

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENT

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APR 11 2018

STATE OF ILLINOIS
Pollution Control Board

- 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
- 7) Will this 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 rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objective: 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 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 refer to docket R18-

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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
- C) Types of Professional skills necessary for compliance: None

14) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on a regulatory agenda because the need for it was not anticipated at the time agendas were published.

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

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

5
6 PART 205
7 EMISSIONS REDUCTION MARKET SYSTEM

8
9 SUBPART A: GENERAL PROVISIONS

10	Section	
11	205.100	Severability
12	205.110	Purpose
13	<u>205.115</u>	<u>Sunset Provision</u>
14	205.120	Abbreviations and Acronyms
15	205.130	Definitions
16	205.150	Emissions Management Periods

17
18 SUBPART B: APPLICABILITY

19	Section	
20	205.200	Participating Source
21	205.205	Exempt Source
22	205.210	New Participating Source
23	205.220	Insignificant Emission Units
24	205.225	Startup, Malfunction or Breakdown

25
26 SUBPART C: OPERATIONAL IMPLEMENTATION

27	Section	
28	205.300	Seasonal Emissions Component of the Annual Emissions Report
29	205.310	ERMS Applications
30	205.315	CAAPP Permits for ERMS Sources
31	205.316	Federally Enforceable State Operating Permits for ERMS Sources
32	205.318	Certification for Exempt CAAPP Sources
33	205.320	Baseline Emissions
34	205.330	Emissions Determination Methods
35	205.335	Sampling, Testing, Monitoring and Recordkeeping Practices
36	205.337	Changes in Emissions Determination Methods and Sampling, Testing, Monitoring 37 and Recordkeeping Practices

38
39 SUBPART D: SEASONAL EMISSIONS MANAGEMENT

40		
41	Section	
42	205.400	Seasonal Emissions Allotment
43	205.405	Exclusions from Further Reductions

44 205.410 Participating Source Shutdowns

45

46 SUBPART E: ALTERNATIVE ATU GENERATION

47

48 Section

49 205.500 Emissions Reduction Generator

50 205.510 Inter-Sector Transaction

51

52 SUBPART F: MARKET TRANSACTIONS

53

54 Section

55 205.600 ERMS Database

56 205.610 Application for Transaction Account

57 205.620 Account Officer

58 205.630 ATU Transaction Procedures

59

60 SUBPART G: PERFORMANCE ACCOUNTABILITY

61

62 Section

63 205.700 Compliance Accounting

64 205.710 Alternative Compliance Market Account (ACMA)

65 205.720 Emissions Excursion Compensation

66 205.730 Excursion Reporting

67 205.740 Enforcement Authority

68 205.750 Emergency Conditions

69 205.760 Market System Review Procedures

70

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

73

74 SOURCE: Adopted at 21 Ill. Reg. 15777, effective November 25, 1997; amended in R05-11 at
75 29 Ill. Reg. 8848, effective June 13, 2005; amended in R18-22 at 42 Ill. Reg. _____, effective

76 _____.

77

78 SUBPART A: GENERAL PROVISIONS

79

80 **Section 205.115 Sunset Provision**

81

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

84

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

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
205.115 Sunset Provision
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
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205.337 Changes in Emissions Determination Methods and Sampling, Testing, Monitoring and Recordkeeping Practices

SUBPART D: SEASONAL EMISSIONS MANAGEMENT

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Section

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SUBPART A: GENERAL PROVISIONS

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~~ this Part prior to April 30, 2018.

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~~ILLINOIS REGISTER~~

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Padding cell	

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