

(14) Clean Air Mercury Annual Trading Program

- (a) General Requirements. The provisions of this paragraph (14) shall apply to any source and the owner and operator of any such source subject to any requirements under 40 Code of Federal Regulations (hereinafter, 40 CFR), Part 60 Subparts HHHH as amended. The term "Permitting Authority" as used in regulations adopted in this section shall mean the Environmental Protection Division of the Georgia Department of Natural Resources.

General Provisions cover subparagraphs (14)(b) through (14)(i). The General Provisions provide the regulatory basis for implementing the mercury allocations and mercury cap-and-trade program. The regulatory basis includes rule applicability and definitions.

- (b) Mercury Budget Trading Program General Provisions-Purpose: 40 CFR Part 60.4101, as amended is hereby incorporated and adopted by reference:
- (c) Mercury Budget Trading Program General Provisions – Definitions: 40 CFR Part 60.4102, as amended is hereby incorporated and adopted by reference:
- (d) Mercury Budget Trading Program General Provisions – Measurements, Abbreviations, and Acronyms: 40 CFR Part 60.4103, as amended is hereby incorporated and adopted by reference:
- (e) Mercury Budget Trading Program General Provisions – Applicability: 40 CFR Part 60.4104, as amended is hereby incorporated and adopted by reference:
- (f) Mercury Budget Trading Program General Provisions –Retired Unit Exemption: 40 CFR Part 60.4105, as amended is hereby incorporated and adopted by reference with the following exception:
1. In lieu of 40 CFR Part 60.4105(b)(2), the following provision applies:
 - (i). The Permitting Authority will not allocate mercury allowances under subparagraph (w) to a unit exempt under 40 CFR Part 60.4105(a) which has permanently retired in a control period prior to or during any of the control periods used in subparagraph (w) to determine the mercury allowance baseline.

Example:

Baseline Years	Allocation Year	Year EPD Reports Allocation	Retirement Year – Unit is Not Given Any Allocations
2001-2005	2010	10/31/2007	Any year prior to and including 2005.
2001-2005	2011	10/31/2007	Any year prior to and including 2005.
2001-2005	2012	10/31/2007	Any year prior to and including 2005.
2005-2008	2013	10/31/2009	Any year prior to and including 2008.
2006-2009	2014	10/31/2010	Any year prior to and including 2009
2007-2010	2015	10/31/2011	Any year prior to and including 2010
2008-2011	2016	10/31/2012	Any year prior to and including 2011
2009-2012	2017	10/31/2013	Any year prior to and including 2012
2010-2013	2018	10/31/2014	Any year prior to and including 2013
2011-2014	2019	10/31/2015	Any year prior to and including 2014
2012-2015	2020	10/31/2016	Any year prior to and including 2015
2013-2016	2021	10/31/2017	Any year prior to and including 2016
2014-2017	2022	10/31/2018	Any year prior to and including 2017
2015-2018	2023	10/31/2019	Any year prior to and including 2018
2016-2019	2024	10/31/2020	Any year prior to and including 2019

- (g) Mercury Budget Trading Program General Provisions –Standard Requirements: 40 CFR Part 60.4106, as amended is hereby incorporated and adopted by reference:
- (h) Mercury Budget Trading Program General Provisions –Computation of Time: 40 CFR Part 60.4107, as amended is hereby incorporated and adopted by reference:
- (i) Mercury Budget Trading Program General Provisions –Appeal Procedures: 40 CFR Part 60.4108, as amended is hereby incorporated and adopted by reference:

The Mercury Designated Representative for Mercury Budget Sources cover subparagraphs (14)(j) through (14)(n). These subparagraphs provide the specification of who the “Responsible Official” is regarding mercury permit applications and who will manage the mercury budget units participation in the federal mercury cap-and-trade program.

- (j) Mercury Designated Representative for Mercury Budget Sources – Authorization and Responsibilities of Mercury Designated Representative: 40 CFR Part 60.4110, as amended is hereby incorporated and adopted by reference:
- (k) Mercury Designated Representative for Mercury Budget Sources – Alternate Mercury Designated Representative: 40 CFR Part 60.4111, as amended is hereby incorporated and adopted by reference:
- (l) Mercury Designated Representative for Mercury Budget Sources – Changing Mercury Designated Representative and Alternate Mercury Designated Representative; Changes in Owners and Operators: 40 CFR Part 60.4112, as amended is hereby incorporated and adopted by reference:
- (m) Mercury Designated Representative for Mercury Budget Sources – Certificate of Representation: 40 CFR Part 60.4113, as amended is hereby incorporated and adopted by reference:
- (n) Mercury Designated Representative for Mercury Budget Sources – Objections Concerning Mercury Designated Representative: 40 CFR Part 60.4114, as amended is hereby incorporated and adopted by reference:

Permits cover subparagraphs (14)(o) through (14)(t). These subparagraphs specify the permitting requirements for mercury budget units as well as the Permitting Authority.

