

**Section 1. Section 22a-174-19a of the Regulations of Connecticut State Agencies is amended as follows:**

(a) **Definitions.** For purposes of this section:

(1) “Affected state” means “affected states” as defined in section 22a-174-1 of the Regulations of Connecticut State Agencies.

(2) “Affected unit” means [any emissions unit subject to the provisions of section 22a-174-22b of the Regulations of Connecticut State Agencies, the Post-2002 Nitrogen Oxides Budget Program.] a fossil-fuel fired:

(A) Stationary source that serves a generator with a nameplate capacity of 15 MW or more; or

(B) Boiler or indirect heat exchanger with a maximum heat input capacity of 250 MMBtu or more.

(3) “Average emissions rate” means a determination of the rate of SO<sub>2</sub> emissions, measured in pounds of SO<sub>2</sub> per MMBtu, in any calendar quarter from either a single affected unit or from two or more affected units. Average emissions rate for a single unit is calculated by dividing the total quarterly SO<sub>2</sub> emissions, in pounds, from such unit by the total quarterly heat input, in MMBtu, for such unit. Average emissions rate for two or more units is calculated by dividing the total quarterly SO<sub>2</sub> emissions, in pounds, from all such units by the total quarterly heat input, in MMBtu, for all such units.

(4) “Calendar quarter” means the period of January 1 to March 31, inclusive, April 1 to June 30, inclusive, July 1 to September 30, inclusive or October 1 to December 31, inclusive.

(5) “Connecticut State SO<sub>2</sub> Retirement Account” means a general allowance tracking system account established by the commissioner under 40 CFR 73.31 for the purpose of permanently holding SO<sub>2</sub> allowances retired by the owners or operators of affected units in accordance with the provisions of subsection (d) of this section.

(6) “Continuous emissions monitoring system” or “CEMS” means any equipment used to sample, analyze and measure SO<sub>2</sub> emissions to provide a permanent record of such emissions expressed in pounds per MMBtu.

(7) “Emissions unit” means “emission unit” as defined in section 22a-174-1 of the Regulations of Connecticut State Agencies.

[(8) “Early reduction credit” means a reduction of SO<sub>2</sub> during calendar years 1999, 2000, 2001 or 2002 below the most stringent SO<sub>2</sub> emission rate applicable to an affected unit pursuant to subsection (h)(5)(B) of this section.

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(9) “Generation period” means the period of time during which reductions in emissions of an air pollutant are implemented.]

[(10)](8) “MMBtu” means million BTU of heat input.

[(11)](9) “Retire” or “retirement” when referring to SO<sub>2</sub> allowances, means the permanent withdrawal of SO<sub>2</sub> allowances by the Administrator from any allowance tracking system account to the Connecticut SO<sub>2</sub> Allowance Retirement Account in an amount equal to the number of tons of SO<sub>2</sub> emitted by each affected unit.

[(12)](10) “Sulfur dioxide” or “SO<sub>2</sub>” means a gas that at standard conditions has the molecular form SO<sub>2</sub>.

[(13)] “Sulfur dioxide Discrete Emission Reduction Credit” or “SO<sub>2</sub> DERC” means the reduction of one ton of sulfur dioxide at a stationary source during the generation period, which the commissioner has certified in writing as real, quantifiable, surplus, permanent, and enforceable. Early reduction credits shall qualify as SO<sub>2</sub> DERCS.]

[(14)](11) “Title IV SO<sub>2</sub> allowance” or “SO<sub>2</sub> allowance” means an authorization allocated to a Title IV source by the Administrator, pursuant to Title IV of the federal Clean Air Act (42 USC 7651d, et seq.) and 40 CFR Parts 72 and 73, to emit up to one ton of SO<sub>2</sub> during or after a specified calendar year.

[(15)](12) “Title IV source” means an affected unit that is also subject to Phase II of the acid rain control requirements set forth in Title IV of the federal Clean Air Act (42 USC 7651d, et seq.).

