

RULE 26.8. BANKING OF LIMITED EMISSION REDUCTIONS

(Adopted and Effective: 10/22/97)

(a) LIMITED EMISSION REDUCTION CREDITS (ERCS) RESULTING FROM EARLY IMPLEMENTATION OF STATE IMPLEMENTATION PLAN (SIP) OR REGIONAL AIR QUALITY STRATEGY (RAQS) CONTROL MEASURES

Emission reductions which are the result of the applicant's implementation of a SIP or RAQS control measure(s) may be banked as long as the reductions required by the SIP or RAQS control measure(s) are scheduled to take place at a date two years or more from the date of application for banking credits and the reductions can be classified as Class A. The ERCs created by such banked reduction shall expire on the date that the reductions identified by the SIP or RAQS control measure are actually required to take place. The Permit to Operate for any source which has used an ERC of the type described in this section to satisfy in whole or in part the requirements of District Rules and Regulations shall expire and become void on the date that the reductions required by the SIP or RAQS control measure take place unless other Class A ERCs of equivalent amount are canceled.

(b) LIMITED DURATION EMISSION REDUCTION CREDITS

Any applicant for banking may request that Class A ERCs issued for emission reductions from an emission unit be of limited duration such that the ERCs would expire at a date specified by the applicant one year or later from the date of the application for banking is approved by the District. The Permit to Operate for any source which has used such ERCs to satisfy in whole or in part the requirements of District Rules and Regulations shall expire and become void on the date specified as the expiration date of the ERCs unless the holder of the permit on or before the expiration date obtains additional Class A ERCs in an amount equal to the amount supplied by the ERCs. Upon the expiration of such a Permit to Operate, the source which supplied the emission reduction for the ERC of limited duration shall be entitled to a revision of its permit to reflect the terms of the permit before the banking took place.

(c) NOTATION OF LIMITED DURATION

The ERCs and Permits to Operate of the type described in Sections (a) and (b) of this rule shall contain a legend describing the fact of their limited duration and their date of expiration.

(d) WAIVER OF APPLICATION FOR VARIANCE

The applicant for limited ERCs under this rule shall expressly waive the applicant's right, if any, to apply to the Hearing Board for a variance to extend the term of the ERC beyond the date specified pursuant to this rule. Any transferee of a limited ERC shall acknowledge in writing to the District that the transferee has been apprised of and joins in the waiver.