40 C.F.R. § 86.1861–04

How do the Tier 2 and interim non-Tier 2 NOX averaging, banking and trading programs work?

(a) *General provisions for Tier 2 credits and debits.* (1) A manufacturer whose Tier 2 fleet average NO_X emissions exceeds the 0.07 g/mile standard must complete the calculation at paragraph (b) of this section to determine the size of its NO_X credit deficit. A manufacturer whose Tier 2 fleet average NO_X emissions is less than or equal to the 0.07 g/mile standard must complete the calculation in paragraph (b) of this section if it desires to generate NO_X credits. In either case, the number of credits or debits determined in the calculation at paragraph (b) of this section must be rounded to the nearest whole number.

(2) Credits generated according to the calculation in paragraph (b)(1) of this section may be banked for future use or traded to another manufacturer.

(3) NO_X credits are not subject to any discount or expiration date except as required under the deficit carryforward provisions of § 86.1860–04(e)(2).

(4) If a manufacturer calculates that it has negative credits (debits or a credit deficit) for a given model year, it must obtain sufficient credits, as required under § 86.1860–04(e)(2), from vehicles produced by itself or another manufacturer in a model year no later than the third model year following the model year for which it calculated the credit deficit. (Example: if a manufacturer calculates that it has a NO_X credit deficit for the 2008 model year, it must obtain sufficient NO_X credits to offset that deficit from its own production or that of other manufacturers' 2011 or earlier model year vehicles.)

(6)

(i) Manufacturers may not use NO_X credits to comply with the NLEV requirements of subpart R of this part.

(ii) Manufacturers may not use NMOG credits generated by vehicles certified to the NLEV requirements of subpart R of this part to comply with any NO_X requirements of this subpart.

(iii) Manufacturers may not use NO_X credits generated by interim non-Tier 2 vehicles to comply with the fleet average NO_X standard for Tier 2 vehicles.

(iv) Manufacturers may not use NO_X credits generated by Tier 2 vehicles to comply with any fleet average NO_X standard for interim non-Tier 2 vehicles, except as permitted under § 86.1860–04(e).

(v) Manufacturers may not use NO_X credits generated by interim non-Tier 2 LDV/LLDTs to comply with the fleet average NO_X standard for interim non-Tier 2 HLDT/MDPVs.

(vi) Manufacturers may not use NO_X credits generated by interim non-Tier 2 HLDT/MDPVs to comply with the fleet average NO_X standard for interim non-Tier 2 LDV/LLDTs.

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