

Phase II Acid Rain Permit

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
Office of Air Quality**

Source Name: Henry County Generating Station
Source Location: 6045 West State Road 38
New Castle, Indiana 47632
Operated by: CinCap MVC OpCo, LLC
Owned by: CinCap VII, LLC
ORIS Code: 7763

The above operator is hereby issued a Phase II Acid Rain Permit subject to the conditions contained herein.

Operation Permit No.: AR No. 065-10505-00032	
Issued by Original signed by Janet G. McCabe Janet G. McCabe, Assistant Commissioner Office of Air Quality	Issuance Date: June 1, 2001 Expiration Date: June 1, 2006

Section E

Title IV Acid Rain

Facilities Description: Three (3) simple cycle combustion turbines, utilizing natural gas or No. 2 fuel oil, designated as units 1, 2, and 3, with an anticipated maximum heat input capacity of 407.8 mmBtu/hr per turbine unit with water-injection for NO_x emissions control and exhausting to three (3) stacks designated as 1, 2, and 3.

E.1.1 Statement of Basis

Statutory and Regulatory Authorities: In accordance with Indiana Code (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 and Title V – Permits - Section 500 of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) issues this permit pursuant to 326 Indiana Administrative Code (IAC) 2 and 326 IAC 21 (incorporates by reference 40 Code of Federal Regulations (CFR) 72 through 78).

E.1.2 Standard Permit Requirements [326 IAC 21]

- (a) The designated representative has submitted a complete Acid Rain Permit application, by submitting an acid rain permit application and compliance plan in accordance with the deadlines in 40 Code of Federal Regulations (CFR) 72.30.
- (b) The owners and operators shall operate the unit in compliance with this Acid Rain Permit.

E.1.3 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 Code of Federal Regulations (CFR) 75, and 76.
- (b) The emissions measurements shall be recorded and reported in accordance with 40 CFR 75 to determine compliance by each 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.

E.1.4 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 Code of Federal Regulations (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: starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2) or starting on the latter 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 transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (e) These units were not allocated allowances by U.S. EPA under 40 CFR part 73. However, these units must still comply with the requirement to hold allowances to account for sulfur dioxide emissions under E.1.4(a) and 326 IAC 21.
- (f) An allowance allocated by the U.S. Environmental Protection Agency (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. Pursuant to 40 CFR 72.9(c)(7), allowances allocated by U.S. EPA do not constitute a property right.
- (g) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

Allowance Allocations for Unit 1					
year	2000	2001	2002	2003	2004
Tons	NAA*	NAA*	NAA*	NAA*	NAA*

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

Allowance Allocations for Unit 3					
year	2000	2001	2002	2003	2004
Tons	NAA*	NAA*	NAA*	NAA*	NAA*

* No Allowance Allocation (NAA), these units have no present sulfur dioxide allowances allocations from U.S. EPA. The allowances shall be obtained from other units to account for the sulfur dioxide emissions from these units as required by 40 CFR 72.9(c).

E.1.5 Excess Nitrogen Oxides Emissions Requirements [40 CFR 76] [326 IAC 21]

Pursuant to 40 Code of Federal Regulations (CFR) 76, Acid Rain Nitrogen Oxides Emission Reduction Program, the units are not subject to the nitrogen oxide limitations set out in 40 CFR 76. The Acid Rain Nitrogen Oxides Emission Reduction Program only applies to units that burn coal or are "coal-fired", as that term is defined in 40 CFR 72.2.

E.1.6 Excess Emissions Requirements [40 CFR 77] [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 Code of Federal Regulations (CFR) 77 and 326 Indiana Administrative Code (IAC) 21.

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

Indiana Department of Environmental Management
Compliance Section 1, 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
Acid Rain Program (6204J)
Attn.: Annual Reconciliation
401 M Street, SW
Washington, DC 20460

(c) The owners and operators of an affected unit that has excess emissions 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.

E.1.7 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 from the date the document is created:

- (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 Code of Federal Regulations (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 required by 40 CFR 75.54 shall be collected and shall be retained on site for at least 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.
 - (5) This period may be extended for cause, at any time prior to the end of 5 years, in writing by U.S. EPA or IDEM, OAQ
- (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 Indiana Administrative Code (IAC) 21. Submit required information to the appropriate authority(ies) as specified in 40 CFR 72.90 subpart I and 40 CFR 75.

E.1.8 Submissions [326 IAC 21]

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

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

and

U.S. Environmental Protection Agency
Acid Rain Program (6204J)
Attn.: Designated Representative
401 M Street, SW
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:
- (1) The following statement, which shall be included verbatim in the submission: "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) The following statement which shall be included verbatim in the submission: "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 (d) of this section, unless the owner or operator expressly waives the right to receive a copy.

E.1.9 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 Code of Federal Regulations (CFR) 72.72(b), 326 Indiana Administrative Code (IAC) 21, and 326 IAC 2-7-5(5)].

E.1.10 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 Code of Federal Regulations (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 IDEM pursuant to 326 Indiana Administrative Code (IAC) 21 and Indiana Code (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 and 18 United States Code (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 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.

E.1.11 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 Code of Federal Regulations (CFR) 72.7 or 72.8 shall be construed as:

- (a) Except as expressly provided in Title IV of the Clean Air Act [42 United States Code (U.S.C.) 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 U.S.C. 791a 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.

United States
Environmental Protection Agency
Acid Rain Program

OMB No. 2060-0258



Phase II Permit Application

Page 1

For more information, see instructions and refer to 40 CFR 72.30 and 72.31

This submission is: New Revised

STEP 1
Identify the source by plant name, State, and ORIS code from NADB

Henry County Generating Station	IN	7763
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STEP 2
Enter the boiler ID# from NADB for each affected unit, and indicate whether a repowering plan is being submitted for the unit by entering "yes" or "no" at column c. For new units, enter the requested information in columns d and e

a Boiler ID#	Compliance Plan		d New Units Commence Operation Date	e New Units Monitor Certification Deadline
	b Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	c Repowering Plan		
1	Yes	No	6/1/99	8/30/99
2	Yes	No	6/1/99	8/30/99
3	Yes	No	6/1/99	8/30/99
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			

STEP 3
Check the box if the response in column c of Step 2 is "Yes" for any unit

For each unit that will be repowered, the Repowering Extension Plan form is included and the Repowering Technology Petition form has been submitted or will be submitted by June 1, 1997.

Henry County Generating Station
Plant Name (from Step 1)

STEP 4
Read the standard requirements and certification, enter the name of the designated representative, and sign and date

Standard Requirements

Permit Requirements.

- (1) The designated representative of each affected source and each affected unit at the source shall:
 - (i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
 - (ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
- (2) The owners and operators of each affected source and each affected unit at the source shall:
 - (i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
 - (ii) Have an Acid Rain Permit.

Monitoring Requirements.

- (1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR parts 74, 75, and 76.
- (2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used 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.
- (3) The requirements of 40 CFR parts 74 and 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements.

- (1) The owners and operators of each source and each affected unit at the source shall:
 - (i) Hold allowances, as of the allowance transfer deadline, 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
 - (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
- (2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
- (3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
 - (i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
 - (ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
- (4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1)(i) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (6) An allowance allocated by the Administrator 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, or the written exemption under 40 CFR 72.7 and 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

Nitrogen Oxides Requirements. 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.

Excess Emissions Requirements.

- (1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
- (2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
 - (i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
 - (ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements.

- (1) 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 from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:
 - (i) 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;
 - (ii) All emissions monitoring information, in accordance with 40 CFR part 75;
 - (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and
 - (iv) 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.
- (2) 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 part 72 subpart I and 40 CFR part 75.

Henry County Generating Station
Plant Name (from Step 1)

Phase II Permit - Page 3

Liability.