- (o) Permits – General Mercury Budget Trading Program Permit Requirements: 40 CFR Part 60.4120, as amended is hereby incorporated and adopted by reference:
- (p) Permits – Submission of Mercury Budget Permit Applications: 40 CFR Part 60.4121, as amended is hereby incorporated and adopted by reference:
- (q) Permits – Information Requirements for Mercury Budget Permit Applications: 40 CFR Part 60.4122, as amended is hereby incorporated and adopted by reference:

- (r) Permits – Mercury Budget Permit Contents and Term: 40 CFR Part 60.4123, as amended is hereby incorporated and adopted by reference:
- (s) Permits – Mercury Budget Permit Revisions: 40 CFR Part 60.4124, as amended is hereby incorporated and adopted by reference:
- (t) Permits – Reserved: 40 CFR Part 60.4130, as amended is hereby incorporated and adopted by reference:

Subparagraph (14)(u) specifies the number of allowances available for mercury budget units in Georgia. Georgia EPD is adopting EPA's budget's of 1.227 tons each year for 2010 through 2017; and 0.484 tons each year for 2018 and thereafter.

- (u) Mercury Allowance Allocations – State Trading Budgets: 40 CFR 60.4140, as amended is hereby incorporated and adopted by reference:

Subparagraph (14)(v) specifies the deadlines by which Georgia EPD must submit individual mercury budget unit allocations to EPA.

- (v) Mercury Allowance Allocations – Timing Requirements for Mercury Allowance Allocations: 40 CFR 60.4141, as amended is hereby incorporated and adopted by reference with the following exceptions:
 - 1. In lieu of 40 CFR Part 60.4141, the following provisions apply:
 - i. By October 31, 2007, the Permitting Authority will submit to the Administrator the mercury allowance allocations, in a format prescribed by the Administrator and in accordance with subparagraphs (w)1 through (w)3 for the control periods 2010, 2011, and 2012. **This language is taken from 60.4141(a) and 60.24(h)(6)(ii)(C). Note for this subparagraph: Federal Model Rule cites 10/31/2006.**
 - ii. By October 31, 2009, and October 31 of each year thereafter, the Permitting Authority will submit to the Administrator the mercury allowance allocations, in a format prescribed by the Administrator and in accordance with subparagraphs (w)1 through (w)2, for the control period in the fourth year after the year of the applicable deadline for submission under this subparagraph. **This language is taken from 60.4141(b)(1) and 60.24(h)(6)(ii)(C).**

- iii. If the Permitting Authority fails to submit to the Administrator the mercury allowance allocations in accordance with subparagraph (v)1(ii), the Administrator will assume that the allocations of mercury allowances for the applicable control period are the same as for the control period that immediately precedes the applicable control period, except that, if the applicable control period is in 2018, the Administrator will assume that the allocations equal the allocations for the control period in 2017, multiplied by the amount of ounces (*i.e.*, tons multiplied by 32,000 ounces/ton) of mercury emissions in the applicable State trading budget under subparagraph (u) for 2018 and thereafter and divided by such amount of ounces of mercury emissions for 2010 through 2017. **This language is taken from 60.4141(b)(2).**
- iv. By October 31, 2009 and October 31 of each year thereafter, the Permitting Authority will submit to the Administrator the mercury allowance allocations, in a format prescribed by the Administrator and in accordance with subparagraphs w(1) and w(4) through w(5), for the control period in the year of the applicable deadline for submission under this paragraph. **This language is taken from 60.24(h)(6)(ii)(C) and 60.4141(c)(1).**
- v. If the Permitting Authority fails to submit to the Administrator the mercury allowance allocations in accordance with subparagraph (v)iv, the Administrator will assume that the allocations of mercury allowances for the applicable control period are the same as for the control period that immediately precedes the applicable control period, except that, if the applicable control period is in 2018, the Administrator will assume that the allocations equal the allocations for the control period in 2017, multiplied by the amount of ounces (*i.e.*, tons multiplied by 32,000 ounces/ton) of mercury emissions in applicable State trading Budget under subparagraph (u) for 2018 and thereafter and divided by such amount of ounces of mercury emissions from 2010 through 2017 and except that any mercury budget unit that would otherwise be allocated mercury allowances under subparagraph (w)1 through (w)3, for the applicable control period will be assumed to be allocated no mercury allowances under subparagraphs (w)1, (w)4 and (w)5 for the applicable control period. **This language is taken from 60.4141(c)(2).**

Subparagraph (14)(w) specifies the various formulas to be used to compute individual mercury unit allocations.

