**Section 205.710 Alternative Compliance Market Account (ACMA)**

a) The Agency or its designee shall operate the ACMA. The purpose of the ACMA is to serve as a secondary source of ATUs that may be purchased by participating sources and new participating sources, as specified in this Section.

b) The ATUs in the ACMA will have an indefinite life so long as they remain in the ACMA, but, once purchased, must be used either for the preceding or next seasonal allotment period. If these ATUs are not used for compliance in that seasonal allotment period, they will expire.

c) ATUs in an amount equal to one percent of each year's allotment shall be issued to the ACMA, beginning in 1999. In addition, ATUs shall be deposited into the ACMA due to source shutdowns, as specified in Sections 205.410(a) and 205.500(b) of this Part. ATUs for the ACMA may also be obtained by the Agency in the following ways:

1) The Agency or its designee is authorized to accept voluntary contributions of ATUs from participating sources or other persons for deposit into the ACMA.

2) The Agency is authorized to deposit ATUs from its purchase of ATUs or to deposit ATUs created from emissions reductions it generates beyond reductions otherwise required by statute or regulation for attainment of the NAAQS for ozone.

d) Regular Access to ACMA

1) Regular access to the ACMA shall be available when there is sufficient positive balance of ATUs to supply the requesting source. Any participating source or new participating source may apply to the Agency during the reconciliation period for regular access to the ACMA to purchase ATUs for the preceding seasonal allotment period.

2) Within 15 days after receipt of any request for regular access to the ACMA, the Agency shall notify the source if regular access to the ACMA is available or if there are insufficient ATUs in the ACMA for regular access. The Agency shall also advise any participating source that special access is available when regular access is unavailable.

3) After being granted regular access to the ACMA by the Agency, a participating source or new participating source may purchase ATUs from the ACMA at the rate of $1,000 per ATU or 1.5 times the average market price, as determined by the Agency, whichever is less. ATUs shall only be available at 1.5 times the market price if sufficient single season ATUs transfers have occurred with a purchase price that fully reflects the consideration involved in the transfer to establish an average market price. All payments for ATUs from the ACMA shall be made to the Agency or the Agency's designee for deposit into the Alternative Compliance Market Account Fund.

e) Special Access to ACMA

 Special access to the ACMA shall be available to participating sources, in accordance with this subsection, when the ACMA balance is not sufficient to meet the needs of requesting participating sources.

1) The Agency shall credit the ACMA with up to one percent of ATUs from the seasonal allotment for the next seasonal allotment period as an advance to provide assistance for special access to be granted, as provided in subsection (e)(2) of this Section. Special access to the ACMA shall only be allowed to the extent that such access does not exceed this one percent of the next seasonal allotment.

2) To the extent allowed pursuant to subsection (e)(1) of this Section, the Agency shall grant special access to the ACMA to any participating source if the source submits a written request demonstrating that the following exist:

A) During the reconciliation period the source has not been able to obtain regular access to the ACMA and has not been able to obtain ATUs in the market; and

B) Actual seasonal emissions have exceeded ATUs held by the source for the applicable seasonal allotment period.

3) After being granted special access to the ACMA, a participating source may purchase ATUs at the rate of $1100 per ATU or 2 times the average market price, as determined by the Agency, whichever is less. ATUs shall only be available at 2 times the market price if sufficient single season ATUs transfers have occurred with a purchase price that fully reflects the consideration involved in the transfer to establish an average market price. All payments for ATUs from the ACMA shall be made payable to the Agency or the Agency's designee for deposit into the Alternative Compliance Market Account Fund.

4) The Agency shall provide written notification, within 15 days after receipt of any request for special access to the ACMA, allowing or denying special access to the ACMA to any participating source requesting such access. If the Agency denies such access, this written notification shall include its reasons for denying access.

f) Special access to the ACMA will create a need to generate sufficient VOM emissions reductions during the subsequent calendar year to offset the ATUs distributed; in this instance, the Agency shall:

1) Offset these ATUs by crediting any expired ATUs from the Transaction Accounts of all ERMS participants to the ACMA after the end of the reconciliation period;

2) Seek to achieve an equivalent amount of VOM emissions reductions by the end of the subsequent year to offset these ATUs; or

3) Credit the ACMA with the one percent of ATUs, as needed, from the next seasonal allotment, as provided in subsection (e)(1) of this Section.

g) The Agency is authorized to use moneys derived from the sale of ATUs from the ACMA to develop and implement additional VOM emissions reductions. If the ACMA is operating without a positive balance, the Agency shall endeavor to generate new emissions reductions whenever possible.

h) Limitations on Operation of ACMA

 The ability of new participating sources to obtain ATUs from the ACMA shall be limited through the seasonal allotment period of 2002, in the aggregate, to no more than 30 percent of the available ACMA balance at the start of each seasonal allotment period unless ATUs are available after access by all participating sources. In such case, new participating sources may obtain ATUs from the ACMA up to 50 percent of the available ACMA balance at the start of each seasonal allotment period.

i) If the Agency denies special access to the ACMA to any participating source, such source may petition the Board for review of the Agency's denial in accordance with the procedures specified at 35 Ill. Adm. Code 105.102.