

## **Acid Rain Opt-in Permit**

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

**Source:** Warrick Power Plant  
**Address:** State Roads 66 and 61, Newburgh, IN 47629  
**Operated by:** Southern Indiana Gas & Electric Company  
**ORIS Code:** 6705  
**Effective:** January 1, 2000 through December 31, 2004

The above corporation is hereby authorized to operate the following facilities subject to the conditions contained herein: Units 1, 2, and 3.

Operation Permit No.: AR 173-11457-00002	
Issued by:  Janet G. McCabe, Assistant Commissioner Office of Air Management	Issuance Date:  Expiration Date:

## Section E

## Opt-in Permit

### 326 IAC 21 and 40 CFR 72 through 40 CFR 78

Facility Description: dry bottom wall-fired boiler unit 1, dry bottom wall-fired boiler unit 2, and dry bottom wall-fired boiler unit 3

#### E.1.1 Statement of Basis

---

Statutory and Regulatory Authorities: In accordance with IC 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2 as well as Titles IV and V of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 CFR 72 through 78).

#### E.1.2 Standard Permit Requirements [326 IAC 21]

---

- (a) The designated representative of each opt-in source under 40 CFR 74 and 326 IAC 21 shall:
  - (1) Submit a complete opt-in permit application (including a compliance plan); and
  - (2) Submit in a timely manner any supplemental information that the EPA Administrator or IDEM, OAM determines is necessary to review an opt-in permit application and issue or deny an opt-in permit.
- (b) The owners or operators of each combustion source under 40 CFR 74 and 326 IAC 21 shall:
  - (1) have an opt-in permit; and
  - (2) operate the opt-in source in compliance with the opt-in permit.

#### E.1.3 Monitoring Requirements [326 IAC 21]

---

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

#### E.1.4 Sulfur Dioxide Requirements [326 IAC 21]

---

- (a) The owners and operators of each opt-in source shall:

- (1) Hold allowances, as of the allowance transfer deadline, in the opt-in source'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 opt-in source; 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 opt-in source shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirements upon the effective date of the opt-in source's opt-in permit.
  - (d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program, including 40 CFR 73 and 74.
  - (e) An allowance shall not be deducted in order to comply with the requirements under paragraph (a)(1) and (2) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
  - (f) An allowance allocated by the U.S. EPA 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, opt-in permit application, or the opt-in permit, and no provisions of the law shall be construed to limit the authority of the United States to terminate or limit such authorization.
  - (g) An allowance allocated by U.S. EPA Administrator under the Acid Rain Program does not constitute a property right.
  - (h) Sulfur dioxide allowances shall be allocated to the following units at the source as follows:

Opt-in SO <sub>2</sub> allowances Allocation Under 40 CFR 74.26 for Unit 1					
year	2000	2001	2002	2003	2004
Tons	30,372	30,372	30,372	30,372	30,372

Opt-in SO <sub>2</sub> allowances Allocation Under 40 CFR 74.26 for Unit 2					
year	2000	2001	2002	2003	2004
Tons	30,732	30,732	30,732	30,732	30,732

Opt-in SO <sub>2</sub> allowances Allocation Under 40 CFR 74.26 for Unit 3					
year	2000	2001	2002	2003	2004
Tons	27,668	27,668	27,668	27,668	27,668

E.1.5 Excess Emissions Requirements [40 CFR 77] [326 IAC 21]

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

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

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

and

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 without demand the penalty required, and upon demand the interest on that penalty to U.S. EPA , 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.1.6 Record Keeping and Reporting Requirements [326 IAC 21]

- (a) Unless otherwise provided, the owners and operators of the opt-in source shall keep on site at the opt-in 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 U.S. EPA Administrator or IDEM, OAM:

- (1) the certificate of representation for the designated representative for the opt-in 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 opt-in source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
- (2) all emissions monitoring information collected, in accordance with 40 CFR 75;

- (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 opt-in permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (b) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72 Subpart I, 40 CFR 75, and 326 IAC 21.

