



## **Overview of Non-Substantive Technical Corrections to the 8/15/2006 Model Rule**

Non-substantive technical revisions have been made to the model rule issued August 15, 2006. None of these minor corrections and clarifications change any of the substantive requirements specified in the model rule issued as of August 15, 2006.

These technical revisions include a limited number of minor formatting and grammatical corrections, corrections to cross references, clarification of certain quantification formulas and technical requirements, revisions to ensure that multiple provisions function together as intended, and revisions to maintain consistent terminology throughout the model rule.

This memorandum highlights some of the notable technical revisions. An accompanying redline version of the model rule outlines each individual revision. Notable technical revisions include the following<sup>1</sup>:

- XX-1.2(b) [page 4]: Inserted a new definition of “acid rain emissions limitation”, which is referenced at Subpart XX-8.
- XX-1.4(b)(4) [page 23-24]: Clarifies that a State that implements the “limited industrial exemption” provision, and grants an exemption to an affected source, shall set aside and retire, on an ongoing basis in each subsequent allocation year, the number of allowances equivalent to average annual CO<sub>2</sub> tons emitted by an exempted source during the most recent three-year period.
- XX-5.2 [page 43]: Clarifies that the stated timeframe for determining allocations applies only to subdivisions XX-5.3(a) and (b), removing inconsistencies with the timing of other allowance allocation determinations, such as early reduction allowances and the optional allowance allocation provisions. Related changes were also made to subdivision XX-6.4(a) [see page 61].
- XX-5.3(d) [page 47-50]: Clarifies the process for determining allocations under the optional voluntary renewable energy market set-aside.

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<sup>1</sup> Page numbers referenced are those in the redline version of the 8/15/2006 model rule.

- XX-5.3(e) [page 50-52]: Clarifies the process for the set-aside and retirement of allowances related to the emissions of sources exempted through the optional limited industrial exemption set-aside.
- XX-8.2(d)(3) [page 78]: Clarifies the approval process for initial certification and re-certification of a monitoring system.
- XX-8.2(f) [page 82]: Clarifies the procedure for the certification and re-certification of an alternative monitoring system.
- XX-8.6 [page 86]: Clarifies the procedure for submitting a petition for an alternative to a requirement under Subpart XX-8.
- XX-8.7 [page 87-90]: Clarifies the technical requirements for monitoring and reporting CO<sub>2</sub> emissions due to the co-firing of eligible biomass, including the addition of a quantification process for determining CO<sub>2</sub> emissions from gaseous biomass fuel.<sup>2</sup>
- XX-8.8(f) [page 93]: Clarifies the initial certification requirements for an output monitoring system required pursuant to section XX-8.8.
- XX-8.8(g) [page 94]: Clarifies the requirements for ongoing quality assurance and quality control of output monitoring systems.
- XX-10.2(s) [page 100]: Clarifies the definition of furnace.
- XX-10.3(c) [page 106]: Clarifies that while any person may be an offset project sponsor, the project sponsor must meet the requirements at section XX-10.4.
- XX-10.4(a) [page 109]: Clarifies that offset “project sponsor”, as used throughout Subpart XX-10, refers to the authorized account representative for the general account held by the relevant offset project sponsor.
- XX-10.4(c)(1)(i) [page 110]: Clarifies that a consistency application must include the general account number of the general account held by the relevant offset project sponsor.
- XX-10.5(a)(4) [page 116]: Corrects a typographical error in the calculation for determining emissions reductions for landfill gas offset projects.

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<sup>2</sup> Staff acknowledges that a specific protocol for liquid fuels is not included, and will evaluate requirements for quantifying and reporting the CO<sub>2</sub> emissions from liquid biofuels. Staff is also reviewing the feasibility of a technical option for determining biomass CO<sub>2</sub> emissions through stack gas analysis.

- XX-10.5(d)(1)(ii)(b)(1)(iii), Table 2 [page 136]: For the end-use energy efficiency offset category, clarifies the equipment categories to which the energy efficiency criteria for residential combustion equipment apply.
- XX-10.5(d)(5)(iv) [page 145]: Specifies the sampling requirements for certain types of end-use energy efficiency offset projects, making them consistent with the sampling requirements specified for afforestation offset projects at subparagraph XX-10.5(c)(3)(vii) [see page 128].
- XX-10.5(e)(3) [page 148-151]: Clarifies the process for determining baseline emissions for agricultural manure management offset projects, in particular as they apply to organic food waste.
- XX-10.5(e)(5)(iii) [page 154]: For agricultural manure management offset projects, corrects the required priority for sampling methods outlined in Table 1.