

APPENDIX 17

EMISSIONS TRADING

EMISSIONS TRADING: BUBBLES

Emissions trading (bubbles) need to comply with both the State requirements, which are contained in **15A NCAC 2D .0501**, and the latest federal requirements, which are somewhat different than the State requirements.

BASELINE EMISSIONS

Generally, when emission trades are made, actual emissions are used for the baseline emissions. However, allowable emissions may be used for baseline emissions if one of the following conditions is met:

1. It can be documented that these specific allowable emissions were used in an approved demonstration that was performed as part of the state implementation plan (SIP), or
2. The facility performs a modeling analysis to demonstrate that attainment and maintenance of neither the ambient standards nor the applicable PSD increments will be jeopardized by using the allowable emissions values.

Facilities or sources constructed after a SIP demonstration cannot make the showing required under item one above unless its allowable emissions were specifically accounted for in the SIP demonstration. Furthermore, facilities and sources outside the specific demonstration area (or example region) cannot make the showing under item one because their emissions were not included in the SIP demonstration.¹

¹Brock Nicholson to Laura Butler, 4 Dec. 1998, "Determination of Modeling Requirements to Support Emissions Bubbling in the Case of Wilsonart International, Inc." (memorandum).