



ENVIRONMENTAL PROTECTION AGENCY

[FRL-13238-01-OAR]

Allocations of Cross-State Air Pollution Rule Allowances from New Unit Set-Asides for 2025 Control Periods

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of data availability.

SUMMARY: The Environmental Protection Agency (EPA) is providing notice of the availability of data on emission allowance allocations to certain units under the Cross-State Air Pollution Rule (CSAPR) trading programs. The EPA has completed preliminary calculations for the allocations of allowances from the new unit set-asides (NUSAs) for the 2025 control periods and posted spreadsheets with these calculations on the Agency’s website. The EPA will consider timely objections to the preliminary calculations—including objections regarding the identification of units eligible for allocations—before determining the final allocation amounts.

DATES: Submit objections to the information referenced in this notice concerning NUSA allocations on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Submit your objections via email to CSAPR@epa.gov. Include “2025 NUSA Allocations” in the email subject line and include your name, title, affiliation, address, phone number, and email address in the body of the email.

FOR FURTHER INFORMATION CONTACT: For information about this notice, contact Morgan Riedel at (202) 564-0421 or riedel.morgan@epa.gov.

SUPPLEMENTARY INFORMATION:

Preamble acronyms and abbreviations. Throughout this document the use of “we,” “us,” or “our” refers to the EPA. We use multiple acronyms and terms in this

preamble. While this list may not be exhaustive, to ease the reading of this preamble and for reference purposes, the EPA defines the following terms and acronyms here:

CFR	Code of Federal Regulation
CSAPR	Cross-State Air Pollution Rule
EPA	Environmental Protection Agency
FR	<i>Federal Register</i>
NO _x	nitrogen oxides
NUSA	new unit set-asides
SO ₂	sulfur dioxide

Background and Rationale. When the EPA is responsible for determining emission allowance allocations in a CSAPR trading program, a NUSA reserves a portion of each state’s emissions budget, during each control period of the program, for allocation to certain units that would not otherwise receive allowance allocations. In addition, under most of the trading programs, there is a separate Indian country NUSA for states containing Indian country within their borders. The CSAPR trading program regulations set forth procedures for identifying eligible units during each control period and for allocating allowances from the NUSAs and Indian country NUSAs to these units.^{1,2} Each NUSA allowance allocation process involves allocations to eligible units, termed “new” units, followed by allocations to “existing” units of any remaining allowances.

This notice concerns the EPA’s preliminary calculations for the NUSA allowance allocations for the 2025 control periods. Generally, under the allocation procedures, each eligible new unit receives a 2025 NUSA allocation equal to its 2025 control period emissions as reported under 40 CFR part 75. If the total of such allocations to all such

¹ See 40 CFR 97.411(b) and 97.412 (Nitrogen Oxide (NO_x) Annual), 97.511(b) and 97.512 (NO_x Ozone Season Group 1), 97.611(b) and 97.612 (Sulfur Dioxide (SO₂) Group 1), 97.711(b) and 97.712 (SO₂ Group 2), and 97.811(b) and 97.812 (NO_x Ozone Season Group 2, including units using Original Group 2 allowances and units using Expanded Group 2 allowances).

² The EPA has no current plans to determine NUSA allowance allocations for the 2025 control period under the CSAPR NO_x Ozone Season Group 3 Trading Program regulations at 40 CFR 97.1012. In response to judicial stay orders, the EPA has administratively stayed the implementation of that program for all sources for the 2024 control period. This program implementation will remain stayed for future control periods unless and until provided otherwise in a future rulemaking. See 88 *Federal Register* (FR) 49295 (July 31, 2023); 88 FR 67102 (September 29, 2023); 89 FR 87960 (November 6, 2024).

eligible units exceeds the amount of allowances in the NUSA, the EPA reduces the allocations on a pro-rata basis. The EPA does not consider a unit's emissions that occur before its monitor certification deadline as occurring during a control period and thus does not include these emissions for determining NUSA allocations.³ After allocating allowances to eligible new units, the EPA allocates any remaining allowances to the state's existing units in proportion to those units' previous allocations from the portion of the state's emissions budget for the control period that was not reserved in a NUSA (or Indian country NUSA).

The EPA sets forth detailed, unit-by-unit data and preliminary allowance allocation calculations for new units in Excel spreadsheets titled "CSAPR_NUSA_2025_NOx_Annual_Prelim_Data_New_Units," "CSAPR_NUSA_2025_NOx_OS_Prelim_Data_New_Units," and "CSAPR_NUSA_2025_SO2_Prelim_Data_New_Units," which are available online at <https://www.epa.gov/csapr/csapr-allowance-allocations#nusa>. Each spreadsheet contains a separate worksheet for every state covered by that program and shows, for each unit identified as eligible for a NUSA allocation, (1) the unit's emissions in the 2025 control period (annual or ozone season, as applicable), (2) the maximum 2025 NUSA allowance allocation for the unit (typically the unit's emissions in the 2025 control period), (3) various adjustments to the unit's maximum allocation if the NUSA pool is oversubscribed, and (4) the preliminary calculation of the unit's 2025 NUSA allowance allocation.

Each state worksheet for new units also contains a summary showing (1) the quantity of allowances initially available in that state's 2025 NUSA, (2) the sum of the 2025 NUSA allowance allocations to new units in that state, assuming that there are no

³ See 40 CFR 97.406(c)(3), 97.506(c)(3), 97.606(c)(3), 97.706(c)(3), and 97.806(c)(3).

corrections to the data, and (3) the quantity of allowances that would remain in the 2025 NUSA for allocation to existing units, assuming that there are no corrections to the data.

The EPA sets forth preliminary calculations of allocations of the remaining unallocated allowances to existing units in Excel spreadsheets titled “CSAPR_NUSA_2025_NOx_Annual_Prelim_Data_Existing_Units,” “CSAPR_NUSA_2025_NOx_OS_Prelim_Data_Existing_Units,” and “CSAPR_NUSA_2025_SO2_Prelim_Data_Existing_Units,” which are available at the same online location.

Objections should be strictly limited to the data and calculations upon which the EPA has based the NUSA allowance allocations and sent via email to the address identified in the **ADDRESSES** section of this preamble. Objections must include: (1) precise identification of the specific data and/or calculations the commenter believes are inaccurate, (2) new proposed data and/or calculations upon which the commenter believes the EPA should rely instead to determine allowance allocations, and (3) the reasons why the Agency should rely on the commenter’s proposed data and/or calculations and not the data referenced in this notice.

The EPA notes that an allocated allowance, or lack thereof, to a given unit under a CSAPR trading program does not constitute a determination that the trading program does or does not apply to the unit. The EPA also notes that, under 40 CFR 97.411(c), 97.511(c), 97.611(c), 97.711(c), and 97.811(c), allocations are subject to potential correction if a unit with allocated allowances for a given control period is not an affected unit as of the start of that control period.

Authority: 40 CFR 97.411(b), 97.511(b), 97.611(b), 97.711(b), and 97.811(b).

David Cozzie,
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