**Section 217.468 New Source Set-Asides for "New" Budget Units**

a) For the 2004, 2005 and 2006 control periods, a "new" budget unit is one that commenced commercial operation on or after January 1, 2000. For the 2007 and later control periods, a "new" budget unit is one that commenced commercial operation no more than 3 control periods prior to the year the allocation is requested pursuant to this Section. Those units that commenced commercial operation on or after January 1, 2000, but before May 31, 2004, become "existing" budget units on October 1, 2004. Those units that commenced commercial operation on or after May 31, 2004, become "existing" budget units the end of the third control period after they commenced commercial operation.

b) "New" budget units must have an allowance for every ton of NOx emitted during the control period as provided in Section 217.456(d) of this Subpart.

c) The Agency will establish a new source set-aside for each control period from which "new" budget units may purchase NOx allowances. Each new source set-aside will be allocated allowances equal to 3% of each source's initial total Subpart U NOx Trading Budget allocation as reflected in Column 5 of Appendix E of this Part, which is 146 allowances, for each control period. The allocation for the new source set-aside from each source shall be based on 3% of the source's initial allocation, without regard to subsequent adjustment to any such source's current allocation, including permanent transfer of allowances to another source or revision of the Subpart U NOx Trading Budget by USEPA.

d) A "new" budget unit may request to purchase from the Agency a number of allowances that is not more than the number of allowances for which it is eligible, as determined in Section 217.464 of this Subpart, and subject to the provisions of this Section.

e) The account representative of a "new" budget unit under subsection (a) of this Section may purchase allowances from the new source set-aside by submitting to the Agency a request, in writing or in a format specified by the Agency, to be allocated allowances for the current control period from the new source set-aside. The allocation request for each applicable control period must be submitted after the date on which the Agency issues a construction permit to the "new" budget unit and before February 1 of the control period for which the allocation is requested.

f) The Agency will notify the account representative by March 1 of the applicable year of the number of allowances that are eligible for purchase for the "new" budget unit pursuant to the requirements of this Section. If the Agency does not receive payment by March 15 of the applicable year, the account representative will forfeit his/her eligibility to purchase the allowances offered. The Agency will make available for purchase those forfeited allowances on a pro-rata basis to "new" budget units requesting allocations pursuant to this Section, up to the number of allowances requested by each account representative. Such additional allocations are subject to the purchase requirements of subsection (g) of this Section.

g) The price of allowances from the new source set-aside shall be:

1) For 2004 only, the price shall be the average price at which NOx allowances were traded in 2003 in the Ozone Transport Region; and

2) For all years other than 2004, the average price at which NOx allowances were traded in the interstate NOx Trading Program for the preceding control period.

h) The fees collected by the Agency from the sale of allowances will be distributed pro-rata to budget units receiving allowances pursuant to Appendix E of this Part on the basis of allocated allowances, subject to Agency administrative costs assessed pursuant to Section 9.9 of the Act.

(Source: Added at 25 Ill. Reg. 5914, effective April 17, 2001)