**E.1.7 Liability [326 IAC 21]**

---

- (a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program or an opt-in permit, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.
- (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Clean Air Act and 18 USC 1001 and shall be subject to criminal enforcement by 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 affected unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO<sub>x</sub> 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.1.8 Effect on Other Authorities [326 IAC 21]**

---

- (a) No provision of the Acid Rain Program, an opt-in permit application, on opt-in Permit shall be construed as:

- (1) Except as expressly provided in Title IV of the Clean Air 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 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;
- (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 Clean Air 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 (16 USC 791a et seq.) 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 a program is established.

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

Addendum to Information Regarding the  
Opt-in Acid Rain Permit Application  
For Boilers 1, 2, and 3

**Source Name:** Warrick Power Plant  
**Source Location:** State Roads 66 and 61, Newburgh, IN 47629  
**ORIS Code:** 6705  
**Acid Rain Permit No.:** AR 173-11457-00002  
**Permit Reviewer:** Robert Ondrusek

On November 19, 1999, the Office of Air Management (OAM) had a notice published in the Courier, Evansville, Indiana, for the renewal of an opt-in permit previously issued for the Warrick Power Plant, units 1, 2, and 3 by the Environmental Protection Agency (EPA) on May 26, 1996. The notice was, also, published in the Boonville Standard, Boonville, Indiana. The notice stated where the opt-in permit could be reviewed along with other documentation. The notice informed interested parties that there was a period of thirty (30) days to provide comments on whether this permit should be issued as proposed. No comments were received from the company or the general public.

**EPA Comment**

Condition E.1.6 (b) should include a reference to "subpart" between CFR 72 and "I" in the last sentence the sentence should read as follows: The designated representative ..... including those under 40 CFR 72, Subpart I, 40 CFR 75, and 326 IAC 21.

**OAM Staff Response**

The suggested change has been made.

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

**Information Regarding the  
Opt-in Acid Rain Permit Application  
For Boilers 1, 2, and 3**

**Source Name:** Warrick Power Plant  
**Source Location:** State Road 66, Newburgh, IN 47629  
**ORIS Code:** 6705  
**Opt-in Permit No.:** AR 173-11457- 00002  
**Permit Reviewer:** Robert Ondrusek

The purpose of the Acid Rain Opt-in Program is to allow units not subject to Acid Rain Program requirements under 40 CFR 72.6 to voluntarily elect to become subject to the Acid Rain Program. The Opt-in Permit sets forth the requirements that an opt-in source must comply with, including the requirement to apply for and receive an Opt-in permit, to record and report emissions according to 40 CFR part 74 and 75, and to hold SO<sub>2</sub> allowances to account for all SO<sub>2</sub> emitted at units 1, 2, and 3 at the opt-in source.

An opt-in permit application was submitted by the designated representative (DR) to the EPA on August 15, 1995. The EPA deemed the application was complete after additional information was received. The opt-in permit was issued, in accordance with Title IV of the Clean Air Act Amendment of 1990, on May 6, 1996, pursuant to 40 CFR 72 subpart E and F and 40 CFR 74 and 75. The current opt-in permit for units 1, 2, and 3 is effective until December 31, 1999. On October 19, 1999, a renewal application for the Warrick Plant's Acid Rain Opt-in Permit for Units 1, 2, and 3 was received by the Office of Air Management. The renewal application indicated no changes to the sulfur dioxide limits or monitoring methods in the Opt-in Permit issued by the EPA for the period of July 1, 1996 to December 31, 1999.

The sulfur dioxide allowances shall be allocated to each unit at the source as follows Under 40 CFR 74.26 and 74.28:

Opt-in SO <sub>2</sub> Allowances for Unit 1					
year	2000	2001	2002	2003	2004
Tons	30,372	30,372	30,372	30,372	30,372



Opt-in SO <sub>2</sub> Allowances for Unit 2					
year	2000	2001	2002	2003	2004
Tons	30,732	30,732	30,732	30,732	30,732

Opt-in SO <sub>2</sub> Allowances for Unit 3					
year	2000	2001	2002	2003	2004
Tons	27,668	27,668	27,668	27,668	27,668

Questions should be directed to Robert Ondrusek, OAM, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana, 46206-6015, or by telephone at 317/233-4227 or at 1-800-451-6027 ext. (3-4227).