

Developing Trading Scenario for Peak Day Reduction

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for

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CAIR-Plus Overview

Basic Concepts:

- Emission rates translated in to state caps,
- For NO_x, take out necessary allowances to meet the state CAIR-Plus caps before disbursement to sources, and
- Permanently retire those allowances.
- Draft Model Rule recently developed

CAIR-Plus Overview (cont.)

IPM Run 4c CAIR-Plus Emission Rates:

	<u>2009/2010</u>	<u>2013</u>	<u>2015</u>	<u>2018</u>
NOx	0.12	0.08	0.07	0.07
Annual (\$4,240)		(\$4,586)	(\$5,346)	
SO2	0.35	0.25	0.21	0.18

HEDD Component of CAIR-Plus

Different Proposals:

- EPA Analysis – as high as 16:1
- Exelon – 2:1
- Reliant – Inner / Outer Corridor

HEDD Component of CAIR-Plus (cont.)

OTC is considering an analysis of potential trading scenarios and their implementation for HEDD / ICI use of CAIR NO_x allowances

Policy questions:

- Tie to Ozone Alert Days?
- Geographic extent?
- Baseline emission rate?

Need input