



## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We make Indiana a cleaner, healthier place to live.*

---

*Mitchell E. Daniels, Jr.*  
Governor

*Thomas W. Easterly*  
Commissioner

100 North Senate Avenue  
Indianapolis, Indiana 46204  
(317) 232-8603  
(800) 451-6027  
[www.IN.gov/idem](http://www.IN.gov/idem)

TO: Interested Parties / Applicant

DATE: August 17, 2006

RE: Indiana Michigan Power / 147-16151-00020

FROM: Nisha Sizemore  
Chief, Permits Branch  
Office of Air Quality

### **Notice of Decision: Approval - Effective Immediately**

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective immediately, unless a petition for stay of effectiveness is filed and granted according to IC 13-15-6-3, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3 and IC 13-15-6-1 require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, 100 North Senate Avenue, Government Center North, Room 1049, Indianapolis, IN 46204, **within eighteen (18) calendar days of the mailing of this notice**. The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

- (1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
- (2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
- (3) The date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision, or other order for which you seek review by permit number, name of the applicant, location, date of this notice and all of the following:

- (1) the name and address of the person making the request;
- (2) the interest of the person making the request;
- (3) identification of any persons represented by the person making the request;
- (4) the reasons, with particularity, for the request;
- (5) the issues, with particularity, proposed for considerations at any hearing; and
- (6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.

Enclosures  
FNPER.dot 03/23/06



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## **TITLE IV (ACID RAIN) PERMIT RENEWAL OFFICE OF AIR QUALITY**

**Rockport Plant – Indiana Michigan Power Company  
dba American Electric Power (AEP)  
2791 North U.S. Highway 231  
Rockport, Indiana 47635**

**ORIS: 6166**

The owners and operators (hereinafter collectively known as the Permittee) of the above source are issued this permit under the provisions of 326 Indiana Administrative Code (IAC) 21 with conditions listed on the attached pages.

Operation Permit No.: AR 147-16151-00020	
Issued by: Original Signed By: Nisha Sizemore, Chief Office of Air Quality	Issuance Date: August 17, 2006  Expiration Date: August 17, 2011

## Title IV Operating Conditions

### Title IV Source Description:

- (a) One (1) pulverized coal opposed wall fired dry bottom boiler, identified as Unit MB1 (MB1 in the Title V permit), with construction commenced in 1977 and completed in 1984, with a design heat input capacity of 12,374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. Low NO<sub>x</sub> burners and an overfire air (OFA) system have been installed for NO<sub>x</sub> control. No. 2 fuel oil is fired during startup, shutdown, and load stabilization periods. No. 2 fuel oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. Emissions from Units MB1 and MB2 are exhausted through the common stack, Stack CS012. Continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system are located on the common stack.
- (b) One (1) pulverized coal opposed wall fired dry bottom boiler, identified as Unit MB2 (MB2 in the Title V permit), with construction commenced in 1977 and completed in 1989, with a design heat input capacity of 12,374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. Low NO<sub>x</sub> burners and an overfire air (OFA) system for NO<sub>x</sub> control are scheduled for installation in 2004. No. 2 fuel oil is fired during startup, shutdown, and load stabilization periods. No. 2 fuel oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. Emissions from Units MB1 and MB2 are exhausted through the common stack, Stack CS012. Continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system are located on the common stack.

(The information contained in this box is descriptive information and does not constitute enforceable conditions.)

### 1. Statutory and Regulatory Authorities

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

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

- (a) The designated representative has submitted a complete acid rain permit application in accordance with in 40 CFR 72.30.
- (b) The Permittee shall operate Units MB1 and MB2 in compliance with this permit.

