



# INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

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

Frank O'Bannon  
Governor

Lori F. Kaplan  
Commissioner

**August 8, 2003**

100 North Senate Avenue  
P. O. Box 6015  
Indianapolis, Indiana 46206-6015  
(317) 232-8603  
(800) 451-6027  
[www.IN.gov/idem](http://www.IN.gov/idem)

TO: Interested Parties / Applicant

RE: **MONTPELIER ELECTRIC 179-17969-00026**

FROM: Paul Dubenetzky  
Chief, Permits Branch  
Office of Air Quality

## Notice of Decision - Approval

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 326 IAC 2, this approval was effective immediately upon submittal of the application.

If you wish to challenge this decision, IC 4-21.5-3-7 requires 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 Environmental Adjudication, ISTA Building, 150 W. Market Street, Suite 618, Indianapolis, IN 46204, **within eighteen (18) calendar days from 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

**August 08, 2003**  
**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**  
**Office of Air Quality**

Technical Support Document  
for Revision to Phase II Permit

**Source Name:** Montpelier Electric Generating Station  
**Source Location:** 8265 South 450 West, Poneto, IN 46781  
**Operated By:** DPL Energy, LLC  
**Owned By:** DPL Energy, LLC  
**ORIS Code:** 55229  
**Phase II Permit No.:** AAR 179-17969-00026  
**Permit Reviewer:** Cynthia Bymaster

The original Phase II permit for the Montpelier Electric Generating Station was issued on January 29, 2001, under permit number AR 179-11651-00026. On December 23, 2002, DPL Energy, LLC, applied for a modification to its phase II permit to show that it had decided to installed only eight (8) of the sixteen (16) turbines. IDEM incorporated these revisions, clarified some terms in the permit and updated the addresses for EPA and IDEM in the first administrative amendment, AAR 179-16969-00026, issued July 21, 2003. On July 24, 2003, DPL Energy, LLC, requested a correction to the name of the owner/operator of the power plant. This second administrative amendment, AR 179-17969-00026, shows the owner/operator name correction.

**Revisions to the Phase II Permit**

Changes in the permit are set out below with deleted words indicated by ~~this font~~ and words that have been added indicated by **this font**. In order to correct the company names , IDEM, OAQ has made the following changes to page 1 (the cover page) of the permit:

**Source Name:** Montpelier Electric Generating Station  
**Source Location:** 8265 South 450 West, Poneto, Indiana 46781  
**County:** Wells  
**Operated By:** DPL Energy, ~~Inc.~~**LLC**  
**Owned By:** DPL Energy, ~~Inc.~~**LLC**  
**ORIS Code:** 55229

#### Additional Information

Questions regarding the Phase II permit can be directed to Cynthia Bymaster at the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ), 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015 or by telephone at (317) 233-2641 or toll free at 1-800-451-6027 extension 3-2641.

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

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

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

or

The Government Printing Office  
Washington, D.C. 20402

or

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



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## Phase II Acid Rain Permit

### INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

#### Office of Air Quality

**Source Name:** Montpelier Electric Generating Station  
**Source Location:** 8265 South 450 West, Poneto, Indiana  
**County:** Wells  
**Operated By:** DPL Energy, LLC  
**Owned By:** DPL Energy, LLC  
**ORIS Code:** 55229

This permit is issued to the above mentioned operator under the provisions of 326 Indiana Administrative Code (IAC) 21 and 40 Code of Federal Regulations (CFR) 72, 40 CFR 75 through 40 CFR 78 and 58 Federal Register (FR) 3590, with conditions listed on the attached pages.

Operation Permit No.: AR 179-11651-00026	
Issued by:	Issuance Date: January 29, 2001
Janet G. McCabe, Assistant Commissioner Office of Air Quality	Expiration Date: January 29, 2006

First Administrative Amendment: AAR 179-16969-00026 Issued July 21, 2003

Second Administrative Amendment: AAR 179-17969-00026	Pages Amended: Entire Permit
Issued by: <b>Original signed by</b>	Issuance Date: <b>August 8, 2003</b>
Janet G. McCabe, Assistant Commissioner Office of Air Quality	Expiration Date: January 29, 2006



#### Title IV Acid Rain

Facilities Description: four (4) Twin Pac combustion turbine generator units, consisting of eight (8) simple cycle turbines and four (4) generators, each generator directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines, which are directly connected to each generator, are designated as CT1 and CT2. The eight (8) combustion turbines have an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV) per turbine unit, a maximum nominal output of 25 MW per turbine, with water-injection for NO<sub>x</sub> emissions control, and exhaust to eight (8) stacks designated as G1CT1S1 through G4CT2S2.

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#### 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 Title IV - Acid Deposition Control - Section 400 of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 CFR 72 through 78).

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

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

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

- (a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR 75.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 72.9(b)(1) and (2) 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.
- (c) The requirements of 40 CFR 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 Clean Air Act and other provisions of the operating permit for the source.

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

- (a) The owners and operators of each source and each affected unit at the source shall:
  - (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous

calendar year from the unit; and,

- (2) Comply with the applicable acid rain emissions limitations for sulfur dioxide.
  - (b) Each ton of sulfur dioxide emitted in excess of the acid rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.
  - (c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirements as follows:
    - (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or,
    - (2) Starting on the 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 United States Environmental Protection Agency (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 (a) and 326 IAC 21.
  - (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. Pursuant to 40 CFR 72.9(c)(7), allowances allocated by U.S. EPA do not constitute a property right.
  - (g) These units have no sulfur dioxide (SO<sub>2</sub>) allowance allocations from U.S. EPA. The allowances shall be obtained from other units to account for the SO<sub>2</sub> emissions from these units as required by 40 CFR 72.9(c).
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5. Nitrogen Oxides Requirements [326 IAC 21]

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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.

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6. Excess Emissions Requirements for Sulfur Dioxide [326 IAC 21]

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

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

and

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

and

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

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

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

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

of the submission of a new certificate of representation changing the designated representative;

- (2) All emissions monitoring information, 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 acid rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

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

8. Submissions [326 IAC 21]

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

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

and

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

- (c) Each such submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.



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

9. Severability [326 IAC 21]

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

10. Liability [326 IAC 21]

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

- (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to Section 113(c) of the Clean Air Act, 18 U.S.C. 1001 and IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.
- (c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.
- (f) Any provision of the Acid Rain Program that applies to an affected unit, including a provision applicable to the designated representative of an affected unit, shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (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 and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
- (g) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

11. Effect on Other Authorities [326 IAC 21]

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

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
- (b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;
- (c) Requiring a change of any kind in any state law regulating electric utility rates and

charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;

- (d) Modifying the Federal Power Act (16 USC 791(a) et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.