(w) Mercury Allowance Allocations –

Definition of Baseline for Phase I Initial Mercury Allocations: 2010 through 2012:

1. In lieu of 40 CFR 60.4142(a), the following provisions apply:
 - (i) The heat input (in MMBtu) used for calculating the mercury allowance allocations under subparagraph (w)2.(i) through (iii) for each mercury budget unit under subparagraph (w)2 for control periods 2010, 2011 and 2012 will be the highest annual amount of the mercury budget unit's adjusted control period heat input for 2001 through 2005 with the adjusted control period heat input for each year calculated, as follows: **This language is taken in part from 40 CFR 60.4142(a)(1)**
 - (I) If the mercury budget unit is lignite-fired during the year, the unit's control period heat input for such year is multiplied by 3.0;
 - (II) If the mercury budget unit is sub-bituminous-fired during the year, the unit's control period heat input for such year is multiplied by 1.25; and
 - (III) If the mercury budget unit is not subject to subparagraphs (w)1.(i)(I) or (II), the unit's control period heat input for such year is multiplied by 1.0.

Definition of Baseline for Mercury Allocations: 2013 and thereafter:

- (ii). For a mercury budget unit that has operated during any or each of the years that are five, six, seven, eight, and nine years before the year for which the mercury allocation is being calculated, the heat input (in MMBtu) used for calculating the mercury allowance allocations under subparagraph (w)2.(i) through (iii) for each unit under subparagraph (w)2 for control periods 2013 and thereafter is the highest amount of the mercury budget unit's adjusted control period heat input from the years that are five, six, seven, eight and nine years before the year for which the mercury allocation is being calculated with the adjusted control period heat input for each control period calculated as follows: **This language is taken in part from 40 CFR 60.4142(a)(1)**
 - (I) If the mercury budget unit is lignite-fired during the year, the unit's control period heat input for such year is multiplied by 3.0;

- (II) If the mercury budget unit is sub-bituminous-fired during the year, the unit's control period heat input for such year is multiplied by 1.25; and
- (III). If the mercury budget unit is not subject to subparagraph (w)2.(i) or (ii), the unit's control period heat input for such year is multiplied by 1.0.

Specification of Source of Heat Input and Mercury Emissions Data for Phases I and II

- (iii). A mercury budget unit's control period heat input under subparagraph (w)1. and a mercury budget unit's total ounces of mercury emissions during a calendar year under subparagraph (w)(4)(i)(IV), will be determined in accordance with 40 CFR Part 75, to the extent the mercury budget unit was otherwise subject to the requirements of 40 CFR Part 75 for the year, or will be based on the best available data reported to the Permitting Authority for the mercury budget unit to the extent the mercury budget unit was not otherwise subject to the requirements of 40 CFR Part 75 for the year. The mercury budget unit's types and amounts of fuel combusted, under subparagraph (w)1, will be based on the best available data reported to the permitting authority for the mercury budget unit. **This language was taken in part from 60.4142(a)(2)(i).**

Specification of the Total Available Mercury Allowances to be Allocated to Existing Sources for Phase I Control Periods 2010 through 2017

- 2. In lieu of 40 CFR 60.4142(b)(1), the following provisions apply:
 - (i). For each control period 2010 through 2017, the Permitting Authority will allocate to all mercury budget units in the State that have a baseline heat input, as determined under subparagraph (w)1., a total amount of mercury allowances equal to thirty-seven thousand two hundred ninety-six (37,296) ounces. **This language is taken, in part, from 60.4142(b)(1). Note for this subparagraph: $(0.95) \times (39,264 \text{ ounces}) = 37,296 \text{ ounces}$ – With a 5% new source set aside = 1,968 ounces**

Subparagraph (14)(w)(ii) specifies the total mercury emissions available to be allocated for 2018 through 2023. The total mercury emissions available are the lesser of that allowed by the Federal Rule and the amount computed by a stakeholder derived formula.

The stakeholder formula is based on a per unit basis and the total available mercury emissions available for all affected units is a summation of formula mercury emissions per unit:

- **Highest calendar year amount of the applicable mercury budget unit's coal-fired heat input (trillion Btu per year) for calendar years 2004 through 2013;**
- **Growth factor of 1.05 per unit;**
- **Mercury Emission Rate per unit (pound of mercury per trillion Btu) based on categories provided in the following table:**

Example provided for determining 2018 available mercury emissions to be allocated for allocation year 2014.

