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From: ADEQ Email List <emaillists@adeq.state.ar.us>
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Arkansas Clean Power Plan Workgroup Email List Subscribers,

Thank you for your continued participation in our call series to discuss EPA's proposed Clean Power Plan Federal Plan and Model Trading Rules (80 FR 64966). We had a total of 45 lines dial in to the call yesterday!

The next call will be held on **December 9 at 10 a.m.** Central to discuss the Mass-Based Implementation Approach. The intent of these calls is for you to have a chance to express your thoughts and opinions on the items for comment. Attached are the items for comment pertaining to the December 9th call. A schedule including the dates, times, and topics for the remaining two calls are below.

Call-in number: 1 (877) 411-9748

Access Code: 8652725

General Topic	Date and Time
Mass-Based Implementation Approach	Wednesday, 12/9/2015 10:00 – 12:00 p.m. CST
Rate-Based Implementation Approach	Wednesday, 12/16/2015 10:00 – 12:00 p.m. CST

We look forward to hearing your thoughts on the Mass-Based Implementation Approach items for comment on **Wednesday, December 9!**

Thanks,

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Arkansas Department of Environmental Quality Calls

EPA's Proposed Clean Power Plan Federal Plan and Model Rules

December 9, 2015, 10:00 a.m. – 12:00 p.m.

Topic: Mass-Based Implementation Approach

This call will be organized around the following subtopics:

- Compliance under a Mass-Based Approach
- Allowance Allocation Approaches
- Allowance Recordation
- Allocation Methods to Address Leakage
- Allocation Methods for Units that Change Status
- Set-Aside Allocation Methods
- Set-Aside Methods to Address Leakage
- Set-Asides for the Clean Energy Incentive Program
- State Allocation Distribution Approaches

Items for comment from EPA's proposal that pertain to these subtopics are listed in the table below. On this call, stakeholders will have the opportunity to discuss the items for comment and present information pertaining to these items for consideration.

Item for comment	Prepublication page	80 FR xxxxx	Session #	Subtopic
The EPA proposes to evaluate compliance after each multi-year compliance period and is not proposing to implement intervening compliance requirements such as those in the Regional Greenhouse Gas Initiative (RGGI) or California Air Resources Board (CARB) programs, however, the agency requests comment on the inclusion of such requirements.	240	65014	Mass-based Implementation Approach	Compliance –Timing
The EPA proposes that allowances may be banked for use in any future compliance period, with no restriction on the use of banked allowances, including from the Interim Period (2022 through 2029) into the Final Period (2030 and thereafter). The agency requests comment on the	241	65014	Mass-based Implementation Approach	Compliance – Banking

proposal to provide for unlimited allowance banking including the banking of Interim-Period allowances for use during the Final Period.				
The EPA is not proposing to allow allowance borrowing across compliance periods in the mass-based trading federal plans; however, the agency requests comment on the use of borrowing across compliance periods.	242	65014	Mass-based Implementation Approach	Compliance – Borrowing
The EPA proposes to evaluate compliance (i.e., allowance true-up) at the facility level, not at the individual affected-EGU level, in the mass-based trading program.	244	65014	Mass-based Implementation Approach	Compliance
The agency proposes to require sources to demonstrate compliance, i.e., allowance true-up, on May 1 of the year after the last year in the compliance period. For example, if the first compliance period comprises the three years 2022, 2023, and 2024, then the allowance transfer deadline for that first compliance period (after which point the EPA would evaluate compliance) would be on May 1, 2025. The agency also requests comment on an earlier or later allowance transfer deadline.	244	65014	Mass-based Implementation Approach	Compliance – Timing
Section IV.C.3 of this preamble discusses an approach on which the EPA requests comment on the inclusion of biomass as an eligible measure and on a proposed option where the agency would identify qualified biomass feedstocks (i.e., biomass feedstocks that are demonstrated to be a method to control increases of CO ₂ levels in the atmosphere) and potential methods for demonstrating compliance, and thus reduce the mass emissions attributed to a biomass co-fired affected EGU. If the EPA took such an approach, then for purposes of compliance with the proposed mass-	235-236	65012	Mass-based Implementation Approach	Compliance – Treatment of Biomass

