COMMONWEALTH OF VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY AIR DIVISION

INTRA AGENCY MEMORANDUM

TO: File

- FROM: Mary E. Major Environmental Program Manager
- **SUBJECT:** Meeting Minutes, July 11, 2006 Regulatory Ad Hoc Advisory Group Concerning Clean Air Mercury Rule (Rev. F05)
- **DATE:** July 11, 2006

INTRODUCTION

At 9:00 a.m., July 11, 2006, the ad hoc advisory group concerning the Clean Air Mercury Rule (CAMR) was reconvened and a meeting was held in the Seventh Floor Conference Room, Department of Environmental Quality, 629 East Main Street, Richmond, Virginia. A record of meeting attendees is included as Attachment A.

SUMMARY OF DISCUSSION

The meeting facilitator explained the purpose of the group: to assist the Department of Environmental Quality (DEQ) in the development of regulatory language for the control of mercury (Hg) emissions within the Commonwealth as required by legislation recently passed the General Assembly, specifically Chapters 867 and 920, 2006 Acts of Assembly. The proposed regulation is to be presented to the State Air Pollution Control Board (Board) at its December 2006 meeting.

Background:

The new legislation requires that the Board adopt a state version of the EPA CAMR that allows trading of Hg allowances with the United States with the only change being the size of the new source set-aside; not to exceed 5% of the total state budget for the first five years and 2% thereafter. This regulation will be known as the "state trading rule" and will be presented to the Board in time to meet the state requirements for the federal section 111(d) plan submittal.

The legislation also requires the Board to adopt "a separate state-specific rule" that shall not be submitted to the EPA. This state-specific rule shall apply to the owner of one or more electrical generating units that are located within the Commonwealth and whose

combined emissions of mercury from such units exceeded 200 pounds in 1999. The legislation also states that the state-specific rule shall differ from the model CAMR only in very specific respects.

Presentation of Information and Discussion:

Mr. Robert Mann, Director of Air Regulatory Development, provided an overview of the new legislative requirements and identified areas that presented significant challenges for implementation. In general, the new legislation requires the State Air Pollution Control Board (Board) to adopt two regulations, one to meet the requirements of the federal Environmental Protection Agency (EPA) Clean Air Mercury Rule (CAMR) which will be referred to as the state trading rule and another state-specific rule unique only to Virginia.

To aid in the discussion Mr. Mann distributed several handouts including the following:

- A copy of new legislation: may be found at (<u>http://leg1.state.va.us/cgi-in/legp504.exe?061+ful+CHAP0920</u>)
- A list of working definitions
- Assessment of New Legislation, State Specific Rule, Applicability and Compliance Chart
- A copy of the federal and state definitions of Electric Generating Unit (EGU)
- Assessment of New Legislation, Development of State HG Rules State Rules Comparison Chart
- Submittal of HG Allocations to EPA

A slide show that provided an overview of the specific challenges that will need to be addressed for the two regulations was used to aid in the understanding of the new requirements.

Mr. Mann identified five areas that contained specific implementation challenges for the two rules:

Applicability, Reconcile compliance dates for large units and medium and small units, Distribution of allowances, New Unit Set-aside, and Compliance.

After Mr. Mann's presentation, the ad Hoc committee also identified other areas of interest that needed further discussion: possibility of a renewable energy set aside, and implementation of §10.1-1328 F of the new legislation that pertains to the prohibition of any EGU located within a nonattainment area of meeting compliance through the purchase of allowances.

Future Activities:

The ad hoc group agreed to reconvene and to address these topics in detail at its next meetings.

INFORMATION TO BE DISCUSSED AT THE NEXT MEETING, JULY 25, 2006

The committee regrouped the challenges into three primary areas: Applicability, Allowances (which include the compliance dates for Phase 2 and the new unit set aside), and Compliance. The next meeting will begin at 9:00 a.m. on July 25, 2006 and end at noon. The group also reserved August 3rd as a meeting date to address any issues not resolved.