- (1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain 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 pursuant to section 113(c) of the Act.
- (2) 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 Act and 18 U.S.C. 1001.
- (3) 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.
- (4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
- (5) 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.
- (6) 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 part 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.
- (7) 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 Act.

Effect on Other Authorities. No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

- (1) Except as expressly provided in title IV of the Act, 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 Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
- (2) 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 Act;
- (3) 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;
- (4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

Certification

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. 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.

Name	Paul E. King	
Signature	<i>Paul E. King</i>	Date 2/8/00

STEP 5 (optional)
Enter the source AIRS
and FINDS identification
numbers, if known

AIRS
FINDS



Certificate of Representation

For more information, see instructions and refer to 40 CFR 72.24

This submission is: New Revised (revised submissions must be completed in full; see instructions)

This submission includes combustion or process sources under 40 CFR part 74

STEP 1
Identify the source by plant name, State, and ORIS code.

Plant Name	Henry County Generating Station	State	IN	ORIS Code	7763
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STEP 2
Enter requested information for the designated representative.

Name	Barry E. Pulskamp				
Address	Cinergy Corp. 139 E. Fourth Street, EF404 Cincinnati, OH 45202				
Phone Number	(859) 372-6834	Fax Number	(859) 372-5880		
E-mail address (if available)	bpulskamp@cinergy.com				

STEP 3
Enter requested information for the alternate designated representative, if applicable.

Name	John J. Roebel				
Phone Number	(513) 287-3640	Fax Number	(513) 287-2823		
E-mail address (if available)	jroebel@cinergy.com				

STEP 4
Complete Step 5, read the certifications, and sign and date. For a designated representative of a combustion or process source under 40 CFR part 74, the references in the certifications to "affected unit" or "affected units" also apply to the combustion process source under 40 CFR part 74 and the references to "affected source" also apply to the combustion or process source is located.

I certify that I was selected as the designated representative or alternate designated representative, as applicable, by an agreement binding on the owners and operators of the affected source and each affected unit at the source.

I certify that I have given notice of the agreement, selecting me as the 'designated representative' for the affected source and each affected unit at the source identified in this certificate of representation, in a newspaper of general circulation in the area where the source is located or in a State publication designed to give general public notice.

I certify that I have all necessary authority to carry out my duties and responsibilities under the Acid Rain Program on behalf of the owners and operators of the affected source and of each affected unit at the source and that each such owner and operator shall be fully bound by my actions, inactions, or submissions.

I certify that I shall abide by any fiduciary responsibilities imposed by the agreement by which I was selected as designated representative or alternate designated representative, as applicable.

I certify that the owners and operators of the affected source and of each affected unit at the source shall be bound by any order issued to me by the Administrator, the permitting authority, or a court regarding the source or unit.

Where there are multiple holders of a legal or equitable title to, or a leasehold interest in, an affected unit, or where a utility or industrial customer purchases power from an affected unit under life-of-the-unit, firm power contractual arrangements, I certify that:

I have given a written notice of my selection as the designated representative or alternate designated representative, as applicable, and of the agreement by which I was selected to each owner and operator of the affected source and of each affected unit at the source; and

Allowances and the proceeds of transactions involving allowances will be deemed to be held or distributed in proportion to each holder's legal, equitable, leasehold, or contractual reservation or entitlement or, if such multiple holders have expressly provided for a different distribution of allowances by contract, that allowances and the proceeds of transactions involving allowances will be deemed to be held or distributed in accordance with the contract.

The agreement by which I was selected as the alternate designated representative, if applicable, includes a procedure for the owners and operators of the source and affected units at the source to authorize the alternate designated representative to act in lieu of the designated representative.

Plant Name (from Step 1) Henry County Generating Station

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. 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.

Signature (designated representative) <i>[Signature]</i>	Date 3/28/01
Signature (alternate designated representative) <i>[Signature]</i>	Date 3/27/01

STEP 5
Provide the name of every owner and operator of the source and identify each affected unit (or combustion or process source) they own and/or operate.

Name CinCap VII, LLC					<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Operator
Unit 1	Unit 2	Unit 3				
ID#	ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#	ID#

Name CinCap MVC OpCo, LLC					<input type="checkbox"/> Owner	<input checked="" type="checkbox"/> Operator
Unit 1	Unit 2	Unit 3				
ID#	ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#	ID#

Name					<input type="checkbox"/> Owner	<input type="checkbox"/> Operator
ID#	ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#	ID#

Name					<input type="checkbox"/> Owner	<input type="checkbox"/> Operator
ID#	ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#	ID#

30 001111001/007-10000-0002+11204071001 2-7 Doug W.

Handwritten: HYOAG
33419
BOB

Cinergy Services
139 East Fourth Street, EF404
P.O. Box 960
Cincinnati, OH 45201-0960

May 1, 2001

BARRY E. PULSKAMP
Vice President
Generation
Dept. of Environmental Management
Commissioner's Office

Ms. Cecilia Mijares
Acid Rain Contact
USEPA Region V
Air and Radiation Division
77 West Jackson Blvd.
Chicago, Illinois 60604-3590

MAY 24 2001

Handwritten: DOUG

CINERGY.

**Subject: Henry County Generating Station
ORIS Code 7763
Notification of Planned Date of Acid Rain Program Commercial Operation**

Dear Ms. Mijares:

CinCap MVC OpCo, LLC is providing this notification of the planned date of commercial operation (initial sale of test power) for purposes of compliance with the Acid Rain Program in accordance with 40 CFR 75.61(2)(i) for the Henry County Generating Station (ORIS 7763), Units 1, 2, and 3. This notification is required no later than 45 days prior to such date. Initial startup and generation of test power for sale from the three (3) units at Henry County Generating Station is currently planned to begin between the dates of June 15 and June 30, 2001. Written notice of the actual dates of initial sale of test power for each unit will be provided to your office within 7 days of such sale.

Please contact me at (606) 372-6834 or Mr. Thomas Carlyle at (317) 838-1576 if you have any questions.

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. 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.

Very truly yours,

Handwritten signature: Barry E. Pulskamp

Barry Pulskamp,
Designated Representative

Handwritten: cci LFK
Tim method

cc: Brian McLean, USEPA
Lori Kaplan, IDEM

RECEIVED

MAY 25 2001

State of Indiana
Department of Environmental Management
Office of Air Quality

**Indiana Department of Environmental Management
Office of Air Quality**

Addendum to the Statements of Basis

Source Name: Henry County Generating Station
Source Location: 6045 West State Road 38, New Castle, Indiana
County: Henry
ORIS Code: 7763
Permit Number: AR-065-10505-00032
Permit Reviewer: Robert Ondrusek

On February 10, 2000, the Indiana Department of Environmental Management (IDEM), through IDEM's Office of Air Management, published a notice in the Courier Times newspaper, a newspaper of general circulation in Henry County, Indiana, stating that CinCap VII, LLC had applied to IDEM for a Phase II Acid Rain Permit. The notice stated that IDEM had released a draft permit in response to the application and provided information on how the public could review the draft permit and other documentation at the Henry County Public Library. The notice stated that during a period of thirty (30) days, any person could provide comments and/or questions to IDEM regarding the application and whether or not a Phase II Acid Rain Permit should be issued to CinCap VII, LLC. The notice also stated that a public hearing would be held regarding the application. IDEM later decided to continue the public hearing from the originally scheduled date.