### 3. Monitoring Requirements [326 IAC 21]

- (a) The Permittee and, to the extent applicable, the designated representative of Units MB1 and MB2 shall comply with the monitoring requirements as provided in 40 CFR 75 and 76.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 76 shall be used to determine compliance by Units MB1 and MB2 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 and 76 shall not affect the responsibility of the Permittee to monitor emissions of other pollutants or other emissions characteristics at Units MB1 and MB2 under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

### 4. Sulfur Dioxide Requirements [326 IAC 21]

- (a) The Permittee shall:
- (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the compliance subaccount of Units MB1 and MB2, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from Units MB1 and MB2; 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) Units MB1 and MB2 shall be subject to the requirements under paragraph 4(a) of the sulfur dioxide requirements as follows:
- (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or,
  - (2) Starting on the 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 held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (e) An allowance shall not be deducted in order to comply with the requirements under paragraph 4(a) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the acid rain permit application, the acid rain permit, the acid rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (g) An allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.
- (h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement. [326 IAC 2-7-5(4)(A)]
- (i) No limit shall be placed on the number of allowances held by the Permittee. The Permittee may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. [326 IAC 2-7-5(4)(B)]
- (j) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

SO <sub>2</sub> Annual Allowance Allocations (tons)					
	2005	2006	2007	2008	2009
Unit MB1	32,992*	33003*	33003*	33003*	33003*
Unit MB2	32,992*	33003**	33003**	33003*	33003*

\* The number of allowances allocated to Phase II affected units by U.S. EPA may change in a revision to 40 CFR 73 Tables 2, 3 and 4 and 326 IAC 21. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S.

EPA. Neither of the aforementioned conditions necessitates a revision to the unit SO<sub>2</sub> allowance allocations identified in this permit. (See 40 CFR 72.84)

5. Nitrogen Oxides Requirements [326 IAC 21]

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- (a) The Permittee shall comply with the applicable acid rain emissions limitation of nitrogen oxides (NO<sub>x</sub>) for Units MB1 and MB2.
- (b) NO<sub>x</sub> Early Election Compliance Plan for Unit MB1:
  - (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NO<sub>x</sub> early election compliance plan for Unit MB1. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, the annual average NO<sub>x</sub> emission rate from Unit MB1 for each year, determined in accordance with 40 CFR 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(2) of 0.50 lb/MMBtu for dry bottom wall-fired boilers. If Unit MB1 is in compliance with its applicable emission limitation for each year of the plan, then Unit MB1 shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), or 0.46 lb/MMBtu for dry bottom wall-fired boilers until calendar year 2008.
  - (2) Permittee must annually demonstrate that Unit MB1 meets the NO<sub>x</sub> emission limit of 0.50 lb/ MMBtu by showing that emissions at the common stack (through which all emissions from units MB1 and MB2 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack CS012. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.
- (c) NO<sub>x</sub> Early Election Compliance Plan for Unit MB2:
  - (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NO<sub>x</sub> early election compliance plan for Unit MB2. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, the annual average NO<sub>x</sub> emission rate from Unit MB2 for each year, determined in accordance with 40 CFR 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(2) of 0.50 lb/ MMBtu for dry bottom wall-fired boilers. If Unit MB2 is in compliance with its applicable emission limitation for each year of the plan, then Unit MB2 shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), or 0.46 lb/ MMBtu for dry bottom wall-fired boilers until calendar year 2008.
  - (2) Permittee must annually demonstrate that Unit MB2 meets the NO<sub>x</sub> emission limit of 0.50 lb/ MMBtu by showing that emissions at the common stack (through which all emissions from units MB1 and MB2 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack CS012. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.
- (d) NO<sub>x</sub> Emission Averaging Plan for Unit MB1:
  - (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO<sub>x</sub> emissions averaging plan for Unit MB1, effective from calendar years 2005 through 2006. Under the plan the NO<sub>x</sub> emissions from Unit MB1 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 0.46 lb/MMBtu. In addition, Unit MB1 shall not have an annual heat input greater than 94,595,000 MMBtu.
  - (2) Notwithstanding the averaging plan described above, if Unit MB1 exceeds its applicable NO<sub>x</sub> emission limitation under 40 CFR 76.8 (early election) of 0.50 lb/MMBtu for dry bottom wall-fired boilers, the early election plan for Unit MB1

shall be terminated in accordance with 40 CFR 76.8(e)(3) and Unit MB1 shall meet, beginning on the effective date of the termination, the applicable NO<sub>x</sub> emission limitation under 40 CFR 76.7. Such termination shall not terminate the averaging plan described above.