Unit/Control Deadline	Emission Factor Years	Emission Factor Definition	Allocation Year	Year EPD Reports Allocation to EPA	Formula Parameter Designation
Yates Unit 1 - controlled	2010-2013	4- Year Calendar Average	2018	2014	Hga
Bowen Unit 3; 6/1/08	2010-2013	4- Year Calendar Average	2018	2014	Hga
Hammond Unit 1; 6/1/08	2010-2013	4- Year Calendar Average	2018	2014	Hga
Hammond Unit 2; 6/1/08	2010-2013	4- Year Calendar Average	2018	2014	Hga
Hammond Unit 3; 6/1/08	2010-2013	4- Year Calendar Average	2018	2014	Hga
Hammond Unit 4; 6/1/08	2010-2013	4- Year Calendar Average	2018	2014	Hga
Bowen Unit 4; 12/31/2008	2010-2013	4- Year Calendar Average	2018	2014	Hga

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Unit/Control Deadline	Emission Factor Years	Emission Factor Definition	Allocation Year	Year EPD Reports Allocation to EPA	Formula Parameter Designation
Scherer Unit 3; 12/31/2008	2010-2013	4- Year Calendar Average	2018	2014	Hga
Wansley Unit 1; 12/31/2008	2010-2013	4- Year Calendar Average	2018	2014	Hga
Bowen Unit 2; 6/1/09	2010-2013	4- Year Calendar Average	2018	2014	Hga
Scherer Unit 2; 6/1/09	2010-2013	4- Year Calendar Average	2018	2014	Hga
Wansley Unit 2; 6/1/09	2010-2013	4- Year Calendar Average	2018	2014	Hga
Scherer Unit 1; 12/31/09	2010-2013	4- Year Calendar Average	2018	2014	Hga
Scherer Unit 4; 4/30/10	2010-2013	4- Year Calendar Average	2018	2014	Hga
Bowen Unit 1; 6/1/10	2010-2013	4- Year Calendar Average	2018	2014	Hga
McDonough Unit 1; 12/31/12	2010-2013	Two formulas depending on type of mercury controls.	2018	2014	Hgb1 or Hgb2
Branch Unit 3; 12/31/13	2010-2013	Two formulas depending on type of mercury controls.	2018	2014	Hgb1 or Hgb2
McDonough Unit 2; 12/31/13	2010-2013	Two formulas depending on type of mercury controls.	2018	2014	Hgb1 or Hgb2
Branch Unit 4; 6/1/14	2010-2013	Two formulas depending on type of mercury controls.	2018	2014	Hgb1 or Hgb2

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Unit/Control Deadline	Emission Factor Years	Emission Factor Definition	Allocation Year	Year EPD Reports Allocation to EPA	Formula Parameter Designation
Branch Unit 1; 12/31/14	2010-2013	Two formulas depending on type of mercury controls.	2018	2014	Hgb1 or Hgb2
Branch Unit 2; 12/31/14	2010-2013	Two formulas depending on type of mercury controls.	2018	2014	Hgb1 or Hgb2
Yates Unit 6; 6/1/15	2010-2013	Two formulas depending on type of mercury controls.	2018	2014	Hgb1 or Hgb2
Yates Unit 7; 6/1/15	2010-2013	Two formulas depending on type of mercury controls.	2018	2014	Hgb1 or Hgb2
Kraft Unit 1	2010-2013	4- Year Calendar Average	2018	2014	Hga
Kraft Unit 2	2010-2013	4- Year Calendar Average	2018	2014	Hga
Kraft Unit 3	2010-2013	4- Year Calendar Average	2018	2014	Hga
McIntosh Unit 1	2010-2013	4- Year Calendar Average	2018	2014	Hga
Mitchell Unit 3	2010-2013	4- Year Calendar Average	2018	2014	Hga
Yates Unit 2	2010-2013	4- Year Calendar Average	2018	2014	Hga
Yates Unit 3	2010-2013	4- Year Calendar Average	2018	2014	Hga
Yates Unit 4	2010-2013	4- Year Calendar Average	2018	2014	Hga

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Unit/Control Deadline	Emission Factor Years	Emission Factor Definition	Allocation Year	Year EPD Reports Allocation to EPA	Formula Parameter Designation
Yates Unit 5	2010-2013	4- Year Calendar Average	2018	2014	Hga

Specification of the Total Available Mercury Allowances to be Allocated to Existing Sources for Phase II 2018 through 2023

- (ii). The available mercury allowances to be allocated to all mercury budget units in the State that have a baseline heat input, as determined under subparagraph (w)1., for control periods 2018 through 2023 is the lesser of fourteen thousand seven hundred twenty (14,720) ounces or the amount determined in accordance the following formula:

$$\text{Total Available Mercury Allowances (ounces)} = [Hg_{a1} + Hg_{b1} + Hg_{b2}] * (16 \text{ ounces per pound})$$

where,

Hg_a = Total available mercury allowances for Mercury Budget Units operating mercury controls during or prior to 2010 as determined in subparagraph (w)2(ii)(I) and Mercury Budget Units located in Chatham, Coweta (excluding Plant Yates Units 6 and 7), Dougherty, and Effingham Counties.

Hg_{b1} = Total available mercury allowances for mercury budget units which operated mercury controls prior to 2016 but not before or during 2010, and whose mercury controls are similar to mercury controls installed on mercury budget units during or prior to 2010 as determined in subparagraph (w)2(ii)(II).