TEMPLATES\PROPOSED\AH08 REG\DEV\F05-SS-AH08-1

Attachments

Attachment A

Ad Hoc Meeting July 11, 2006 Attendees

Daniel R. Holmes:	Piedmont Environmental Council
Cale Jaffee:	Southern Environmental Law Center
Andrea Wortzel:	Hunton & Williams/Steel Dynamics
Timothy P. Mallan:	Appalachian Power
Dahlgrem Vaughan:	Old Dominion Electric Cooperative
John Heard:	Virginia Coal Association
Lawrence Heyd:	Chaparral Steel
Richard R. Waddell:	Jewell Coke Company, L.P.
Julie Crenshaw Van Fleet:	Citizen
Robert Asplund:	Dominion
August Wallmeyer:	Virginia Chamber of Commerce

VIRGINIA ACTS OF ASSEMBLY -- 2006 SESSION

CHAPTER 920

An Act to amend the Code of Virginia by adding in Chapter 13 of Title 10.1 an article numbered 3, consisting of sections numbered 10.1-1327 and 10.1-1328, relating to air emissions control.

[S 651]

Approved April 19, 2006

Be it enacted by the General Assembly of Virginia: 1. That the Code of Virginia is amended by adding in Chapter 13 of Title 10.1 an article numbered 3, consisting of sections numbered 10.1-1327 and 10.1-1328 as follows: Article 3.

Anicle S.

Air Emissions Control.

§ 10.1-1327. Definitions.

As used in this article, unless the context requires a different meaning:

"Electric generating facility" means a facility with one or more electric generating units.

"Electric generating unit" means (i) a unit that is serving a generator with nameplate capacity of more than 25 megawatts (MW) of electricity producing electricity for sale; or (ii) a cogeneration unit serving a generator with a nameplate capacity of more than 25 MW and supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale. For subsections A and B of § 10.1-1328, the term shall only include those units that combust any fossil fuel, and are covered by the Clean Air Interstate Rule (CAIR). For subsections C and D of § 10.1-1328, the term shall include only those units that are fueled by coal.

"Mercury" means mercury and mercury compounds in either a gaseous or particulate form.

"Ozone season" means the period May 1 through September 30 of a year.

§ 10.1-1328. Emissions rates and limitations.

A. To ensure that the Commonwealth meets the emissions budgets established by the federal Environmental Protection Agency (EPA) in its CAIR, the Board shall promulgate regulations that provide:

1. Beginning on January 1, 2009, and each year continuing through January 1, 2014, all electric generating units within the Commonwealth shall collectively be allocated allowances of 36,074 tons of nitrogen oxide (NOx) annually, and 15,994 tons of NOx during an ozone season;

2. Beginning on January 1, 2010, and each year continuing through January 1, 2014, all electric generating units within the Commonwealth shall collectively be allocated allowances of 63,478 tons of sulfur dioxide (SO2) annually, unless a different allocation is established by the Administrator of the EPA;

3. Beginning on January 1, 2015, all electric generating units within the Commonwealth shall collectively be allocated allowances of 44,435 tons of SO2 annually, 30,062 tons of NOx annually, and 13,328 tons of NOx during an ozone season, unless a different allocation is established for SO2 by the Administrator of the EPA;

4. The rules shall include a 5% set-aside of NOx allowances during the first five years of the program and 2% thereafter for new sources, including renewables and energy efficiency projects; and

5. The regulation shall provide for participation in the EPA-administered cap and trade system for NOx and SO2 to the fullest extent permitted by federal law except that the Board may prohibit electric generating facilities located within a nonattainment area in the Commonwealth from meeting their NOx and SO2 compliance obligations through the purchase of allowances from in-state or out-of-state facilities.

B. To further protect Virginia's environment regarding control of NOx emissions from electric generating units, the owner of one or more electric generating units that are located within the Commonwealth and whose combined emissions of NOx from such units exceeded 40,000 tons in 2004 shall achieve an amount of early reductions in NOx emissions during the 2007 or 2008 annual control periods equal to the total number of allowances in the Virginia compliance supplement pool established by the EPA in the CAIR. The reductions achieved under this provision will be fully eligible for early reduction credits and allowance allocations provided from the compliance supplement pool under the early reduction credit provisions of the CAIR rule. The regulations shall include provisions for the distribution of the allowances from the Virginia compliance supplement pool established by the EPA for early reduction credits, and the state shall award the owner of electric generating units subject to this subsection NOx allowances in accordance therewith. The requirement to achieve early reductions of NOx under this subsection shall not restrict the ability to bank or sell the allowances provided to the owner under the early reduction credit provisions of the reductions of the CAIR rule submitted to the EPA in the federal

CAIR annual NOx trading program or restrict the ability of the use of such allowances to demonstrate compliance with the CAIR.