(e) NO<sub>x</sub> Emission Averaging Plan for Unit MB2:

- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO<sub>x</sub> emissions averaging plan for Unit MB2, effective from calendar years 2005 through 2006. Under the plan the NO<sub>x</sub> emissions from Unit MB2 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 0.46 lb/MMBtu. In addition, Unit MB2 shall not have an annual heat input greater than 82,260,000 MMBtu.
- (2) Notwithstanding the averaging plan described above, if Unit MB2 exceeds its applicable NO<sub>x</sub> emission limitation under 40 CFR 76.8 (early election) of 0.50 lb/MMBtu for dry bottom wall-fired boilers, the early election plan for Unit MB2 shall be terminated in accordance with 40 CFR 76.8(e)(3) and Unit MB2 shall meet, beginning on the effective date of the termination, the applicable NO<sub>x</sub> emission limitation under 40 CFR 76.7. Such termination shall not terminate the averaging plan described above.

- (f) Under the plan, the actual Btu-weighted annual average NO<sub>x</sub> emission rate for Units MB1 and MB2 in the plan shall be less than or equal to the Btu-weighted annual average NO<sub>x</sub> emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then Units MB1 and MB2 shall be deemed to be in compliance for that year with its annual ACEL and annual heat input limit.
- (g) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plan shall be final only when the Ohio Environmental Protection Agency, Division of Air Pollution Control; the Kentucky Department of Environmental Protection, Division of Air Quality; Virginia Department of Environmental Quality, Air division; and the West Virginia Department of Environmental Protection, Division of Air Quality have also approved this averaging plan.
- (h) In addition to the described NO<sub>x</sub> compliance plan, Units MB1 and MB2 shall comply with all other applicable requirements of 40 CFR 76, including the duty to reapply for a NO<sub>x</sub> compliance plan and requirements covering excess emissions.

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

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- (a) If Unit MB1 or MB2 has excess emissions of sulfur dioxide in any calendar year, the designated representative shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.

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

Indiana Department of Environmental Management  
Compliance Branch, Office of Air Quality  
100 North Senate Avenue  
Indianapolis, Indiana 46204-2251

and

Ms. Cecilia Mijares  
Air and Radiation Division  
U.S. Environmental Protection Agency, Region V

77 West Jackson Boulevard  
Chicago, IL 60604-3590

and

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

- (c) If Unit MB1 or MB2 has excess emissions, as defined in 40 CFR 72.2, in any calendar year the Permittee shall:
- (1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and,
  - (2) Comply with the terms of an approved sulfur dioxide offset plan, as required by 40 CFR 77 and 326 IAC 21.

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

- (a) Unless otherwise provided, the Permittee shall keep on site each of the following documents for a period of 5 years, as required by 40 CFR 72.9(f), from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OAQ:
- (1) The certificate of representation for the designated representative of Units MB1 and MB2 and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5 year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
  - (2) All emissions monitoring information collected in accordance with 40 CFR 75 shall be retained on site for 3 years;
  - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
  - (4) Copies of all documents used to complete an acid rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (b) The designated representative of Units MB1 and MB2 shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90, Subpart I, 40 CFR 75, and 326 IAC 21. The required information is to be submitted to the appropriate authority(ies) as specified in 40 CFR 72.90, Subpart I, and 40 CFR 75.

8. Submissions [326 IAC 21]

- (a) The designated representative of Units MB1 and MB2 shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA and IDEM, OAQ in accordance with 40 CFR 72 and 326 IAC 21.
- (b) The designated representative shall submit required information to:

Indiana Department of Environmental Management  
Permits Branch, Office of Air Quality

100 North Senate Avenue  
Indianapolis, Indiana 46204-2251

and

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

- (c) Each such submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.
- (d) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature, the following statements which shall be included verbatim in the submission:
  - (1) "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made.", and
  - (2) "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."
- (e) The designated representative of Units MB1 and MB2 shall notify the Permittee:
  - (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 Unit MB1 or MB2.
- (f) The designated representative of Units MB1 and MB2 shall provide the Permittee a copy of any submission or determination under paragraph 8(e), unless the Permittee expressly waives the right to receive a copy.

9. Severability [326 IAC 21]

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

10. Liability [326 IAC 21]

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- (a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to Section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.



