

with the standards of § 80.520(a) or (c).

$$V_{\text{motor vehicle}} = V_{\text{total}} * (100\% - B\%) / 100.$$

(3) High-sulfur nonroad credits shall be generated and designated as follows:

(i) Credits shall be generated separately for each importer by CTA or each refinery of a refiner.

(ii) Credits may not be generated by both a foreign refiner and by an importer for the same motor vehicle diesel fuel.

(iii) Credits shall not be generated under both § 80.531 and this section for the same diesel fuel.

(iv) Any credits generated by a foreign refiner shall be generated as provided in § 80.620(c) and this section.

(4) No credits may be generated under this paragraph after May 31, 2007.

(5) The refiner or importer must submit a report to the Administrator no later than July 31, 2007. The report must demonstrate that all the nonroad, locomotive, and marine diesel fuel produced or imported which generated credits met the applicable requirements of paragraphs (a)(1) through (a)(4) of this section. If the Administrator finds that such credits did not in fact meet the requirements of paragraphs (a)(1) through (a)(4) of this section, as applicable, or if the Administrator determines that there is insufficient information to determine the validity of such credits, the Administrator may deny the credits submitted in whole or in part.

(b) *Generation of high-sulfur NRLM credits by small refiners from June 1, 2006 through May 31, 2010.* (1) Notwithstanding the dates specified in paragraph (a) of this section, a refiner that is approved by the EPA as a small refiner under § 80.551 may generate credits under paragraph (a) of this section during any calculation period beginning June 1 of 2006, 2007, 2008, or 2009 for diesel fuel produced or imported that is designated as NRLM diesel fuel and complies with the provisions of § 80.510(a).

(2) The small refiner must submit a report to the Administrator no later than July 31 after the end of each calculation period during which credits were generated. The report must demonstrate that all the NRLM diesel fuel produced or imported which generated credits met the applicable requirements of paragraphs (a)(1) through (a)(4) of this section. If the Administrator finds that such credits did not in fact meet the requirements of paragraphs (a)(1) through (a)(4) of this section, as applicable, or if the Administrator determines that there is insufficient

information to determine the validity of such credits, the Administrator may deny the credits submitted in whole or in part.

(3) In addition, a foreign refiner that is approved by the Administrator to generate credits under § 80.554 shall comply with the requirements of § 80.620.

(c) *Generation of 500 ppm nonroad credits from June 1, 2009 through May 31, 2010.* (1) During the calculation period of June 1, 2009 through May 31, 2010, a refiner or importer may generate credits pursuant to the provisions of this section if all of the following conditions are met:

(i) The refiner or importer notifies EPA of its intention to generate credits and the period during which it will generate credits. This notification must be received by EPA at least 120 calendar days prior to the date it begins generating credits under this section;

(ii) Each batch or partial batch of NRLM diesel fuel for which credits are claimed shall be subject to all of the provisions of this subpart for NR diesel fuel as if it had been produced after June 1, 2010.

(iii) The number of 500 ppm nonroad credits in gallons that are generated, C500, shall be a positive number calculated as follows:

$$C500 = V15 - [(100\% - B\%) / 100 \times V_{\text{total}}]$$

Where:

V15 = The total volume in gallons of 15 ppm diesel fuel produced or imported during the period stated under paragraph (c)(1)(i) of this section that is designated as either motor vehicle diesel fuel or nonroad diesel fuel.

Vtotal = As defined in § 80.534.

B% = As determined in § 80.534.

(2) 500 ppm nonroad credits shall be generated and designated as follows:

(i) Credits shall be generated separately for each importer by CTA or each refinery of a refiner.

(ii) Credits may not be generated by both a foreign refiner and by an importer for the same diesel fuel.

(iii) Credits shall not be generated under both § 80.531 and this section for the same diesel fuel.

(iv) Any credits generated by a foreign refiner shall be generated as provided in § 80.620(c) and this section.

(3) No credits may be generated under this paragraph after May 31, 2010.

(4) The refiner or importer must submit a report to the Administrator no later than July 31, 2010. The report must demonstrate that all the 15 ppm NR diesel fuel produced or imported which generated credits met the applicable

requirements of paragraphs (c)(1) through (c)(4) of this section. If the Administrator finds that such credits did not in fact meet the requirements of paragraphs (c)(1) through (c)(4) of this section, as applicable, or if the Administrator determines that there is insufficient information to determine the validity of such credits, the Administrator may deny the credits submitted in whole or in part.

(d) *Generation of 500 ppm nonroad credits by small refiners from June 1, 2009 through May 31, 2012.* (1) Notwithstanding the dates specified in paragraph (c) of this section, a refiner that is approved by the EPA as a small refiner under § 80.551 may generate credits under paragraph (c) of this section during any calculation period beginning June 1 of 2009, 2010, or 2011 for diesel fuel produced or imported that is designated as NR diesel fuel and complies with the provisions of § 80.510(a).

(2) The small refiner must submit a report to the Administrator no later than July 31 after the end of each calculation period during which credits were generated. The report must demonstrate that all the 15 ppm NR diesel fuel produced or imported for which credits were generated met the applicable requirements of paragraphs (c)(1) through (c)(3) of this section. If the Administrator finds that such credits did not in fact meet the requirements of paragraphs (c)(1) through (c)(3) of this section, as applicable, or if the Administrator determines that there is insufficient information to determine the validity of such credits, the Administrator may deny the credits submitted in whole or in part.

(3) In addition, a foreign refiner that is approved by the Administrator to generate credits under § 80.554 shall comply with the requirements of § 80.620.

25. A new § 80.536 is added to read as follows:

§ 80.536 How are nonroad, locomotive, and marine diesel fuel credits used and transferred?

(a) *Credit use.* Credits generated under § 80.535(a) and (b) may be used to meet the nonroad, locomotive, and marine NRLM diesel fuel sulfur standard of § 80.510(a), and credits generated under § 80.535(c) and (d) may be used to meet the NR diesel fuel sulfur standard of § 80.510(b), provided that:

(1) The credits were generated and reported according to the requirements of this subpart; and

(2) The requirements of paragraphs (b), (c), (d), (e), (f), and (g) of this section are met.