On April 7, 2000, IDEM published a notice in the Courier Times that a public hearing regarding the Phase II Acid Rain Permit application and draft permit would be held on Wednesday, May 10, 2000, at 7:00 p.m., at the W.G. Smith Building, 2221 North Memorial Drive, New Castle, Indiana. IDEM also sent a copy of the notice to citizens that had expressed interest regarding the application. IDEM conducted the public hearing on May 10, 2000, from 7:00 p.m. until the public hearing concluded at 12:15 a.m. on Thursday, May 11, 2000. A court reporter recorded the public hearing and prepared a transcript of the questions and comments. IDEM used the transcript and other written comments that IDEM received during the comment period to prepare this addendum. The comments and questions are paraphrased and summarized below. Similar comments have been grouped together.

On March 28, 2001, a revised Certificate of Representation was filed by Cinergy Corp. showing the owner of the units as CinCap VII, LLC and the operator as CinCap MVC OpCo, LLC.

Comment 1

The original permit application was filed on December 15, 1998 on OMB form 2060-0258.

On February 9, 1999, the applicant filed a revised application on a revised form. The top of the original application form says "Expires 1-31-96." The revised application doesn't list that expiration date, but it does say, "previous versions are obsolete." Both application forms state that the plant will commence operation

June 1, 1999, and the monitor certification date is August 30, 1999. Both the commence operation date and the monitor certification date have expired. Is this possibly an invalid permit?

Response

The United States Environmental Protection Agency(U.S. EPA), Clean Air Marketing Programs, placed an expiration date on the application as a notification to trigger internal review of the form. When the form was updated, the only change to the form was to remove the expiration date. Removal of the expiration date had no effect on the validity of the application.

Comment 2

This whole plan was developed in deceit with greed as its goal using legalized lying lunacy to control commissioners and the community for a permit to poison and plunder the people. Maybe this permit, by IDEM's laws, if you have any, is a whole fluke. What incentives is CinCap VII paying to get this through?

Response

The applicant has paid not incentives to IDEM in order to obtain a Phase II Acid Rain Permit. If any permit applicant can comply with the legal requirements in the operation of its source, file a complete permit application, and pay its filing and permit fees, IDEM will process its permit application. IDEM has virtually no discretion to exercise in denying a permit. IDEM's job is to evaluate the application and make sure it complies with the law.

Comment 3

The U.S. EPA webpage says there's a two-year requirement on the Acid Rain Permit prior to the plant commencing operation. If the second revision of that permit application was filed in February of 2000, is that the one that applies? If so, then this would have to not go into effect until the year 2002.

Response

The original Phase II Acid Rain Permit application was submitted in December of 1998. The rules require that the source file its Phase II Acid Rain Permit application 24 months before commencing operation. To meet this requirement, this source would have to commence operation no sooner than December of 2000. CinCap VII will not begin operating any earlier than the Spring of 2001.

At the public hearing there was discussion on why this requirement will not be strictly enforced by IDEM or the U.S. EPA, for this type of plant. On June 30, 1999, IDEM published a nonrule policy document, IDEM Nonrule Policy Document Identification Number AIR-023-NPD, clarifying the requirements for combustion turbine and combined cycle units. In the case of this application, IDEM's nonrule policy document states that if CinCap VII, LLC can obtain both its operating permit and its Phase II Acid Rain Permit, it may begin operation when those permits are in effect, even if the 24 month application period has not fully elapsed. IDEM Nonrule Policy Document, identification number AIR-023-NPD, is as follows:

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

NONRULE POLICY DOCUMENT

Title: Phase II Acid Rain Permit 24 Month Application Requirement (326 IAC 21-1-1)

Identification Number: AIR-023-NPD

Date Originally Adopted: June 30, 1999

Dates Revised: None

Other Policies Repealed or Amended: None

Brief Description of Subject Matter: Phase II Acid Rain Permit applications for certain units do not have to be filed at least 24 months prior to operation.

Citations Affected: 326 IAC 21-1-1.

This nonrule policy document is intended solely as guidance and does not have the effect of law or represent formal Indiana Department of Environmental Management (IDEM) decisions or final actions. This nonrule policy document shall be used in conjunction with applicable laws. It does not replace applicable laws, and if it conflicts with these laws, the laws shall control. A revision to this nonrule policy document may be put into effect by IDEM once the revised nonrule policy document is made available for public inspection and copying and meets all other legal requirements. IDEM will submit revisions to the Indiana Register for publication and meet all other legal requirements.

Background

326 IAC 21-1-1 incorporates by reference the Acid Rain Program provisions located in 40 CFR 72 and 75 through 78, as well as 58 Federal Register 3590. A provision of the incorporated rules, 40 CFR 72.30 (b)(2)(ii), states that for any source with a new unit under section 72.6(a)(3)(i), the designated representative shall submit a complete Phase II Acid Rain Permit application governing such unit to the permitting authority at least twenty-four months before the date on which the unit commences operation. This rule appears to be derived from §408(e) of the Clean Air Act Amendments of 1990. That statute requires that the owner or operator of each source that includes a new “electric utility steam generating” unit submit an Acid Rain Permit application to the permitting authority not later than twenty-four months before the date on which the unit commences operation. Unlike a utility steam generator, which burns fuel to produce steam which, in turn, powers a turbine/generator, combustion turbines and combined cycle units burn a highly compressed fuel, normally natural gas or fuel oil, to produce an exhaust which powers a turbine/generator. The actual facility is very

compact and easily constructed compared to a coal-fired generating plant. Combustion turbines and combined cycle units are generally not designed for “base load” purposes, but for “peak” period generation, when demand is high and the cost to purchase power is highest. Combustion turbine and combined cycle units could receive all necessary permit approvals, including a Phase II Acid Rain Permit approval, and be ready to operate in far less than 24 months. Sources have requested that IDEM provide guidance concerning this Phase II Acid Rain Permit requirement as it affects new combustion turbine units and combined cycle units.

POLICY

This policy applies only to new combustion turbine units and combined cycle units. It does not affect the Phase II Acid Rain Permit requirements for any other types of new units. IDEM will not require new units composed of combustion turbines and/or combined cycle units that have received all necessary permit approvals to wait until 24 months have elapsed from the date of filing of the unit’s Phase II Acid Rain Permit application before commencing operations. A source should file its Phase II Acid Rain Permit application at the same time as the source files its application to construct the new combustion turbine unit(s) and/or the new combined cycle unit(s). The source may begin operating any new combustion turbine unit(s) and/or combined cycle units once all the required permit approvals are effective, including the Phase II Acid Rain approval. This policy will not shorten or eliminate any opportunities for public comment, but will eliminate an unnecessary waiting period. This policy is consistent with the federal statute in that the statute refers only to steam generating units. U.S. EPA does not disagree with this policy. Any questions about this policy should be directed to the chief of the Policy & Guidance Section, Permits Branch, Office of Air Management, IDEM at 317/232-0286.

Comment 4

If the U.S. EPA waives the 24 month period, how would we have enough time to file an appeal if the U.S. EPA waves its hand and says, "You don't have to wait until December of 2000?"

Response

If a Title IV affected facility operated prior to either having an application in for two years or prior to having an acid rain permit and citizens felt that either the U.S. EPA or the State was not acting properly, there is an opportunity to sue either the State or the U.S. EPA for not enforcing the Clean Air Act. There would not be a violation for operating without an acid rain permit until operation began or the facility operated illegally under the program. There would be recourse in the Clean Air Act if citizens do not believe that either the U.S. EPA or the State was enforcing the Act, to go to court to force either agency to enforce the Clean Air Act.

Comment 5

IDEM has wrongly evaluated this plant. Instead of using the emission limit of 250 tons per year, 100 tons per year should have been used, based on 42 U.S.C. 7412(a)(8), for an electric utility steam generating unit. The term "electric utility steam generating unit" means any fossil-fuel-fired combustion unit of more than 25 megawatts that serves as a generator that produces electricity for sale or a unit that could generate steam and electricity and supplies more than one third of its potential electrical output capacity and more than 25 megawatts of electrical output to any power distribution system for sale shall be considered an electric utility steam. This is a steam producing facility because fifty percent (50%) of this steam is used for firing, just like the natural gas or fuel oil. It should be subject to a hundred tons per year. Because if you heat water up to a thousand degrees, it will expand at approximately the same rate as the fuel is expanding. It is producing steam.. That expanding steam will turn the turbine. Therefore, this permit should've been delegated to being a major source limited by a hundred tons.

