

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)	
)	
PROPOSED NEW CAIR SO ₂ , CAIR NO _x)	
ANNUAL AND CAIR NO _x OZONE SEASON)	R06-26
TRADING PROGRAMS, 35 ILL. ADM.)	(Rulemaking- Air)
CODE 225, CONTROL OF EMISSIONS)	
FROM LARGE COMBUSTION SOURCES,)	
SUBPARTS A, C, D and E)	

NOTICE

TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph, Suite 11-500
Chicago, Illinois 60601-3218

SEE ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that I have today filed with the Office of the Pollution Control Board the MOTION TO AMEND RULEMAKING PROPOSAL, of the Illinois Environmental Protection Agency a copy of which is herewith served upon you.

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

By: _____
John J. Kim
Managing Attorney
Division of Legal Counsel

DATED: October 11, 2006
1021 North Grand Avenue East
P.O. Box 19276
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**THIS FILING IS SUBMITTED
ON RECYCLED PAPER**

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

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PROPOSED NEW CAIR SO ₂ , CAIR NO _x)	
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FROM LARGE COMBUSTION SOURCES,)	
SUBPARTS A, C, D and E)	

MOTION TO AMEND RULEMAKING PROPOSAL

NOW COMES the Proponent, the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (Illinois EPA), by its attorneys, and pursuant to 35 Ill. Adm. Code 101.500 and 102.402, moves that the Illinois Pollution Control Board (Board) amend proposed new Part 225 Sections 225.325, 225.460, 225.560, 225.465, 225.565, 225.430, 225.530, 225.435, 225.535, 225.450, 225.550, 225.475, and 225.575. In support of its Motion, the Illinois EPA states as follows:

On May 30, 2006, the Illinois EPA filed a proposal with the Board to add new Subparts to Part 225, 35 Ill. Adm. Code Part 225, entitled "Control of Emissions from Large Combustion Sources." New subparts A, C, D and E, add SO₂, NO_x Annual and NO_x Ozone Season Trading Programs in Part 225. The Illinois EPA's proposal is intended to meet certain obligations of the State of Illinois under the federal Clean Air Act (CAA), 42 U.S.C. § 7401 *et seq.*; specifically, to satisfy Illinois' obligation to submit a State Implementation Plan to address the requirements of the Clean Air Interstate Rule (CAIR), *see*, 70 *Fed. Reg.* 25161 (May 12, 2005). Under CAIR, states are required to submit State plans to the United States Environmental Protection Agency by no later than September 11, 2006. *Id.* at 25319; 40 CFR § 51.123(d)(1).

The Illinois EPA engaged in extensive outreach on this proposal. In January 2006, the Illinois EPA commenced regular meetings with representatives of the affected sources and public interest groups and the Illinois EPA distributed working drafts of the proposed rule to such parties.

After the filing of the rulemaking proposal, a number of changes and clarifications were found to be necessary. Therefore, the Illinois EPA is now proposing to amend the rulemaking proposal as set forth in this motion.

The amendments, as proposed, address the treatment of vintage year SO₂ allowances, the replenishment of CASA accounts, and changes to dates concerning when portions of the rule take effect. Accordingly, the Illinois EPA recommends the acceptance by the Board of the following amendments to proposed new Part 225 to amend Sections 225.325, 225.460, 225.560, 225.465, 225.565, 225.430, 225.530, 225.435, 225.535, 225.450, 225.550, 225.475, and 225.575:

- 1) *This amendment clarifies portions of the trading program to consider the effect that the year the allowances are issued, or its "vintage" year, has on the authorization to emit SO₂.*

