**Section 205.400 Seasonal Emissions Allotment**

a) Each participating source shall receive an allotment which shall be issued by the Agency and distributed in ATUs.

b) Except for ATUs issued pursuant to Sections 205.500 and 205.510 of this Part, ATUs issued for any seasonal allotment period are valid for use during the seasonal allotment period following issuance and the next succeeding seasonal allotment period. All ATUs shall be valid until such ATUs expire or are retired.

c) The initial allotment for each participating source shall be based on the baseline emissions for such source, as determined in accordance with Section 205.320 of this Part, and shall be reduced by 12 percent in 1999 or in such other year that a source is issued its initial allotment, except as provided in Section 205.405 of this Subpart.

d) Except as provided in Section 205.337(b)(3) of this Part and subsections (c) and (e) of this Section, allotments shall remain at 1999 or initial levels unless the Agency makes a demonstration to the Board, in accordance with the rulemaking provisions of Sections 9.8, 27 and 28 of the Act [415 ILCS 5/9.8, 27 and 28], that further reductions are needed. An allotment or a baseline under this Part does not constitute a property right. Nothing in this Part shall be construed to limit the authority of the Board to terminate or limit such allotment or baseline pursuant to its rulemaking authority under Sections 9.8, 27 and 28 of the Act [415 ILCS 5/9.8, 27 and 28].

e) If the baseline emissions for any participating source are increased in accordance with Section 205.320(f) of this Part, the allotment shall be increased by the modified portion of the baseline emissions amount, reduced by 12 percent, except as provided in Section 205.405 of this Subpart.

f) Except as provided in subsection (h) of this Section, any new participating source shall not be issued ATUs by the Agency, but shall be required to hold ATUs at the end of the reconciliation period as specified in Section 205.150(d) of this Part.

g) Any source existing as of May 1, 1999, which first becomes subject to the requirements of this Part because its seasonal emissions increase to 10 tons or more as a result of a major modification pursuant to 35 Ill. Adm. Code 203, in any seasonal allotment period beginning with 1999, shall not be allotted ATUs by the Agency for the VOM emissions attributable to this modification, except as provided in subsection (h) of this Section, but shall be allotted ATUs by the Agency based on its baseline emissions, as determined in accordance with Section 205.320 of this Part. Any such participating source shall be required to hold ATUs at the end of the reconciliation period as specified in Section 205.150(c) of this Part, for each seasonal allotment period in which it is subject to this Part.

h) If a participating source or new participating source submits an ATU transfer agreement authorizing the transfer of ATUs for more than one year, as provided in Section 205.630(a)(2)(B) of this Part, the ATUs shall be automatically transferred by the Agency from the transferor's Transaction Account to the transferee's Transaction Account. Upon reopening or renewal of the CAAPP permit or FESOP for any such source, any multiple season transfer agreement that has three or more years of transfers remaining shall be identified in the renewed or reissued CAAPP permit or FESOP for each such source.

(Source: Amended at 29 Ill. Reg. 8848, effective June 13, 2005)