- (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to Section 113(c) of the Clean Air Act, 18 U.S.C. 1001 and IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.
- (c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (d) Units MB1 and MB2 shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to Unit MB1 or MB2, including a provision applicable to the designated representative of Unit MB1 or MB2, shall also apply to the Permittee.
- (f) Any provision of the Acid Rain Program that applies to Unit MB1 or MB2, including a provision applicable to the designated representative of Units MB1 and MB2, shall also apply to the Permittee. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NOx 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 Permittee 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, 75, 76, 77, and 78 by Units MB1 and MB2, or by the Permittee or designated representative shall be a separate violation of the Clean Air Act.

11. Effect on Other Authorities [326 IAC 21]

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

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the Permittee and, to the extent applicable, the designated representative of Unit MB1 or MB2 from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
- (b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;
- (c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;
- (d) Modifying the Federal Power Act (16 USC 791(a) et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or
- (e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.

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

### **Addendum to the Technical Support Document for a Title IV (Acid Rain) Permit**

Source Name: Indiana Michigan Power Company – Rockport Generating Station  
Source Location: 2791 North U.S. Highway 231, Rockport, Indiana 47635  
Mailing Address: One Riverside Plaza, Columbus, OH 43215-2373  
County: Spencer  
ORIS Code: 6166  
Title IV Permit No.: AR 147-16151-00020  
Permit Reviewer: CLB/AKY

On October 28, 2004, the Office of Air Quality (OAQ) had a notice published in The Journal Democrat, Rockport, Indiana, stating that American Electric Power had applied for a Title IV (Acid Rain) Permit renewal for Rockport Generating Station. The notice also stated that OAQ proposed to issue a permit for this operation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed. Comments were received from American Electric Power on November 30, 2004.

#### **Comment 1:**

The name of the plant should be changed to Rockport Plant – Indiana Michigan Power Company dba American Electric Power.

#### **Response 1:**

The cover page, and our database, has been changed accordingly.

### **Rockport Plant - Indiana Michigan Power Company dba American Electric Power (AEP)**

#### **Comment 2:**

All correspondence regarding this Acid Rain Permit should be addressed to the Designated Representative as follows:

Mr. John McManus  
Vice-President – Environmental Services  
American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215

#### **Response 2:**

This information has been updated.

#### **Comment 3:**

The number of allowances shown in the Tables in Section 4 of the permit differ by 11 each year from the number of allowances actually allocated to these units by USEPA. This discrepancy is due to the return of 11 allowances by USEPA originally withheld as a Repowering Deduction. We believe that this should be corrected in the table.

#### **Response 3:**

Upon verification from U.S. EPA SO<sub>2</sub> Allowance Tracking System, the SO<sub>2</sub> allocations for 2006 through 2009 have been corrected as follows:

4. Sulfur Dioxide Requirements [326 IAC 21]

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

SO <sub>2</sub> Annual Allowance Allocations (tons) for Unit MB1					
year	2005	2006	2007	2008	2009
Tons Unit MB1	32,992*	<del>32,992</del> <b>33003*</b>	<del>32,992</del> <b>33003*</b>	<del>32,992</del> <b>33003*</b>	<del>32,992</del> <b>33003*</b>
SO <sub>2</sub> Allowance Allocations for Unit MB2					
year	2005	2006	2007	2008	2009
Tons Unit MB2	32,992*	<del>32,992</del> <b>33003*</b>	<del>32,992</del> <b>33003*</b>	<del>32,992</del> <b>33003*</b>	<del>32,992</del> <b>33003*</b>

Upon further review, the OAQ has decided to make the following revisions to the permit (**bolded** language has been added, the language with a line through it has been ~~deleted~~).

**Change 1:**

In order to clarify the name of this permit, the title of the permit has been changed.

~~Phase II~~  
**TITLE IV (ACID RAIN) PERMIT RENEWAL**  
**OFFICE OF AIR QUALITY**

**Change 2:**

To clarify the term “Permittee” the following change has been made to the cover page of the permit.

**The owners and operators (hereinafter collectively known as the Permittee) of the above source are issued** ~~This permit is issued~~ under the provisions of 326 Indiana Administrative Code (IAC) 21 with conditions listed on the attached pages.

