

**Agenda for Ask CAMD Session on Allowances, Compliance, and Auction
2:00 – 4:00 PM Eastern on Wednesday, February 2nd, 2022**

[Microsoft Teams Link](#)

Teleconference Line: +1 (202) 991-0477

Conference Code: 198 664 454#

Key Resources: [Clean Air Markets Homepage](#),

[Clean Air Markets Participants](#), and [CAMD Business System Tutorial](#)

You can find all Ask CAMD notes from this and previous sessions by visiting the [ECMPS Support Site](#).
[February 2019 Ask CAMD Session](#) Q&A on Allowances, Compliance, and Auction

[View the Presentation](#)

I. Welcome – Ming Chang, Chief of the Market Operations Branch

II. Revised CSAPR Update – Garrett Powers

The Revised CSAPR Update went into effect on June 29, 2021. The rule established the new CSAPR NOx Ozone Season Group 3 trading program and EPA took actions to transition sources in certain states previously in the Group 2 program to the Group 3 program. Group 3 sources have an opportunity to acquire 2021 allowances through the safety valve option that will occur on or around March 15, 2022 (see the [Safety Valve fact sheet](#) for more information). Additionally, the Revised CSAPR Update implemented schedule changes for the allowance transfer deadline and the NUSA process under all CSAPR trading programs. To learn more about the Revised CSAPR Update, click [HERE](#).

III. Allowances – Andrew Reighart

Under the Acid Rain Program (ARP), one allowance is equivalent to 1 ton of SO₂ during a given year or any subsequent year. Under the Cross-State Air Pollution Rule (CSAPR) trading programs, there are annual NO_x and SO₂ allowances, as well as seasonal NO_x allowances, which follow the same pattern. Allowances are fully marketable commodities. Once allocated, allowances may be bought, sold, traded, or banked for use in future years. To learn more about allowances, click [HERE](#).

- a. Demonstration of Allowance Transfer and Account Balance Report Modules
- b. Q&A

IV. Auctions – Andrew Reighart

Title IV of the Clean Air Act Amendments mandates that EPA hold or sponsor yearly auctions of allowances for a small portion of the total allowances allocated each year. The auctions, which take place at the end of March each year, ensure that new units have a public source of allowances beyond those allocated initially to existing units. To learn more, click [HERE](#).

- a. Demonstration of Auction Module
- b. Q&A

V. Compliance – Jason Kuhns

By the allowance transfer deadline following the end of each year or ozone season, a source must hold an amount of allowances at least equal to its emissions that occurred during that year or ozone season. For example, a source subject to the Acid Rain Program that emits 5,000 tons of SO₂ must hold at least 5,000 Acid Rain Program SO₂ allowances that are usable in that year. Under the Acid Rain Program, the allowance transfer deadline is 60 days after the end of that year (March 1 in most years and February 29 in leap years). New this year and going forward, due to the Revised CSAPR Update, the allowance transfer deadline for all CSAPR programs is now June 1 after the end of that year. Regardless of how many allowances a source holds, however, it is never entitled to exceed the limits set under Title I of the Act to protect public health.

- a. Demonstration of Compliance and Specified Deduction Modules
- b. Q&A

VI. Final Q&A

VII. Wrap-Up – Andrew Reighart