

TABLE 4.—TOTAL AMOUNT OF ALLOWANCES BY YEAR—Continued

	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:
For this year:		
2018	510,000	480,000

(ii) *Compliance with allowances.* The implementation plan must provide that, beginning with the compliance period 6 years following the calendar year for which emissions exceeded the milestone and for each compliance period thereafter, the owner or operator of each source in the program must hold allowances for each ton of sulfur dioxide emitted by the source.

(iii) *Emissions quantification protocols.* The implementation plan must include specific emissions quantification protocols for each source category included within the program, including the identification of sources subject to part 75 of this chapter. For sources subject to part 75 of this chapter, the implementation plan may rely on the emissions quantification protocol in part 75. For source categories with sources in more than one State or tribal area submitting an implementation plan under this section, each State or Tribe should use the same protocol to quantify emissions for sources in the source category. The protocols must provide for reliability (repeated application obtains results equivalent to EPA-approved test methods), and replicability (different users obtain the same or equivalent results that are independently verifiable). The protocols must include procedures for addressing missing data, which provide for conservative calculations of emissions and provide sufficient incentives for sources to comply with the monitoring provisions. If the protocols are not the same for sources within a given source category, and where the protocols are not based upon part 75 or equivalent methods, the State or Tribes must provide a demonstration that each such protocol meets all of the criteria of this paragraph.

(iv) *Monitoring and Recordkeeping.* The implementation plan must include monitoring provisions which are consistent with the emissions quantification protocol. Monitoring required by these provisions must be

timely and of sufficient frequency to ensure the enforceability of the program. The implementation plan must also include requirements that the owner or operator of each source in the program keep records consistent with the emissions quantification protocols, and keep all records used to determine compliance for at least 5 years. For source owners or operators which use banked allowances, all records relating to the banked allowance must be kept for at least 5 years after the banked allowances are used.

(v) *Tracking system.* The implementation plan must provide for submitting data to a centralized system for the tracking of allowances and emissions. The implementation plan must provide that all necessary information regarding emissions, allowances, and transactions is publicly available in a secure, centralized data base. In the system, each allowance must be uniquely identified. The system must allow for frequent updates and include enforceable procedures for recording data.

(vi) *Authorized account representative.* The implementation plan must include provisions requiring the owner or operator of each source in the program to identify an authorized account representative. The implementation plan must provide that all matters pertaining to the account, including, but not limited to, the deduction and transfer of allowances in the account, and certifications of the completeness and accuracy of emissions and allowances transactions required in the annual report under paragraph (h)(4)(vii) of this section shall be undertaken only by the authorized account representative.

(vii) *Annual report.* The implementation plan must include provisions requiring the authorized account representative for each source in the program to demonstrate and report within a specified time period following the end of each calendar year that the source holds allowances for

each ton per year of SO₂ emitted in that year. The implementation plan must require the authorized account representative to submit the report within 60 days after the end of each calendar year, unless an alternative deadline is specified consistent with emission monitoring and reporting procedures.

(viii) *Allowance transfers.* The implementation plan must include provisions detailing the process for transferring allowances between parties.

(ix) *Emissions banking.* The implementation plan may provide for the banking of unused allowances. Any such provisions must state whether unused allowances may be kept for use in future years and describe any restrictions on the use of any such allowances. Allowances kept for use in future years may be used in calendar year 2018 only if the implementation plan ensures that such allowances would not interfere with the achievement of the year 2018 amount in Table 4 in paragraph (c)(4)(i) of this section.

(x) *Penalties.* The implementation plan must:

(A) provide that if emissions from a source in the program exceed the allowances held by the source, the source's allowances will be reduced by an amount equal to two times the source's tons of excess emissions,

(B) provide for appropriate financial penalties for excess emissions, either \$5000 per ton (year 2000 dollars) or an alternative amount that is the same for each participating State and Tribe and that substantially exceeds the expected cost of allowances,

(C) ensure that failure to comply with any program requirements (including monitoring, recordkeeping, and reporting requirements) are violations which are subject to civil and criminal remedies provided under applicable State or tribal law and the Clean Air Act, that each day of the control period is a separate violation, and that each ton of excess emissions is a separate violation. Any allowance reduction or