

DRAFT

Notes, Analysis, and Response to Comments Concerning Allocation Estimates**Notes:**

- Gross electrical, and heat input was taken from EPA's Clean Air Markets data site.
- 2009 NO_x SIP Call allocations were estimated by adding fixed allocations to a portion of the remaining allowances proportional to a facility's heat input.
- Both projected 2009 figures for heat input and gross output were calculated using a 2 year look back (2004 & 2005 for a 2009 allocation made in 2006) as it is proposed in the current draft of the rule.
- Set-asides were assumed to include the NSSA and totaled 30%.
- NSSA of 5% is not included in 2009 projections marked "no set-asides".

Analysis:

- It appears that, in most cases, the difference in the number of allowances a facility would receive based upon heat input or gross output is negligible.
- Gas and oil fired facilities will receive less allowances under the CAIR system of fuel weighting (Coal – 1.0, Oil – 0.6, Gas – 0.4). Studies of emission rates suggest that gas and oil fired facilities should need less allowances.
- Some facilities that appear to receive far less allowances than under the SIP Call have reduced generation, shut down, have applicability issues, or have inaccurate or incomplete data.

Response to Comments:

Some of the scenarios that were proposed in written comments would not provide useful information for a few reasons.

- Allocations for 2009, 2010, and 2011 will be made at the same time before the deadline in 2006.
- Making projections for 2012 and beyond will require generation data for 2007 and 2008. Affected sources should have a better idea of how their generation data will change. It will be left to the source to determine how their generation and number of allowances may change year to year after 2006.
- Additional scenarios can be examined as time permits.

Projections based on a best 2 of 3 year look back period, and a best 3 of 5 year look back period are underway. Questions and comments on the current estimates are welcome, and can be sent to CAIR@epa.state.il.us