

MEMORANDUM OF UNDERSTANDING
AMONG THE STATES OF THE OZONE TRANSPORT COMMISSION
ON INTRASTATE NOx EMISSION OFFSET TRADING PROGRAMS

WHEREAS new source review requirements of Title I of the Clean Air Act require NOx offsets of emissions for new major sources and major modifications in the Ozone Transport Region (OTR); and

WHEREAS the Ozone Transport Commission (OTC) wants to ensure that the jurisdictions of the OTC meet the statutory requirements of the Clean Air Act while enhancing the opportunities for economic growth and environmental protection in the OTR; and

WHEREAS it is desirable for new sources to have access to a ready supply of emission offsets to ensure the required emission reductions are more than equal to the emissions of the new sources; and

WHEREAS expanding the area of potential offsets should enhance both supply and accessibility of offsets for new major sources and major modifications; and

WHEREAS the OTR has been created by statute as a distinct air quality planning region for control of ground level ozone; and

WHEREAS offset programs can and must be designed with long term attainment and maintenance of the National Ambient Air Quality Standards in mind; and

WHEREAS the OTC recognizes the concept that a series of intrastate trading programs with common elements within the OTR can expand the creation of and the availability of offsets under certain conditions; and

WHEREAS the OTC members agree that each intrastate NOx emission offset trading program has the potential for creating greater air quality benefits than would occur in the absence of a NOx emission offset trading program;

THEREFORE, the OTC supports the development of intrastate NOx emission offset trading programs and policies that provide compatibility with the possible future development and implementation of an interstate NOx emission offset trading program; and

FURTHERMORE, the parties to this Memorandum of Understanding (MOU) agree that each member jurisdiction may engage in emission trading with other jurisdictions prior to the development of an OTC interstate NOx emission offset trading program consistent with the requirements of the Clean Air Act; and

FURTHERMORE, the parties to this MOU agree to continue to cooperate to make their individual offset programs compatible; and

FURTHERMORE, the parties to this MOU agree that to the greatest extent practicable their individual intrastate emission trading programs shall reflect the attached common elements.

Signed this 18th day of May, 1993

by the following:

CONNECTICUT: Timothy R. Kunny

DELAWARE: Daryl D. Zia

DISTRICT OF COLUMBIA: Terrel A. Bishop

MAINE: Dean C. Mans

MARYLAND: Bob Perriasepe

MASSACHUSETTS: RUDY COXE

NEW HAMPSHIRE: Robert W. Varney

NEW JERSEY: Scott A. Weman

NEW YORK: Thomas C. Jordan

PENNSYLVANIA: Catherine W. Cowan

RHODE ISLAND: Louise D. Uffe

VERMONT: Cheryl Clark

VIRGINIA: Elizabeth H. Haskell