



Frank O'Bannon
Governor

Lori F. Kaplan
Commissioner

100 North Senate Avenue
P. O. Box 6015
Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
www.state.in.us/idem

Phase II Acid Rain Permit

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Office of Air Quality

Source Name: Noblesville Generating Station
Source Location: 21225 Riverwood Avenue, Noblesville, IN 46060
Owned By: PSI Energy, Inc.
Operated by: PSI Energy, Inc.
ORIS Code: 1007
Effective: January 1, 2000 through December 31, 2004

This permit is issued to the above operator under the provisions of 326 Indiana Administrative Code (IAC) 21 with conditions contained on the attached pages.

Operation Permit No.: AR 057-5206-00004	
Issued by: Felicia R. Georgia, Assistant Commissioner Office of Air Management	Issuance Date: December 31, 1997 Expiration Date: December 31, 2004

Revised Operation Permit No.: AAR 057-10319-00004 Pages Affected: All	
Issued by: Original signed by Paul Dubenetzky Paul Dubenetzky, Chief, Permits Branch Office of Air Quality	Issuance Date: February 13, 2003 Expiration Date: December 31, 2004

Title IV Operating Conditions

Title IV Source:

Three (3) dry bottom wall-fired boilers identified as unit 1, unit 2 and unit 3; and,
Three (3) natural gas fired combined cycle systems [each includes a stationary combustion turbine and a Heat Recovery Steam Generator], identified as CT-3, CT-4, and CT-5.

1. Statutory and Regulatory Authority

In accordance with IC 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2 as well as Title IV - Acid Deposition Control - Section 400 of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) issues this permit pursuant to 326 IAC 2 and 326 IAC 21.

2. Standard Permit Requirements [326 IAC 21]

- (a) The designated representative has submitted a complete acid rain permit application in accordance with the deadlines in 40 CFR 72.30.
- (b) The owners and operators of each affected source and each affected unit shall operate the unit in compliance with this permit.

3. Monitoring Requirements [326 IAC 21]

- (a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR 75 and 76.
- (b) The emissions measurements shall be recorded and reported in accordance with 40 CFR 75 and 76 to determine compliance by the unit with the acid rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (c) The requirements of 40 CFR 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or emissions characteristics at the unit required by the Clean Air Act and any provisions of the operating permit for the source.

4. Sulfur Dioxide Requirements [326 IAC 21]

- (a) The owners and operators of each source and each affected unit at the source shall:
 - (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and,
 - (2) Comply with the applicable acid rain emissions limitations for sulfur dioxide.
- (b) Each ton of sulfur dioxide emitted in excess of the acid rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.
- (c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirements as follows:
 - (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
 - (2) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).

- (d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (e) An allowance shall not be deducted in order to comply with the requirements under paragraph (a)(1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the acid rain permit application, the acid rain permit, the acid rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (g) An allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.
- (h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement. [326 IAC 2-7-5(4)(A)]
- (i) No limit shall be placed on the number of allowances held by an affected source. An affected source may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. {326 IAC 2-7-5(4)(B)}
- (j) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

SO ₂ Allowance Allocations for Unit 1					
year	2000	2001	2002	2003	2004
tons	66*	66*	66*	66*	66*
SO ₂ Allowance Allocations for Unit 2					
year	2000	2001	2002	2003	2004
tons	54*	54*	54*	54*	54*
SO ₂ Allowance Allocations for Unit 3					
year	2000	2001	2002	2003	2004
tons	40*	40*	40*	40*	40*
SO ₂ Allowance Allocations for CT-3					
year	2000	2001	2002	2003	2004
tons	0	0	0	0	0
SO ₂ Allowance Allocations for CT-4					
year	2000	2001	2002	2003	2004
tons	0	0	0	0	0
SO ₂ Allowance Allocations for CT-5					
year	2000	2001	2002	2003	2004
tons	0	0	0	0	0

*The number of allowances allocated to Phase II affected units by U.S. EPA may change in a revision to 40 CFR 73 Tables 2, 3 and 4 and 326 IAC 21. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO₂ allowance allocations identified in this permit (See 40 CFR 72.84).

