

**Archived:** Thursday, May 31, 2012 3:40:22 PM  
**From:** [Bill Blackburn](#)  
**Sent:** Thursday, October 20, 2011 4:32:00 PM  
**To:** [Tom Shaw](#)  
**Subject:** RE: Allowance allocations  
**Importance:** Normal

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Thanks

**From:** Tom Shaw  
**Sent:** Thursday, October 20, 2011 2:27 PM  
**To:** Bob Berry; Mark Bertram; Bill Yeary; Michael Mattox; Duane Edward Braunecker; Mike Thompson; Bill Blackburn; Lindsay Barron; Ahmad Khan; Eric M. Robeson; Albert Yockey; Mark Bailey  
**Subject:** Allowance allocations

To All:

A question came up in yesterday's meeting concerning the status of allowances issued to a generating unit that is either retired or off line for an extended period of time. Mark Bertram pulled up the regulations for me and EPA in the August 8, 2011 Federal Register stated that if a unit does not operate starting after 2011 during the control period (annual or ozone) in two consecutive years allowances will not be provided for the fifth year or any year after. In simple terms this means that if the unit does not run for two consecutive years the allowances will be pulled from the unit's account five years after the first year the unit does not operate and placed into the new unit set aside account. If the owner wants to bring the unit back on line before the fifth year the original allocation of allowances will be available to operate the unit, but if the unit is expected to operate the fifth year and later, the owner will be required to petition EPA to get back allowances to operate the unit from the new unit set aside program. There would be no guarantee the allowances would be available or the amount surrendered would be returned. This applies to both the SO<sub>2</sub> and NO<sub>x</sub> programs. Bottom line is we can keep a unit offline for short periods of time (Less than 2 years) and still maintain the allowance awarded under CSAPR unless EPA modifies the program in the future. If you have additional questions do not hesitate to ask.

Tom