In addition, a fossil-fuel-fired steam electric plant that delivers more than 250 million Btu's per hour is subject to a hundred tons per year emission of any pollutant versus the 250 that this plant was allowed. This is a major flaw. This acid rain permit should not be happening.

Response

This comment does not involve the terms or conditions of the Phase II Acid Rain Permit application or the draft permit. This comment relates to the terms and conditions of the construction permit for source, which was issued on July 19, 1999. IDEM will briefly reply to the comment, solely for information purposes.

The proposed source is not an electric utility steam generating unit. The pertinent rule provisions are as follows:

- (1) 40 CFR Part 72, Subpart A, Acid Rain Program General Provisions, 72.2 Definitions, states, "*Simple combustion turbine* means a unit that is a rotary engine driven by gas under pressure that is created by the combustion of any fuel. The term includes combined cycle units without auxiliary firing. The term excludes combined cycle units with auxiliary firing, unless the unit did not use the auxiliary firing from 1985 through 1987 and does not use auxiliary firing at any time after November 15, 1990.
- (2) 40 CFR Part 72, Subpart A, Acid Rain Program General Provisions, 72.2 Definitions, states, "*Cogeneration unit* means a unit that has equipment used to produce electric energy and forms of useful thermal energy (such as heat or steam) for industrial, commercial, heating, or cooling purposes, through the sequential use of energy.
- (3) 40 CFR Part 60, Subpart Db, Standards of Performances for Industrial-Commercial-Institutional Steam Generating Units, 60.41b Definitions, states, "*Steam generating unit* means a devise that combusts any fuel or byproduct/waste to produce steam or to heat water or any other heat transfer medium. This term includes any municipal-type solid waste incinerator with a heat recovery steam generating unit or any steam generating unit that

combusts fuel and is part of a cogeneration system or combined cycle system.

The turbines are not steam generating units because the water is part of the water injection for nitrogen oxide emissions control and does not produce steam or heat water as a transfer medium or produce steam for purposes described in the definition of cogeneration unit.

Comment 6

How can IDEM not follow the law and not enforce the law? The citizens in Wells County were not notified of the facility to be constructed in their county until 135 days after it was supposed to be put on display in the Wells County library, long after the decision. It was a done deal with the county officials. The citizens in that county were blind sided. Why do you invoke the law to benefit government officials and/or power companies but not the citizens?

Response

This comment does not concern CinCap VII, LLC's application for a Phase II Acid Rain Permit. This comment relates to the terms and conditions of a permit for a source in another county.

Comment 7

This is a chance to invoke a law to support the citizens in Henry County, Indiana. The county has many different libraries and more than one newspaper. The public notice was issued, only, in the New Castle Courier-Times and only in the New Castle Library. Is there a law that says it can only be in one place in the county? The library in Middletown has a greater circulation than New Castle.

Response

The law requires that IDEM provide notice of the draft Phase II Acid Rain Permit in a paper of general circulation in the county. IDEM generally uses the paper with the greatest circulation based on information about the county. IDEM may publish notices in several newspapers based on citizen feedback to ensure that people who are interested get the notice.

The law requires that IDEM place a copy of the draft permit in the library that's closest to the people residing around the proposed plant site.

Comment 8

Because we've pointed out the Vermillion County plant which is four times larger than this one is allowed to only emit 116 tons per year of SO₂ (sulfur dioxide) for Acid Rain when, CinCap VII out here is smaller and allowed to emit up to 155 tons? Is that part of the incentive to get the permit that they bring anything in here they want? Are their turbines used or new? Where did these turbines come from? These turbines, I understand, are about 33-percent efficient. Will you comment on No. 1 and No. 2 diesel?

Response

This comment does not concern CinCap VII, LLC's application for a Phase II Acid Rain Permit. The Phase II Acid Rain Permit Program has no provision for limiting the emission of sulfur dioxide. The Phase

II Acid Rain Permit Program has no provision for requiring a certain level of turbine efficiency. The Vermillion plant's limit on the sulfur content in fuel oil was established because the total emission of sulfur dioxide exceeded Prevention of Significant Deterioration (PSD) limits. The PSD program required a best available control technology (BACT) to be utilized. These requirements were made in the construction permit for that facility. The construction permit for the CinCapVII, LLC plant was issued in July of 1999. The Phase II Acid Rain Permit Program has no provision for limiting or requiring the use of a certain type of fuel oil.

Comment 9

There are no sulfur dioxide allowance credits established in the Acid Rain Permit or the construction permit to ensure that sulfur dioxide emissions allowances are available to cover the emissions that are being produced by the turbine. Why aren't the credits listed in the permit? If they need a permit, wouldn't it be relevant to know where they get the credits from to come to this state? Shouldn't the credits have to come from the State of Indiana so that we clean up and lower the sulfur dioxide levels in Indiana and not buy more sulfur dioxide for the citizens of Indiana? Will they purchase the required allocation from within the state or somewhere else? The purchase of sulfur dioxide allotments really doesn't help us. What if the credits are not available on the open market for the yearly emissions? A source can emit as many emissions as you want to as long as you can buy the allowances; is that correct?

Response

The Phase II Acid Rain Permit Program has been developed to accomplish a nationwide reduction of sulfur dioxide emissions. The trading program is centralized and run by the federal government, through the U.S. EPA. The specific Clean Air Act program is formally titled Acid Deposition Control, but is informally known as the acid rain program. Congress addressed the problem of acid deposition by requiring a large reduction in the annual emissions of sulfur dioxide and nitrogen oxides across a large region to reduce the effects of acid rain in local communities. The program has dramatically reduced the amount of acid deposition in the Eastern United States. The U.S. EPA has set a limit on the amount of sulfur dioxide emissions and the emission rate of nitrogen oxides for all regulated power plants, for each year from 2000 through 2004. The total sulfur dioxide emissions for all affected power plants in the nation has been limited to 9.4 million tons every year. That amount is 10 million tons less than the total emissions of sulfur dioxide in 1980. In 1993, U.S. EPA allocated a certain amount of sulfur dioxide emissions to each power plant regulated by Phase II of the Acid Rain Program. Emissions of nitrogen oxides are being reduced by at least 2 million tons per year, by setting limits on the emission rate of nitrogen oxides from coal fired power plant boilers. A new source has no sulfur dioxide emission allowances and therefore must purchase them on the open market. The transfer of the allowances from one emissions unit's account to another is controlled by the U.S. EPA, Clean Air Marketing Division. The operator may also transfer sulfur dioxide allowances from one of its emissions unit to another emissions unit. The program insures that the sulfur dioxide emissions from all affected power plants will be less than half of such sulfur dioxide emissions that those sources emitted in 1985.

Comment 10

Our area is equivalent to pollution that's created in Evansville even though Evansville and Sullivan are

coal-burning areas. Is it prevailing winds because that's a southwest direction from us?

Response

The Phase II Acid Rain Permit Program has no provision for changing the requirements of a Phase II Acid Rain Permit due to the concentration of pollutants already present. This concern was addressed when IDEM issued the construction permit for this facility in July of 1999. The air pollution modeling that IDEM has conducted does not predict any violation of the National Ambient Air Quality Standards for any criteria pollutant as a result of the operation of this proposed plant.