5. Nitrogen Oxides Requirements [326 IAC 21]

- (a) The owners and operators of the source and each affected unit at the source shall comply with the applicable acid rain emissions limitation for nitrogen oxides (NO_x).
- (b) NO_x Emission Averaging Plans for unit 1:
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves two NO_x emissions averaging plans for this unit. Under the first plan, effective for calendar year 2000, unit 1 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.88 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 1,330,000 MMBtu. Under the second plan, effective from calendar years 2001 through 2004, unit 1 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 1.17 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 1,666,667 MMBtu.
 - (2) Under each plan, the actual Btu-weighted annual average NO_x emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.
 - (3) In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.
 - (4) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plans shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved the averaging plans.
- (c) NO_x Emission Averaging Plans for unit 2
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves two NO_x emissions averaging plans for this unit. Under the first plan, effective for calendar year 2000, unit 2 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.93 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 1,330,000 MMBtu. Under the second plan, effective from calendar years 2001 through 2004, unit 2 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 1.16 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 1,666,667 MMBtu.
 - (2) Under each plan, the actual Btu-weighted annual average NO_x emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR

76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.

- (3) In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.
 - (4) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plans shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved the averaging plans.
- (d) NO_x Emission Averaging Plans for unit 3:
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves two NO_x emissions averaging plans for this unit. Under the first plan, effective for calendar year 2000, unit 3 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.94 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 1,330,000 MMBtu. Under the second plan, effective from calendar years 2001 through 2004, unit 3 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.94 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 1,666,667 MMBtu.
 - (2) Under each plan, the actual Btu-weighted annual average NO_x emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.
 - (3) In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.
 - (4) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plans shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved the averaging plans.
- (e) Pursuant to 40 Code of Federal Regulations (CFR) 76, Acid Rain Nitrogen Oxides Emission Reduction Program, the natural gas fired combined cycle systems CT-3, CT-4, and CT-5 are not subject to the nitrogen oxide limitations set out in 40 CFR 76.

6. Excess Emissions Requirements [326 IAC 21]

- (a) The designated representative of an affected unit that has excess emissions of sulfur dioxide in any calendar year shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.

- (b) The designated representative shall submit such required information to:

Indiana Department of Environmental Management
Air Compliance Section I, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Ms. Cecilia Mijares
Air and Radiation Division
U.S. Environmental Protection Agency, Region V
77 West Jackson Boulevard
Chicago, IL 60604-3590

and

U.S. Environmental Protection Agency
Clean Air Markets Division
1200 Pennsylvania Avenue, NW
Mail Code (6204N)
Washington, DC 20460

- (c) The owners and operators of an affected unit that has excess emissions, as defined in 40 CFR 72.2, in any calendar year shall:
- (1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and,
 - (2) Comply with the terms of an approved sulfur dioxide offset plan, as required by 40 CFR 77 and 326 IAC 21.

7. Record Keeping and Reporting Requirements [326 IAC 21]

- (a) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years, as required by 40 CFR 72.9(f), from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OAQ:
- (1) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5 year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
 - (2) All emissions monitoring information collected in accordance with 40 CFR 75 shall be retained on site for 3 years;
 - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
 - (4) Copies of all documents used to complete an acid rain permit application and any other submission under the Acid Rain Program or to demonstrate

compliance with the requirements of the Acid Rain Program.

- (b) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90 subpart I, 40 CFR 75, and 326 IAC 21. Submit required information to the appropriate authority(ies) as specified in 40 CFR 72.90 subpart I and 40 CFR 75.

8. Submissions [326 IAC 21]

- (a) The designated representative shall submit a certificate of representation and any superseding certificate of representation to U.S. EPA and IDEM, OAQ in accordance with 40 CFR 72 and 326 IAC 21.

- (b) The designated representative shall submit such required information to:

Indiana Department of Environmental Management
Permit Administration Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

U.S. Environmental Protection Agency
Clean Air Markets Division
1200 Pennsylvania Avenue, NW
Mail Code (6204N)
Washington, DC 20460

- (c) Each such submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.
- (d) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature, the following statements, which shall be included verbatim in the submission:
 - (1) "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made."; and,
 - (2) "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."
- (e) The designated representative of a source shall notify each owner and operator of the source and of an affected unit at the source:
 - (1) By the date of submission, of any Acid Rain Program submissions by the designated representative;
 - (2) Within 10 business days of receipt of any written determination by U.S. EPA or

IDEM, OAQ; and,

- (3) Provided that the submission or determination covers the source or the unit.
- (f) The designated representative of a source shall provide each owner and operator of an affected unit at the source a copy of any submission or determination under condition (e) of this section, unless the owner or operator expressly waives the right to receive a copy.

9. Severability [326 IAC 21]

Invalidation of the acid rain portion of an operating permit does not affect the continuing validity of the rest of the operating permit, nor shall invalidation of any other portion of the operating permit affect the continuing validity of the acid rain portion of the permit [40 CFR 72.72(b), 326 IAC 21, and 326 IAC 2-7-5(5)].