C. To ensure compliance with the EPA requirements regarding control of mercury emissions from electric generating units, the Board shall adopt and submit to the EPA the model Clean Air Mercury Rule (CAMR) promulgated by the EPA, including full participation by Virginia electric generating units in the EPA's national mercury trading program. This model rule shall include a set-aside of mercury allowances for new sources not to exceed 5% of the total state budget for each control period during the first five years of the program and 2% thereafter.

D. To further protect Virginia's environment regarding control of mercury emissions from electric generating units, the Board shall adopt a separate state-specific rule that shall not be submitted to the EPA. This state-specific rule shall apply to the owner of one or more electric generating units that are located within the Commonwealth and whose combined emissions of mercury from such units exceeded 200 pounds in 1999. This state-specific rule shall differ from the model CAMR only in the following respects:

1. For the owner of one or more electric generating units that are located within the Commonwealth and whose combined emissions of mercury from such units exceeded 900 pounds in 1999, the state-specific rule shall allocate a separate set of state-only mercury allowances equal to the CAMR allocation, and such owner shall be permitted to demonstrate compliance with the state-specific rule by showing that total mercury emissions from all of its electric generating units located within the Commonwealth do not exceed the total mercury allowances allocated to those units in the aggregate, and the compliance date for Phase 2 emission limits shall be January 1, 2015.

2. The owner of one or more electric generating units that are located within the Commonwealth and whose combined emissions of mercury from those units in 1999 were less than 900 pounds and whose combined capacity within the Commonwealth is greater than or equal to 600 MW, shall be permitted to satisfy its compliance obligations under the state-specific rule through the surrender of CAMR allowances that meet the following requirements: the allowances to be used are allocated to a facility under the control of the same owner or operator or under common control by the same parent corporation; the allowances used are generated and capable of being lawfully traded under the CAMR; and the surplus allowances are generated through the installation of emission controls at a facility located a straight line distance from the border of the Commonwealth of less than or equal to 200 km.

3. The owners subject to the state-specific rule shall not be permitted to purchase allowances to demonstrate compliance with the regulations the Board adopts to implement this subsection. This prohibition does not include the transfer of credits authorized by subdivision 2.

4. Nothing in the state-specific mercury rule shall be construed to prohibit the banking, use, or selling of allowances under the CAMR, and compliance with the CAMR and the state-specific mercury rule shall be determined separately and in accordance with the terms of each rule.

E. The Board shall adopt regulations governing mercury emissions that meet, but do not exceed, the requirements and implementation timetables for (i) any coke oven batteries for which the EPA has promulgated standards under § 112(d) of the Clean Air Act, and (ii) facilities subject to review under § 112(k) of the Clean Air Act and that receive scrap metal from persons subject to § 46.2-635 of the Code of Virginia.

F. To further protect Virginia's environment, the Board shall prohibit any electric generating facility located within a nonattainment area from meeting its mercury compliance obligations through the purchase of allowances from another facility, except that such facilities shall be able to demonstrate compliance with allowances allocated to another facility that is under the control of the same owner or operator or under common control by the same parent corporation and is located within 200 km of Virginia's border.

2. That the Department of Environmental Quality shall conduct a detailed assessment of mercury deposition in Virginia in order to determine whether particular circumstances exist that justify, from a health and cost and benefit perspective, requiring additional steps to be taken to control mercury emissions within Virginia. The assessment shall also include (i) an evaluation of the state of mercury control technology for coal-fired boilers, including the technical and economic feasibility of such technology and (ii) an assessment of the mercury reductions and benefits expected to be achieved by the implementation of the CAIR and CAMR regulations. The Department shall complete its preliminary assessment as soon as practicable, but not later than October 15, 2007, and shall report the final findings and recommendations made as a result of the assessment to the Chairmen of the House Committee on Agriculture, Chesapeake and Natural Resources and the Senate Committee on Agriculture, Conservation and Natural Resources as soon as practicable, but no later than October 15, 2008.

