

15A NCAC 02D .2307 USE OF EMISSION REDUCTION CREDITS

(a) Persons holding emission reduction credits may withdraw the emission reduction credits and may use them in any manner consistent with this Section.

(b) An emission reduction credit may be withdrawn only by the owner of record or by the Director under Rule .2310 of this Section and may be withdrawn in whole or in part. In the case of a partial withdrawal, the Director shall issue a revised certificate of emission reduction credit to the owner of record reflecting the new amount of the credit and shall revoke the original certificate.

(c) Emission reduction credits may be used for the following purposes:

- (1) as offsets or netting demonstrations required by 15A NCAC 02D .0531 for a major new source of:
 - (A) nitrogen oxides or volatile organic compounds in a federally designated ozone nonattainment area, or
 - (B) fine particulate (PM2.5) in a federally designated PM2.5 nonattainment area;
- (2) as offsets or netting demonstrations required by 15A NCAC 02D .0531 for a major modification to an existing major source of:
 - (A) nitrogen oxides or volatile organic compounds in a federally designated ozone nonattainment area, or
 - (B) fine particulate (PM2.5) in a federally designated PM2.5 nonattainment area;
- (3) as part of a netting demonstration required by 15A NCAC 02D .0530 when the source using the emission reduction credits is the same source that created and banked the emission reduction credits; or
- (4) to remove a permit condition that created an emission reduction credit.

(d) Emission reduction credits generated through reducing emissions of one pollutant shall not be used for trading with or offsetting of another pollutant, for example emission reduction credits for volatile organic compounds in an ozone nonattainment area shall not be used to offset nitrogen oxide emissions.

(e) Limitations on use of emission reduction credits.

- (1) Emission reduction credits shall not be used to exempt a source from:
 - (A) prevention of significant deterioration requirements (15A NCAC 02D .0530) for netting demonstrations unless the emission reduction credits have been banked by the facility at which the new or modified source is located and have been banked during the period specified in 15A NCAC 02D .0530. This Subparagraph does not preclude the use of emission reductions not banked as emission credits to complete netting demonstrations.
 - (B) nonattainment major new source review (15A NCAC 02D .0531) unless the emission reduction credits have been banked by the facility at which the new or modified source is located and have been banked during the period specified in 15A NCAC 02D .0531. This Subparagraph does not preclude the use of emission reductions not banked as emission credits to complete netting demonstrations.
 - (C) new source performance standards (15A NCAC 02D .0524), national emission standards for hazardous air pollutants (15A NCAC 02D .1110), or maximum achievable control technology (15A NCAC 02D .1109, .1111, or .1112); or
 - (D) any other requirement of Subchapter 15A NCAC 02D unless the emission reduction credits have been banked by the facility at which the new or modified source is located.
- (2) Emission reduction credits shall not be used to allow a source to emit above the limit established by a rule in Subchapter 15A NCAC 02D. (If the owner or operator wants to permit a source to emit above the limit established by a rule in Subchapter 15A NCAC 02D, he needs to follow the procedures in 15A NCAC 02D .0501 for an alternative mix of controls ["bubble"].)

History Note: Authority G.S. 143-215.3(a)(1); 143-215.107(a)(12);
Eff. December 1, 2005.