10. Liability [326 IAC 21]

- (a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.
- (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Clean Air Act, 18 U.S.C. 1001, and IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.
- (c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.
- (f) Any provision of the Acid Rain Program that applies to an affected unit, including a provision applicable to the designated representative of an affected unit, shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
- (g) Each violation of a provision of 40 CFR Parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

11. Effect on Other Authorities [326 IAC 21]

No provision of the Acid Rain Program, an acid rain permit application, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
- (b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;
- (c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;
- (d) Modifying the Federal Power Act (16 USC 791(a) et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.

Indiana Department of Environmental Management Office of Air Management

Addendum to the Technical Support Document for Revision to Phase II Permit

Source Name: Noblesville Generating Station
Source Location: 21225 Riverwood Avenue, Noblesville, IN 46060
Owned By: PSI Energy, Inc.
Operated By: PSI Energy, Inc.
ORIS Code: 1007
Phase II Permit No.: AAR 057-10319-00004
Permit Reviewer: Doug Wagner

On November 1, 2002, the Office of Air Quality (OAQ) published a notice in the Noblesville Ledger newspaper in Noblesville, Indiana, stating that PSI Energy, Inc. had applied to modify the Phase II permit for the Noblesville Generating Station. The modification was to add provisions for a Nitrogen Oxides Averaging Plan and to add three natural gas fired combined cycle systems to the Phase II permit. The notice informed interested parties the copies of the applications and permit documents could be viewed at the Noblesville Southeastern Public Library, One Library Plaza, Noblesville, IN. The notice informed interested parties that there was a period of thirty (30) days to provide comments on whether the modification should be issued as proposed. No comments were received.

Revisions to the Draft Version of the Phase II Permit

In order to correct the heat input limits for calendar year 2000 for units 1, 2 and 3 and to incorporate the terms of the revised Nitrogen Oxides Averaging Plan filed on January 25, 2001 for calendar years 2001, 2002, 2003 and 2004, OAQ has made changes to condition 5 on pages 4 and 5 of the permit. The changes are set out below with deleted words indicated by ~~this font~~ and words that have been added Indicated by **this font**:

5. Nitrogen Oxides Requirements [326 IAC 21]
-
- (a) The owners and operators of the source and each affected unit at the source shall comply with the applicable acid rain emissions limitation for nitrogen oxides (NO_x).
- (b) NO_x Emission Averaging Plans for unit 1:
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves ~~a~~ **two** NO_x emissions averaging plans for this unit, ~~effective from calendar years 2000 through 2004~~. Under the **first plan, effective for calendar year 2000**, unit 1 NO_x emissions shall not

exceed the annual average alternative contemporaneous emission limitation of 0.88 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than ~~868,000~~ 1,330,000 MMBtu. Under the second plan, effective from calendar years 2001 through 2004, unit 1 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 1.17 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 1,666,667 MMBtu.

- (2) Under the each plan, the actual Btu-weighted annual average NO_x emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.
 - (3) In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.
 - (4) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plans shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved this the averaging plans.
- (c) NO_x Emission Averaging Plans for unit 2
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a two NO_x emissions averaging plans for this unit, ~~effective from calendar years 2000 through 2004~~. Under the first plan, effective for calendar year 2000, unit 2 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.93 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than ~~878,000~~ 1,330,000 MMBtu. Under the second plan, effective from calendar years 2001 through 2004, unit 2 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 1.16 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 1,666,667 MMBtu.
 - (2) Under the each plan, the actual Btu-weighted annual average NO_x emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.
 - (3) In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.

- (4) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plans shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved ~~this~~ **the** averaging plans.
- (d) NO_x Emission Averaging Plans for unit 3:
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves ~~a two~~ **two** NO_x emissions averaging plans for this unit, ~~effective from calendar years 2000 through 2004~~. Under the **first** plan, **effective for calendar year 2000**, unit 3 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.94 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than ~~875,000~~ **1,330,000** MMBtu. **Under the second plan, effective from calendar years 2001 through 2004, unit 3 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.94 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 1,666,667 MMBtu.**
- (2) Under ~~the~~ **each** plan, the actual Btu-weighted annual average NO_x emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.
- (3) In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.
- (4) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plans shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved ~~this~~ **the** averaging plans.
- (e) Pursuant to 40 Code of Federal Regulations (CFR) 76, Acid Rain Nitrogen Oxides Emission Reduction Program, the natural gas fired combined cycle systems CT-3, CT-4, and CT-5 are not subject to the nitrogen oxide limitations set out in 40 CFR 76.

