**Section 225.298 Combined Pollutant Standard: Requirements for NOx and SO2 Allowances**

a) The following requirements apply to the owner and operator with respect to SO2 and NOx allowances, which mean, for the purposes of this Section 225.298, allowances necessary for compliance with Section 225.310, 225.410, or 225.510, 40 CFR 72, or subparts AA and AAAA of 40 CFR 96, or any future federal NOx or SO2 emissions trading programs that modify or replace these programs:

1) The owner or operator of specified EGUs in a CPS group may sell, trade, or transfer any and all SO2 and NOx emissions allowances of any vintage (the year an allowance is issued) owned, allocated to, or earned by the specified EGUs (the "CPS allowances"), without restriction, to any person or entity located anywhere, except that the owner or operator may not directly sell, trade, or transfer CPS allowances to a unit located in Ohio, Indiana, Illinois, Wisconsin, Michigan, Kentucky, Missouri, Iowa, Minnesota, or Texas.

2) In no event shall this subsection (a) require or be interpreted to require any restriction whatsoever on the sale, trade, or exchange of the CPS allowances by persons or entities who have acquired the CPS allowances from the owner or operator of specified EGUs in a CPS group.

b) The owner or operator of EGUs in a specified CPS group is prohibited from purchasing or using SO2 and NOx allowances for the purposes of meeting the SO2 and NOx emissions standards set forth in Section 225.295.

c) By March 1, 2010, and continuing each year thereafter, the owner or operator of the EGUs in a CPS group must submit a report to the Agency that demonstrates compliance with the requirements of this Section for the previous calendar year and ozone season control period (May 1 through September 30), and includes identification of any NOx or SO2 allowances that have been used for compliance with any NOx or SO2 trading programs, and any NOx or SO2 allowances that were sold, gifted, used, exchanged, or traded. A final report must be submitted to the Agency by August 31 of each year, providing either verification that the actions described in the initial report have taken place, or, if such actions have not taken place, an explanation of the changes that have occurred and the reasons for such changes.

(Source: Amended at 39 Ill. Reg. 16225, effective December 7, 2015)