ASSESSMENT OF NEW LEGISLATION DEVELOPMENT OF STATE HG RULES DEFINITIONS

"Combined capacity" means the electrical capacity of all units under common ownership located within the Commonwealth.

"Combined emissions" means the emissions from all units under common ownership located within the Commonwealth.

"Current law" means § 10.1-1322.3 of the Code of Virginia.

"Current proposal" means the proposal approved by the Board at its January 2006 meeting relating to control of mercury.

"Covered units" means, with respect to the state-specific rule, those coal-fired units with individual capacities greater than 25 megawatts (MW) and whose combined emissions exceeded 200 pounds in 1999.

"Exempted units" means, with respect to the state-specific rule, those units with individual capacities greater than 25 megawatts (MW) and whose combined emissions were equal to or less than 200 pounds in 1999.

"Facility" means one or more units at a single location.

"Federal model rule" or "CAMR" means the model rule promulgated by EPA in 40 CFR part 60, subpart HHHH.

"Large units" means, with respect to the state-specific rule, those units with combined emissions that exceeded 900 pounds in 1999 (no MW criteria apply). [1328 D 1]

"Medium units" means, with respect to the state-specific rule, those units whose combined emissions in 1999 were less than 900 pounds and whose combined capacity is greater than or equal to 600 MW. [1328 D 2]

"New legislation" means Chapters 867 and 920, 2006 Acts of Assembly.

"Nonattainment units" means those units located in nonattainment areas. These units are not subject to the requirements of the new legislation relating to the state trading rule or state-specific rule. No provision of the new legislation requires the adoption of a regulation to address these units; regulation of these units may be implemented though regulation, orders or permits. [1328 F]

"Small units" means, with respect to the state-specific rule, those units whose combined emissions in 1999 were less than 900 pounds and whose combined capacity is less than 600 MW.

"State budget rule" means that portion of the current proposal (approved by the Board at its January 2006 meeting) that was intended to meet the federal requirements for CAMR. This rule will be replaced by the state specific rule which is not intended to meet the federal requirements for CAMR.

"State-specific rule" means the regulation that the Board is required to adopt to implement 1328 D of the new legislation. This rule is not to be submitted to EPA.

"State trading rule" means the regulation that the Board is required to adopt to implement 1328 C of the new legislation. This rule will be very similar to the federal model rule and is to be submitted to EPA for the purpose of meeting the federal requirements for CAMR.

"Unit" or "EGU" means a stationary coal-fired boiler or a stationary coal-fired combustion turbine serving a generator producing electricity for sale.

ASSESSMENT OF NEW LEGISLATION STATE-SPECIFIC RULE APPLICABILITY AND COMPLIANCE CHART

	Large Units	Medium Units	Small Units	Exempted Units
Subject to state-specific rule	Yes	Yes	Yes	No
> 200 lb in 1999 and > 25 MW.	(1328 D)	(1328 D)	(1328 D)	
Compliance date for Phase 2 emission limits.	January 1, 2015	January 1, 2018	January 1, 2018	N/A
	(1328 D 1)	(CAMR)	(CAMR)	
Must be allocated a separate set of allowances	Yes	N/A	Unknown	Unknown
equal to the CAMR allocation.	(1328 D 1)			
May demonstrate compliance by showing that	Yes	N/A	Unknown	N/A
total emissions from all of the owner's units	(1328 D 1)			
located within the Commonwealth do not				
exceed the total allowances allocated to those				
units in the aggregate.				
May demonstrate compliance by using	N/A	Yes	Unknown	N/A
allowances that are allocated to a facility under		(1328 D 2)		
the control of the same owner or operator or				
under common control by the same parent				
corporation.				
May demonstrate compliance by using	N/A	Yes	Unknown	N/A
allowances that are generated and capable of		(1328 D 2)		
being lawfully traded under the CAMR.				
May demonstrate compliance by using surplus	N/A	Yes	Unknown	N/A
allowances that are generated through the		(1328 D 2)		
nstallation of emission controls at a facility				
ocated a straight line distance from the border				
of the Commonwealth of less than or equal to				
200 km.				
May not purchase allowances to demonstrate	Yes	Yes, except as	Yes	N/A
compliance with the state-specific rule.	(1328 D 3)	provided in D 2	(1328 D 3)	
	X	(1328 D 3)	X	N1/A
No prohibition on the banking, use, or selling of	Yes	Yes	Yes	N/A
allowances under the CAMR.	(1328 D 4)	(1328 D 4)	(1328 D 4)	N1/A
Compliance with the CAMR and the state-	Yes	Yes	Yes	N/A
specific mercury rule shall be determined	(1328 D 4)	(1328 D 4)	(1328 D 4)	
separately and in accordance with the terms of				
each rule.			l	1