Additional Information

Questions regarding the Phase II permit can be directed to Doug Wagner at the Indiana Department Environmental Management (IDEM), Office of Air Quality (OAQ), 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015 or by telephone at (317) 232-0286 or toll free at 1-800-451-6027 extension 2-0286.

Indiana Department of Environmental Management Office of Air Management

Technical Support Document for Revision to Phase II Permit

Source Name: Noblesville Generating Station
Source Location: 21225 Riverwood Avenue, Noblesville, IN 46060
Owned By: PSI Energy, Inc.
Operated By: PSI Energy, Inc.
ORIS Code: 1007
Phase II Permit No.: AAR 057-10319-00004
Permit Reviewer: Doug Wagner

The original Phase II permit for the Noblesville Generating Station was issued on December 31, 1997, under permit number AR 057-5206-00004. On December 23, 1998, the Office of Air Quality (OAQ) published a notice in the Daily Ledger newspaper in Fishers, Indiana, stating that PSI Energy, Inc. had applied to modify the Phase II permit for the Noblesville Generating Station. The modification was to add provisions for a Nitrogen Oxides Averaging Plan. The notice informed interested parties that there was a period of thirty (30) days to provide comments on whether the modification should be issued as proposed. No comments were received.

After the public notice period OAQ received two additional applications from PSI Energy, Inc. seeking other changes to its Phase II permit for the Noblesville Generating Station. Application number 11587, revising the Nitrogen Oxides Averaging Plan, was received on November 23, 1999. Application number 14288, adding three natural gas fired combined cycle systems to the Phase II permit, was received on April 17, 2001. These two applications have been combined with the modification that was public noticed in 1998. All three of the applications are now being public noticed as one revision under permit number AAR 057-10319-00004.

Revisions to the Phase II Permit

The terms "Office of Air Management" and "OAM" have been change to "Office of Air Quality" and "OAQ" where appropriate throughout the permit to reflect its changed name. Other changes in the permit are set out below with deleted words indicated by ~~this font~~ and words that have been added Indicated by **this font**.

In order to add additional information, IDEM, OAQ has made to following changes to page 1 (the cover page) of the permit:

Source Name: Noblesville Generating Station
Source Location: 21225 Riverwood Avenue, Noblesville, IN 46060
Owned By: PSI Energy, Inc.
Operated by: PSI Energy, Inc.
ORIS Code: 1007
Effective: January 1, 2000 though December 31, 2004

This permit is issued to the above operator under the provisions of 326 Indiana Administrative Code (IAC) 21 with conditions listed on the attached pages. The above corporation is hereby authorized to operate subject to the conditions contained herein, these facilities: Units 1, 2, and 3.

IDEM, OAQ previously approved the construction and operation of the three natural gas fired combined cycle systems in Source Modification Permit Number 057-14278-00004, which was issued on October 22, 2001. In order to clarify the description of the emissions units and show the added units identified as CT-3, CT-4, and CT-5, IDEM, OAQ has added the following description of the Title IV source on page 2 of the permit:

Title IV Source:

Three (3) dry bottom wall-fired boilers identified as unit 1, unit 2 and unit 3; and,

Three (3) natural gas fired combined cycle systems [each includes a stationary combustion turbine and a Heat Recovery Steam Generator], identified as CT-3, CT-4, and CT-5.

In order to clarify condition 2 on page 2 of the permit, the following changes were made:

2. ~~Standard Permit Requirements [326 IAC 21]~~

~~(a) The designated representative of each affect source and each affected unit at the source shall:~~

~~(1) Submit a complete Acid Rain permit application, by submitting a sulfur dioxide application and compliance plan in accordance with the deadlines in 40 CFR 72.30; and~~

~~(2) Submit in a timely manner any supplemental information that IDEM, OAM determines is necessary in order to review an Acid Rain permit application or an Acid Rain portion of an operation permit application and issue or deny an Acid Rain permit;~~

~~Information required by (1) and (2) above shall be submitted to:~~

~~Indiana Department of Environmental Management
Permits Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015~~

(a) The designated representative has submitted a complete acid rain permit application in accordance with the deadlines in 40 CFR 72.30.

(b) The owners and operators of each affected source and each affected unit shall operate the unit in compliance with this permit a complete acid rain permit application or a superseding acid rain permit issued by the IDEM, OAM.