Comment 11

Cinergy had an extensive water report done. It just bristled with data. They mailed it to a number of people in the area. One page seems to be missing however. Everything else seems to be very complete and thorough, although incorrect. This data is mentioned in the text of the report, but the numbers are missing. And the numbers that are missing are the chemical analysis of the water. Now, that's very odd. They will inject millions of gallons of water into their stacks. Whatever's in the water will be part of their air pollution. The way I understand it, their permit application makes no allowance for this pollution. Why is the water analysis not a part of the permit?

Response

The Phase II Acid Rain Permit Program has no provision for limiting the operation of a proposed power plant due to concerns over the use of groundwater or due to concerns of air emissions from pollutants already in the groundwater. If there are sulfur pollutants in the groundwater that result in a release of sulfur dioxide from the plant, CinCap VII, LLC will have to hold sufficient allowances to account for those emissions.

Comment 12

But it's our hope that you, as the responsible party for this permit, would know the tonnage of nitrogen oxides emissions by industry, the amount added by auto traffic, and the tonnage of sulfur dioxide emissions by industry. Do you know these things?

Response

The Phase II Acid Rain Permit Program has no provision for considering the ambient air level of pollutants or their respective sources in the granting or denial of an application for a Phase II Acid Rain Permit. IDEM does track the emissions of these pollutants and uses that information in determining whether to grant construction permits to new sources. IDEM issued a construction permit to CinCap VII, LLC in July of 1999. The latest information for the total air pollutants from all sources in Henry County is for 1996. It includes the emissions information for VOC (volatile organic compounds), NOx (nitrogen oxide) and CO (carbon monoxide) from reporting sources, called "point", from other sources, called "area", from plants and animals, called "biogenic", from traffic on roads, called "onroad", and from mobile sources that don't operate on roads, such as farm machinery, called "nonroad". It is in the form on three pie charts on one page and is attached to this addendum.

The latest emission information for large sources of air pollution in Henry County is for the year 1999. That information is contained in the chart below.

Reported Criteria Pollutant Emissions for 1999 (in tons per year)

Plant ID	Facility Name	Henry County				
		CO	NO2	PM10	SO2	VOC
065-00003	Avesta Sheffield Plate, Inc.	5	62	31	0	1
065-00007	Grede New Castle, Inc.	2	3	147	1	55
065-00014	Allegheny Ludlum Corp.	5	230	43	0	85
065-00019	Anr Pipeline Co., Sul. Spr. Sta.	50	39	4	0	34
065-00021	Irving Materials, Inc. Luray Sand & Grl			5		
065-00026	Emery Worldwide, Inc.			0		3
Grand Total		62	334	230	1	178

Key: CO is carbon monoxide, NO2 is nitrogen oxide, PM10 is particulate matter less than 10 microns in diameter, SO2 is sulfur dioxide, VOC is volatile organic compounds.

Comment 13

How much dry acid deposition, both as nitrogen oxide and sulfur dioxide, is deposited in Henry County and how much will this facility add to the problem?

Response

The measurement of acid rain deposition or dry acid deposition is not a component of the Phase II Acid Rain Permit Program. Information regarding wet and dry acid deposition, (such as modeling methods, air monitor locations, current and future data collection proposals) can be found at the website for the U.S. EPA, Clean Air Market Division, Acid Rain Program, located at <http://www.epa.gov/airmarkets/arp/index.html>. The Clean Air Market Division, Acid Rain Program’s mailing address is:

US EPA
 Clean Air Markets Division
 1200 Pennsylvania Avenue, NW
 Mail Code 6204N
 Washington, DC 20460

Comment 14

Research of the EPA Scorecard website, based on 1997 figures, ranked this county among the worst 20 percent of all counties in the U.S. in terms of surface water releases. They estimated that 27,340 people in Henry County faced a cancer risk more than 100 times the goal set by the Clean Air Act. If this peaking plant is allowed to be built, what is the additional impact and how many more people will be added to this statistic? Henry County is one of the highest, maybe the highest cancer county in the state; why?

Response

The website referred to, <http://scorecard.org>, is not a U.S. EPA website. The Phase II Acid Rain Permit

Program has no provision for considering the health effect of pollutants in the granting or denial of an application for a Phase II Acid Rain Permit. Acid rain is not a carcinogen. IDEM considered the impact that the plant's pollutants would have on the surrounding communities when it issued the construction permit in July of 1999.

Comment 15

Why doesn't the State of Indiana and IDEM regulate the nitrogen oxide? Am I to understand that the nitrous oxide is not a part of this Phase II Acid Rain Permit? In other words, it's not a part of the consideration of acid rain?

Response

The Phase II Acid Rain Permit Program does not establish nitrogen oxide limits for turbines. Therefore, the permit does not contain any nitrogen oxide emission limits. Limitations on the sources's emissions of nitrogen oxides are a part of the construction permit issued in 1999. On June 6, 2001, the Indiana Air Pollution Control Board is scheduled to adopt a new rule that will have the effect of reducing the amount of nitrogen oxides emitted by large Indiana sources, including CinCap VII, LLC. The rule will reduce annual emissions of nitrogen oxides from these sources by more than 100,000 tons per year. The June 6, 2001 Air Pollution Control Board Meeting materials are now online at: www.state.IN.us/idem/oam/airboard/. The June 6, 2001 Air Pollution Control Board Meeting materials can also be ordered from OAQ by calling (317) 233-0426 or toll free in Indiana at 1-800-451-6027 and asking for extension 3-0426.

Comment 16

How are these compatible? Can this permit be revised so that this can be fired year-round and not limited to the amount of days it's currently allowed to fire?

Response

The Phase II Acid Rain Permit Program does not limit the days a source may operate.

Comment 17

The EPA has mandated Indiana reduce nitrous oxide by 116,463 tons per year. This plant will be producing what is proposed at 250 tons.

Response

The Phase II Acid Rain Permit Program does not limit nitrogen oxide emissions from this type of power plant. The commentor seems to be referring to the U.S. EPA mandate called "Finding of Significant Contribution and Rulemaking for Certain States in the Ozone Transport Assessment Group Region for Purposes of Reducing Regional Transport of Ozone". On June 6, 2001, the Indiana Air Pollution Control Board is scheduled to adopt a new rule that will have the effect of reducing the amount of nitrogen oxides emitted by large Indiana sources, including CinCap VII, LLC. The complete June 6, 2001 Air Pollution Control Board Meeting materials are now available online at www.state.IN.us/idem/oam/airboard/. The materials can also be ordered from OAQ by calling (317) 233-0426 or toll free in Indiana at 1-800-451-6027 and asking for extension 3-0426.

Comment 18

States like Indiana allow the peaking power plants because of our lax standards on pollution.

Response

IDEM's Phase II Acid Rain Permit Program has the same standards that the U.S. EPA requires of all states. Similar numbers and types of power plants are being located in many other states in the Midwest and the Southeast.

Comment 19

What effect is this going to have on our agricultural industry in this county? This is their livelihood. It's hard enough for them to predict the weather and to keep their crops going all through the year and what is a significant amount of acid rain coming from these plants? Should I quit eating my garden produce once this gets started?

Response

The Phase II Acid Rain Permit Program's goal is the reduction of acid rain. Acid rain measurements in the State of Indiana do not indicate or predict any negative effect on agriculture. Information regarding wet and dry acid deposition, (such as modeling methods, air monitor locations, current and future data collection proposals) can be found at the website for the U.S. EPA, Clean Air Market Division, Acid Rain Program, located at <http://www.epa.gov/airmarkets/arp/index.html>. The Clean Air Market Division, Acid Rain Program's mailing address is:

US EPA
Clean Air Markets Division
1200 Pennsylvania Avenue, NW
Mail Code 6204N
Washington, DC 20460

Comment 20

The process seems to be set up to stop the pollution after it occurs. Then you assess penalties. My concern is with the public health, which contends the precautionary principle that unless you're absolutely certain something is not going to affect people's health, it's not going to hurt them, then they shouldn't be exposed to it. Our concern is what about the children? They breathe twice as much air as we do. So actually you could really put these children in severe jeopardy simply because you can buy the allocations.

