

REGULATION FOR EMISSIONS TRADING (9 VAC 5 CHAPTER 140)

9 VAC 5 CHAPTER 140.

REGULATION FOR EMISSIONS TRADING.

PART I.

NO_x Budget Trading Program.

ARTICLE 6.

NO_x Allowance Tracking System.

9 VAC 5-140-550. Banking.

A. NO_x allowances may be banked for future use or transfer in a compliance account, an overdraft account, or a general account, as follows:

1. Any NO_x 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_x allowance is deducted or transferred under 9 VAC 5-140-310, 9 VAC 5-140-540, 9 VAC 5-140-560, Article 7 (9 VAC 5-140-600 et seq.) of this part, or Article 9 (9 VAC 5-140-800 et seq.) of this part.

2. The administrator will designate, as a "banked" NO_x allowance, any NO_x 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 9 VAC 5-140-540 (except deductions pursuant to 9 VAC 5-140-540 D 2), and that was allocated for that control period or a control period in a prior year.

B. Each year starting in ~~2006~~ 2005, after the administrator has completed the designation of banked

REGULATION FOR EMISSIONS TRADING (9 VAC 5 CHAPTER 140)

NO_x allowances under subdivision A 2 of this section and before May 1 of the year, the administrator will determine the extent to which banked NO_x allowances may be used for compliance in the control period for the current year, as follows:

1. The administrator will determine the total number of banked NO_x allowances held in compliance accounts, overdraft accounts, or general accounts.

2. If the total number of banked NO_x allowances determined, under subdivision 1 of this subsection, to be held in compliance accounts, overdraft accounts, or general accounts is less than or equal to 10% of the sum of the state trading program budgets for the control period for the states in which NO_x Budget units are located, any banked NO_x allowance may be deducted for compliance in accordance with 9 VAC 5-140-540.

3. If the total number of banked NO_x allowances determined, under subdivision 1 of this subsection, to be held in compliance accounts, overdraft accounts, or general accounts exceeds 10% of the sum of the state trading program budgets for the control period for the states in which NO_x Budget units are located, any banked allowance may be deducted for compliance in accordance with 9 VAC 5-140-540, except as follows:
 - a. The administrator will determine the following ratio: 0.10 multiplied by the sum of the state trading program budgets for the control period for the states in which NO_x Budget units are located and divided by the total number of banked NO_x allowances determined, under subdivision 1 of this subsection, to be held in compliance accounts, overdraft accounts, or general accounts.

 - b. The administrator will multiply the number of banked NO_x allowances in each compliance account or overdraft account by the ratio determined in subdivision 3 a of this subsection. The

REGULATION FOR EMISSIONS TRADING (9 VAC 5 CHAPTER 140)

resulting product is the number of banked NO_x allowances in the account that may be deducted for compliance in accordance with 9 VAC 5-140-540. Any banked NO_x allowances in excess of the resulting product may be deducted for compliance in accordance with 9 VAC 5-140-540, except that, if such NO_x allowances are used to make a deduction, two such NO_x allowances shall be deducted for each deduction of one NO_x allowance required under 9 VAC 5-140-540.

TEMPLATES\NOIRA\REG-PRO

REG\DEV\H02-REG-PRO.DOC