In order to correct condition 3 on page 2 of the permit, to show that the monitoring requirements of 40 CFR 74 do not apply to this source, the following changes were made:

3. Monitoring Requirements [326 IAC 21]

- (a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR ~~74~~, 75, and 76.
- (b) The emissions measurements shall be recorded and reported in accordance with 40 CFR 75 and 76 to determine compliance by the unit with the acid rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (c) The requirements of 40 CFR ~~74~~ and 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or emissions characteristics at the unit required by the Clean Air Act and any provisions of the operating permit for the source.

In order to correct condition 4(a)(1) on page 2 of the permit, the following change were made:

4. Sulfur Dioxide Requirements [326 IAC 21]

- (a) The owners and operators of each source and each affected unit at the source shall:
 - (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR ~~72.273-35~~), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and,

The three natural gas fired combined cycle systems have no annual allocated sulfur dioxide emission allowances. The operator will be required to obtain sulfur dioxide emission allowances from other units in order to account for the sulfur dioxide emissions from these units, as required by 40 CFR 72.9(c). Other units may have emission allocations to transfer due to the purchase of newer, less polluting, equipment. The U.S. EPA keeps track of the transfer of all sulfur dioxide emission allocations in an official accounting system. In order to show that the three natural gas fired combined cycle systems have no allocated allowances for sulfur dioxide, condition 4(f) on page 3 of the permit has the following changes:

- (f) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

SO ₂ Allowance Allocations for Unit 1					
year	2000	2001	2002	2003	2004
Tons	66*	66*	66*	66*	66*

SO ₂ Allowance Allocations for Unit 2					
year	2000	2001	2002	2003	2004
tons	54*	54*	54*	54*	54*

SO ₂ Allowance Allocations for Unit 3					
year	2000	2001	2002	2003	2004
Tons	40*	40*	40*	40*	40*

SO ₂ Allowance Allocations for CT-3					
year	2000	2001	2002	2003	2004
Tons	0	0	0	0	0

SO ₂ Allowance Allocations for CT-4					
year	2000	2001	2002	2003	2004
tons	0	0	0	0	0

SO ₂ Allowance Allocations for CT-5					
year	2000	2001	2002	2003	2004
Tons	0	0	0	0	0

*The number of allowances allocated to Phase II affected units by U.S. EPA may change in a revision to 40 CFR 73 Tables 2, 3 and 4 and 326 IAC 21. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO₂ allowance allocations identified in this permit (See 40 CFR 72.84).

In order to incorporate the terms of the revised Nitrogen Oxides Averaging Plan and to show that there are no acid rain nitrogen oxides emissions requirements that affect the three natural gas fired combined cycle systems, the following changes have been made to condition 5 on pages 4 and 5 of the permit:

5. Nitrogen Oxides Requirements [326 IAC 21]

- (a) The owners and operators of the source and each affected unit at the source shall comply with the applicable acid rain emissions limitation for nitrogen oxides (NO_x).
- ~~(b) The designated representative shall submit a timely and complete permit application and compliance plan for NO_x emissions for each Phase II affected unit at the source to IDEM, OAM, and U.S. EPA by January 1, 1998, in accordance with 40 CFR 76.9. The designated representative shall submit required information to:~~
 - ~~Indiana Department of Environmental Management~~
 - ~~Compliance Data Section, Office of Air Management~~
 - ~~100 North Senate Avenue, P.O. Box 6015~~
 - ~~Indianapolis, Indiana 46206-6015~~
 - ~~and~~
 - ~~U.S. Environmental Protection Agency~~
 - ~~Acid Rain Program (6204J)~~
 - ~~Attn.: Phase II NO_x~~
 - ~~401 M Street, SW~~
 - ~~Washington, D.C. 20460~~
- ~~(c) After receipt of the required information, IDEM, OAM will reopen and revise the Acid Rain portion of the source's operating permit to add Acid Rain Program NO_x requirements, in accordance with 40 CFR 76.~~
- ~~(d) The reopening in (c) shall not affect the term of the acid rain portion of the source's operating permit. [40 CFR 72.85(d)]~~
- ~~(e) Upon application by a source and approval by the Commissioner, an Alternative Emissions Limit (AELs) may be granted to a unit in accordance with 40 CFR 76.10.~~

(b) NO_x Emission Averaging Plan for unit 1:

- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x emissions averaging plan for this unit, effective from calendar years 2000 through 2004. Under the plan, unit 1 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.88 lb/MMBtu. In addition, this unit

shall not have an annual heat input greater than 868,000 MMBtu.