Section 225.325 Trading Program

- b) A CAIR SO₂ allowance is a limited authorization to emit SO₂ during the calendar year for which the allowance is allocated or any calendar year thereafter under the CAIR SO₂ Trading Program as follows:
 - 1) For one CAIR SO₂ allowance allocated for a control period in a year before 2010, one ton of SO₂~~For a control period in a year before 2010, the retirement ratio shall be one ton of SO₂ to 1.0 CAIR SO₂ allowance,~~ except as provided for in the compliance deductions under 40 CFR § 96.254(b);
 - 2) For one CAIR SO₂ allowance allocated for a control period in 2010 through 2014, 0.5 ton of SO₂~~For a control period in 2010 through 2014, the retirement ratio shall be one ton of SO₂ to 2.0 CAIR SO₂ allowances,~~ except as provided for in the compliance deductions under 40 CFR § 96.254(b); and

- 3) For one CAIR SO₂ allowance allocated for a control period in 2015 or later, 0.35 ton of SO₂~~For a control period in 2015 or later, the retirement ratio shall be one ton of SO₂ to 2.86 CAIR SO₂ allowances,~~ except as provided for in the compliance deductions under 40 CFR § 96.254(b).
- 2) *This amendment further addresses handling of allowances for units subject to a court order or consent decree.*

Section 225.460 Energy Efficiency, Renewable Energy, and Clean Technology

- d) Energy efficiency and conservation, renewable energy, or clean technology projects listed in subsection (a) through (c) of this Section shall not include nuclear power projects; projects required to meet emissions standards or technology requirements under State or federal law or regulation (except for the installation of a baghouse); or projects used to meet the requirements of a court order or consent decree (except that allowances may be allocated for emission rates or limits achieved that are lower than what is required to meet the emission rates or limits for SO₂ or NO_x, or for installing a baghouse as provided for in a court order or consent decree entered into before May 30, 2006, and CASA allowances may be allocated for projects used to meet the requirements of a court order or consent decree entered into on or after May 30, 2006, if the court order or consent decree does not specifically preclude such allocations); or a Supplemental Environmental Project (SEP). CASA allowances shall not be allocated to such projects.
- 3) *This amendment further addresses handling of CASA allowances for units subject to a court order or consent decree.*

Section 225.465 CASA Allowances

- b)4) For an air pollution control equipment upgrade project pursuant to Section 225.460(c)(1) of this Subpart, the number of allowances shall be calculated as follows:

- A) For NO_x or SO₂ control projects, by determining the difference in emitted NO_x or SO₂ per control period using the emission rate before and after replacement or improvement, and the following formula:

$$A = (MWh_g) \times K \times (ER_b \text{ lb/MWh} - ER_A \text{ lb/MWh}) / 2000 \text{ lb}$$

Where:

- A = The number of allowances for a particular project.
- MWh_g = The number of megawatt hours of electricity generated during a control period by a project.
- K = The pollutant factor: for NO_x, K= 0.1; and

for SO₂, K = 0.05.

ER_A = Annual NO_x or SO₂ average emission rate for the applicable control period data based on CEMS data in lb/MWh.

ER_B = Annual NO_x or SO₂ average emission rate for the applicable control period data based on CEMS data in lb/MWh from the most recent two control periods prior to the replacement or improvement of the control equipment in lb/MWh, unless subject to a court order or consent decree. For units subject to a court order or consent decree entered into before May 30, 2006, ER_B is limited to emission rates that are lower than the emission rate required in the consent decree or court order. For a court order or consent decree entered into after May 30, 2006, ER_A is limited to the lesser of the emission rate specified in the court order or consent decree or the actual average emission rate during the control period. If such limit is not expressed in lb/MWh, the limit shall be converted into lb/MWh using a heat rate of 10 mmBtu/1 MW.

B) For a baghouse project:

$$A = (\text{MWh}_g) \times (Q \text{ lb/MWh}) / 2000 \text{ lb}$$

Where:

A = The number of allowances for a particular project.

MWh_g = The number of megawatt hours of electricity generated during a control period or the portion of a control period that the units were controlled by the baghouse.

Q = 0.2, unless installed pursuant to a court order or consent decree which does not specify a factor, then Q = 0.05, or if installed pursuant to a consent decree or court order that does specify a factor then Q equals a factor not to exceed 0.2.