Hg_{b2} = Total available mercury allowances for mercury budget units which operated mercury controls after 2010 but not before or during 2010, and whose mercury controls are not comparable to mercury controls installed on mercury budget units during or prior to 2010 as determined in accordance with subparagraph (w)2(ii)(III). That is applicable Mercury Budget Units located in Cobb and Putnam Counties as well as Plant Yates Units 6 and 7 located in Coweta County;

- (I). The formula for computing Hg_a is as follows:

$$Hg_{a1} = \sum_{i=1}^n [EF_i * HI_i * 1.05]$$

Where,

i, n = Applicable Mercury Budget Units located in Bartow, Chatham, Coweta (excluding Plant Yates Units 6 and 7), Dougherty, Effingham, Floyd, Heard, and Monroe Counties; and

any new unit that began operation prior to January 1, 2013;

EF_i = 4-Year Calendar Average Mercury Emission Factor (pounds per trillion Btu) for control periods 2010 through 2013;

HI = Highest Calendar Year Amount of the Mercury Budget Unit's coal-fired Heat Input (trillion Btu per year) for the control periods 2004 through 2013;

1.05 = Growth Factor;

(II). The formula for computing Hg_{b1} is as follows:

$$Hg_{b1} = \sum_{j=1}^k \left[\sum_{y=1}^m \left[EF_j * HI_y * 1.05 \right] \right]$$

Where,

y, m = Applicable Mercury Budget Units located in Cobb and Putnam Counties whose mercury controls began operation after 2010 as well as Plant Yates Units 6 and 7 located in Coweta County;

j, k = Type of similar mercury control;

1.05 = Growth Factor

HI = Highest Calendar Year Amount of the Mercury Budget Unit's coal-fired Heat Input (trillion Btu per year) for the control periods 2004 through 2013

EF_j = Mercury Emission Rate (pounds per trillion Btu) for type of mercury control; In other words:

$$EF_j = \left[\frac{\sum_{x=1}^z EF_x}{T} \right]$$

where,

x, z = Similar type of mercury control;

j= Mercury Emission Factor (pounds per trillion Btu) for type of mercury control

EF_x = 4-Year Calendar Average Mercury Emission Factor (pounds per trillion Btu) for control periods 2010 through 2013 for applicable Mercury Budget Units located in Bartow, Floyd, Heard, and Monroe Counties; with a similar type of mercury control that commenced operation during or prior to 2010;

T = Total number of mercury budget units with this similar type of mercury control

(III). The formula for computing Hg_{b2} is as follows:

$$Hg_{b2} = \sum_{p=1}^t [EF_a * HI_a * 1.05]$$

Where,

p, t = Applicable Mercury Budget Units located in Cobb and Putnam Counties and Plant Yates Units 6 and 7 located in Coweta County;

1.05 = Growth Factor;

HI = Highest Annual Amount of the Mercury Budget Unit's coal-fired Heat Input (trillion Btu per year) for control periods 2004 through 2013

In Option A, the emission factor for Mercury Budget Units whose controls are NOT comparable to controls installed on units whose controls were installed during or prior to 2010 is based on the average of all units whose controls were installed during or prior to 2010. In Option B, the emission factor for these units shall be proposed by the Permittee and subject to approval by EPD.

EF = **Option A: Average of all Mercury Emission Factors computed in subparagraph (w)(2)(ii)(I) in pounds per trillion Btu; or**

Option B: The Permittee shall submit a proposed emission factor to the Division

based on best available information for the mercury control technology employed. The Division shall review the request and may approve the use of a specific mercury emission factor for the applicable unit.

Specification of the Total Available Mercury Allowances to be Allocated to Existing Sources for Phase II 2024 and thereafter

- (iii) The available mercury allowances to be allocated to all mercury budget units in the State that have a baseline heat input, as determined under subparagraph (w)1., for control periods 2024 and thereafter is the lesser of fourteen thousand seven hundred twenty (14,720) ounces or the amount determined in accordance the following formula:

$$\text{Total Available Mercury Allowances (ounces per year)} = [Hg_{a2} + Hg_{b3}] * (16 \text{ ounces per pound})$$

where,

Hg_{a2} = Total available mercury allowances for Mercury Budget Units operating mercury controls during or prior to 2010;

Hg_{b3} = Total available mercury allowances for mercury budget units which operated mercury controls prior to 2016 but not before or during 2010.

- (l). The formula for computing Hg_{a2} is as follows:

$$Hg_{a2} = \sum_{s=1}^g [EF_s * HI_s * 1.05]$$

In Option X, the emission factor for Plant Scherer is NOT recalculated following installation of SCR and FGD. In Option Y, the emission factor IS recalculated following installation of SCR and FGD.