<p>based federal plan trading program, the affected EGU would need to hold allowances equal to its emissions less the emissions attributed to the co-fired qualified biomass; such an approach would reduce the number of allowances the affected EGU would need to hold to demonstrate compliance. The EPA requests comment on this approach.</p>				
<p>Although not proposing to provide for allowance borrowing across compliance periods, the agency requests comment on the potential inclusion of allowance borrowing in the proposed mass-based trading federal plans, including from how far into the future to allow allowances to be borrowed, how inclusion of borrowing would affect opportunities for states to take over implementation of the emission guidelines (or implementation of the allowance distribution provisions in the mass-based trading federal plan), how to address removing the extra allowances from circulation that would result if borrowed allowances originate in a state that subsequently withdraws from the mass-based trading program, and on other complexities that borrowing across compliance periods would introduce.</p>	243-244	65014	Mass-based Implementation Approach	Compliance – Borrowing
<p>The EPA also requests comment on requiring monitoring and reporting of CO₂ mass and net generation for the year before the initial compliance period begins, i.e., to commence January 1, 2021. Only the monitoring and reporting would be required in 2021 – compliance with the requirement to hold allowances would commence on the compliance period schedule that is detailed in section V.C of this preamble.</p>	332	65032	Mass-based Implementation Approach	Compliance

<p>The EPA believes that states should have the opportunity to make decisions about allowance distribution and that they may have additional flexibility on approaches, including allowance auctions. The EPA is also proposing an allocation approach that we intend to use in the event we implement the federal plan in a state that does not choose to determine its own allowance-distribution approach. The EPA is requesting comment on all of these, and any other, approaches to distribute allowances.</p>	245-246	65015	Mass-based Implementation Approach	Allowance Allocation Approaches
<p>Thus the agency recognizes that its choice of allocation methodology is important from the perspective of distributional effects, and the importance of selecting an approach that is fair and reasonable in light of this consideration and the overall purpose of CAA section 111 informs the agency's thinking in this proposal. EPA also invites comment on these considerations, and on any other factors or considerations which commenters believe should inform the allocation method.</p>	246-247	65015	Mass-based Implementation Approach	Allowance Allocation Approaches
<p>EPA requests comments on its proposed approach to allocate CO₂ allowances to affected EGUs based on shares of historic generation, the proposed timing of allowance recordation, three proposed allowance set-asides, allocations to units that change status, and the proposed approach for states to replace federal-plan allocation provisions with their own allowance-distribution approaches. In addition, EPA requests comment on alternative allowance distribution approaches—such as auctioning or allocations to load-serving entities—that the EPA or states might adopt. The EPA requests comment on all of these aspects of allowance distribution.</p>	250	65015	Mass-based Implementation Approach	Allowance Allocation Approaches

<p>One alternative approach on which the agency requests comment is similar to the proposed approach in that it allocates allowances based on historic generation. However, this alternative approach would divide the total number of allowances from a state's mass goal (minus the set-asides) into affected EGU source categories—based on analysis done in developing the source category-specific CO₂ emissions performance rates promulgated in the Clean Power Plan EGs—before determining unit-level allocations. The EPA requests comment on this alternative approach because dividing the allowances in a state by source category in this manner may result in an initial distribution of allowances that would be closer at the source category level to the future category-level pattern of emissions, and thus to allowances ultimately used, than the proposed approach.</p>	257	65017	Mass-based Implementation Approach	Allowance Allocation Approaches
<p>The proposed and alternative allocation approaches would determine most of the allocations before the start of the program. Other potential allocation approaches would change allocations for future compliance periods based on future activity—referred to as “updating” allocations. This proposed rule includes an updating allocation component, as we are proposing to set aside a portion of the allowances in each state for distribution using an updating output-based approach as detailed in section V.D.3 of this preamble. The EPA requests comment on the use of other updating allocation approaches.</p>	260	65018	Mass-based Implementation Approach	Allowance Allocation Approaches