- 4) *This amendment further addresses handling of allowances for units subject to a court order or consent decree.*

Section 225.560 Energy Efficiency, Renewable Energy, and Clean Technology

- d) Energy efficiency and conservation, renewable energy, or clean technology projects listed in subsection (a) through (c) of this Section shall not include nuclear power projects; projects required to meet emissions standards or technology requirements under State or federal law or regulation; or projects used to meet the requirements of a court order or consent decree (except that allowances may be allocated for emission rates or limits achieved that are lower than what is required to meet the emission rates or limits for SO₂ or NO_x, as provided for in a court order or consent decree, or up to full credit, if the consent decree provides that for a specific project); or a Supplemental Environmental Project (SEP). CASA allowances shall not be allocated to such projects.
- 5) *This amendment further addresses handling of CASA allowances for units subject to a court order or consent decree.*

Section 225.565 CASA Allowances

- b)4) For an air pollution control equipment upgrade project pursuant to Section 225.560(c)(1) of this Subpart, the number of allowances shall be calculated using the emission rate before and after replacement or improvement, and the following formula:

$$A = (\text{MWh}_g) \times K \times (\text{ER}_B \text{ lb/MWh} - \text{ER}_A \text{ lb/MWh}) / 2000 \text{ lb}$$

Where:

- A = The number of allowances for a particular project.
- MWh_g = The number of megawatt hours of electricity generated during a control period by a project.
- K = The pollutant factor: for NO_x, K= 0.1; and for SO₂, K = 0.05.
- ER_A = Annual NO_x or SO₂ average emission rate for the applicable control period data based on CEMS data in lb/MWh.
- ER_B = Annual NO_x or SO₂ average emission rate for the applicable control period data based on CEMS data in lb/MWh from the most recent two control periods prior to the replacement or improvement of the control equipment in lb/MWh, unless subject to a consent decree or court order. For units subject to a consent decree or court order, entered into before May 30, 2006, ER_A is limited to emission rates or limits that are lower than the emission rate or limit required

in the consent decree or court order. On or after May 30, 2006, ER_A is limited to emission rates or limits specified in the consent decree or court order. If such limit is not expressed in lb/MWh, the limit shall be converted into lb/MWh using a heat rate of 10 mmBtu/1 MW.

- 6) *This amendment incorporates changes for when portions of the rule take effect resulting from a later effective date for the rule.*

Section 225.430 Timing for Annual Allocations

- a) Within 30 days after the effective date of this Subpart ~~By October 31, 2006,~~ the Agency shall submit to USEPA the CAIR NO_x allowance allocations, in accordance with Sections 225.435 and 225.440 of this Subpart, for the 2009, 2010, and 2011 control periods.
- 7) *This amendment incorporates changes to when portions of the rule take effect resulting from a later effective date for the rule.*

Section 225.530 Timing for Ozone Season Allocations

- a) Within 30 days after the effective date of this Subpart, ~~By October 31, 2006,~~ the Agency shall submit to USEPA the CAIR NO_x Ozone Season allowance allocations, in accordance with Sections 225.535 and 225.540 of this Subpart for the 2009, 2010, and 2011 control periods.
- 8) *This amendment incorporates changes to when portions of the rule take effect resulting from a later effective date for the rule.*

Section 225.435 Methodology for Calculating Annual Allocations

- b) For control period 2012, the unit's converted gross electrical output (CGO) shall be:
- 1) The unit's two most recent years of control period gross electrical output, if available; otherwise the unit's most recent control period's gross electrical output. If the unit does not have gross electrical output, heat input shall be used pursuant to subsection (b)(2) of this Section. If a generator is served by two or more units, the gross electrical output of the generator shall be attributed to each unit in proportion to the unit's share of the total control period heat input of such units for the control period. The unit's converted gross electrical output (CGO) shall be calculated as follows:

A) If the unit is coal-fired:

$$\text{CGO (in MWh)} = \text{GO} \times \text{MWh} \times 1.0;$$

B) If the unit is oil-fired:

$$\text{CGO (in MWh)} = \text{GO} \times \text{MWh} \times 0.6;$$

C) If the unit is neither coal-fired nor oil-fired:

$$\text{CGO (in MWh)} = \text{GO} \times \text{MWh} \times 0.4.$$

2) If gross electrical output data is not provided to the Agency, heat input (HI) shall be used. If the unit has two control periods of data, the average of the unit's heat inputs from the 2007 and 2008 control periods shall be used. If the unit does not have heat input from the 2007 and 2008 control periods, the heat input from the 2008 control period shall be used. The unit's converted gross electrical output (CGO) shall be calculated as follows:

A) If the unit is coal-fired:

$$\text{CGO (in MWh)} = \text{HI (in mmBtu)} \times 0.0967;$$

B) If the unit is oil-fired:

$$\text{CGO (in MWh)} = \text{HI (in mmBtu)} \times 0.0580; \text{ or}$$

C) If the unit is neither coal-fired nor oil-fired:

$$\text{CGO (in MWh)} = \text{HI (in mmBtu)} \times 0.0387.$$

c**h**) For control period ~~2013~~²⁰¹² and thereafter, the unit's gross electrical output shall be the average of the unit's two most recent years of control period gross electrical output, if available; otherwise the unit's most recent control period's gross electrical output . . .

d**e**) For a unit that is a combustion turbine or boiler and has equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy, the Agency shall add the converted gross electrical output calculated for electricity pursuant to subsections (a), (b) or (c**h**) of this Section ...

e**d**) The affected unit's gross electrical output and converted useful thermal energy in subsections (a)(1), (b), (c) and (d**e**) of this Section ...

f**e**) The affected unit's heat input in subsection (a)(2) and (b)(2) of this Section for

each control period shall be determined in accordance with 40 CFR 75, as incorporated by reference in Section 225.140 of this Part.

- 9) *This amendment incorporates changes to when portions of the rule take effect resulting from a later effective date for the rule.*

Section 225.535 Methodology for Calculating Annual Allocations

b) For control period 2012, the unit's converted gross electrical output (CGO) shall be:

1) The unit's two most recent years of control period gross electrical output, if available; otherwise the unit's most recent control period's gross electrical output. If the unit does not have gross electrical output, heat input shall be used pursuant to subsection (b)(2) of this Section. If a generator is served by two or more units, the gross electrical output of the generator shall be attributed to each unit in proportion to the unit's share of the total control period heat input of such units for the control period. The unit's converted gross electrical output (CGO) shall be calculated as follows:

A) If the unit is coal-fired:

$$\text{CGO (in MWh)} = \text{GO} \times \text{MWh} \times 1.0;$$

B) If the unit is oil-fired:

$$\text{CGO (in MWh)} = \text{GO} \times \text{MWh} \times 0.6;$$

C) If the unit is neither coal-fired nor oil-fired:

$$\text{CGO (in MWh)} = \text{GO} \times \text{MWh} \times 0.4.$$

2) If gross electrical output data is not provided to the Agency, heat input (HI) shall be used. If the unit has two control periods of data, the average of the unit's heat input's from the 2007 and 2008 control periods, shall be used. If the unit does not have heat input from the 2007 and 2008 control periods, the heat input from the 2008 control period shall be used. The unit's converted gross electrical output (CGO) shall be calculated as follows:

A) If the unit is coal-fired:

$$\text{CGO (in MWh)} = \text{HI (in mmBtu)} \times 0.0967;$$

B) If the unit is oil-fired:

$$\text{CGO (in MWh)} = \text{HI (in mmBtu)} \times 0.0580; \text{ or}$$

C) If the unit is neither coal-fired nor oil-fired:

$$\text{CGO (in MWh)} = \text{HI (in mmBtu)} \times 0.0387.$$

- cb) For control period ~~2013~~~~2012~~ and thereafter, the unit's gross electrical output shall be the average of the unit's two most recent years of control period gross electrical output, if available; otherwise the unit's most recent control period's gross electrical output . . .
- de) For a unit that is a combustion turbine or boiler and has equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy, the Agency shall add the converted gross electrical output calculated for electricity pursuant to subsections (a), (b) or ~~(c)~~ of this Section ...
- ed) The affected unit's gross electrical output and converted useful thermal energy in subsections (a)(1), (b), (c) and (d)e of this Section ...
- fe) The affected unit's heat input in subsection (a)(2) and (b)(2) of this Section for each control period shall be determined in accordance with 40 CFR 75, as incorporated by reference in Section 225.140 of this Part.

10) *This amendment incorporates changes to when portions of the rule take effect resulting from a later effective date for the rule.*

**Section 225.450 Monitoring, Recordkeeping and Reporting Requirements
for Gross Electrical Output and Useful Thermal Energy**

- a) By January 1, ~~2008~~~~2007~~, or by the date of commencing commercial operation, whichever is later, the owner or operator of the affected unit shall install, calibrate, maintain, and operate a wattmeter; ...
- b) For a an affected unit that is a cogeneration unit by January 1, ~~2008~~~~2007~~, or by the date the affected unit commences ...
- c) Within 15 days of the effective date of this rule~~By September 30, 2006~~, the owner or operator of an affected unit shall report to the Agency the gross electrical output for control periods 2001, 2002, 2003, 2004 and 2005...
- d) Beginning with year ~~2008~~~~2007~~, the designated representative of the affected unit shall submit to the Agency quarterly, by no later than April 30, July 31, October 31, January 31 of each year, information for the affected unit's gross electrical

output, on a monthly basis for the prior quarter, and, if applicable, the unit's useful thermal energy for each month.

- 11) *This amendment incorporates changes to when portions of the rule take effect resulting from a later effective date for the rule.*

**Section 225.550 Monitoring, Recordkeeping and Reporting Requirements
for Gross Electrical Output and Useful Thermal Energy**

- a) By January 1, ~~2008~~2007, or by the date of commencing commercial operation, whichever is later, the owner or operator of the affected unit shall install, calibrate, maintain, and operate a wattmeter; ...
- b) For an affected unit that is a cogeneration unit by January 1, ~~2008~~2007, or by the date the affected unit commences ...
- c) Within 15 days of the effective date of this rule~~By September 30, 2006~~, the owner or operator of an affected unit shall report to the Agency the gross electrical output for control periods 2001, 2002, 2003, 2004 and 2005...
- d) Beginning with calendar year ~~2008~~2007, the designated representative of the affected unit shall submit to the Agency quarterly, by no later than January 31, April 30, July 31, and October 31 of each year, information for the affected unit's gross electrical output, on a monthly basis for the prior quarter, and, if applicable, the unit's useful thermal energy for each month.

- 12) *This amendment details how CASA project accounts will be replenished if extra allowances remain after the initial distribution.*

Section 225.475 Agency Action on CASA Applications

- a) By October 1, 2009, and each October 1 thereafter, the Agency shall determine the total number of allowances that are approvable for allocation to project sponsors based upon the applications submitted pursuant to Section 225.470 of this Subpart.
 - 1) The Agency shall determine the number of CAIR NO_x allowances that are approvable based on the formulas and the criteria for such projects. The Agency shall notify a project sponsor within 90 days after receipt of an application if the project is not approvable, the number of allowances requested is not approvable, or additional information is needed by the Agency to complete its review of the application.
 - 2) If the total number of CAIR NO_x allowances requested for approved projects is less than or equal to the number of CAIR NO_x allowances in

the CASA project category, the number of allowances that are approved shall be allocated to each CAIR NO_x compliance or general account.