Where,

s, g = Option X - Applicable Mercury Budget Units located in Bartow, Chatham, Coweta (excluding Plant Yates Units 6 and 7), Dougherty, Effingham, Floyd, Heard, and Monroe Counties;

Option Y - Applicable Mercury Budget Units located in Bartow, Chatham, Coweta (excluding Plant Yates Units 6 and 7), Dougherty, Effingham, Floyd, and Heard Counties

1.05 = Growth Factor;

HI = Highest annual amount of the Mercury Budget Unit's coal-fired Heat Input (trillion Btu per year) during control periods 2010 through 2019;

In Option A, emission factors for units whose controls were installed during or prior to 2010 remain the same as calculated for the 2017-2023 control period. In Option B, emission factors for these units are re-established based on more recent performance.

$EF_i =$ **Option A: The unit emission factor determined in accordance with subparagraph (w)(2)(ii)(I); OR**

Option B: 4-Year Calendar Average Mercury Emission Factor (pounds per trillion Btu) over control periods 2016 through 2019; however, the mercury budget unit's mercury emission factor shall not exceed that determined in accordance with subparagraph (w)2(ii)(I).

(II). The formula for computing Hg_{b3} is as follows:

$$Hg_{b3} = \sum_{h=1}^e \left[EF_h * HI_h * 1.05 \right]$$

Where,

h, e = Option X - Applicable Mercury Budget Units located in Putnam and Cobb counties, Yates 6 and 7, and any new unit that began operation prior to January 1, 2019;

Option Y - Applicable Mercury Budget Units located in Monroe, Putnam, and Cobb counties, Yates 6 and 7, and any new unit that began operation prior to January 1, 2019;

HI = The highest calendar amount of the Mercury Budget Unit's heat input from control periods 2010 through 2019;

1.05 = Growth Factor;

EF = 4-Year Calendar Average Mercury Emission Factor (pounds per trillion Btu) over control periods 2016 through 2019.

**Determination of the Numerical Value of Mercury Allowance Allocation (in ounces)
Per Mercury Budget Unit for Phase I 2010 through 2017**

3. In lieu of 40 CFR 60.4142(b)(2), the following provisions apply:

- (i). The Permitting Authority will allocate mercury allowances for each control period 2010 through 2017 to each mercury budget unit under subparagraph (w)(2)(i) in an amount determined by multiplying the total amount of mercury allowances allocated under subparagraph (w)(2)(i) by the ratio of the heat input of such mercury budget unit to the total amount of baseline heat input for all such mercury budget units in the State and rounding to the nearest whole allowance as appropriate. **This language is taken, in part, from 60.4142(b)(2).**

Determination of the Numerical Value of Mercury Allowance Allocation (in ounces) Per Mercury Budget Unit for Phase II 2018 through 2023

- (ii). The Permitting Authority will allocate mercury allowances for each control period 2018 through 2023 to each mercury budget unit under subparagraph (w)(2)(ii) in an amount determined by multiplying the total amount of mercury allowances allocated under subparagraph (w)(2)(ii) by the ratio of the heat input of such mercury budget unit to the total amount of baseline heat input for all such mercury budget units in the State and rounding to the nearest whole allowance as appropriate. This language is taken, in part, from 60.4142(b)(2).

Determination of the Numerical Value of Mercury Allowance Allocation (in ounces) Per Mercury Budget Unit for Phase II 2024 and thereafter

- (iii). The Permitting Authority will allocate mercury allowances for each control period 2024 and thereafter to each mercury budget unit under subparagraph (w)(2)(ii) in an amount determined by multiplying the total amount of mercury allowances allocated under subparagraph (w)(2)(ii) by the ratio of the heat input of such mercury budget unit to the total amount of baseline heat input for all such mercury budget units in the State and rounding to the nearest whole allowance as appropriate. This language is taken, in part, from 60.4142(b)(2).

What to Do with the difference between the total mercury determined for 2018 through 2023, each year, and the full federal Phase II allocations:

- (iv). The difference between the total mercury emissions determined in subparagraph (w)(2) and 14,720 ounces for control periods 2018 through 2023, shall be held in reserve by the Division. The Director shall issue allocations from the reserve to any owner or operator that demonstrates that such allocations are necessary for the purpose of complying with this rule on a case-by-case basis.

What to Do with the difference between the total mercury determined for 2024 and thereafter and the full federal Phase II allocations:

- (v). The difference between the total mercury emissions determined in subparagraph w(2) and 14,720 ounces for control periods 2024 and thereafter, shall be held in reserve by the Division. The Director shall issue allocations from the reserve to any owner or operator that demonstrates that such allocations are necessary for the purpose of complying with this rule on a case-by-case basis.