**Sec. 2. Subsections (e) and (f) of section 22a-174-19a of the Regulations of Connecticut State Agencies are amended to read as follows:**

**(e) Sulfur dioxide emissions standards and fuel sulfur limits effective on and after January 1, 2003.** Notwithstanding the provisions of subsection (b) of this section [and except as provided in subsection (f) of this section], this subsection shall apply, on and after January 1, 2003, to the owner or operator of a Title IV source that is also an affected unit or units. On and after January 1, 2003, such owner or operator shall:

- (1) Combust liquid fuel, gaseous fuel or a combination of each provided that each fuel possess a fuel sulfur limit of equal to or less than 0.3 % sulfur, by weight (dry basis);
- (2) Meet an average emission rate of equal to or less than 0.33 pounds SO<sub>2</sub> per MMBtu for each calendar quarter for an affected unit at a premises; or
- (3) Meet an average emission rate of equal to or less than 0.3 pounds SO<sub>2</sub> per MMBtu calculated for each calendar quarter, if such owner or operator averages the emissions from two or more affected units at a premises[; or].

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[(4) Meet an average emission rate equal to or less than 0.3 pounds SO<sub>2</sub> per MMBtu calculated for each calendar quarter in accordance with the provisions of subsection (h) of this section, provided that each affected unit or units:

- (A) Combusts liquid fuel, gaseous fuel or a combination of each, provided that each fuel possess a fuel sulfur limit of equal to or less than 0.5 % sulfur, by weight (dry basis), or
- (B) Meets an actual quarterly average emission rate that does not exceed 0.55 pounds SO<sub>2</sub> per MMBtu.]

**(f) [Compliance extension for sulfur dioxide emission standards and fuel sulfur limits.] Reserved.**

[(1) The commissioner may authorize an extension, to expire no later than June 1, 2003, to comply with the requirements of subsection (c) or (e) of this section upon the request of an owner or operator of an affected unit provided such request is filed with the commissioner no later than 120 days before the applicable compliance date of subsection (c) or (e) of this section.

(2) Before granting or denying a request for an extension pursuant to subdivision (1) of this subsection, the commissioner shall make a finding, after consultation with the Department of Public Utility Control, to determine whether the provisions of this section will substantially impact the reliable generation or delivery of electricity to residential, commercial and industrial users in the state. The commissioner may hold a public hearing prior to granting or denying such request for an extension.

(3) The commissioner may impose conditions and limitations by permit or order when granting a request for an extension under subdivision (1) of this subsection.

(4) Any extension authorized under subdivision (1) of this subsection shall require that the owner or operator of an affected unit, through a permit or order, comply with the requirements of subsection (c) or (e) of this subsection by reconstructing the existing affected unit, replacing the existing affected unit with a new source, or submitting to an emissions cap. The commissioner may require such emissions cap be equivalent to, or less than, the quantity of emissions that would have been emitted had the source complied with the requirements of subsection (c) or (e). Any emissions cap shall expire no later than June 1, 2003 and any reconstruction or replacement shall be completed no later than June 1, 2003.

(5) The extension provided by this subsection shall not relieve the owner or operator of an affected source of the requirements to comply with any applicable provision of this section, including subsection (d) of this section.]

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**Sec. 3. Section 22a-174-19a(g)(3) of the Regulations of Connecticut State Agencies is amended to read as follows:**

(3) No later than thirty days after the termination of any suspension of fuel sulfur limits made pursuant to this subsection, the owner or operator of an affected unit or units shall report to the commissioner in writing the amount of SO<sub>2</sub> emissions in excess of those that would have occurred had the use of compliant fuel at the affected source not been interrupted. If such excess SO<sub>2</sub> emissions from any premises exceed fifty tons, the commissioner may require that the owner or operator of such affected unit or units offset such SO<sub>2</sub> emissions [through the use of emission reduction trading in accordance with the provisions of subsection (h) of this section].