Response

The Phase II Acid Rain Permit Program is set up to give power plants an economic incentive to reduce sulfur dioxide emissions. The Phase II Acid Rain Permit Program does not consider the impact that emissions from the source will have on human health. The impact that emissions from the proposed plant on human health was a considered prior to the issuance of the plant's construction permit in July 1999. There are National Ambient Air Quality Standards (NAAQS) for nitrogen oxides and sulfur dioxide. These are ground-level concentrations standards established to protect public health with an adequate margin of safety.

The U.S. EPA establishes National Ambient Air Quality Standards (NAAQS) at levels to protect persons who are more prone to respiratory effects, including children and older adults.

Comment 21

Is there going to be a surprise inspection set up? Is someone else who's neutral going to pop in and check and monitor these things? Do you think for one minute that you're not going to be lied to about something that they were doing out here at this plant?

Response

All IDEM inspections are unannounced. The inspection of the plant will be done very shortly after it starts up on a number of different levels. There is an initial compliance inspection to make sure that the plant is operating in compliance with the rules and its permits. IDEM conducts unannounced inspections and conducts certifications on the continuous emissions monitors. The U.S. EPA also has the authority to make unannounced inspections of the source.

Comment 22

Could you find out for us, say, in the last 12 months how many power plants have violated and been charged penalties? Where would we go to view this public record? Do you send out notices to people in the area if there is an accident and the pollution is over the limit to warn people?

Response

Indiana issued the first Phase II Acid Rain Permits in December of 1997. Those initial permits did not take effect until January 1, 2000. IDEM has not found any violation of any Phase II Acid Rain Permit so far. IDEM has located two sources which are in violation of the program. Those sources failed to file timely applications for Phase II Acid Rain Permits. The sources voluntarily turned themselves in. U.S. EPA is taking the lead in the enforcement action against these sources.

IDEM's field inspection reports, which contain references to any violations, are public records. The reports and other information is available at IDEM's Centralized File Room, Room 1201, 100 North Senate Avenue, PO Box 6015, Indianapolis, IN 46206-6015. The Centralized File Room's toll free telephone number is (800) 451-6027, ask for extension 2-8391, or direct dial 317/232-8391. You are welcome to view IDEM's public files. The Centralized File Room hours are 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding state holidays.

IDEM does not issue public notices about source violations. If any plant is operated in a manner that presents an immediate threat to the safety of the public, IDEM will take immediate steps to eliminate the threat and warn residents of any danger. IDEM issues warnings to the public when any pollution poses an imminent threat to human health or the environment.

IDEM's Office of Enforcement maintains a searchable online database of enforcement actions. The database is updated each month. It includes enforcement actions and orders. To use the database go online to IDEM's Office of Enforcement located at <http://www.IN.gov/idem/enforcement/> and select

“Searchable Database of IDEM's Actions and Orders.”

Comment 23

How does IDEM get those emission readings? How do they process those readings? Are they done quarterly, monthly, semiannually?

Response

The Phase II Acid Rain Permit Program requires the source to monitor emissions and provide the information to IDEM. This source's 1999 construction permit also requires monitoring of oxides of nitrogen and carbon monoxide. This data is submitted to IDEM on a calendar quarterly basis. IDEM can access the data at anytime either by making a written request or by inspecting the source.

The source will use a continuous emissions monitor to measure its sulfur dioxide emissions. The Phase II Acid Rain Permit Program rules have very extensive requirements on the performance of continuous emissions monitors. The source must submit quarterly emissions reporting to IDEM. The source must keep records as it gathers the emissions data.

The Phase II Acid Rain Permit Program requires the source to report any violation promptly. The Phase II Acid Rain Permit Program requires the source to also report its emissions to the U.S. EPA.

Comment 24

If a facility runs past a permitted level, what are the fines? How do you define a fine? Are the penalties or the fines significant enough to keep them from running their operation that way?

Response

Any violations are referred to IDEM's Office of Enforcement. The Office of Enforcement implements the enforcement program and issues fines based on many factors, including the compliance history of the source, the severity of the violation, and the amount of money the source saved by not complying with its permit. IDEM's goal is that the penalty is high enough to eliminate any economic benefit from operating out of compliance and add an additional amount to deter the source from future violations. The maximum fine for a noncriminal violation is \$25,000 per day per violation.

Comment 25

During a meeting with Cadiz town board, October 5, 1999, formaldehyde emissions were never mentioned by Cinergy. Concentration of formaldehyde is one of the pollutants of concern here. Most of the people in this room were not aware of this. When we looked through this, there was nothing mentioned about formaldehyde or the ozone.

Response

The Phase II Acid Rain Permit Program does not address formaldehyde emissions or the creation of ozone. IDEM was aware during the construction permit review that formaldehyde will be emitted. IDEM evaluated these emissions and took them into account when issuing the construction permit in July 1999.

Comment 26

What will the emissions do to the plants we eat when we have this peaking station plant? Do you have any answers on that or any knowledge of that? But is all this acid rain going to get into my soil and then get into the roots of my plants? What effect is acid rain going to have on our agricultural industry in this county and, for that matter, this state? Will there be enough moisture in the ground for these crops to be harvested? Is the acid rain going to be killing the fish? Can the horses not drink the water because they may get sick too? So should I watch my own well water that I'm going to be drinking? Will this acid rain get down into the water and gets into my well?

Response

The Phase II Acid Rain Permit Program's goal is to reduce the impact of acid rain on aquatic weather patterns will influence moisture content. The National Atmospheric Deposition Program states that current acid rain levels have not caused crop reductions because soils high in calcium carbonate, provide sufficient buffering to resist the effect acidic deposition. The National Atmospheric Deposition Program has information available online at <http://nadp.sws.uiuc.edu>. It also publishes brochures, including "Inside Rain", at <http://nadp.sws.uiuc.edu/lib/brochures/insideRain.pdf>" Additional information is available at U.S. EPA's web site <http://www.epa.gov/airmarkets/acidrain/>.

Comment 27

This company, Cinergy, they've hired people that are probably very knowledgeable to do their case studies and their reports for you. And do you have funding or money to hire specialized people so you can become informed?

Response

IDEM has staff with sufficient training and expertise to professionally review permit applications, interpret and apply regulatory requirements, and draft proper permit conditions.

Comment 28

Do you know what the pH is in Henry County?

Response

The Phase II Acid Rain Permit Program does not take into account the acidity of rainfall in any specific area. Congress chose to implement an Acid Rain Program based on regulating emissions from power plants, not through the measurement of pH. Most of Indiana and Ohio have a pH of 4.5 based the range of 14 (Alkaline) to 0 (Acidic) with 7 being classified as pure water. The National Atmospheric Deposition Program has information available online at <http://nadp.sws.uiuc.edu>. Information is also available at U.S. EPA's web site <http://www.epa.gov/airmarkets/acidrain/>.

Comment 29

What if every proposed plant for Indiana is allowed to be built? The groundwater is going to be used significantly. Well, what happens to all of the crops in this state?

Response

Indiana law states that any source that uses over 100,000 gallons of groundwater per day and causes the loss of water to anyone in the area, must supply water to the parties involved. Indiana law, specifically Indiana Code 14-25-4, provides that the owner of a high capacity groundwater withdrawal facility (a well capable of withdrawing more than 100,000 gallons per day) which lowers the groundwater level and causes small capacity wells (wells capable of a maximum drawing of less than 100,000 gallons per day) to fail to provide their normal supply of water, must provide the affected well owner with an alternate supply of water. Complaints about low production or failure of small capacity wells should be directed to the Department of Natural Resources, Division of Water, Water Rights Section, at (317) 232-4160. The law requires the Department of Natural Resources investigate within 24 hours of receiving a written complaint. The Department of Natural Resources tries to respond to telephone complaints in the same time frame.