- 3) If more CAIR NO_x allowances are requested than the number of CAIR NO_x allowances in a given CASA project category, allowances shall be allocated on a pro-rata basis based on the number of allowances available, subject to further adjustment as provided for by subsection (b) of this Section. CAIR NO_x allowances shall be allocated, transferred, or used as whole allowances. The number of whole allowances shall be determined by rounding down for decimals less than 0.5 and rounding up for decimals of 0.5 or greater.
- b) For control period 2011 and thereafter, if there are, after the completion of the procedures in subsection (a) of this Section for a control period, any CAIR NO_x CASA allowances not allocated to a CASA project for the control period after the completion of the procedures in subsection (a) of this Section for a control period:
- 1) The remaining allowances shall accrue in each CASA project category ~~will accrue~~ up to twice the number of allowances that are assigned to the project category each control period as set forth in Section 225.465 of this Subpart.
 - 2) ~~For control period 2011 and thereafter, If any allowances remain after allocations pursuant to subsection (a) of this Section and distributions in subsection (b)(1) of this Section, the Agency in a project category that are in excess of twice the number assigned for the control period as set forth in Section 225.465 of this Subpart shall be allocate these allowances pro-rata to projects that received fewer allowances than requested, based on the number of allowances not allocated but approved by the Agency for the project under CASA. No project shall be allocated more allowances than approved by the Agency for the applicable control period. redistributed to project categories that have fewer than twice the number of allowances assigned to that project category for the control period.~~
 - 3) ~~For control period 2011 and thereafter, If any allowances remain after the allocation of allowances pursuant to subsection (b)(2) of this Section, the Agency shall then distribute pro-rata the remaining reallocate allowances to projects that received fewer allowances than requested and approved on a pro-rata basis, based on the total number of approved allowances for the projects, to project categories that have fewer than twice the number of allowances assigned to that project category. The pro-rata distribution shall be based on the difference between two times the project category and the number of allowances that remain in the project category.~~
 - 4) ~~For control period 2011 and thereafter, if after the redistribution of allowances pursuant to subsection (b)(2) of this Section any allowances~~

~~remain, these allowances shall be reassigned to project categories that have fewer than twice the number of allowances annually assigned to that project category as set forth in Section 225.465 of this Subpart, after the allocation in subsection (b)(3) of this Section.~~

- ~~5) the Agency shall repeat the process of allocating allowances to CASA projects that received fewer allowances than requested and approved, and reassigning allowances to project categories as set forth in subsections (b)(2), (b)(3), and (b)(4) of this Section, until no allowances remain to be reassigned between project categories and the approved allowance requests have been filled. If allowances still remain unallocated undistributed after the allocations and distributions in the above subsections are completed, the Agency may elect to retire ~~the~~^{any} CAIR NO_x allowances that have not been distributed to any CASA category, remain after all approved requests for allowances have been met and each project category has accrued twice the number of allowances assigned for that project category to continue progress toward attainment or maintenance of the National Ambient Air Quality Standards pursuant to the CAA.~~

- 13) *This amendment details how CASA project accounts will be replenished if extra allowances remain after the initial distributions and allocation.*

Section 225.575 Agency Action on CASA Applications

- a) By October 1, 2009, and each October 1 thereafter, the Agency shall determine the total number of allowances that are approvable for allocation to project sponsors based upon the applications submitted pursuant to Section 225.470 of this Subpart.
 - 1) The Agency shall determine the number of CAIR NO_x allowances that are approvable based on the formulas and the criteria for such projects. The Agency shall notify a project sponsor within 90 days after receipt of an application if the project is not approvable, the number of allowances requested is not approvable, or additional information is needed by the Agency to complete its review of the application.
 - 2) If the total number of CAIR NO_x allowances requested for approved projects is less than or equal to the number of CAIR NO_x allowances in the CASA project category, the number of allowances that are approved shall be allocated to each CAIR NO_x compliance or general account.
 - 3) If more CAIR NO_x allowances are requested than the number of CAIR NO_x allowances in a given CASA project category, allowances shall be allocated on a pro-rata basis based on the number of allowances available, subject to further adjustment as provided for by subsection (b) of this Section. CAIR NO_x allowances shall be allocated, transferred, or used as

whole allowances. The number of whole allowances shall be determined by rounding down for decimals less than 0.5 and rounding up for decimals of 0.5 or greater.