**Sec. 4. Section 22a-174-19a(h) of the Regulations of Connecticut State Agencies is amended to read as follows:**

**(h) [Emissions reduction trading.] Reserved.**

[(1) The owner or operator of an affected unit may use SO<sub>2</sub> DERCS or SO<sub>2</sub> allowances to comply with the applicable emission limitations set forth in subsection (e)(4) of this section pursuant to a permit or order issued by the commissioner.

(2) Such owner or operator shall retire one (1) SO<sub>2</sub> DERC for each ton or part thereof of SO<sub>2</sub> emitted in excess of the applicable emission limitation in subsection (e)(4) of this section. In the alternative, an owner or operator may retire four (4) SO<sub>2</sub> allowances for each ton or part thereof of SO<sub>2</sub> emitted in excess of the applicable emission limitation in subsection (e)(4) of this section.

(3) Any creation or use of SO<sub>2</sub> DERCS for the purpose of this subsection shall be consistent with the provisions of 40 CFR 51, Subpart U and the U.S. Environmental Protection Agency's "Emission Trading Policy Statement," published December 4, 1986 (Federal Register, Volume 51, page 43814).

(4) The owner or operator of any affected facility using SO<sub>2</sub> allowances as a means of compliance with the provisions of this subsection and subsection (e)(4) of this section shall ensure that such allowances were originally issued by the Administrator to a Title IV source located in the state of Connecticut or in any affected state.

(5) The owner or operator of any affected unit that reduces SO<sub>2</sub> emissions for the purpose of generating early reduction credits or SO<sub>2</sub> DERCS may request that the commissioner approve such early reduction credits or SO<sub>2</sub> DERCS in writing by permit or order provided that such reductions are:

- (A) Real, quantifiable, surplus, permanent and enforceable; and
- (B) Based on an emissions rate that is the most stringent of:
  - (i) 0.3 pounds SO<sub>2</sub> per MMBtu,

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- (ii) Permitted allowable emissions of the affected unit, or
- (iii) The actual emissions of the affected unit.]

**Sec. 5. Section 22a-174-19a(i)(2) of the Regulations of Connecticut State Agencies is amended to read as follows:**

(2) The owner or operator of an affected unit who demonstrates compliance with this section by meeting the average SO<sub>2</sub> emission rate limits of subsections (c)(2), (c)(3), (e)(2)[,] or (e)(3) [or (e)(4)] of this section shall make and keep records in accordance with the following:

- (A) For affected units that are also Title IV sources, hourly SO<sub>2</sub> emission rate values determined from data measured by a CEMS in accordance with the applicable provisions of 40 CFR 75;
- (B) For affected units that are not Title IV sources:
  - (i) hourly SO<sub>2</sub> emission rate values determined from data measured by a CEMS in accordance with the applicable provisions of either 40 CFR [Parts] 60 or 75, or
  - (ii) if any affected unit does not have a CEMS in accordance with either 40 CFR [Parts] 60 or 75, then hourly SO<sub>2</sub> emission rate values determined from data measured by a CEMS or other monitoring system; and
- (C) For all affected units, quarterly facility SO<sub>2</sub> emission rate averages, determined by dividing total quarterly SO<sub>2</sub> emissions by total quarterly heat input values for all affected units at the facility.

