

that a protocol is needed for adjusting the milestones to reflect changes in the baseline emission for utility boilers any time that a source opts to change its CEMs method. The WRAP addressed this issue in greater detail in a supplemental paper entitled "Emissions Tracking Prior to Triggering the Backstop Trading Program," which was submitted to EPA on June 1, 2001.

The WRAP has identified three possible technical procedures for

developing an "adjustment factor" for the new flow method. The EPA agrees that any of these three procedures would be acceptable. Under the first procedure, there would be a side-by-side comparison of flow rates using both the new and the old flow reference methods. For example, if the new method measured 760,000 cubic feet per minute, and the old method measured 800,000 cubic feet per minute, the adjustment factor would be (760,000/

800,000), or 0.95. The second method would use annual average heat rate, which is reported to the Energy Information Administration (EIA), as a surrogate for the flow rate. Under this method, the flow adjustment factor would be calculated using the annual average heat rate using acid rain heat input data (MMBtu) and total generation (MWHrs) reported to EIA, calculated as the following ratio:

$$\frac{\text{Heat Input/MW-hrs for first full year of data using new flow rate method}}{\text{Heat Input/MW-hrs for last full year of data using old flow rate method}}$$

The third method would use data reported to EPA's acid rain program. Under this method, there would be a

comparison of the standard cubic feet per minute (CFM) per megawatt (MW) before and after the new flow reference

method based on CEMs data, calculated as the following ratio:

$$\frac{\text{SCF/Unit of Generation for first full year of data using new flow rate method}}{\text{SCF/Unit of Generation for last full year of data using old flow rate method}}$$

In the supplemental information paper, the WRAP identified three possible approaches for using the adjustment factors for making a correct comparison of emissions to the milestones. The WRAP did not indicate a preference for any single approach. The three options are as follows:

(a) Using one of the options described above for determining the flow adjustment factor, revise the source's baseline emissions forecast for 2003, 2008 and 2013. For each year following the adoption of the new flow reference method through 2017, reduce the interim milestone by the corresponding amount. To illustrate how this approach would work, the proposal used an example where the adjustment factor for a given stack is 0.95. As discussed above, this means that the emissions with the new method is deemed to be 0.95 times the emissions with the old method. For this example, for option (a) this means that the previous baseline emissions for that source would be multiplied by 0.95. The annual compliance check would then be done by comparing regional SO<sub>2</sub> emissions (unadjusted, as reported to EPA's acid rain program) to the revised milestone.

(b) Using one of the options described above for determining the flow adjustment factor, revise the source's reported emissions on an annual basis, and do not adjust the milestone. For the example noted above, under option (b) the emissions reported to EPA's acid rain program would be adjusted upward by multiplying the amount times (1/0.95). For each year following the

adoption of the new flow reference method through 2017, the annual compliance check would be done by comparing the adjusted regional SO<sub>2</sub> emissions to the unadjusted milestones.

(c) Use a combination of the two approaches. Under this approach, interim milestones would be adjusted only every 5 years (using option (a) above) and the reported emissions for additional sources making the change in the intervening years are adjusted for comparison to the milestones (using option (b) above).

In the proposal, EPA stated that any one of these three approaches would be acceptable, but that a specific approach needs to be selected for the final rule. The EPA also noted its view that these adjustments to the milestone or to the reported emissions would not necessarily require SIP or TIP revisions, because the precise method for making the adjustment, and the publicly available data elements that will be used for making the adjustment, could be specifically identified in the final rule.

*Public comments.* Commenters generally agreed with EPA's assessment that any of the three approaches for determining an adjustment factor would be acceptable.

The WRAP noted in its comments that the 2018 milestone already included assumptions about the effect of this flow rate adjustment. The WRAP recognized that the preamble to the rule implies this distinction but the WRAP recommended that this be reflected in the regulatory text as well.

Regarding the three options related to the process for using the adjustment factors, the WRAP recommended option (c) in its comments. That is, the milestones would be adjusted every 5 years with the periodic SIP revisions, and adjustments would be made to the reported emissions for the interim period. Other commenters, while supporting the concept of adjusting the milestones with the SIP revisions, did not address whether the reported emissions should be adjusted in the interim period. The EPA infers from these comments that these commenters are likely recommending that emission adjustments need not be made in the interim period.

*Final rule.* The final rule includes regulatory language agreeing with the WRAP's recommendations regarding the flow rate adjustment. States are required in the SIPs to provide for reporting of "adjusted" emission rates pending an update to the milestones, which would occur at the time of the plan revisions required under 40 CFR 51.309(d)(10).

##### 5. Adjustments for Enforcement Actions

*Proposed rule.* The proposed rule included a provision in the Annex for adjustments to the milestones for "illegal emissions." In developing the milestones, the WRAP identified the baseline emissions for each source during the base year, and "forecasted" emissions for the source during the 2003 to 2018 time period, taking into consideration growth, utilization, retirement, and the absence of any additional requirements. The