**Change 3:**

To clarify which generators are subject to Title IV regulations and to further clarify the term “Permittee” the following changes have been made:

Title IV Source Description:	
(a)	One (1) pulverized coal opposed wall fired dry bottom boiler, identified as <b>Unit MB1 (Main Boiler-1 MB1 in the Title V permit)</b> , with a design heat input capacity of 12,374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. Low NO <sub>x</sub> burners and an overfire air (OFA) system have been installed for NO <sub>x</sub> control. No. 2 fuel oil is fired during startup, shutdown, and load stabilization periods. No. 2 fuel oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. Emissions from Units MB1 and MB2 are exhausted through the common stack, Stack CS012. Continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO <sub>x</sub> ) and for sulfur dioxide (SO <sub>2</sub> ) and a continuous opacity monitoring (COM) system are located on the common stack.
(b)	One (1) pulverized coal opposed wall fired dry bottom boiler, identified as <b>Unit MB2 (Main Boiler-2 MB2 in the Title V permit)</b> , with construction commenced in 1977 and completed in 1989, with a design heat input capacity of 12,374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. Low NO <sub>x</sub> burners and an overfire air

(OFA) system for NO<sub>x</sub> control are scheduled for installation in 2004. No. 2 fuel oil is fired during startup, shutdown, and load stabilization periods. No. 2 fuel oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. Emissions from Units MB1 and MB2 are exhausted through the common stack, Stack CS012. Continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system are located on the common stack.

(The information ~~describing the process~~ contained in this ~~facility description~~ box is descriptive information and does not constitute enforceable conditions.)

1. Statutory and Regulatory Authorities

In accordance with IC 13-17-3-4 and 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 Quality (OAQ) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 Code of Federal Regulations (CFR) 72 through 78).

2. Standard Permit Requirements [326 IAC 21]

- (a) The designated representative has submitted a complete acid rain permit application in accordance with the deadlines in 40 CFR 72.30.
- (b) ~~The owners and operators of each affected source and each affected unit~~ **Permittee** shall operate ~~the unit~~ **Units MB1 and MB2** in compliance with this permit.

3. Monitoring Requirements [326 IAC 21]

- (a) ~~The owners and operators~~ **Permittee** and, to the extent applicable, the designated representative of ~~each affected source and each affected unit at the source~~ **Units MB1 and MB2** shall comply with the monitoring requirements as provided in 40 CFR 75 and 76.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 76 shall be used to determine compliance by ~~the unit~~ **Units MB1 and MB2** 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 and 76 shall not affect the responsibility of the ~~owners and operators~~ **Permittee** to monitor emissions of other pollutants or other emissions characteristics at ~~the unit~~ **Units MB1 and MB2** under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

4. Sulfur Dioxide Requirements [326 IAC 21]

- (a) ~~The owners and operators of each source and each affected unit at the source~~ **Permittee** shall:
  - (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the ~~unit's~~ compliance subaccount **of Units MB1 and MB2**, 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~~ **Units MB1 and MB2**; and,
- (c) ~~An affected unit~~ **Units MB1 and MB2** shall be subject to the requirements under paragraph 4(a) of the sulfur dioxide requirements as follows:
  - (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or,
  - (2) Starting on the 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).
- (e) An allowance shall not be deducted in order to comply with the requirements under paragraph 4(a)~~(1)~~ of the sulfur dioxide requirements prior to the calendar year for which

the allowance was allocated.

- (i) No limit shall be placed on the number of allowances held by ~~an affected source~~ **the Permittee**. ~~An affected source~~ **The Permittee** may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. [326 IAC 2-7-5(4)(B)]