**Sec. 6. Subsection (f)(1)(E) of the section 22a-174-22c of the Regulations of Connecticut State Agencies is amended to read as follows:**

- (E) Allocate to the compliance account of each Proponent of an EEP saving thermal or mechanical energy in a manufacturing process where energy consumption is measured on a unit of production basis, the number of CAIR NO<sub>x</sub> Ozone Season allowances equal to the amount determined by the following equation, subject to the limitation in subparagraph (H) of this subdivision:

$$\left[ \frac{\left( \frac{EC_1}{PP_1} - \frac{EC_2}{PP_2} \right) \times PP_2 \times NE_2 \times \left( \frac{NE_1}{NE_2} \right)}{2000 \frac{lb}{ton}} \right]$$

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$$\frac{\left( \frac{EC_1}{PP_1} - \frac{EC_2}{PP_2} \right) \times NE_2 \times \left[ 1 + \left( \frac{NE_1 - NE_2}{NE_1} \right) \right]}{2000 \frac{lb}{ton}}$$

Sec. 7. Table 22c-1 of section 22a-174-22c of the Regulations of Connecticut State Agencies is amended to read as follows:

| <b>Table 22c-1</b>  |  |
|---|--|
| <b>40 Code of Federal Regulations Part 96</b>   |  |
| <b>Provisions Incorporated by Reference as of [December 13, 2006] <u>October 19, 2007</u></b>   |  |
| <b>Subpart AAAA-CAIR NO<sub>x</sub> Ozone Season Trading Program General Provisions</b>         |  |
| Section 96.302  | Definitions.   |
| Section 96.303  | Measurements, abbreviations, and acronyms.   |
| Section 96.305  | Retired unit exemption.  |
| Section 96.306  | Standard requirements.   |
| Section 96.307  | Computation of time.   |
| Section 96.308  | Appeal procedures.   |
| <b>Subpart BBBB-CAIR Designated Representative for CAIR NO<sub>x</sub> Ozone Season Sources</b> |  |
| Section 96.310  | Authorization and responsibilities of CAIR designated representative.  |
| Section 96.311  | Alternate CAIR designated representative.  |
| Section 96.312  | Changing CAIR designated representative and alternate CAIR designated representative; changes in owners and operators. |
| Section 96.313  | Certificate of representation.   |
| Section 96.314  | Objections concerning CAIR designated representative.  |
| Section 96.315  | Delegation by CAIR designated representative and alternate CAIR designated representative.                             |
| <b>Subpart CCCC-Permits</b>   |  |
| Section 96.320  | General CAIR NO <sub>x</sub> Ozone Season Trading Program permit requirements.   |
| Section 96.321  | Submission of CAIR permit applications.  |
| Section 96.322  | Information requirements for CAIR permit applications.   |
| Section 96.323  | CAIR permit contents and term.   |
| Section 96.324  | CAIR permit revisions.   |

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| <b>Subpart FFFF-CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System</b> |   |
|--|---|
| Section 96.351   | Establishment of accounts.  |
| Section 96.352   | Responsibilities of CAIR authorized account representative.             |
| Section 96.353   | Recordation of CAIR NO <sub>x</sub> Ozone Season allowance allocations. |
| Section 96.354   | Compliance with CAIR NO <sub>x</sub> emissions limitation.              |
| Section 96.355   | Banking.  |
| Section 96.356   | Account error.  |
| Section 96.357   | Closing of general accounts.  |
| <b>Subpart GGGG-CAIR NO<sub>x</sub> Ozone Season Allowance Transfers</b>       |   |
| Section 96.360   | Submission of CAIR NO <sub>x</sub> Ozone Season allowance transfers.    |
| Section 96.361   | EPA recordation.  |
| Section 96.362   | Notification.   |
| <b>Subpart HHHH-Monitoring and Reporting</b>                                   |   |
| Section 96.370   | General requirements.   |
| Section 96.371   | Initial certification and recertification procedures.                   |
| Section 96.372   | Out of control periods.   |
| Section 96.373   | Notifications.  |
| Section 96.374 (Except as provided in subsection (i)(3) of this section)       | Recordkeeping and reporting.  |
| Section 96.375   | Petitions.  |