There is an administrative process that can be followed to resolve a complaint but in reality most cases are resolve voluntarily by the high capacity owner without need of the legal process. The solution generally involves the deepening or replacement of the affected wells.

Comment 30

I want to know who is responsible for replacing the people's properties, buildings and the monuments that are eaten away with acid rain? With no air monitoring in this county, how do we determine the people who have damaged homes? Who will pay for the costly home repairs after the warranty is voided?

Response

The Phase II Acid Rain Permit Program does not address liability for damages caused by acid rain. The goal of the Acid Rain Program is to reduce the acidity in rainfall and decrease the damage caused by acid rain.

Comment 31

How many merchant power plants have already been approved in Indiana? If Indiana is the second worst polluting state in the nation, how does building 24 power plants reduce emissions? Are there as many peaking plants in Illinois, Michigan and Ohio too? Better operation of the existing electrical system is needed. Putting in renewable energy programs would reduce the amount of coal, oil and gas burned.

Response

The Phase II Acid Rain Program does not regulate the number of plants that can be constructed. The Indiana Utility Regulatory Commission has the authority to regulate the construction of power plants on the basis of need. Additional information concerning the Indiana Utility Regulatory Commission can be found at <http://www.IN.gov/iurc/>. Additional information regarding the number of merchant power plants permitted in Indiana is available at IDEM's website, <http://www.IN.gov/idem/oam/permits/powerplt/index.html>

Comment 32

Fuel oil tanks have been constructed at the site. The fuel oil there which is backup fuel must be turned over

about, I think, every 11 months or every year. Therefore, the tank capacity will need to be burned in an eleven-month period.

Response

The Phase II Acid Rain Permit Program has no limit on the amount of oil that can be burned provided the company can obtain sufficient sulfur dioxide allowances to account for the yearly emissions. The Indiana Utility Regulatory Commission has ruled that this source cannot burn fuel oil. The provisions of CinCap VII, LLC's Title V Operating Permit will show that requirement.

Comment 33

Is it within your power to deny the issuance of any permit or is it only if they do not meet all the legally required standards? I'm assuming that by law you are obligated to go ahead and give the permits to the other 25 power plants that's coming into the State of Indiana as long as their permit is worded the same as Cinergy's? How many permits have you denied?

Response

IDEM has the obligation to demonstrate that the permit will ensure that the source complies with the law. The law establishes technical and health based standards to minimize pollution emissions and protect human health. A source that can not comply with the requirements for its specific type of equipment will not receive a permit. When IDEM makes a final decision on issuance or denial, any person has an opportunity to object to that decision and have part or all of the decision overturned by an environmental law judge. IDEM has little discretion in whether to issue a permit or not.

Comment 34

If I understand the relationship with the U.S. EPA correctly, a lot of what you do is dictated by the EPA, the feds that you do business with; is that right? Acid rain application is based on exclusively the EPA requirements. Where is Indiana's plan? Where is the concern for Indiana? Does IDEM know anything about acid rain in Indiana today? Why is Indiana just accepting what the EPA says?

Response

In the Phase II Acid Rain Permit Program, IDEM is directly implementing federal law as that law was adopted by Indiana's Air Pollution Control Board. Neither the Indiana legislature nor the Air Pollution Control Board has developed any additional requirements regarding the reduction of acid rain.

Comment 35

In their own diagram that they produced in 1999, the U.S. EPA, Region 5, lists the number of Title V permits issued by Indiana and compared Indiana to other Midwestern states. Indiana had issued 307. Ohio, which is much more heavily industrial, has approved 150. Illinois is as much or more heavily industrial state than Indiana and has 116 approved permits. Michigan approved 121. Minnesota approved 108. Why are they coming to Indiana?

Response

This comment does not relate to the Phase II Acid Rain Permit Program. The Title V operating permit program does not allow the operation or construction of any new sources. The Title V program allows IDEM to issue more comprehensive operating permits to existing major air pollution sources. Roughly speaking, Indiana, Illinois, and Ohio have just about the same number of major sources that have to obtain these Title V permits. The Title V permit requires these sources to institute more comprehensive monitoring of their pollutants, to keep records on this monitoring, and to report the monitoring results, as well as any violations. The sources also have to file an annual certification as to whether the source is in compliance. Sources do not need a Title V permit in order to operate.

The Title V permit is, for the first time, a single operating permit for an entire source. It is enforceable by the U.S. EPA and by any citizen. The issuing of these permits is a very high priority with IDEM and the U.S. EPA. The Title V permits are compliance tools that improve the ability of the source to stay in compliance, improve the ability of IDEM, U.S. EPA and any citizen to enforce the rules, and improve the ability of citizens to know what sources have to do to comply with the air pollution control rules. That Indiana has issued, at current count, over 500 of its 750 Title V permits means that IDEM is taking very seriously the obligation to issue these permits.

Comment 36

Nationwide the electric industry is responsible for one third of the carbon dioxide emissions which leads to global warming. Global warming will change the weather, damage the agricultural yields, change soil pH, destroy natural habitats and worsen the health effects of air pollution.

Response

The Phase II Acid Rain Permit Program does not deal with the production or reduction of carbon monoxide or with the causes of global warming.

Comment 37

If 20,000 people showed up here and said that they didn't want the acid rain from this plant, would the permit get turned down?

Response

The number of persons stating that they do not want this plant has no influence on the decision to deny or approve the permit application. The appropriate decision would be made whether it was one person or 25,000 people opposed to this source. In order for IDEM to deny a permit or revise a permit, someone needs to state a legal flaw in the draft permit that would result in noncompliance with the law. It is possible with many concerned citizens looking at the permit information, a legally recognized reason to deny this permit could be uncovered.

Comment 38

Are you aware that the Florida Supreme Court kept Duke out for their merchant peaking power plant? They are not allowing them to build that? Are either one of you aware of this?

Response

In contact with the Florida Department of Environmental Protection, a permit for a merchant power plant was denied because the plant was deemed to not have a sufficient number of retailers customers as required by Florida law for combined cycle steam generating power stations. Merchant power plants can still be constructed in Florida. Florida has issued several permits to merchant power plants in the past twelve months.

Comment 39

Federal Register Part 2, Advisory Council on Historic Preservation, 36 CFR Part 800, Section 106 specifically states that no activity that has potential to cause effects on historic properties shall occur before a study has been completed. Information must be sought by consulting parties, other individuals, and organizations likely to have knowledge of, or concerns with, historic properties in the area and identify issues related to the undertaking's potential effects on historic properties. Furthermore, the regulation states that the review of existing information on historic properties within the area of potential effects, including any data concerning possible historic properties not yet identified, be addressed before development occurs. This has not been done. The historic home next to proposed power plant was built in 1837. It is listed in the Henry County Interim Report on Historic Sites and Structures and was an integral part for the Underground Railroad. This property should be protected and preserved for future generations. Research is underway to have this house also added to the National Register of Historic Places.

Response

Title 36 of the Code of Federal Regulations, Part 800, applies to federal agencies that are about to expend federal funds on a project. It does not apply to IDEM's decision on the application for a Phase II Acid Rain Permit.

Comment 40

Will more volts in the lines cause more the magnetic fields that alters our brain waves, and we're more susceptible to cancers?

Response

The Phase II Acid Rain Permit Program does not address increased voltage through transmission lines. The peaking station will not cause an increase in the maximum voltage that can be carried through the existing lines.