<p>The agency requests comment on the idea of auctioning all, or a portion of, each state's allowances in the proposed federal plan, on how much of each state's allowances to auction if not the entire amount, on the frequency (e.g., yearly or every few years), design of auctions (e.g., spot or advance; first, second-price or other) and who may participate in the auction.</p>	261	65018	Mass-based Implementation Approach	Allowance Allocation Approaches
<p>The EPA requests comment on an alternative approach, which is allocating a portion of the allowances to load-serving entities (LSEs) rather than to affected EGUs. LSEs are the entities responsible for delivering power to retail consumers.</p>	261	65018	Mass-based Implementation Approach	Allowance Allocation Approaches
<p>The EPA requests comment on the design and utility of allocating allowances to load-serving entities to help mitigate electricity price impacts. In particular, the EPA requests comment on options to establish conditions requiring pass through of allowance value and verification of such pass-through, whether it would be appropriate to identify any conditions related to equitable distribution of allowance value among ratepayer categories, as well as the EPA's legal authority to apply any such conditions.</p>	262	65018	Mass-based Implementation Approach	Allowance Allocation Approaches
<p>The EPA requests comment on the additional design aspects of any potential allocation to LSEs, including but not limited to the following questions: In particular, what metric should provide the basis for LSE allocation, e.g., electricity demand served by the LSE, population served by the LSE, emissions associated with generation serving the LSE, or some other metric. If emissions are used as the basis for such allocation, what approach should be taken: on a historic basis or a continually updated basis, on the basis of estimated</p>	262-263	65018	Mass-based Implementation Approach	Allowance Allocation Approaches

emissions for the relevant region or some other basis, and using what data to calculate such emissions.				
Also, the EPA requests comment on the form by which LSEs may distribute the allowance value to rate-payers, e.g. as a fixed amount, through reduced rates, etc. Finally, the EPA requests comment on what share of the total number of allowances should be distributed to LSEs and what monitoring and reporting requirements may be necessary to support an effective program.	263	65018	Mass-based Implementation Approach	Allowance Allocation Approaches
The EPA requests comment on the proposed historic generation based allocation approach, the alternative approach that divides total allowances from a mass goal into source subcategories before allocating to individual affected EGUs within each source category based on historic generation, and on the other alternative approaches described in this section of the Proposed Rule.	263	65018	Mass-based Implementation Approach	Allowance Allocation Approaches
The EPA also requests comment on allocating allowances to all generation in a state (including non-emitting generation) using a historic-generation based approach.	263	65018	Mass-based Implementation Approach	Allowance Allocation Approaches
The agency requests comment on allocation approaches that may minimize the impact of this proposed rule on small entities.	263	65018	Mass-based Implementation Approach	Allowance Allocation Approaches
The EPA also requests comment on any other approaches to distribute allowances. The agency notes that we propose to provide that any state may choose to replace the federal-plan allocation provisions with an allocation approach of its choosing. Finally, with	263-264	65018	Mass-based Implementation Approach	Allowance Allocation Approaches

