**Section 217.754 Applicability**

a) The following fossil fuel-fired stationary boilers, combustion turbines or combined cycle systems are electrical generating units (EGUs) and are subject to this Subpart:

1) Any unit serving a generator that has a nameplate capacity greater than 25 MWe and produces electricity for sale, excluding those units listed in Appendix D of this Part.

2) Any unit with a maximum design heat input that is greater than 250 mmbtu/hr that commences operation on or after January 1, 1999, serving at any time a generator that has a nameplate capacity of 25 MWe or less and has the potential to use more than 50% of the potential electrical output capacity of the unit. Fifty percent of a unit's potential electrical output capacity shall be determined by multiplying the unit's maximum design heat input by 0.0488 MWe/mmbtu. If the size of the generator is greater than this calculated number, the unit is an EGU subject to the provisions of this Subpart.

b) Those units that meet the above criteria and are subject to the NOx Trading Program emissions limitations contained in this Subpart are budget EGUs.

c) Low-emitter status: Notwithstanding subsection (a) of this Section, the owner or operator of a budget EGU under subsection (a) of this Section may elect low-emitter status by obtaining a permit with federally enforceable conditions meeting the requirements of subsection (c)(1) of this Section. Starting with the effective date of such permit, the EGU shall not be a budget EGU and shall be subject only to the requirements of this subsection (c).

1) For each control period under this subsection (c), the federally enforceable permit conditions must:

A) Restrict the EGU to burning only natural gas, fuel oil, or natural gas and fuel oil;

B) Limit the EGU's potential NOx mass emissions for the control period to 25 tons or less;

C) Restrict the EGU's operating hours during the control period to the number calculated by dividing 25 tons of potential NOx mass emissions by the EGU's maximum potential hourly NOx mass emissions;

D) Require that the EGU's potential NOx mass emissions be calculated by using the monitoring provisions of 40 CFR 75 or, if the EGU does not rely on these monitoring provisions, by using the applicable default rate, as follows:

i) Select the applicable default NOx emission rate from one of the following: 0.7 lb/mmbtu for combustion turbines burning natural gas exclusively during the control period; 1.2 lbs/mmbtu for combustion turbines burning any fuel oil during the control period; 1.5 lbs/mmbtu for boilers burning natural gas exclusively during the control period; or 2 lbs/mmbtu for boilers burning any fuel oil during the control period.

ii) Multiply the default NOx emission rate under subsection (c)(1)(D)(i) of this Section by the EGU's unit-specific maximum rated heat input (mmbtu), which is the higher of the manufacturer's maximum rated hourly heat input or the highest observed hourly heat input. The owner or operator of the EGU may request in the permit application required by this subsection (c) that the Agency use a lower value for the EGU's maximum rated hourly heat input. The Agency may approve such lower value if the owner or operator demonstrates that the maximum hourly heat input specified by the manufacturer or the highest observed hourly heat input, or both, are not representative. The owner or operator must also demonstrate that such lower value is representative of the EGU's current capabilities because modifications have been made to the EGU that permanently limit the EGU's capacity;

E) Require that the owner or operator of the EGU retain for five years, at the source that includes the EGU, records demonstrating that the operating hours restriction, the fuel use restriction, and the other requirements of the permit related to these restrictions were met; and

F) Require that the owner or operator of the EGU report to the Agency the EGU's hours of operation (treating any partial hour of operation as a whole hour of operation), heat input, and fuel use by type during each control period. This report shall be submitted by November 1 of each year the EGU elects low-emitter status.

2) The Agency will notify USEPA in writing of each EGU electing low-emitter status pursuant to the requirements of subsection (c)(1) of this Section and when any of the following occurs:

A) The permit with federally enforceable conditions that includes the restrictions in subsection (c)(1) of this Section is issued by the Agency;

B) Such permit is revised to remove any such restriction;

C) Such permit includes any such restriction that is no longer applicable; or

D) The EGU does not comply with any such restriction.

3) The EGU shall become a budget EGU, subject to the requirements of this Subpart, if, for any control period under subsection (c) of this Section, the fuel use restriction or the operating hours restriction under subsection (c)(1) of this Section is removed from the EGU's permit or otherwise becomes no longer applicable, or the EGU does not comply with the fuel use restriction or the operating hours restriction under subsection (c)(1) of this Section. Such EGU shall be treated as commencing operation and, for a unit under subsection (a)(1) of this Section, commencing commercial operation, on September 30 of the year prior to the control period for which the fuel use restriction or the operating hours restriction is no longer applicable or during which the EGU does not comply with the fuel use restriction or the operating hours restriction.

4) The owner or operator of an EGU to which the Agency has ever allocated allowances may elect low-emitter status. In that case, the Agency will reduce the EGU trading budget by the number of allowances corresponding to the amount of NOx emissions the EGU is permitted to emit during the control period as set forth in the EGU's federally enforceable state operating permit.

d) Notwithstanding the provisions in subsection (a) of this Section, sources may opt-in to the NOx Trading Program and will receive allowance allocations consistent with applicable requirements, if they meet the requirements for a budget opt-in unit pursuant to Sections 217.774 through 217.782 of this Part.

(Source: Added at 25 Ill. Reg. 128, effective December 26, 2000)