- b) For control periods 2011, and thereafter, If there are, after the completion of the procedures in subsection (a) of this Section for a control period, any CAIR NO_x CASA allowances not allocated to a CASA project for the control period after the completion of the procedures in subsection (a) of this Section for a control period:
- 1) The remaining allowances shall accrue in each CASA project category ~~will accrue~~ up to twice the number of allowances that are assigned to the project category each control period as set forth in Section 225.465 of this Subpart.
 - 2) ~~For control period 2011 and thereafter, If any allowances remain after allocations pursuant to subsection (a) of this Section and distributions in subsection (b)(1) of this Section, the Agency in a project category that are in excess of twice the number assigned for the control period as set forth in Section 225.465 of this Subpart shall be allocate these allowances pro-rata to projects that received fewer allowances than requested, based on the number of allowances not allocated but approved by the Agency for the project under CASA. No project shall be allocated more allowances than approved by the Agency for the applicable control period. redistributed to project categories that have fewer than twice the number of allowances assigned to that project category for the control period.~~
 - 3) ~~For control period 2011 and thereafter, If any allowances remain after the allocation of allowances pursuant to subsection (b)(2) of this Section, the Agency shall then distribute pro-rata the remaining reallocate allowances to projects that received fewer allowances than requested and approved on a pro-rata basis, based on the total number of approved allowances for the projects, to project categories that have fewer than twice the number of allowances assigned to that project category. The pro-rata distribution shall be based on the difference between two times the project category and the number of allowances that remain in the project category.~~
 - 4) ~~For control period 2011 and thereafter, if after the redistribution of allowances pursuant to subsection (b)(2) of this Section any allowances remain, these allowances shall be reassigned to project categories that have fewer than twice the number of allowances annually assigned to that project category as set forth in Section 225.465 of this Subpart, after the allocation in subsection (b)(3) of this Section.~~
 - 5) ~~the Agency shall repeat the process of allocating allowances to CASA projects that received fewer allowances than requested and approved, and reassigning allowances to project categories as set forth in subsections~~

~~(b)(2), (b)(3), and (b)(4) of this Section, until no allowances remain to be reassigned between project categories and the approved allowance requests have been filled. If allowances still remain unallocated undistributed after the allocations and distributions in the above subsections are completed, the Agency may elect to retire the any CAIR NO_x allowances that have not been distributed to any CASA category, remain after all approved requests for allowances have been met and each project category has accrued twice the number of allowances assigned for that project category to continue progress toward attainment or maintenance of the National Ambient Air Quality Standards pursuant to the CAA.~~

WHEREFORE, for the reasons set forth above, the Illinois EPA moves that the Board amend proposed new Part 225 to amend Sections 225.325, 225.460, 225.560, 225.465, 225.565, 225.430, 225.530, 225.435, 225.535, 225.450, 225.550, 225.475, and 225.575 as set forth herein.

Respectfully submitted,

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

By: _____
John J. Kim
Managing Attorney
Division of Legal Counsel

DATED: October 11, 2006

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STATE OF ILLINOIS)
)
) SS
COUNTY OF SANGAMON)
)

CERTIFICATE OF SERVICE

I, the undersigned, an attorney, state that I have served electronically the attached
MOTION TO AMEND RULEMAKING PROPOSAL upon the following person:

Dorothy Gunn
Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph St., Suite 11-500
Chicago, IL 60601-3218

and mailing it by first-class mail from Springfield, Illinois, with sufficient postage affixed to the following persons:

SEE ATTACHED SERVICE LIST

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY,

John J. Kim
Managing Attorney
Division of Legal Counsel

Dated: October 11, 2006

1021 North Grand Avenue East
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SERVICE LIST
R06-26

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