**Sec. 8. Section 22a-174-38(i)(3) of the Regulations of Connecticut State Agencies is amended to read as follows:**

(3) Notwithstanding subdivision (2) of this subsection, upon demonstration for two (2) consecutive years that the dioxin/furan emission levels from all units at a MWC plant for which construction commenced prior to September 20, 1994 are less than fifteen (15) ng/dscm total mass or, for all units for which construction, modification or reconstruction commenced on or after September 20, 1994, and are less than seven (7) ng/dscm total mass, the MWC owner or operator shall only be required to conduct performance testing for dioxin/furan on one unit at that MWC plant. The owner or operator shall rotate performance testing among units [no more than twelve (12) months following the previous performance test] in a fixed sequence so that each unit is tested at the same frequency. One unit at the plant shall be tested at least once per calendar year, and such test shall be conducted no less than nine calendar months and no more than 15 calendar months following the previous performance test. If in any year following the year of election of such reduced testing, the dioxin/furan emission test results indicate a level equal to or greater than fifteen (15) ng/dscm total mass for any unit for which construction commenced prior to September 20, 1994, or greater than seven (7) ng/dscm total mass for any unit for which construction, modification or reconstruction commenced on or after September

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20, 1994, then the MWC owner or operator shall resume testing of all units at the MWC plant during the next annual performance test. The owner or operator shall continue to test all units on an annual basis until the performance tests for all units indicate dioxin/furan emission levels that meet the requirements of this subdivision, at which time the owner/operator may resume testing in accordance with this subdivision.

**Sec. 9. Section 22a-174-3b(a) of the Regulations of Connecticut State Agencies is amended to read as follows:**

**(a) Definitions.** For the purposes of this section and section 22a-174-3c of the Regulations of Connecticut State Agencies:

(1) “As applied” means a coating, including all components such as dilution solvents and reactive constituents, prepared at the time of application to a substrate;

(2) “Automobile” means a passenger car, van, motorcycle, truck or any other motorized vehicle for transportation;

(3) “Automotive refinishing operation” means the processes performed to apply a new surface to the pre-existing coat or paint on an automobile, automotive component or any other mobile equipment or part thereof, including but not limited to surface preparation, primer application, topcoat application and applicator cleaning;

(4) “Biodiesel fuel” means the mono alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, which conform to American Society for Testing and Materials D6751-07b, Standard Specification for Biodiesel Fuel Blend Stock for Middle Distillate Fuels, or the current active version thereof;

(5) “Distillate oil” means any fuel oil of No. 1 or No. 2 grades, as defined by American Society for Testing and Materials D396-07, Standard Specification for Fuel Oils, or the current active version thereof;

[(4)] (6) “Electrostatic application” means the application of charged atomized paint droplets by electrostatic attraction;

[(5)] (7) “Emergency” means “emergency” as defined in section 22a-174-22 of the Regulations of Connecticut State Agencies;

[(6)] (8) “Emergency engine” means “emergency engine” as defined in section 22a-174-22 of the Regulations of Connecticut State Agencies;

[(7)] (9) “External combustion unit” means a device that combusts only natural gas, propane or fuel oil, which is not a stationary internal combustion engine or turbine, and includes, but is not limited to, a boiler, heater, drying oven, curing oven or furnace;

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[(8)] (10) “Hazardous air pollutant” means, notwithstanding the definition in section 22a-174-1 of the Regulations of Connecticut State Agencies, any air pollutant listed in Section 112(b) of the Act, excluding hydrogen sulfide and caprolactum;

[(9)] (11) “Mobile equipment” means any non-automotive equipment or apparatus that is operated or is capable of being operated on a roadway, including, but not limited to, truck bodies, truck trailers, buses, mobile cranes, bulldozers and other construction equipment, street cleaners and farm equipment;

[(10)] (12) “Nonmetallic mineral” means “nonmetallic mineral” as defined in 40 CFR 60.671;

[(11)] (13) “Nonmetallic mineral processing equipment” means any crusher, grinding mill, screening operation, bucket elevator, belt conveyer, bagging operation, storage bin or other equipment used to crush or grind any nonmetallic mineral at a nonmetallic mineral processing plant;

