

## 40 C.F.R. § 72.41

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### Phase I substitution plans.

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(a) *Applicability.* This section shall apply during Phase I to the designated representative of:

(1) Any unit listed in table 1 of § 73.10(a) of this chapter; and

(2) Any other existing utility unit that is an affected unit under this part, provided that this section shall not apply to a unit under section 410 of the Act.

(b)

(1) The designated representative may include, in the Acid Rain permit application for a unit under paragraph (a)(1) of this section, a substitution plan under which one or more units under paragraph (a)(2) of this section are designated as substitution units, provided that:

(i) Each unit under paragraph (a)(2) of this section is under the control of the owner or operator of each unit under paragraph (a)(1) of this section that designates the unit under paragraph (a)(2) of this section as a substitution unit; and

(ii) In accordance with paragraph (c)(3) of this section, the emissions reductions achieved under the plan shall be the same or greater than would have been achieved by all units governed by the plan without such plan.

(2) The designated representative of each source with a unit designated as a substitution unit in any plan submitted under paragraph (b)(1) of this section shall incorporate in the permit application each such plan.

(3) The designated representative may submit a substitution plan not later than 6 months (or 90 days if submitted in accordance with § 72.82), or a notification to activate a conditionally approved plan in accordance with § 72.40(c) not later than 60 days, before the allowance transfer deadline applicable to the first year for which the plan is to take effect.

(c) *Contents of a substitution plan.* A complete substitution plan shall include the following elements in a format prescribed by the Administrator:

(1) Identification of each unit under paragraph (a)(1) of this section and each substitution unit to be governed by the substitution plan. A unit shall not be a substitution unit in more than one substitution plan.

(2) Except where the designated representative requests conditional approval of the plan, the first calendar year and, if known, the last calendar year in which the substitution plan is to be in effect. Unless the designated representative specifies an earlier calendar year, the last calendar year will be deemed to be 1999.

(3) Demonstration that the total emissions reductions achieved under the substitution plan will be equal to or greater than the total emissions reductions that would have been achieved without the plan, as follows:

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(i) For each substitution unit:

(A) The unit's baseline.

(B) Each of the following: the unit's 1985 actual SO<sub>2</sub> emissions rate; the unit's 1985 allowable SO<sub>2</sub> emissions rate; the unit's 1989 actual SO<sub>2</sub> emissions rate; the unit's 1990 actual SO<sub>2</sub> emissions rate; and, as of November 15, 1990, the most stringent unit-specific federally enforceable or State enforceable SO<sub>2</sub> emissions limitation covering the unit for 1995-1999. For purposes of determining the most stringent emissions limitation, applicable emissions limitations shall be converted to lbs/mmBtu in accordance with appendix B of this part. Where the most stringent emissions limitation is not the same for every year in 1995-1999, the most stringent emissions limitation shall be stated separately for each year.

(C) The lesser of: the unit's 1985 actual SO<sub>2</sub> emissions rate; the unit's 1985 allowable SO<sub>2</sub> emissions rate; the greater of the unit's 1989 or 1990 actual SO<sub>2</sub> emissions rate; or, as of November 15, 1990, the most stringent unit-specific federally enforceable or State enforceable SO<sub>2</sub> emissions limitation covering the unit for 1995-99. Where the most stringent emissions limitation is not the same for every year during 1995-1999, the lesser of the emissions rates shall be determined separately for each year using the most stringent emissions limitation for that year.

(D) The product of the baseline in paragraph (c)(3)(i)(A) of this section and the emissions rate in paragraph (c)(3)(i)(C) of this section, divided by 2000 lbs/ton. Where the most stringent emissions limitation is not the same for every year during 1995-1999, the product in the prior sentence shall be calculated separately for each year using the emissions rate determined for that year in paragraph (c)(3)(i)(C) of this section.

(ii)

(A) The sum of the amounts in paragraph (c)(3)(i)(D) of this section for all substitution units to be governed by the plan. Except as provided in paragraph (c)(3)(ii)(B) of this section, this sum is the total number of allowances available each year under the substitution plan.

(B) Where the most stringent unit-specific federally enforceable or State enforceable SO<sub>2</sub> emissions limitation is not the same for every year during 1995-1999, the sum in paragraph (c)(3)(ii)(A) of this section shall be calculated separately for each year using the amounts calculated for that year in paragraph (c)(3)(i)(D) of this section. Each separate sum is the total number of allowances available for the respective year under the substitution plan.

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