CROSS-STATE AIR POLLUTION RULE (CSAPR) UPDATE FACT SHEET – SIP PROCESS FOR 2018 ALLOWANCE ALLOCATIONS

What is the first possible year for which a state can submit state-determined allowance allocations to replace the allowance allocations determined by EPA in the CSAPR NOX Ozone Season Group 2 trading program applicable to the state under the CSAPR Update FIPs?

Each state affected by the CSAPR Update has an opportunity to submit a letter by December 27, 2016, notifying EPA of its intention to submit state-determined allowance allocations for the 2018 control period. States that meet the deadline have until April 3, 2017 to submit state-determined allowance allocations for the 2018 control period.

What if a state does not submit a notification letter to EPA by December 27, 2016?

If EPA does not receive the necessary notification by December 27, 2016, then EPA will record the EPA-determined, existing-unit allocations for 2018 by January 9, 2017.

When must a state submit to EPA a SIP revision to replace 2018 EPA-determined, existing-unit allocations with state-determined allocations?

For states that submitted a notification letter under the CSAPR Update, the SIP revision submittal deadline is April 3, 2017.

What if a State does not submit a SIP revision after submitting their notification letter?

If EPA does not receive a SIP revision by the April 3, 2017 submittal deadline, then EPA will record the 2018 EPA-determined, existing-unit allocations as prescribed under the CSAPR Update by April 15, 2017.

If a state that provides timely notice to EPA of intent to replace the 2018 EPA-determined, existing-unit allocations is no longer interested in doing so, the state may notify EPA, prior to the SIP revision submittal deadline, that it does not intend to submit a SIP revision. EPA will then record the 2018 EPA-determined, existing-unit allocations as soon as practicable, but no later than April 15, 2017.

What requirements must the 2016 SIP revision meet?

The 2018 SIP revision must meet the following requirements:

- Allocates to existing units only. An existing unit is a unit that commenced commercial operation (i.e., began producing electricity for sale) before January 1, 2015.

- Provides a list of the existing units and their 2018 state-determined allocations. The list must be provided electronically to EPA by the SIP revision submittal deadline and in a format prescribed by EPA. The instructions and templates for this format can be found on the Allowance Allocations and Templates page.

- May not contain provisions that allow for any change in the units and state-determined allocations on the list and in any allocation previously determined and recorded by EPA in the CSAPR NOx Ozone Season Group 2 trading program.

- Allocates a total amount of CSAPR NOx Ozone Season Group 2 allowances for 2018 that does not exceed the state trading budget minus the new unit set-aside and the Indian country new unit set-aside for the state.

- Does not provide for any other distribution of allowances. For example, the SIP revision cannot provide for set-asides or auctions and cannot alter the new unit set-asides, the Indian country new unit set-asides, and any aspect of allowance allocation in the trading programs involved other than the 2018 existing-unit allocations.
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When will EPA record 2018 state-determined, existing-unit allocations, assuming all requirements are met?

If, not later than April 3, 2017, the state submits to EPA a SIP revision meeting all the above-described requirements and EPA approves the SIP revision by October 1, 2017, EPA will record state-determined, existing-unit allocations for 2018 by October 1, 2017 under the CSAPR Update. Otherwise, EPA will record the EPA-determined, existing-unit allocations for 2018 by October 1, 2017.

Can states replace state-based allocations for allocations periods after 2018?

Yes, states can submit SIP revisions to replace EPA-determined, existing unit allocations with state-determined allocations for control periods after 2018. Under the CSAPR Update, SIP revisions that allocate allowances for control periods in 2019 and 2020 and beyond are due December 1, 2017.

Where can I view the EPA-determined, existing-unit allocations?

The final EPA-determined, existing unit allocations under the CSAPR Update are posted on EPA’s website at: https://www.epa.gov/csapr/cross-state-air-pollution-rule-csapr-allowance-allocations-and-templates