<p>regard to alternative allocation methodologies (either those specifically mentioned in this proposal or other allocation methodologies), the EPA requests comment on how those alternatives would satisfy the requirement that in a mass-based program where new sources are not included as part of the program, the allocation methodology must address leakage to new fossil fuel-fired sources.</p>				
<p>The EPA requests comment on the proposed approach of recording allowances 7 months prior to the start of each compliance period, and on an alternative of recording allowances 13 months prior to the start of each compliance period.</p>	265	65019	Mass-based Implementation Approach	Allowance Recordation
<p>The EPA requests comment on this proposed approach for addressing leakage in a state allowance-distribution methodology and on any other approaches for doing so.</p>	310-311	65027	Mass-based Implementation Approach	Allocation Approaches to Address Leakage
<p>In this federal plan proposal, the EPA requests comment on an alternative option where a state that chooses to submit a state allowance-distribution methodology could provide a demonstration that leakage will not occur (without implementing the allocation strategies specified here) due to specific characteristics of the state; the EPA proposes that such demonstration must meet the requirements in the final emission guidelines (EGs), including support by credible analysis, for such a demonstration (see final EGs section VII.D).</p>	311	65028	Mass-based Implementation Approach	Allocation Approaches to Address Leakage
<p>The agency requests comment on the approach for treatment of allocations to affected EGUs that retire, including on the number of years of non-operation for which a unit would continue to receive allocations. The EPA also requests comment on an alternative of distributing such</p>	306-307	65027	Mass-based Implementation Approach	Allocations for Units That Change Status

allowances to the set-aside for output-based allocations, or to the remaining affected EGUs in the state in a pro-rata fashion (on the same distribution basis as the initial allocations were made), instead of allocating such allowances to the state's RE set-aside. The agency requests comment on a further alternative approach, which would be to continue allocations to the retired units. The EPA also requests comment on treatment of allocations to units that are in long-term cold storage.				
The EPA requests comment on this proposed approach, including on the number of years for which a unit would continue to receive allocations. The agency also requests comment on an alternative of distributing such allowances to the set-aside for output-based allocations, or to the remaining affected EGUs in the state in a pro-rata fashion (on the same distribution basis as the initial allocations were made), instead of allocating such allowances to the state's RE set-aside.	307	65027	Mass-based Implementation Approach	Allocations for Units That Change Status
The agency requests comment on a further alternative approach, which would be to continue allocations to the modified or reconstructed units.	307	65027	Mass-based Implementation Approach	Allocations for Units That Change Status
The EPA invites comment on these proposed requirements for projections. EPA also takes comment on whether set-asides should be distributed proportional to actual MWh provided by the installation in a prior year or compliance period, or another form of historical generation data.	292	65024	Mass-based Implementation Approach	Set-aside Allocation Methods
EPA would also like to take comment on whether to restrict projects to a maximum number of allowances they can receive per MWh of generation, such as 1 allowance per MWh.	293	65024	Mass-based Implementation Approach	Set-aside Allocation Methods

<p>EPA also takes comment on whether a provider with continuing deficits should also be disqualified from receiving ERCs for some or all of the remaining performance periods. The agency requests comment on all of the specified aspects of this distribution process.</p>	<p>294</p>	<p>65024</p>	<p>Mass-based Implementation Approach</p>	<p>Set-aside Allocation Methods</p>
<p>The EPA is proposing that once allowances have been distributed to all approved providers, any remaining allowances in the set-aside, such as set-aside allowances designated for projects that no longer exist, will be redistributed to affected EGUs in the state in a pro rata fashion on the same distribution basis as their initial allocations were made. It is proposed that this will occur immediately after the distribution of set-aside allowances to eligible RE providers on December 1 of the year prior to the generation year in question. The EPA requests comment on this approach.</p>	<p>295</p>	<p>65024</p>	<p>Mass-based Implementation Approach</p>	<p>Set-aside Allocation Methods</p>
<p>The EPA is also seeking comment, in the context of the proposed rate-based federal plan and model rule, on whether a portion of this set-aside should be targeted to RE projects that benefit low-income communities.</p>	<p>295</p>	<p>65024</p>	<p>Mass-based Implementation Approach</p>	<p>Set-aside Allocation Methods</p>
<p>The EPA seeks comment on how a low-income community should be defined as eligible under this set-aside. The agency seeks comment on how much of the set-aside should be designated as targeted at low-income communities. EPA also requests comment on whether the methods of approval and distribution of allowances to projects that benefit low-income communities should differ from the methods that are proposed to apply to other RE projects.</p>	<p>295</p>	<p>65024</p>	<p>Mass-based Implementation Approach</p>	<p>Set-aside Allocation Methods</p>

<p>The EPA seeks comment, in the context of the proposed rate-based federal plan and model rule, on all aspects of this proposed RE allowance set-aside program, including whether it should be included as part of a mass-based federal plan, the structure of the set-aside reserve, eligibility requirements for receiving set-aside allowances, demonstration of eligibility, and the process for distribution of allowances.</p>	<p>296</p>	<p>65025-65026</p>	<p>Mass-based Implementation Approach</p>	<p>Set-aside Allocation Methods</p>
<p>The EPA also solicits comment on other set-aside options that could address leakage, including a set-aside that provides an incentive for demand-side EE. The EPA seeks comment on all aspects of the set-aside options specified in this section.</p>	<p>272</p>	<p>65020</p>	<p>Mass-based Implementation Approach</p>	<p>Set-aside Methods to Address Leakage</p>
<p>The EPA is inviting comment on key parameters for the appropriate design of the output-based allocation approach used for this proposed set-aside.</p>	<p>274</p>	<p>65020</p>	<p>Mass-based Implementation Approach</p>	<p>Set-aside Methods to Address Leakage</p>
<p>The EPA first solicits comment on which EGUs should be eligible to receive output-based allocation from the set-aside. The EPA proposes that only NGCC units subject to the final emission guidelines receive output-based allocation from the set-aside.</p>	<p>274</p>	<p>65020</p>	<p>Mass-based Implementation Approach</p>	<p>Set-aside Methods to Address Leakage</p>
<p>The EPA also requests comment on extending output-based allocation from this set-aside to affected steam generating units (SGUs). Output-based allocation for SGUs may increase generation subject to the mass limit, leading to reduced generation and emissions from new emitting sources. However, the EPA does not propose this approach because it is not as effective as output-based allocation to NGCC units.</p>	<p>275</p>	<p>65020</p>	<p>Mass-based Implementation Approach</p>	<p>Set-aside Methods to Address Leakage</p>

<p>The EPA also requests comment on extending output-based allocation (OBA) from this set-aside to zero-emitting generators (including both renewable and nuclear generation), and how the design of the OBA set-aside for such generators would differ relative to the NGCC approach (e.g., the amount of allowances earned per MWh, the capacity factor threshold, the size of the total set-aside).</p>	275-276	65021	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
<p>The EPA also solicits comment on the timing of the OBA set-aside's allocation procedure, which involves the relationship between the time at which eligible generation occurs and the vintage year(s) of the allowances allocated from this set-aside to recognize that generation.</p>	276	65021	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
<p>The EPA requests comment on options for the allocation rate under this approach. The allocation rate is the number of allowances, in an amount equal to a specific amount of emissions, that the affected EGU receives per one net MWh of generation eligible for the set-aside. The EPA proposes to set the allocation rate equal to the rate-based emission standard (on a net basis) for new NGCC units under 111(b), in order to align the generation incentives across EGUs eligible for the set-aside and the type of new emitting source that would generate more absent this set-aside. Specifically, an additional MWh of eligible generation would earn the affected EGU allowances equal to the level of emissions permitted per MWh of net generation under the 111(b) new source standard, which is 1,030 lbs/ MWh-net (Carbon Pollution Standards for new, modified, and reconstructed EGUs).</p>	277	65021	Mass-based Implementation Approach	Set-aside Methods to Address Leakage

The EPA requests comments on other values for the allocation rate. For example the allocation rate may be the expected net emissions rate of newly constructed NGCC units, the historical average emissions rate from NGCC units, or the NGCC or fossil steam source category-specific emissions performance rates promulgated in the Clean Power Plan EGs (see section VI of the final EGs).	278	65021	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
The EPA requests comment on a potential limit for the size of the set-aside in a compliance period based on a percentage of the state's total allowances for the compliance period.	281	65022	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
The EPA requests comment on all aspects of the proposed approach to calculate output-based set-aside allocations. Further details are in the Allowance Allocation Proposed Rule TSD in the docket.	283	65022	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
The agency is also taking comment on whether distribution should extend to demand-side energy efficiency (DSEE) and CHP projects. Under this program, the EPA would reserve a percentage of each state's allowances in a set-aside account for each state. Developers of RE projects could apply to receive set-aside allowances based on the projected generation from eligible RE capacity.	284	65022	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
EPA is also requesting comment on options for a percentage of allowances to be reserved ranging from 1 to 10 percent of total allowances in each state.	285	65022	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
The agency is requesting comment on an additional potential condition that would limit eligibility to project providers that are also the owners or operators of affected EGUs. This approach has precedent in the eligibility requirements for the Acid Rain Program set-aside, and would	286	65023	Mass-based Implementation Approach	Set-aside Methods to Address Leakage

limit the entities eligible to receive set-aside allowances to those that are subject to the federal plan.				
The EPA is proposing that eligible RE capacity must meet the following conditions regarding geographic eligibility for both the federal plan and model rule. Eligible RE projects must be located in the mass-based state for which the set-aside has been designated. The agency invites comment on whether capacity outside the state should be recognized, and how that could be implemented.	286	65023	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
For example, EPA is requesting comment on the inclusion of other RE measures, incremental nuclear, demand-side EE measures, CHP and any other emission reduction measures beyond those mentioned here, as long as they meet the eligibility requirements outlined in the final EGs for rate-based crediting, as eligible measures to receive set-aside allowances. EPA particularly requests comment on how a set-aside to provide an incentive from these particular measures will serve to address leakage to new sources.	287	65023	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
EPA also requests comment on the implications of the inclusion of such technologies for the streamlined implementation of projection-based EM&V requirements of the set-aside specified below in a federal plan context across the applicable jurisdictions, while still maintaining necessary rigor.	287-288	65023	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
EPA requests comment on the appropriateness of the biomass treatment requirements offered for comment in section IV.C.3 of this preamble in the context of a mass-based set-aside. EPA requests comment on requirements for the treatment of combined heat and power and waste heat power, in the	288	65023	Mass-based Implementation Approach	Set-aside Methods to Address Leakage

<p>context of the mass-based set-aside. EPA also requests comment on appropriate processes through which, after the federal plan is finalized, the EPA and/or stakeholders could make a demonstration of the appropriateness of new measure types and the EPA could evaluate and approve the demonstration so that a new measure type can be considered eligible for the set-aside.</p>				
<p>While the EPA is proposing to allow eligible resources to use a general account to receive any allowances allocated under this section, the EPA requests comment on extending the designated representative provisions in 40 CFR 62.16290 to eligible resources instead of the general account provisions.</p>	289	65023	Mass-based Implementation Approach	Set-aside Methods to Address Leakage
<p>The EPA proposes to distribute the 300 million early action set-aside allowances among the states based upon the amount of the reductions from 2012 levels each state must achieve relative to that of the other participating states. The EPA proposes to calculate these values as each state's proportional share of the total difference between the 2012 baseline and the 2030 mass goals.¹¹⁰ See Table 10 of this preamble for the proposed set-asides for each state under the mass-based federal plan. The agency proposes to set aside 100 million early action allowances from each of the years in the first compliance period (2022, 2023, and 2024) for a total of 300 million allowances to be set aside. While the table shows set-asides for every state, the EPA proposes to implement this set-aside, according to the amounts listed in Table 10, only for those states for whom the EPA is implementing the mass-based federal plan. The EPA also requests comment on other approaches for determining the</p>	298	65025	Mass-based Implementation Approach	Set-asides for CEIP

size of this set-aside in the mass-based federal plan.				
The EPA is requesting comment on the size of reserve of matching allowances for eligible low-income EE programs as well as for eligible wind and solar projects.	299	65025	Mass-based Implementation Approach	Set-asides for CEIP
EPA requests comment on these ideas as well as alternative proposals regarding the method for redistributing matching ERCs, as well as the appropriate timing for such a redistribution.	300	65025	Mass-based Implementation Approach	Set-asides for CEIP
The EPA seeks comment on whether the number of matching allowances available to a state under the mass-based federal plan should be limited to a number equal to the number of early action allowances included in each federal plan state's early action set-aside.	300	65025	Mass-based Implementation Approach	Set-asides for CEIP
The EPA requests comment on all aspects of implementing the CEIP under a mass-based federal plan approach, including (1) The size of the early action allowance set-aside; (2) the approach for distributing the early action allowance set-aside among states; (3) the timing of distribution of set-aside and matching allowances; (4) the amount of allowances awarded per eligible MWh generated or avoided; (5) the criteria for eligible projects, including criteria for awards to EE projects implemented in low-income communities; (6) the mechanism for reviewing project submittals and issuing early action allowances; (7) EM&V requirements for eligible projects; and, (8) the number of early action and matching allowances that should be awarded for each ton of emissions reduced from eligible generation or low-income efficiency projects to ensure a robust response to the program.	302-303	65026	Mass-based Implementation Approach	Set-asides for CEIP

The EPA also seeks comment on how states, tribes and territories for whom goals have not yet been established in the final EGs may be able to participate in the CEIP in the future.	303	65026	Mass-based Implementation Approach	Set-asides for CEIP
The EPA also requests comment on the proposed approach of requiring states to implement this program as a condition of a state choosing to determine its own allocation approach via a partial state plan or a delegation of the federal plan.	303	65026	Mass-based Implementation Approach	Set-asides for CEIP
The EPA is also requesting comment on any other appropriate constraints to impose on state allowance-distribution methodologies.	310	65027	Mass-based Implementation Approach	Set-asides for CEIP
The agency requests comment on the proposed approach to allow states to determine allocations via state allowance distribution methodologies and replace the federal-plan allowance-distribution provisions.	317	65029	Mass-based Implementation Approach	State Allocation Distribution Approaches
The EPA requests comment on the proposed schedule for submitting state allowance distribution methodologies to the agency, for submitting the resulting unit-level allowance tables to the agency, and for the agency to record allowances.	317	65029	Mass-based Implementation Approach	State Allocation Distribution Approaches
The EPA requests comment on its proposed approach of not replacing EPA-determined allocations for a compliance period for which allowances have already been recorded. The agency also requests comment on an alternative approach where a state could notify the EPA of its intent to submit a state allowance-distribution methodology in advance, in which case the agency would hold off on recording EPA-determined allocations to allow more time for state-determined allowances to be recorded, similar to the alternative timing approach discussed in section V.F of this preamble.	317	65029	Mass-based Implementation Approach	State Allocation Distribution Approaches

<p>The EPA is also requesting comment on an alternative approach to provide the opportunity for a state to determine its allowance-distribution provisions in the federal plan mass-based trading program.</p>	<p>317</p>	<p>65029</p>	<p>Mass-based Implementation Approach</p>	<p>State Allocation Distribution Approaches</p>
<p>The alternative approach on which the agency requests comment is to provide for a partial delegation of the federal plan – limited to the allowance-distribution provisions – to a state that wishes to determine its allowance-distribution provisions.</p>	<p>317-318</p>	<p>65029</p>	<p>Mass-based Implementation Approach</p>	<p>State Allocation Distribution Approaches</p>
<p>The EPA requests comment on the relative efficiency and ease of implementation of the two approaches (the state allowance-distribution methodology described above, or the partial delegation). The agency requests comment on whether the partial delegation approach would provide sufficient flexibility for a state to choose any method to distribute its allowances including approaches that the EPA is not proposing here. See further discussion of delegations in section VI of this preamble.</p>	<p>318</p>	<p>65029</p>	<p>Mass-based Implementation Approach</p>	<p>State Allocation Distribution Approaches</p>