
40 C.F.R. § 73.20

Phase II early reduction credits.

(a) *Unit eligibility.* Units listed in table 2 or 3 of § 73.10 are eligible for allowances under this section if:

- (1) The unit is not a unit subject to emissions limitation requirements of Phase I and is not a substitution unit (under 40 CFR 72.41) or a compensating unit (under 40 CFR 72.43);
- (2) The unit is authorized by the Governor of the State in which the unit is located;
- (3) The unit is part of a utility system (which, for the purposes of this section only, includes all generators operated by a single utility, including generators that are not fossil fuel-fired) that has decreased its total coal-fired generation, as a percentage of total system generation, by more than twenty percent between January 1, 1980, and December 31, 1985; and
- (4) The unit is part of a utility system that during calendar years 1985 through 1987 had a weighted capacity factor for all coal-fired units in the system of less than fifty percent. The weighted capacity factor is equal to:

$$\text{Weighted Capacity Factor} = \frac{\text{Sum of actual generation of all coal-fired units in the utility system}}{\text{Sum of all coal generators' nameplate capacity} \times 8760}$$

(b) *Emissions reductions eligibility.* Sulfur dioxide emissions reductions eligible for allowance credits at units eligible under paragraph (a) of this section must meet the following requirements:

- (1) Be made no earlier than calendar year 1995 and no later than calendar year 1999; and
- (2) Be due to physical changes to the plant or are a result of a change in the method of operating the plant including but not limited to changing the type or quality of fuel being burned.

(c) *Initial certification of eligibility.* The designated representative of a unit that seeks allowances under this section shall apply for certification of unit eligibility prior to or accompanying a request for allowances under paragraph (d) of this section. A completed application for this certification shall be submitted according to § 73.13 and shall include the following:

- (1) A letter from the Governor of the State in which the unit is located authorizing the unit to make reductions in sulfur dioxide emissions; and

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