Comment 41

The last time we received notification from IDEM about the acid rain hearing it was in a manila envelope. The postage on it was \$3.52. I took it to the post office, and I asked the postmaster, I said, "Would you please weigh this and see how much it costs to mail this." It was 51 cents. So I just wanted to save you a few dollars for the taxpayers.

Response

IDEM used a higher level of mailing service which is different than regular first class postage. It is similar to

certified mail, in that we receive a certificate of mailing from the post office. It does not involve a sticker on the envelope or require the recipient to sign for the letter. This service provides us with assurance that each notice was delivered.

Comment 42

Will past violations by Cinergy impact your decision on issuance of this acid Rain Permit?

Response

Based on past experience, that is not likely to have an impact on IDEM's decision. IDEM will consider whether the owner and operator will comply with the permit. Generally the issue of the operator's compliance with other programs will not influence the Phase II Acid Rain Permit issuance decision.

Comment 43

The worst polluter is the Flying J truck stop's going in Henry County. I wanted to make sure that you knew that those were in Henry County, not someplace else.

Response

IDEM is aware of this source. There are currently no provisions in place to limit the pollution from this source.

**Indiana Department of Environmental Management
Office of Air Management**

**Statement of Basis for Issuance of
Title IV Operating Permit**

Source Name: Henry County Generating Station
Source Location: 6045 West State Road 38, New Castle, Indiana 47632
County: Henry
Acid Rain Permit No.: AR - 065 - 10505- 00032
Operated by: CinCap VII, LLC
ORIS Code: 7763
Permit Reviewer: Robert Ondrusek

Facilities to be Title IV Permitted

The Indiana Department of Environmental Management (IDEM), Office of Air Management, has reviewed an application from Cinergy Corporation relating to the Title IV, Acid Rain Program to operate a source consisting of three (3) combustion turbines, designated units 1, 2, and 3, utilizing natural gas or No. 2 fuel oil with an anticipated maximum heat input capacity of 407.8 million British Thermal Units per hour (mmBtu/hr) per turbine unit with water-injection for Nitrogen Oxides (NO_x) emissions control and exhausting to three (3) stacks designated as 1, 2, and 3.

Statement of Basis

The Acid Rain Program's goal is to achieve a reduction in the amount of sulfur dioxide and nitrogen oxides released to the atmosphere from power plants. These two pollutants play a large role in the formation of acid rain. There are no known direct human health effects from acid rain. Acid rain does have a harmful effect on aquatic animals. It can also be harmful to essential soil bacteria. Additional information regarding acid rain and the acid rain program can be found on the Internet at United States Environmental Protection Agency's (U.S. EPA) site, at <http://www.epa.gov/airmarkets/acidrain/>. Additional information in the form of maps showing the results of precipitation monitoring can be found on the Internet under <http://nadp.sws.uiuc.edu>

The U.S. EPA has set a limit on the amount of sulfur dioxide emissions and the emission rate of nitrogen oxides for all regulated power plants, for each year from 2000 through 2004. The total sulfur dioxide emissions for all affected power plants in the nation has been limited to 9.4 million tons every year. That amount is 10 million tons less than the total emissions of sulfur dioxide in 1980. In 1993, U.S. EPA allocated a certain amount of sulfur dioxide emissions to each power plant regulated by Phase II of the Acid Rain Program. Emissions of nitrogen oxides are being reduced by at least 2 million tons per year, by setting limits on the emission rate of nitrogen oxides from coal fired power plant boilers.

Federal Rule Applicability [40 CFR 72 through 40 CFR 7]

The emission allowances and conditions in the draft permit were taken from the limits developed by the U.S. EPA for the Acid Rain Program pursuant to Title IV of the Clean Air Act, 42 United

States Code (U.S.C.) Section 7401, as amended by Public Law 101-5049 (November 15, 1990). Sections 40 Code of Federal Regulations (CFR) part 72 through 40 CFR part 78, 61 Federal Register (FR) 359142, 61 FR 67111, 61 FR 68821, and 62 FR 3463 apply to acid rain permitted sources. U.S. EPA requires that the Phase II Acid Rain Permit include the application as part of the permit which details compliance requirements.

State Rule Applicability [326 IAC 21 Acid Deposition Control]

326 Indiana Administrative Code (IAC) 21, Acid Deposition Control, has adopted the federal rule by referencing 40 Code of Federal Regulations (CFR) part 72 through part 78, 60 Federal Register (FR) 59142, 60 FR 67111, 61 FR 68821, and 62 FR 3463. The Indiana rule, 326 IAC 21, incorporates the requirements of the federal acid rain program

Sulfur Dioxide Emission Allocations

The Title IV acid rain program does not allocate sulfur dioxide (SO₂) allowances for new sources starting operation after November 15, 1990. These new SO₂ emissions units will be required to seek allowances from other units to account for their SO₂ emissions, as required by 40 CFR 72.9(c).

The source's SO₂ emissions are also regulated by construction permit CP-065-10469-00032 which was issued July 15, 1999.

Nitrogen Oxide Limitations

Pursuant to 40 CFR 76, nitrogen oxide (NO_x) emission limitations are applicable to only coal-fired utility and coal-fired substitution units that are subject to Phase I and Phase II sulfur dioxide reduction requirements. This source will not burn coal as a fuel source. The NO_x emissions from the source will be regulated by construction permit CP-065-10469-00032.

Monitoring Requirements [326 IAC 21] [40 CFR 75 and 76]

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. The emissions measurements recorded and reported shall be used to determine compliance with emissions limitations and emissions reduction requirements for sulfur dioxide. The requirements of this permit shall not affect the responsibility to monitor emissions of other pollutants or other emissions characteristics applicable requirements of the Clean Air Act and other operating permit provisions. Monitoring requirements outlined in the application are considered as part of the Phase II Acid Rain Permit.

Record Keeping and Reporting Requirements [326 IAC 21]

Copies of all reports and compliance certifications for each affected unit submitted to demonstrate compliance with the requirements of the Acid Rain Program shall be kept for a period of at least five years. The reports and compliance certifications required by the Acid Rain Program shall be submitted to the appropriate authority(ies). Recordkeeping and reporting requirements outlined in the application are considered as part of the Phase II Acid Rain Permit.

Submissions [326 IAC 21]

The designated representative shall submit a certificate of representation and any superseding certificate of representation to U.S. EPA and IDEM, . Each submission under the Acid Rain Program shall be submitted, signed, and certified by the designated representative for all sources. The designated representative shall include the following statement for all submissions:

"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.”

The designated representative shall notify each owner and operator of the source and of an affected unit of the date of submission and within 10 business days of receipt of any written determination by U.S. EPA or IDEM, .

Standard requirements outlined in the application are considered as part of the Phase II Acid Rain Permit.

Approval

Based on the information received, the source has been preliminarily determined to meet 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 and V of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Management, proposes this draft Phase II Acid Rain Permit pursuant to 326 IAC 21 (incorporates by reference 40 CFR 72 through 78).

The application contained no request for compliance options.

The source is also regulated by conditions in the construction permit CP-065-10469-00032 issued by Office of Air Management pursuant to 326 IAC 2 on July 15, 1999.

Added Information

Questions regarding the proposed acid rain permit can be directed to Robert Ondrusek at the address below or by telephone at 317/233-4227 or at 1-800-451-6027 ext. (3-4227).

The source will be inspected by the Compliance Branch Section. Persons seeking to obtain information regarding the plant compliance status or to report any potential violation of the construction permit conditions should contact Wanda Stanfield at the address below or by telephone at 317/233-46864 or at 1-800-451-6027 ext. (3-46864)

Copies of the Code of Federal Regulations (CFR) and Federal Register (FR) 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 website <http://www.access.gpo.gov/nara/cfr/index.html>