less than the total amount of such new unit set-aside, then the director will adjust the results of the calculations under subparagraph (3)(B)3.J. of this rule, as follows. The director will list the TR SO<sub>2</sub> Annual units in descending order based on the amount of such units' allocations under subparagraph (3)(B)3.J. of this rule and, in cases of equal allocation amounts, in alphabetical order of the relevant source's name and numerical order of the relevant unit's identification number, and will increase each unit's allocation under subparagraph (3)(B)3.J. of this rule by one (1) TR SO<sub>2</sub> Annual allowance in the order in which the units are listed and will repeat this increase process as necessary, until the total allocations of such new unit set-aside equal the total amount of such new unit set-aside.

- (4) Reporting and Record Keeping. The director must maintain TR SO<sub>2</sub> Annual unit allowance records submitted to EPA for each TR SO<sub>2</sub> Annual control period for a minimum of five (5) years.
- (5) Test Methods. *(Not Applicable)*.