5. Nitrogen Oxides Requirements [326 IAC 21]

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- (a) ~~The owners and operators of the source and each affected unit at the source~~ **Permittee** shall comply with the applicable acid rain emissions limitation for nitrogen oxides (NOx) **for Units MB1 and MB2.**
- (b) NOx Early Election Compliance Plan for Unit MB1:
  - (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NOx early election compliance plan for Unit MB1. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, ~~this unit's~~ **the** annual average NOx emission rate **from Unit MB1** for each year, determined in accordance with 40 CFR ~~Part 75~~, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(2) of 0.50 lb/~~mm~~**MMBtu** for dry bottom wall-fired boilers. If ~~the unit~~ **Unit MB1** is in compliance with its applicable emission limitation for each year of the plan, then ~~the unit~~ **Unit MB1** shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), or 0.46 lb/~~mm~~**MMBtu** for dry bottom wall-fired boilers until calendar year 2008.
  - (2) ~~AEP Permittee~~ **Permittee** must annually demonstrate that ~~this unit~~ **Unit MB1** meets the NOx emission limit of 0.50 lb/~~mm~~**MMBtu** by showing that emissions at the common stack (through which all emissions from Units MB1 and MB2 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack CS012. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR ~~part~~ **75**.
- (c) NOx Early Election Compliance Plan for Unit MB2:
  - (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NOx early election compliance plan for Unit MB2. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, ~~this unit's~~ **the** annual average NOx emission rate **from Unit MB2** for each year, determined in accordance with 40 CFR ~~Part 75~~, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(2) of 0.50 lb/~~mm~~**MMBtu** for dry bottom wall-fired boilers. If ~~the unit~~ **Unit MB2** is in compliance with its applicable emission limitation for each year of the plan, then ~~the unit~~ **Unit MB2** shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), or 0.46 lb/~~mm~~**MMBtu** for dry bottom wall-fired boilers until calendar year 2008.
  - (2) ~~AEP Permittee~~ **Permittee** must annually demonstrate that ~~this unit~~ **Unit MB2** meets the NOx emission limit of 0.50 lb/~~mm~~**MMBtu** by showing that emissions at the common stack (through which all emissions from Units MB1 and MB2 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack CS012. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR ~~part~~ **75**.
- (d) NOx Emission Averaging Plan for Unit MB1:
  - (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental

Management, Office of Air Quality approves a NOx emissions averaging plan for ~~this unit~~ **Unit MB1**, effective from calendar years 2005 through 2006. Under the plan ~~this unit's~~ **the NOx emissions from Unit MB1** shall not exceed the annual average alternative contemporaneous emission limitation (**ACEL**) of 0.46 lb/~~mm~~MMBtu. In addition, ~~this unit~~ **Unit MB1** shall not have an annual heat input greater than 94,595,000 ~~mm~~MMBtu.

- (2) **Notwithstanding the averaging plan described above, if Unit MB1 exceeds its applicable NOx emission limitation under 40 CFR 76.8 (early election) of 0.50 lb/MMBtu for dry bottom wall-fired boilers, the early election plan for Unit MB1 shall be terminated in accordance with 40 CFR 76.8(e)(3) and Unit MB1 shall meet, beginning on the effective date of the termination, the applicable NOx emission limitation under 40 CFR 76.7. Such termination shall not terminate the averaging plan described above.**

(e) NOx Emission Averaging Plan for Unit MB2:

- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NOx emissions averaging plan for ~~this unit~~, effective from calendar years 2005 through 2006. Under the plan ~~this unit's~~ **Unit MB2** NOx emissions shall not exceed the annual average alternative contemporaneous emission limitation (**ACEL**) of 0.46 lb/~~mm~~MMBtu. In addition, ~~this unit~~ **Unit MB2** shall not have an annual heat input greater than 82,260,000 MMBtu.

- (2) **Notwithstanding the averaging plan described above, if Unit MB1 exceeds its applicable NOx emission limitation under 40 CFR 76.8 (early election) of 0.50 lb/MMBtu for dry bottom wall-fired boilers, the early election plan for Unit MB1 shall be terminated in accordance with 40 CFR 76.8(e)(3) and Unit MB1 shall meet, beginning on the effective date of the termination, the applicable NOx emission limitation under 40 CFR 76.7. Such termination shall not terminate the averaging plan described above.**

(f) Under the plan, the actual Btu-weighted annual average NOx emission rate for ~~the units~~ **Units MB1 and MB2** in the plan shall be less than or equal to the Btu-weighted annual average NOx emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then ~~this unit~~ **Units MB1 and MB2** shall be deemed to be in compliance for that year with its ~~alternative contemporaneous annual emission limitation~~ **ACEL** and annual heat input limit.

(g) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plan shall be final only when the Ohio Environmental Protection Agency, Division of Air Pollution Control; the Kentucky Department of Environmental Protection, Division of Air Quality; Virginia Department of Environmental Quality, Air division; and the West Virginia Department of Environmental Protection, Division of Air Quality have also approved this averaging plan.