STATE HG RULES ASSESSMENT OF NEW LEGISLATION DEFINITION OF EGU

Federal (CAMR) definition

Electric generating unit or EGU means:

(1) Except as provided in paragraph (2) of this definition, a stationary, coal-fired boiler or stationary, coal-fired combustion turbine serving at any time, since the start-up of a unit's combustion chamber, a generator with nameplate capacity of more than 25 megawatts electric (MW) producing electricity for sale.

(2) For a unit that qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continues to qualify as a cogeneration unit, a cogeneration unit serving at any time a generator with nameplate capacity of more than 25 MW and supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale. If a unit qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity but subsequently no longer qualifies as a cogeneration unit, the unit shall be subject to paragraph (1) of this definition starting on the day on which the unit first no longer qualifies as a cogeneration unit.

State Code definition

"Electric generating unit" means (i) a unit that is serving a generator with nameplate capacity of more than 25 megawatts (MW) of electricity producing electricity for sale; or (ii) a cogeneration unit serving a generator with a nameplate capacity of more than 25 MW and supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale. For subsections A and B of § 10.1-1328, the term shall only include those units that combust any fossil fuel, and are covered by the Clean Air Interstate Rule (CAIR). For subsections C and D of § 10.1-1328, the term shall include only those units that are fueled by coal.

ASSESSMENT OF NEW LEGISLATION DEVELOPMENT OF STATE HG RULES STATE RULES COMPARISON CHART

	State Trading Rule	State-Specific Rule
Base Document	Federal Model Rule.	Federal Model Rule.
Applicability	Covered units and exempted units.	Only covered units.
Hg Budget	Phase 1: 0.592 tons (1,184 lb.) for each control period in 2010 through 2017. Phase 2: 0.234 tons (468 lb.) for each control period in 2018 and thereafter.	Phase 1: 0.592 tons (1,184 lb.) for each control period in 2010 through 2017. Phase 2: 0.234 tons (468 lb.) for each control period in 2018 and thereafter.
Compliance Start Date for Phase 2 Budget	January 1, 2018.	January 1, 2015 for large units; January 1, 2018 for all others.
New/Existing Unit Cutoff	January 1, 2001.	January 1, 2001.
Allowances	Allocations for existing units are based on the adjusted heat input normalized over the core state budget. Allocations for new units are based on electrical output normalized over the new unit set-aside budget.	Generally unknown. Large units must be allocated a separate set of allowances equal to the CAMR allocation; unknown for others. Medium units must surrender CAMR allowances that are used to meet the state-specific rule requirements; unknown for others.
New Unit Set Aside	5.0% of the EGU budget for each control period in 2010 through 2014 or 2.0% for each control period in 2015 and thereafter.	5.0% of the EGU budget for each control period in 2010 through 2014 or 3.0% for each control period in 2015 and thereafter.
Compliance	Compliance is determined by comparing the amount of allowances in the owner's account with the total amount of emissions from the affected unit. No prohibition on the purchasing, banking, use, or selling of allowances.	May not purchase allowances to demonstrate compliance with the state-specific rule (see below - exception for medium units). No prohibition on the banking, use, or selling of allowances under the CAMR.
	Compliance with the CAMR and the state-specific mercury rule shall be determined separately and in accordance with the terms of each rule.	Compliance with the CAMR and the state-specific mercury rule shall be determined separately and in accordance with the terms of each rule.

