**Section 217.466 NOx Allocations Procedure for Subpart U Budget Units**

For each control period, the Agency will allocate the total number of NOx allowances in the Subpart U NOx Trading Budget apportioned to budget units under Section 217.460 of this Subpart, subject to adjustment as provided in this Subpart. These allocations will be issued as provided in subsections (a) and (b) of this Section, as follows:

a) The Agency will allocate to each budget unit that is listed in Appendix E of this Part the number of allowances listed in Column 5 of Appendix E of this Part for that budget unit for each 3-year period of the program. The Agency will report these allocations to USEPA by March 1 of 2004, and triennially thereafter.

b) The Agency will allocate allowances from the new source set-aside to "new" budget units as set forth in Section 217.468 of this Subpart.

c) The Agency will report allocations from the new source set-aside to USEPA by April 1 of each year for the following year.

d) To the extent that allowances remain in the new source set-aside after any allocation pursuant to subsection (b) of this Section, the Agency shall allocate any such remaining allowances pro-rata to the owner or operator of the budget units listed in Appendix E of this Part to the extent a whole allowance may be allocated to any such owner or operator. The Agency will make such allocation by April 15 of each year. If there are insufficient allowances to allocate a whole allowance to any such owner or operator of a budget unit listed in Appendix E of this Part, such allowances shall be retained by the Agency in the new source set-aside. Any such allowances retained in the new source set-aside shall be accumulated in the new source set-aside and may either:

1) Be available for allocation to new budget units for future control periods, subject to the provisions of Section 217.468 of this Subpart; or

2) If, after any annual allocation to new budget units, there are sufficient allowances accumulated in the new source set-aside to allocate one or more whole allowances to the owner or operator of existing budget units listed in Appendix E of this Part on a pro-rata basis, such accumulated whole allowances shall be allocated pro-rata to such owner or operators.

(Source: Added at 25 Ill. Reg. 5914, effective April 17, 2001)