[(12)] (14) “Nonmetallic mineral processing plant” means “nonmetallic mineral processing plant” as defined in 40 CFR 60.671;

[(13)] (15) “Pre-existing coat or paint” means a surface covering or coating applied to an automobile or automotive component at an automotive manufacturing facility or applied to any mobile equipment or part thereof at the point of manufacture;

[(14)] (16) “Spray booth” means a building, a room within a building or a partitioned area within a room housing automatic or manual spray application equipment, that is used to apply coatings;

[(15)] (17) “Surface coating operation” means a process or processes used to apply a layer of material including spray painting, dip coating, roller coating and electrostatic deposition, but exclusive of printing, publishing or packaging operations;

[(16)] (18) “Touch up repair” means the application of automotive topcoat finish materials to cover minor finishing imperfections equal to or less than one inch in diameter;

[(17)] (19) “Tune-up” means to perform maintenance and adjust equipment to proper or required operating condition; and

[(18)] (20) “[Twelve (12)] 12-month rolling aggregate” means the sum of the total fuel use, actual emissions, coating use, solvent use or actual operating time calculated for each month by adding the current month’s fuel use, actual emissions, coating use, solvent use or actual operating time to those of the previous eleven months.

**Sec. 10. Section 22a-174-3b(c)(1) of the Regulations of Connecticut State Agencies is amended to read as follows:**

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(1) The owner or operator of an external combustion unit shall properly maintain equipment and operate such unit in accordance with the following requirements:

- (A) Maximum rated heat input shall not exceed the following limitations:
  - (i) 50 MMBtu/hr for sources burning gaseous fuels,
  - (ii) 25 MMBtu/hr for sources burning distillate [fuel] oil or a blend of distillate oil and biodiesel fuel, and
  - (iii) 15 MMBtu/hr for sources burning residual [fuel] oil or a blend of residual oil and biodiesel fuel;
- (B) Fuel use shall not exceed the following limitations:
  - (i) natural gas usage shall not exceed 214 million cubic feet in any [twelve (12)] 12-month rolling aggregate,
  - (ii) propane usage shall not exceed 1.57 million gallons in any [twelve (12)] 12-month rolling aggregate,
  - (iii) distillate [fuel] oil usage, inclusive of blends of distillate oil and biodiesel fuel, shall not exceed 704,000 gallons in any [twelve (12)] 12-month rolling aggregate,
  - (iv) residual [fuel] oil usage, inclusive of blends of residual oil and biodiesel fuel, shall not exceed 191,000 gallons in any [twelve (12)] 12-month rolling aggregate, and
  - (v) use of any combination of the fuels listed in subparagraphs (B)(i) to (B)(iv) of this subdivision shall not result in emissions of any individual air pollutant greater than [fifteen (15)] 15 tons per year in any [twelve (12)] 12-month rolling aggregate;
- (C) Fuel content shall be as follows:
  - (i) any residual [fuel] oil, inclusive of blends of residual oil and biodiesel fuel, used shall contain 0.5%, or less, sulfur by weight, dry basis, and
  - (ii) no fuel oil used shall be blended with waste oil or solvent;
- (D) The height of any stack associated with the unit shall be the greater of:
  - (i) [ten (10)] 10 meters, or

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- (ii) the lesser of 1.3 times the building height or maximum building width;  
and
- (E) A tune-up of the external combustion unit shall be performed on an annual basis.

**Sec. 11. Section 22a-174-3b(c)(3) of the Regulations of Connecticut State Agencies is amended to read as follows:**

- (3) The owner or operator of an external combustion unit may make and maintain records of the following information, as applicable:
  - (A) Records of the fuel type and quantity used, in gallons or million cubic feet, for each month and each [twelve (12)] 12-month rolling aggregate;
  - (B) If the fuel used is residual oil or a blend of residual oil and biodiesel fuel, records of the sulfur content for each nongaseous fuel shipment received;
  - (C) If multiple fuels are used, records of the quantity in tons of each criteria pollutant emitted for each month and each [twelve (12)] 12-month rolling aggregate; and
  - (D) The date each annual tune-up is performed.