Large Units		May demonstrate compliance by showing that total emissions from all of the owner's units located within the Commonwealth do not exceed the total allowances allocated to those units in the aggregate.
Medium Units		May demonstrate compliance by using allowances that are allocated to a facility under the control of the same owner or operator or under common control by the same parent corporation.
		May demonstrate compliance by using allowances that are generated and capable of being lawfully traded under the CAMR.
		May demonstrate compliance by using surplus allowances that are generated through the installation of emission controls at a facility located a straight line distance from the border of the Commonwealth of less than or equal to 200 km.
Small units		General provisions only.
Exempted Units	7	N/A

SUBMITTAL OF HG ALLOCATIONS TO EPA

EXISTING UNITS

Submittal Due Date	Applicable Control Period	Base Heat Input Period [average of three highest years]
November 17, 2006	2010 - 2014	2000 - 2004
October 31, 2009	2015	Same
October 31, 2010	2016	Same
October 31, 2011	2017	Same
October 31, 2012, etc.	2018, etc.	Same

NEW UNITS (operational after January 1, 2001)

Submittal Due Date	Applicable Control Period	Base Heat Input Period [average of three highest years converted heat input (electrical output)]
October 31, 2010	2010	First five years of operation
October 31, 2011	2011	same
October 31, 2012, etc.	2012, etc.	same

Virginia's New Hg Rules

Commonwealth of Virginia Department of Environmental Quality

New Legislation

- Requires Two Rules:
 - State Trading Rule [will be very similar to the EPA CAMR] (needed to meet EPA CAMR requirements; to be submitted to EPA)
 - State-Specific Rule [will not be similar to the EPA CAMR] (needed to further protect Virginia's environment; not to be submitted to EPA)

Key Components

- Applicability
- Budget
- Compliance Date for Phase 2
- New/Existing Unit Cutoff Date
- Allowances
- New Unit Set Aside
- Compliance
 - Large Units
 - Medium Units
 - Small Units
 - Exempt Units

Applicability

- State Trading Rule (EPA CAMR):
 - Covered units and exempted units (units greater than 25 MW)

- State-Specific Rule:
 - Covered units only (units greater than 25 MW and combined emissions greater than 200 lb)

Hg Budget

- State Trading Rule (EPA CAMR):
 Phase 1 (2010-2017): 1,184 lbs
 - Phase 2 (2018-thereafter): 468 lbs

- State-Specific Rule:
 - Phase 1: (2010-2017): 1,184 lbs
 - Phase 2 (2018-thereafter): 468 lbs

Compliance Date for Phase 2

- State Trading Rule (EPA CAMR):
 January 1, 2018
- State-Specific Rule:
 - January 1, 2015 for large units
 - January 1, 2018 for all others

New/Existing Unit Cutoff Date

State Trading Rule (EPA CAMR):
 – January 1, 2001

- State-Specific Rule:
 - January 1, 2001

Allowances

- State Trading Rule Existing Units (EPA CAMR):
 Heat input normalized over core state budget
- State Trading Rule New Units (EPA CAMR):
 - Output normalized over new unit set-aside budget
- State-Specific Rule Existing Units:
 - Generally unknown
 - Large units must be allocated a separate set of allowances equal to CAMR allocation
 - Medium units must surrender CAMR allowances that are used to meet state-specific requirements
- State-Specific Rule New Units:
 - Output normalized over new unit set- aside budget

New Units Set Aside

- State Trading Rule (EPA CAMR): (differs from CAMR in this respect)
 - First five years: 5.0%
 - Thereafter: 2.0%

- State-Specific Rule: (same as CAMR in this respect)
 - First five years : 5.0%
 - Thereafter : 3.0%

Compliance: General

- State Trading Rule (EPA CAMR):
 - Compare amount of allowances in account with total emissions
 - No prohibition on purchasing, banking, use or selling
 - Compliance determined separately between CAMR and State-Specific Rule
- State-Specific Rule:
 - May not purchase allowances for compliance (except for medium units)
 - No prohibition on banking, use or selling (purchasing?)
 - Compliance determined separately between CAMR and State-Specific Rule

Compliance: Unit-Specific

- Large Units:
 - Total emissions from units within VA do not exceed total allowances allocated in the aggregate
- Medium Units:
 - Allowances allocated to facility under common control
 - Allowances lawfully traded under CAMR
 - Surplus allowances generated at facilities 200 km from VA border
- Small Units:
 - General provisions only
- Exempt Units:
 - N/A