**Section 225.575 Agency Action on Clean Air Set-Aside (CASA) Applications**

a) By September 1, 2009 and each September 1 thereafter, the Agency will determine the total number of allowances that are approvable for allocation to project sponsors based upon the applications submitted pursuant to Section 225.570.

1) The Agency will determine the number of CAIR NOx Ozone Season allowances that are approvable based on the formulas and the criteria for such projects. The Agency will notify a project sponsor within 90 days after receipt of an application if the project is not approvable, the number of allowances requested is not approvable, or additional information is needed by the Agency to complete its review of the application.

2) If the total number of CAIR NOx Ozone Season allowances requested for approved projects is less than or equal to the number of CAIR NOx Ozone Season allowances in the CASA project category, the number of allowances that are approved shall be allocated to each CAIR NOx Ozone Season compliance or general account.

3) If more CAIR NOx Ozone Season allowances are requested than the number of CAIR NOx Ozone Season allowances in a given CASA project category, allowances will be allocated on a pro-rata basis based on the number of allowances available, subject to further adjustment as provided for by subsection (b) of this Section. CAIR NOx Ozone Season allowances will be allocated, transferred, or used as whole allowances. The number of whole allowances will be determined by rounding down for decimals less than 0.5 and rounding up for decimals of 0.5 or greater.

b) For control periods 2011 and thereafter:

1) If there are, after the completion of the procedures in subsection (a) of this Section for a control period, any CAIR NOx Ozone Season allowances not allocated to a CASA project for the control period, the remaining allowances will accrue in each CASA project category up to twice the number of allowances that are assigned to the project category for each control period as set forth in Section 225.565.

2) If any allowances remain after allocations pursuant to subsection (a) of this Section, the Agency will allocate these allowances pro-rata to projects that received fewer allowances than requested, based on the number of allowances not allocated but approved by the Agency for the project under CASA. No project may be allocated more allowances than approved by the Agency for the applicable control period.

3) If any allowances remain after the allocation of allowances pursuant to subsection (b)(2) of this Section, the Agency will then distribute pro-rata the remaining allowances to project categories that have fewer than twice the number of allowances assigned to the project category. The pro-rata distribution will be based on the difference between two times the project category and the number of allowances that remain in the project category.

4) If allowances still remain undistributed after the allocations and distributions in the subsections (b)(1) through (b)(3) are completed, the Agency may elect to retire any CAIR NOx Ozone Season allowances that have not been distributed to any CASA category, to continue progress toward attainment or maintenance of the National Ambient Air Quality Standards pursuant to the CAA.

(Source: Added at 31 Ill. Reg. 12864, effective August 31, 2007)