



OFFICE OF THE SECRETARY OF STATE

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April 5, 2018

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APR - 9 2018

STATE OF ILLINOIS
Pollution Control Board

POLLUTION CONTROL BOARD
DON BROWN
100 W RANDOLPH ST
STE 11-500
CHICAGO, IL 60601

Dear DON BROWN

Your rules Listed below met our codification standards and have been published in Volume 42, Issue 15 of the Illinois Register, dated 4/13/2018.

PROPOSED RULES

Emissions Reduction Market System
35 Ill. Adm. Code 205

6572

Point of Contact: Nancy Hoepfner

If you have any questions, you may contact the Administrative Code Division at (217) 782 - 7017.

ILLINOIS REGISTER

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Emissions Reduction Market System
- 2) Code Citation: 35 Ill. Adm. Code 205
- 3) Section Number: 205.115 Proposed Action:
New Section
- 4) Statutory Authority: Implementing Section 9.8 and authorized by Sections 27 and 28 of the Environmental Protection Act [415 ILCS 5/9.8, 27, 28].
- 5) A Complete Description of the Subjects and Issues Involved: The Emissions Reduction Market System (ERMS) is a cap-and-trade program in which sources must hold allowances for actual emissions of volatile organic material (VOM). ERMS was intended to help attain the 1979 ozone National Ambient Air Quality Standards by reducing VOM emissions in the Chicago non-attainment area. IEPA states that, since it began implementing ERMS in 2000, emissions from ERMS sources have decreased. IEPA reports that every year a high percentage of emission allowances expires unused. IEPA proposes a single rule, Section 205.115, which would establish a “sunset” date of April 30, 2018 for Part 205.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None identified by Illinois Environmental Protection Agency in its proposal
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? Proposed rule would establish a “sunset” date of April 30, 2018 for Part 205
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This proposed rulemaking does not create or enlarge a State mandate, as defined in Section 3(b) of the State Mandates Act. [30 ILCS 805/3(b)].
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: The Board will accept written public comments on this proposal for a period of at least forty-five (45) days after the date of publication in the Illinois Register. Public comments must be filed with the Clerk of the Board. Public comments should

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refer to docket R18-22 and be addressed to:

Clerk's Office
Illinois Pollution Control Board
James R. Thompson Center
100 W. Randolph St., Suite 11-500
Chicago, IL 60601

Public comments may also be filed electronically through the Clerk's Office On-Line (COOL) on the Board's website at www.ipcb.state.il.us.

Interested persons may request copies of the Board's opinion and order in R18-22 by calling the Clerk's office at 312-814-3620, or may download copies from the Board's Web site at www.ipcb.state.il.us.

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: The proposal that would establish a "sunset" date for Part 205 could affect any small business, small municipality, or not-for-profit corporation located in the Chicago non-attainment area that is subject to ERMS
 - B) Reporting, bookkeeping or other procedures required for compliance: None required for proposal that would establish "sunset" date of April 30, 2018 for Part 205
 - C) Types of Professional skills necessary for compliance: None required for proposal that would establish "sunset" date of April 30, 2018 for Part 205
- 14) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on a regulatory agenda.

The full text of the Proposed Amendment begins on the next page:

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NOTICE OF PROPOSED AMENDMENT

TITLE 35: ENVIRONMENTAL PROTECTION
SUBTITLE B: AIR POLLUTION
CHAPTER I: POLLUTION CONTROL BOARD
SUBCHAPTER b: ALTERNATIVE REDUCTION PROGRAM

PART 205
EMISSIONS REDUCTION MARKET SYSTEM

SUBPART A: GENERAL PROVISIONS

Section	
205.100	Severability
205.110	Purpose
<u>205.115</u>	<u>Sunset Provision</u>
205.120	Abbreviations and Acronyms
205.130	Definitions
205.150	Emissions Management Periods

SUBPART B: APPLICABILITY

Section	
205.200	Participating Source
205.205	Exempt Source
205.210	New Participating Source
205.220	Insignificant Emission Units
205.225	Startup, Malfunction or Breakdown

SUBPART C: OPERATIONAL IMPLEMENTATION

Section	
205.300	Seasonal Emissions Component of the Annual Emissions Report
205.310	ERMS Applications
205.315	CAAPP Permits for ERMS Sources
205.316	Federally Enforceable State Operating Permits for ERMS Sources
205.318	Certification for Exempt CAAPP Sources
205.320	Baseline Emissions
205.330	Emissions Determination Methods
205.335	Sampling, Testing, Monitoring and Recordkeeping Practices
205.337	Changes in Emissions Determination Methods and Sampling, Testing, Monitoring and Recordkeeping Practices

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SUBPART D: SEASONAL EMISSIONS MANAGEMENT

Section	
205.400	Seasonal Emissions Allotment
205.405	Exclusions from Further Reductions
205.410	Participating Source Shutdowns

SUBPART E: ALTERNATIVE ATU GENERATION

Section	
205.500	Emissions Reduction Generator
205.510	Inter-Sector Transaction

SUBPART F: MARKET TRANSACTIONS

Section	
205.600	ERMS Database
205.610	Application for Transaction Account
205.620	Account Officer
205.630	ATU Transaction Procedures

SUBPART G: PERFORMANCE ACCOUNTABILITY

Section	
205.700	Compliance Accounting
205.710	Alternative Compliance Market Account (ACMA)
205.720	Emissions Excursion Compensation
205.730	Excursion Reporting
205.740	Enforcement Authority
205.750	Emergency Conditions
205.760	Market System Review Procedures

AUTHORITY: Implementing Section 9.8 and authorized by Sections 27 and 28 of the Environmental Protection Act [415 ILCS 5/9.8, 27 and 28].

SOURCE: Adopted at 21 Ill. Reg. 15777, effective November 27, 1997; amended in R05-11 at 29 Ill. Reg. 8848, effective June 13, 2005; amended in R18-22 at 42 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS

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Section 205.115 Sunset Provision

The provisions of this Part shall not apply on and after April 30, 2018. Subject sources must comply with such provisions prior to April 30, 2018.

(Source: Added at 42 Ill. Reg. _____, effective _____)