

REGULATORY LANGUAGE

1.2.1 Units

Any unit that, at any time on or after January 1, 2005, serves an electricity generator with a nameplate capacity equal to or greater than 25 MWe shall be a CO2 budget unit, and any source that includes one or more such units shall be a CO2 budget source, subject to the requirements of this Part.

1.2.2.1 *Applicability.* Notwithstanding 1.2.1 of this regulation, a unit that has a permit containing a condition restricting the supply of the unit's annual electrical output to the electric grid to less than or equal to 10 percent of the annual gross generation of the unit, shall be exempt from the requirements of Regulation 1147, except for the provisions of 1.2.2.3, 1.3, 1.4, 1.6 [?] and, if applicable because of the allocation of CO2 allowances during the preexemption time period, sections 5, 6 and 7 of this regulation.

1.2.2.2 *Effective date.* The exemption under section 1.2.2.1 of this regulation shall become effective as of the January 1 that is on or after the date on which the restriction on the percentage of annual gross generation that may be supplied to the electric grid and the provisions in the permit required under section 1.2.2.1 of this regulation become final.

1.2.2.3 *Compliance.*

1.2.2.3.1 A unit exempt under section 1.2.2.1 of this regulation shall comply with the restriction on percentage of annual gross generation that may be supplied to the electric grid described in 1.2.2.1 of this regulation.

1.2.2.3.2 A unit exempt under section 1.2.2.1 of this regulation shall report to the Department the amount of annual gross generation and the amount of annual gross generation supplied to the electric grid during the year by the following February 1.

1.2.2.3.3 *Energy Efficiency Plan.* A unit exempt under section 1.2.2.1 of this regulation shall submit an energy efficiency plan, that addresses reduction of CO2 emissions through energy efficiency improvements at the exempt unit and other reasonably available reduction practices. The plan shall be submitted to the Department within 60 days of the unit's receipt of a final permit restricting the unit's annual output to the grid in accordance with section 1.2.2.1, or within 60 days of the promulgation date of this regulation, whichever is later. Annual updates to the energy efficiency plan shall be submitted by March 1 of each year that unit exemptions under section 1.2.2.1 are in effect.