**Sec. 12. Section 22a-174-3c(b)(2) and (3) of the Regulations of Connecticut State Agencies is amended to read as follows:**

- (2) The owner or operator of an external combustion unit or units using distillate [fuel] oil or a blend of distillate oil and biodiesel fuel and operating to limit potential emissions in accordance with this section shall:
  - (A) Limit distillate [fuel] oil purchased, inclusive of blends of distillate oil and biodiesel fuel, for the premises to equal to or less than 328,000 gallons in any calendar year; and
  - (B) Not exceed a heat input for each external combustion unit of 25 [mmBTU/hr] MMBtu/hr.
- (3) The owner or operator of an external combustion unit or units using residual [fuel] oil, or a blend of residual oil and biodiesel fuel, and operating to limit potential emissions in accordance with this section shall:
  - (A) Limit residual [fuel] oil purchased, inclusive of blends of residual oil and biodiesel fuel, for the premises to equal to or less than 89,000 gallons in any calendar year; and
  - (B) Not exceed a heat input for each external combustion unit of 15 [mmBTU/hr] MMBtu/hr.

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**Sec. 13. Section 22a-174-3c(b)(6) of the Regulations of Connecticut State Agencies is amended to read as follows:**

(6) The owner or operator of an emergency engine or engines using distillate [fuel] oil, or a blend of distillate oil and biodiesel fuel, and operating to limit potential emissions in accordance with this section shall limit distillate [fuel] oil purchase for the premises, inclusive of blends of distillate oil and biodiesel fuel, to equal to or less than 21,000 gallons in any calendar year.

**Statement of purpose:** This proposal comprises a series of minor but necessary revisions to the air quality regulations. Each section of the proposal is described below.

**Section 1.** The definition of “affected unit” in RCSA section 22a-174-19a relies on a reference to section 22a-174-22b of the Regulations of Connecticut State Agencies (RCSA), the NOx Budget Program, which will be repealed in 2010. The definition of affected unit is replaced with a definition independent of the NOx Budget Program, but including the same group of emissions units. Other definitions in RCSA section 22a-174-19a are eliminated consistent with the deletions set out in sections 2 and 4 of this proposal.

**Sections 2 through 5:** Obsolete portions of RCSA section 22a-174-19a are deleted. The obsolescence results from prohibitions on emissions trading in Section 22a-198 of the general statutes or, for subsection (f), the passage of time.

**Section 6:** In RCSA section 22a-174-22c, the formula allocating allowances from the energy efficiency and renewable energy set-aside for savings of thermal or mechanical energy in a manufacturing process is corrected.

**Section 7:** Large portions of the CAIR trading program, adopted in September 2007, are incorporated by reference to federal regulations. In October 2007, EPA promulgated minor revisions to the definitions of the model federal trading program in 40 CFR 96.302. The amendment changes the date of reference for the sections incorporated into RCSA section 22a-174-22c to October 19, 2007 in recognition of EPA’s October 19, 2007 revision.

**Section 8:** The performance test schedule requirements of RCSA section 22a-174-38 were revised in July 2008 in accordance with revisions in the corresponding federal emissions guidelines. The adjustment to the test schedule made in this amendment is necessary for the July 2008 schedule change to be implemented as intended.

**Sections 9 through 13:** The amendment revises RCSA sections 22a-174-3b and 22a-174-3c to allow small boilers, heaters, drying ovens and furnaces to use biodiesel fuel blends when operating under one of the named sections of the regulations. The current regulations appear to prohibit the use of biodiesel fuel blends. However, the Department did not intend to prohibit the use of biodiesel fuels to power equipment operated pursuant to the sections.