NEW SOURCE SET-ASIDE**Specification of the Number of Mercury Allowances Available for Allocation to New Sources**

4. In lieu of 40 CFR Part 60.4142(c), the following provisions apply:
- (i) For each control period in 2010 and thereafter, the Permitting Authority will allocate mercury allowances to mercury budget units in the State that commenced operation on or after January 1, 2006, and do not yet have a baseline heat input [as determined under subparagraphs (w)1.(i) through (ii)], in accordance with the following procedures:
 - (I) The Permitting Authority will establish a separate new unit-set-aside for each control period. Each new unit set-aside will be allocated Mercury allowances equal to one thousand nine hundred sixty-eight (1,968) ounces for a control period in 2010 through 2017.
This language is taken, in part, from 60.4142(c)(1).
 - (II) The Permitting Authority will establish a separate new unit-set-aside for each control period. Each new unit set-aside will be allocated CAIR NO_x allowances equal to seven hundred sixty-eight (768) ounces for a control period in 2018 and thereafter.
This language is taken, in part, from 60.4142(c)(1).

Specifies The Format for Requesting Allocation of Allowances from the New Source Set-Aside

- (III) The Mercury Designated Representative of such a mercury budget unit may submit to the Permitting Authority a request, in a format specified by the Permitting Authority, to be allocated mercury allowances starting with the later of the control period in 2010 or the first control period after the control period in which the mercury budget unit commences commercial operation and until the first control period for which the unit is allocated mercury allowances under subparagraphs (w)1 through (w)3. The mercury allowance allocation request must be submitted on or before July 1 of the first control period for which the mercury allowances are requested and after the date on which the mercury budget unit commences commercial operation.
This language is taken from 60.4142(c)(2).
- (IV) In a mercury allowance allocation request under subparagraph (w)4(i)(III), the mercury designated representative may request for a control period mercury allowances in an amount not exceeding the mercury budget unit's total ounces of mercury emissions during the calendar year immediately before such control period.
This language is taken from 60.4142(c)(3).

Specifies The Actions to be Taken by the Permitting Authority for each New Source Allocation Request:

- (V) The Permitting Authority will review each mercury allowance allocation request under subparagraph (w)4(i)(III) and will allocate mercury allowances for each control period pursuant to such request as follows:
 - I. The Permitting Authority will accept the allowance allocation request only if the request meets, or is adjusted by the Permitting Authority as necessary to meet, the requirements of subparagraph (w)4(i)(III) through (w)4(i)(IV). **This language is taken from 60.4142(c)(4)(i).**
 - II. On or after July 1 of the control period, the Permitting Authority will determine the sum of the mercury allowances requested [as adjusted under subparagraph (w)4(i)(V)I.] in all allowance allocation requests accepted under subparagraph (w)4(i)(V)I. for the control period. **This language is taken from 60.4142(c)(4)(ii).**
 - III. If the amount of mercury allowances in the new unit set-aside for the control period is greater than or equal to the sum under subparagraph (w)4(i)(V)II., then the Permitting Authority will allocate the amount of Mercury allowances requested [as adjusted under subparagraph (w)4(i)(V)1. **This language is taken from 60.4142(c)(4)(iii).**
 - IV. If the amount of mercury allowances in the new unit set-aside for the control period is less than the sum under subparagraph (w)4(i)(V)II., then the Permitting Authority will allocate to each mercury budget unit covered by an allowance allocation request accepted under subparagraph (w)4(i)(V)I the amount of the mercury allowances requested [as adjusted under subparagraph (w)4(i)(V)1] multiplied by the amount of mercury allowances in the new unit set-aside for the control period divided by the sum determined under subparagraph (w)4(i)(V)II and rounded to the nearest whole allowance as appropriate. **This language is taken from 60.4142(c)(4)(iv).**
 - V. The Permitting Authority will notify each mercury designated representative that submitted an allowance request of the amount of mercury allowances (if any) allocated for the control period to the mercury budget unit covered by the request. **This language is taken from 60.4142(c)(4)(v).**

Specifies What to do with Unallocated New Source Allowances:

5. In lieu of 40 CFR Part 60.4142(d), the following provisions apply:
 - (i) If, after completion of the procedures under subparagraph (w)4(i)(V), any unallocated mercury allowances remain in the new unit set-aside for the control period, the Permitting Authority will allocate to each mercury budget unit that was allocated mercury allowances under subparagraphs (w)2 through (w)3, an amount of mercury allowances equal to the total amount of such remaining unallocated mercury allowances multiplied by the unit's allocation under subparagraphs (w)2 through (w)3 divided by 37,296 ounces for a control period during 2010 through 2017, the amount of ounces determined in accordance with subparagraph (w)2(ii) for a control period during 2018 through 2023, and the amount of ounces determined in accordance with subparagraph (w)(2)(iii) for 2024 and thereafter, and rounded to the nearest whole allowance as appropriate. **This language is taken from 60.4142(d).**

Subparagraphs (x) through (ee) Pertain to EPA's Implementation of Federal Mercury Allowance Tracking System