- (2) Under the plan, the actual Btu-weighted annual average NO_x emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.
 - (3) In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.
 - (4) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plan shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved this averaging plan.
- (c) NO_x Emission Averaging Plan for unit 2
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x emissions averaging plan for this unit, effective from calendar years 2000 through 2004. Under the plan, unit 2 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.93 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 878,000 MMBtu.
 - (2) Under the plan, the actual Btu-weighted annual average NO_x emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.
 - (3) In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.
 - (4) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plan shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved this averaging plan.
- (d) NO_x Emission Averaging Plan for unit 3:
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental

Management, Office of Air Quality approves a NO_x emissions averaging plan for this unit, effective from calendar years 2000 through 2004. Under the plan, unit 3 NO_x emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.94 lb/MMBtu. In addition, this unit shall not have an annual heat input greater than 875,000 MMBtu.

- (2) Under the plan, the actual Btu-weighted annual average NO_x emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.
 - (3) In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.
 - (4) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plan shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved this averaging plan.
- (e) Pursuant to 40 Code of Federal Regulations (CFR) 76, Acid Rain Nitrogen Oxides Emission Reduction Program, the natural gas fired combined cycle systems CT-3, CT-4, and CT-5 are not subject to the nitrogen oxide limitations set out in 40 CFR 76.

In order to clarify and correct the provisions of condition 6 on page 6 of the permit, the following changes have been made:

6. Excess Emissions Requirements [326 IAC 21]

- (a) The designated representative of an affected unit that has excess emissions of sulfur dioxide in any calendar year shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.
- (b) The designated representative shall submit such required information to:

Indiana Department of Environmental Management
~~Air Compliance Section I Compliance Data Section~~, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Ms. Cecilia Mijares
Air and Radiation Division
U.S. Environmental Protection Agency, Region V
77 West Jackson Boulevard
Chicago, IL 60604-3590

and

U.S. Environmental Protection Agency
Clean Air Markets Division Acid Rain Program (6204J)
1200 Pennsylvania Avenue, NW Attn.: Annual Reconciliation
Mail Code (6204N) 401 M Street, SW
Washington, DC 20460

- (c) The owners and operators of an affected unit that has excess emissions, as defined in 40 CFR 72.2, in any calendar year shall:
 - (a) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and,
 - (b) Comply with the terms of an approved sulfur dioxide offset plan, as required by 40 CFR 77 and 326 IAC 21.

In order to clarify condition 7 on page 6 of the permit, the following changes have been made to condition 7(a)(2):

7. Record Keeping and Reporting Requirements [326 IAC 21]

- (a) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years, as required by 40 CFR 72.9(f), from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OAQ:
 - (1) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5 year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
 - (2) All emissions monitoring information collected in accordance with 40 CFR 75 shall be retained on site for 3 years in accordance with 40 CFR 75.54;

In order to correct the requirements of condition 8 on pages 6 and 7 of the permit, the following changes have been made:

8. Submissions [326 IAC 21]

- (a) The designated representative shall submit a certificate of representation and any superseding certificate of representation to U.S. EPA and IDEM, OAQ in accordance with 40 CFR 72 and 326 IAC 21.
- (b) The designated representative shall submit such required information to:

Indiana Department of Environmental Management
Permit Administration Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

U.S. Environmental Protection Agency
Clean Air Markets Division Acid Rain Program (6204J)
1200 Pennsylvania Avenue, NW Attn: Designated Representative
Mail Code (6204N) ~~401 M Street, SW~~
Washington, DC 20460

Additional Information

Questions regarding the proposed Phase II permit can be directed to Doug Wagner at the Indiana Department Environmental Management (IDEM), Office of Air Quality (OAQ), 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015 or by telephone at (317) 232-0286 or toll free at 1-800-451-6027 extension 2-0286.

The source will be inspected by IDEM's compliance inspection staff. Persons seeking to obtain information regarding the source's compliance status or to report any potential violation of any permit condition should contact Wanda Stanfield at the Office of Air Quality (OAQ) address or by telephone at (317) 233-6864 or toll free at 1-800-451-6027 extension 3-6864.

Copies of the Code of Federal Regulations (CFR) referenced in the permit may be obtained from:

Indiana Department of Environmental Management
Office of Air Quality
100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015

or

The Government Printing Office
Washington, D.C. 20402

or

on the Government Printing Office website at
<http://www.access.gpo.gov/nara/cfr/index.html>