Board Adopts Amendments to Provisions of the NOx SIP Call Trading Program

On September 22, 2011, the Board adopted amendments to the Board's air rules. The Illinois Environmental Protection Agency (IEPA), on August 19, 2010, filed the proposal that was docketed as <u>In the Matter of: NOx Trading Program Sunset Provisions for Non-Electric</u> Generating Units: Amendments to 35 Ill. Adm. Code Party 217.Subpart U (R11-08).

The amendments sunset the trading provisions of the Nitrogen Oxide SIP Call Trading Program (NOx Trading Program) for non-electric generating units (non-EGUs). The sole provisions amended involve the holding and trading provisions for NOx allowances in Part 217.Subpart U. Due to a federal court ruling concerning the federal CAIR rules in *North Carolina* v. *USEPA*, 550 F.3d 1176 (C.A.D.C. Cir. 2008), the court reinstated that CAIR begin implementation with the original 2009 control period. As a result of the court action, IEPA explains that Illinois non-EGUs no longer need to comply with the NOx Trading Program requirements for holding and trading NOx allowances for any control period after 2008 because USEPA no longer allocates allowances for the NOx Trading Program. Therefore, Subpart U is now moot where it requires that non-EGUs hold their allowances for the 2010 season.

Fifty-two existing non-EGU units, four of which are no longer operating, and two new non-EGU units are currently subject to the NOx Trading Program. The affected units will not be subject to the holding and trading provisions of the NOx Trading Program if the Board sunsets these provisions of Subpart U. However, to ensure that Illinois continues to satisfy its NOx budget, non-EGUs must continue monitoring, reporting and recordkeeping under Subpart U.

The adopted amendments will become final upon filing with the Secretary of State.

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