

emissions for each source for calendar year 2012.

(3) *Annual comparison of emissions to the milestone.*

(i) The implementation plan must provide for a comparison each year of annual SO<sub>2</sub> emissions for the region against the appropriate milestone. In making this comparison, the State or Tribe must make the comparison, using its annual emissions report and emissions reports from other States and Tribes reported under paragraph (h)(2)(iv) of this section.

(ii) The implementation plan must provide for the State or Tribe to make available to the public a draft report comparing annual emissions to the milestone by December 31 of each year. The first draft report, comparing annual emissions in 2003 to the year 2003 milestone will be due December 31, 2004.

(iii) The implementation plan must provide for the State or Tribe to submit to the Administrator a final determination of annual emissions by March 31 of the following year. The final determination must state whether or not the annual emissions for the year exceed the appropriate milestone.

(iv) A State or Tribe may delegate its responsibilities to prepare draft reports and reports supporting the final determinations under paragraphs (h)(3)(i) through (iii) of this section to a regional planning organization designated by each State or Tribe submitting an approvable plan under this section.

(v) Special considerations for year 2012 report. If each State or Tribe submitting an approvable plan under this section has included calendar year 2018 emission projections under paragraph (h)(2)(vii) of this section, then the report for the year 2012 milestone which is due by December 31, 2013

under paragraph (h)(3)(ii) of this section may also include a comparison of the regional year 2018 emissions projection with the milestone for calendar year 2018. If the report indicates that the year 2018 milestone will be exceeded, then the State or Tribe may choose to implement the market trading program beginning in the year 2018, if each State or Tribe submitting an approvable plan under this section agrees.

(vi) Independent review. The implementation plan must provide for reviews of the annual emissions reporting program by an independent third party. This independent review is not required if a determination has been made under paragraph (h)(3)(iii) of this section to implement the market trading program. The independent review shall be completed by the end of 2006, and every 5 years thereafter, and shall include an analysis of:

(A) the uncertainty of the reported emissions data;

(B) whether the uncertainty of the reported emissions data is likely to have an adverse impact on the annual determination of emissions relative to the milestone; and,

(C) whether there are any necessary improvements for the annual administrative process for collecting the emissions data, reporting the data, and obtaining public review of the data.

(4) *Market trading program.* The implementation plan must provide for implementation of a market trading program if the determination required by paragraph (h)(3)(iii) of this section indicates that a milestone has been exceeded. The implementation plan must provide for the option of implementation of a market trading program if a report under paragraph (h)(3)(v) of this section indicates that projected emissions for the year 2018 will exceed the year 2018 milestone.

The implementation plan must provide for a market trading program whose provisions are substantively the same for each State or Tribe submitting an approvable plan under this section. The implementation plan must include the following market trading program provisions:

(i) *Allowances.* For each source in the program, the implementation plan must either identify the specific allocation of allowances, on a tons per year basis, for each calendar year from 2009 to 2018 or the formula or methodology that will be used to calculate the allowances if the program is triggered. The implementation plan must provide that eligible renewable energy resources that begin operation after October 1, 2000 will receive 2.5 tons of SO<sub>2</sub> allowances per megawatt of installed nameplate capacity per year. Allowance allocations for renewable energy resources that begin operation prior to the program trigger will be retroactive to the time of initial operation. The implementation plan may provide for an upper limit on the number of allowances provided for eligible renewable energy resources. The total of the tons per year allowances across all participating States and Tribes, including the renewable energy allowances, may not exceed the amounts in Table 4 of this paragraph, less a 20,000 ton amount that must be set aside for use by Tribes. The implementation plan may include procedures for redistributing the allowances in future years, if as the amounts in Table 4 of this paragraph, less a 20,000 ton amount, are not exceeded. The implementation plan must provide that any adjustment for a calendar year applied to the milestones under paragraphs (h)(1)(i) through (vii) of this section must also be applied to the amounts in Table 4. Table 4 follows:

TABLE 4.—TOTAL AMOUNT OF ALLOWANCES BY YEAR

For this year:	If the two smelters resume operations, the total number of allowances issued by States and Tribes may not exceed this amount:	If the two smelters do not resume operations, the total number of allowances issued by States and Tribes may not exceed this amount:
2009 .....	715,000	677,000
2010 .....	715,000	677,000
2011 .....	715,000	677,000
2012 .....	715,000	677,000
2013 .....	655,000	625,000
2014 .....	655,000	625,000
2015 .....	655,000	625,000
2016 .....	655,000	625,000
2017 .....	655,000	625,000