~~(h) Notwithstanding the averaging plan described above, if a unit exceeds its applicable NOx emission limitation under 40 CFR 76.8 (early election) of 0.50 for dry bottom wall-fired boilers lb/mmBtu, the early election plan for that unit shall be terminated in accordance with 40 CFR 76.8(e)(3) and the unit shall meet, beginning on the effective date of the termination, the applicable NOx emission limitation under 40 CFR 76.7. Such termination shall not terminate the averaging plan described~~

(i h) In addition to the described NOx compliance plan, ~~this unit~~ **Units MB1 and MB2** shall comply with all other applicable requirements of 40 CFR ~~Part~~ 76, including the duty to reapply for a NOx compliance plan and requirements covering excess emissions.

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

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- (a) ~~The designated representative of an affected unit that~~ **If Unit MB1 or MB2** has excess emissions of sulfur dioxide in any calendar year, **the designated representative** shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.
- (b) The designated representative shall submit required information to:
- Indiana Department of Environmental Management  
~~Air Compliance Branch Section I~~, Office of Air Quality  
100 North Senate Avenue, ~~P.O. Box 6015~~  
Indianapolis, Indiana ~~46206-6015~~ **46204-2251**
- (c) ~~The owners and operators of an affected unit that~~ **If Unit MB1 or MB2** has excess emissions, as defined in 40 CFR 72.2, in any calendar year **the Permittee** shall:

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

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- (a) Unless otherwise provided, the ~~owners and operators of the source and each affected unit at the source~~ **Permittee** shall keep on site each of the following documents for a period of 5 years, as required by 40 CFR 72.9(f), from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OAQ:
- (1) The certificate of representation for the designated representative of ~~the source and each affected unit at the source~~ **Units MB1 and MB2** 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.
- (b) The designated representative of ~~an affected source and each affected unit at the source~~ **Units MB1 and MB2** shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90 Subpart I, 40 CFR 75, and 326 IAC 21. ~~Submit~~ **The required information is to be submitted** to the appropriate authority(ies) as specified in 40 CFR 72.90 Subpart I and 40 CFR 75.

8. Submissions [326 IAC 21]

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- (a) The designated representative of **Units MB1 and MB2** shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA and IDEM, OAQ in accordance with 40 CFR 72 and 326 IAC 21.
- (b) The designated representative shall submit required information to:
- Indiana Department of Environmental Management  
Permits ~~Branch Administration Section~~, Office of Air Quality  
100 North Senate Avenue, ~~P.O. Box 6015~~  
Indianapolis, Indiana ~~46206-6015~~ **46204-2251**
- (e) The designated representative of ~~a source~~ **Units MB1 and MB2** shall notify ~~each owner and operator of the source and of an affected unit at the source~~ **the Permittee**:
- (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~~ **Units MB1 and MB2**.

- (f) The designated representative of ~~a source~~ **Units MB1 and MB2** shall provide ~~each owner and operator~~ **the Permittee** of an affected unit at the source a copy of any submission or determination under ~~condition paragraph 8(e) of this section~~, unless the ~~owner or operator~~ **Permittee** expressly waives the right to receive a copy.

10. Liability [326 IAC 21]

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- (d) ~~Each affected source and each affected unit~~ **Units MB1 and MB2** shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to ~~an affected source~~ **Unit MB1 or MB2**, including a provision applicable to the designated representative of ~~an affected source~~ **Unit MB1 or MB2**, shall also apply to the ~~owners and operators~~ **Permittee** 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~~ **Unit MB1 or MB2**, including a provision applicable to the designated representative of ~~an affected unit~~ **Units MB1 and MB2**, shall also apply to the ~~owners and operators of such unit~~ **Permittee**. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NOx 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~~ **Permittee** and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
- (g) Each violation of a provision of 40 CFR ~~parts 72, 73, 74, 75, 76, 77, and 78~~ by ~~an affected source or affected unit~~ **Units MB1 and MB2**, or by ~~an owner or operator~~ **the Permittee** or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

11. Effect on Other Authorities [326 IAC 21]

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

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the ~~owners and operators~~ **Permittee** and, to the extent applicable, the designated representative of ~~an affected source or affected unit~~ **Units MB1 or MB2** 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;