- (x) Mercury Allowance Tracking System – Reserved: 40 CFR 60.4150, as amended is hereby incorporated and adopted by reference:
- (y) Mercury Allowance Tracking System – Establishment of Accounts: 40 CFR 60.4151, as amended is hereby incorporated and adopted by reference:
- (z) Mercury Allowance Tracking System – Responsibilities of Mercury Authorized Account Representative: 40 CFR 60.4152, as amended is hereby incorporated and adopted by reference:
- (aa) Mercury Allowance Tracking System – Recordation of Mercury Allowance Allocations: 40 CFR 60.4153, as amended is hereby incorporated and adopted by reference with the following exceptions:

Specifies the EPA deadline for Recording Mercury Allowances in Their Tracking System Database:

1. In lieu of 40 CFR Part 60.4153(a) through (d), the following provision applies:
 - (i) By December 1, 2007 the Administrator will record in the Mercury Budget source's compliance account the Mercury allowances allocated for the Mercury Budget Units at the source in accordance with subparagraph (v)1(i) for the control periods 2010, 2011, and 2012. **Taken in part from 40 CFR 60.24(h)(6)(ii)(C). Note for this subparagraph: Federal Model Rule sets this date as December 1, 2006.**
 - (ii) By December 1, 2009, and December 1 of each year thereafter, the Administrator will record in the Mercury Budget source's compliance account the mercury allowances allocated for the mercury budget units at the source, as submitted by the Permitting Authority or as determine by the Administrator in accordance with subparagraph (v)(1)(ii) through (iii), for the control period in 2013. **Taken in part from 40 CFR 60.4153(b). Note for this subparagraph: Federal Model Rule sets this date as December 1, 2008.**
 - (iii) In 2011 and each year thereafter, after the Administrator has made all deductions (if any) from a mercury budget source's compliance account under subparagraph (bb), the Administrator will record in the mercury budget source's compliance account the mercury allowances allocated for the mercury budget units at the source, as submitted by the Permitting Authority or determined by the Administrator in accordance with subparagraphs (v)(1)(ii) through (iii), for the control period in the sixth year after the year of the control period for which such deductions were or could have been made. **Taken in part from 40 CFR 60.4153(c).**
 - (iv) By December 1, 2010, and December 1 of each year thereafter, the Administrator will record in the Mercury Budget source's compliance account the Mercury allowances allocated for the Mercury Budget units at the source, as submitted by the Permitting Authority or determined by the Administrator in accordance with subparagraphs (v)(1)(iv) through (v),. for the control period in the year of the applicable deadline for recordation under this subparagraph. **Taken in part from 40 CFR 60.4153(d).**
- (bb) Mercury Allowance Tracking System – Compliance with Mercury Budget Emissions Limitation: 40 CFR 60.4154, as amended is hereby incorporated and adopted by reference:

- (cc) Mercury Allowance Tracking System – Banking: 40 CFR 60.4155, as amended is hereby incorporated and adopted by reference:
- (dd) Mercury Allowance Tracking System – Account Error: 40 CFR 60.4156, as amended is hereby incorporated and adopted by reference:
- (ee) Mercury Allowance Tracking System – Closing of General Accounts: 40 CFR 60.4157, as amended is hereby incorporated and adopted by reference:

Subparagraphs (ff) through (hh) Pertain to the Transfer of Mercury Allowances Under the Federal Cap-and-Trade Program

- (ff) Mercury Allowance Transfers – Submission of Mercury Allowance Transfers: 40 CFR 60.4160, as amended is hereby incorporated and adopted by reference:
- (gg) Mercury Allowance Transfers – EPA Recordation: 40 CFR 60.4161, as amended is hereby incorporated and adopted by reference:
- (hh) Mercury Allowance Transfers – Notification: 40 CFR 60.4162, as amended is hereby incorporated and adopted by reference:

Subparagraphs (ii) through (oo) Pertain to Monitoring and Reporting Requirements

- (ii) Monitoring and Reporting – General Requirements: 40 CFR 60.4170, as amended is hereby incorporated and adopted by reference:
- (jj) Monitoring and Reporting – Initial Certification and Recertification Procedures: 40 CFR 60.4171, as amended is hereby incorporated and adopted by reference:
- (kk) Monitoring and Reporting – Out of Control Periods: 40 CFR 60.4172, as amended is hereby incorporated and adopted by reference:
- (ll) Monitoring and Reporting – Notifications: 40 CFR 60.4173, as amended is hereby incorporated and adopted by reference:
- (mm) Monitoring and Reporting – Recordkeeping and Reporting: 40 CFR 60.4174, as amended is hereby incorporated and adopted by reference:
- (nn) Monitoring and Reporting – Petitions: 40 CFR 60.4175, as amended is hereby incorporated and adopted by reference:
- (oo) Monitoring and Reporting – Additional Requirements to Provide Heat Input Data: 40 CFR 60.4176, as amended is hereby incorporated and adopted by reference: