



Joseph E. Kernan
Governor

Lori F. Kaplan
Commissioner

April 5, 2004

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

TO: Interested Parties / Applicant
RE: Panhandle Eastern Pipe Line Company / SPM 121-18609-00008
FROM: Paul Dubenetzky
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 13-17-3-4 and 326 IAC 2, this permit modification is effective immediately, unless a petition for stay of effectiveness is filed and granted, 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 4-21.5-3-7 and IC 13-15-7-3 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 Environmental Adjudication, 100 North Senate Avenue, Government Center North, Room 1049, Indianapolis, IN 46204, **within eighteen (18) 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.

Pursuant to 326 IAC 2-7-18(d), any person may petition the U.S. EPA to object to the issuance of a Title V operating permit or modification within sixty (60) days of the end of the forty-five (45) day EPA review period. Such an objection must be based only on issues that were raised with reasonable specificity during the public comment period, unless the petitioner demonstrates that it was impracticable to raise such issues, or if the grounds for such objection arose after the comment period.

To petition the U.S. EPA to object to the issuance of a Title V operating permit, contact:

U.S. Environmental Protection Agency
401 M Street
Washington, D.C. 20406

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.



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We make Indiana a cleaner, healthier place to live.

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PART 70 OPERATING PERMIT
OFFICE OF AIR QUALITY

Panhandle Eastern Pipe Line Company
1-1/2 miles NE of Montezuma on Lafayette Road
Montezuma, Indiana 47862

(herein known as the Permittee) is hereby authorized to operate subject to the conditions
contained herein, the source described in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains
the conditions and provisions specified in 326 IAC 2-7 and 326 IAC 2-1-3.2 as required by 42
U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40
CFR Part 70.6, IC 13-15 and IC 13-17.

Table with 2 columns: Permit details and Issuance/Expiration dates.

First Administrative Amendment No.: 121-10346-00008, issued on March 8, 1999
Second Administrative Amendment No.: 121-11592-00008, issued on December 20, 1999
First Reopening No.: 121-13443-00008, Issued on December 19, 2001
Third Administrative Amendment No.: 121-15039-00008, issued on December 19, 2001

Table with 2 columns: Permit modification details and Issuance date.

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Stratospheric Ozone Protection

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D.1 FACILITY OPERATION CONDITIONS -

Fourteen (14) natural gas fueled reciprocating internal combustion internal engine compressors and one (1) natural gas fueled turbine driven centrifugal compressor

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SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ). The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]

The Permittee owns and operates a stationary pipeline compressor station.

Responsible Official: Vice President, Operations & Engineering
Source Address: 1-1/2 miles NE of Montezuma on Lafayette Road, Montezuma, IN 47862
Mailing Address: P.O. Box 4967, Houston, Texas 77210-4967
SIC Code: 4922
County Location: Parke
County Status: Attainment for all criteria pollutants
Source Status: Part 70 Permit Program
Major Source under PSD Rules

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

This stationary source consists of the following emission units and pollution control devices:

- (1) Six (6) natural gas fueled reciprocating internal combustion internal engine compressors, installed in 1936 through 1944, identified as ID #s 1302 through 1307, with a maximum capacity of 1300 Horsepower each, and exhausting to stacks # S1302 through S1307.
- (2) One (1) natural gas fueled reciprocating internal combustion internal engine compressor, installed in 1947, identified as ID# 1308, with a maximum capacity of 1600 Horsepower, and exhausting to stack # S1308.
- (3) One (1) natural gas fueled **2-cycle lean burn** reciprocating internal combustion engine compressor, installed in 1956, identified as ID# 1309, with a maximum capacity of 2000 Horsepower (**16 MMBTU/hour**), and exhausting to stack # S1309.
- (4) **Two (2)** natural gas fueled reciprocating internal combustion engine compressors, installed in 1956, identified as ID#s **1311 and 1312**, with a maximum capacity of 2000 Horsepower each, and exhausting to stacks # **S1311 and S1312, respectively**.

One (1) natural gas fueled **4-cycle lean burn** reciprocating internal combustion engine compressor, installed in 1956, identified as ID# 1310, with a maximum capacity of 2000 Horsepower (**15 MMBTU/hour**), and exhausting to stack # S1310.

A new fuel injection system (valves and nozzles) is incorporated to the existing fuel injection of Engines 1309 and 1310. The new injection system is designed to optimize in-cylinder mixing of air and natural gas fuel. The optimized mixing of the fuel and air is realized by injecting fuel gas into the combustion chamber at an increased pressure, thus creating a more turbulent environment resulting in a homogeneous mixture. This

homogeneous mixture results in a more complete combustion and eliminates fuel rich regions that disproportionately contribute to NO_x formation and allows combustion to happen with a lean fuel/air mixture, which raises the heat capacity of the mixture. Fuel lean operations result in lower NO_x emissions because peak temperatures are reduced during the combustion process.

Lean denotes a paucity of fuel, or an excess of oxidant, (e.g. air). In this case, excess air serves primarily as thermal ballast, keeping the temperature from soaring to levels where rapid NO_x formation occurs.

- (5) Two (2) natural gas fueled reciprocating internal combustion internal engine compressors, installed in 1963, identified as ID#s 1313 through 1314, with a maximum capacity of 3000 Horsepower each, and exhausting to stacks # S1313 through S1314.
- (6) One (1) natural gas fueled reciprocating internal combustion internal engine compressors, installed in 1970, identified as ID# 1315, with a maximum capacity of 4000 Horsepower, and exhausting to stack # S1315.
- (7) One (1) natural gas fueled turbine driven centrifugal compressor, installed in 1971, identified as ID #1316, with a maximum capacity of 10,000 Horsepower, and exhausting to stack # S1316.

A.3 Specifically Regulated Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-7-4(c)]
[326 IAC 2-7-5(15)]

This stationary source also includes the following insignificant activities which are specifically regulated, as defined in 326 IAC 2-7-1(21):

- (1) Natural gas-fired combustion sources with heat input equal to or less than ten (10) million Btu per hour.
- (2) Storage tanks with capacity less than or equal to 1,000 gallons and annual throughputs less than 12,000 gallons.
- (3) Vessels storing lubricating oils, hydraulic oils, machining oils, and machining fluids.
- (4) Blowdown for any of the following: sight glass, boiler, compressors, pumps, and cooling tower.
- (5) Emergency generators as follows:
Natural gas turbines or reciprocating engines not exceeding 16,000 horsepower.
- (6) Other activities or categories not previously identified:
 - (a) Pipeline liquids storage tank #5, (capacity 2,000 gallons)
 - (b) Glycol drain tank. (capacity 3,000 gallons)
 - (c) Glycol drain tank. (capacity 2,000 gallons)

- (d) Glycol tank. (capacity 5,000 gallons)

A.4 Part 70 Permit Applicability [326 IAC 2-7-2]

This stationary source is required to have a Part 70 permit by 326 IAC 2-7-2 (Applicability) because:

- (a) It is a major source, as defined in 326 IAC 2-7-1(22).
- (b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability).

SECTION B GENERAL CONDITIONS

B.1 Permit No Defense [326 IAC 2-1-10] [IC 13]

- (a) Indiana statutes from IC 13 and rules from 326 IAC, quoted in conditions in this permit, are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a Part 70 permit under 326 IAC 2-7.
- (b) This prohibition shall not apply to alleged violations of applicable requirements for which the Commissioner has granted a permit shield in accordance with 326 IAC 2-1-3.2 or 326 IAC 2-7-15, as set out in this permit in the Section B condition entitled "Permit Shield".

B.2 Definitions [326 IAC 2-7-1]

Terms in this permit shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, any applicable definitions found in IC 13-11, 326 IAC 1-2 and 326 IAC 2-7 shall prevail.

B.3 Permit Term [326 IAC 2-7-5(2)]

This permit is issued for a fixed term of five (5) years from the effective date, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3.

B.4 Enforceability [326 IAC 2-7-7(a)]

- (a) All terms and conditions in this permit, including any provisions designed to limit the source's potential to emit, are enforceable by IDEM.
- (b) Unless otherwise stated, terms and conditions of this permit, including any provisions to limit the source's potential to emit, are enforceable by the United States Environmental Protection Agency (U.S. EPA) and citizens under the Clean Air Act.

B.5 Termination of Right to Operate [326 IAC 2-7-10] [326 IAC 2-7-4(a)]

The Permittee's right to operate this source terminates with the expiration of this permit unless a timely and complete renewal application is submitted at least nine (9) months prior to the date of expiration of the source's existing permit, consistent with 326 IAC 2-7-3 and 326 IAC 2-7-4(a).

B.6 Severability [326 IAC 2-7-5(5)]

The provisions of this permit are severable; a determination that any portion of this permit is invalid shall not affect the validity of the remainder of the permit.

B.7 Property Rights or Exclusive Privilege [326 IAC 2-7-5(6)(D)]

This permit does not convey any property rights of any sort, or any exclusive privilege.

B.8 Duty to Supplement and Provide Information [326 IAC 2-7-4(b)] [326 IAC 2-7-5(6)(E)]

- (a) The Permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such supplementary facts or corrected information to:

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

100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

- (b) The Permittee shall furnish to IDEM, OAQ within a reasonable time, any information that IDEM, OAQ, may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit.
- (c) Upon request, the Permittee shall also furnish to IDEM, OAQ, copies of records required to be kept by this permit. If the Permittee wishes to assert a claim of confidentiality over any of the furnished records,, the Permittee must furnish such records to IDEM, OAQ, along with a claim of confidentiality under 326 IAC 17. If requested by IDEM, OAQ, or the U.S. EPA, to furnish copies of requested records directly to U. S. EPA, and if the Permittee is making a claim of confidentiality regarding the furnished records, then the Permittee must furnish such confidential records directly to the U.S. EPA along with a claim of confidentiality under 40 CFR 2, Subpart B.

B.9 Compliance with Permit Conditions [326 IAC 2-7-5(6)(A)] [326 IAC 2-7-5(6)(B)]

- (a) The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit constitutes a violation of the Clean Air Act and is grounds for:
 - (1) Enforcement action;
 - (2) Permit termination, revocation and reissuance, or modification; or
 - (3) Denial of a permit renewal application.
- (b) It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

B.10 Certification [326 IAC 2-7-4(f)] [326 IAC 2-7-6(1)]

- (a) Any application form, report, or compliance certification submitted under this permit shall contain certification by a responsible official of truth, accuracy, and completeness. This certification, and any other certification required under this permit, shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
- (b) One (1) certification shall be included, on the attached Certification Form, with each submittal.
- (c) A responsible official is defined at 326 IAC 2-7-1(34).

B.11 Annual Compliance Certification [326 IAC 2-7-6(5)]

- (a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. The certification shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted in letter form no later than July 1 of each year 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

United States Environmental Protection Agency, Region V
Air and Radiation Division, Air Enforcement Branch - Indiana (AE-17J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

- (b) The annual compliance certification report required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- (c) The annual compliance certification report shall include the following:
 - (1) The identification of each term or condition of this permit that is the basis of the certification;
 - (2) The compliance status;
 - (3) Whether compliance was continuous or intermittent;
 - (4) The methods used for determining compliance of the source, currently and over the reporting period consistent with 326 IAC 2-7-5(3);
 - (5) Such other facts, as specified in Sections D of this permit, as IDEM, OAQ, may require to determine the compliance status of the source.

The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

B.12 Preventive Maintenance Plan [326 IAC 2-7-5(1),(3) and (13)] [326 IAC 2-7-6(1) and (6)]
[326 IAC 1-6-3]

- (a) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMP) within ninety (90) days after issuance of this permit, including the following information on each facility:
 - (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
 - (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions;
 - (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

If due to circumstances beyond its control, the PMP cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

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

- (b) The Permittee shall implement the Preventive Maintenance Plans as necessary to ensure that lack of proper maintenance does not cause or contribute to a violation of any limitation on emissions or potential to emit.
- (c) PMPs shall be submitted to IDEM, OAQ, upon request and shall be subject to review and approval by IDEM, OAQ.

B.13 Emergency Provisions [326 IAC 2-7-16]

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation, except as provided in 326 IAC 2-7-16.
- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a health-based or technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describe the following:
 - (1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;
 - (2) The permitted facility was at the time being properly operated;
 - (3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;
 - (4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone Number: 1-800-451-6027 (ask for Office of Air Quality,
Compliance Section), or
Telephone Number: 317-233-5674 (ask for Compliance Section)
Facsimile Number: 317-233-5967

- (5) For each emergency lasting one (1) hour or more, the Permittee submitted notice, either in writing or facsimile, of the emergency to:

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

within two (2) working days of the time when emission limitations were exceeded due to the emergency.

The notice fulfills the requirement of 326 IAC 2-7-5(3)(C)(ii) and must contain the following:

- (A) A description of the emergency;
- (B) Any steps taken to mitigate the emissions; and
- (C) Corrective actions taken.

The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (6) The Permittee immediately took all reasonable steps to correct the emergency.
- (c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
- (d) This emergency provision supersedes 326 IAC 1-6 (Malfunctions) for sources subject to this rule after the effective date of this rule. This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.
- (e) IDEM, OAQ, may require that the Preventive Maintenance Plans required under 326 IAC 2-7-4-(c)(9) be revised in response to an emergency.
- (f) Failure to notify IDEM, OAQ, by telephone or facsimile of an emergency lasting more than one (1) hour in compliance with (b)(4) and (5) of this condition shall constitute a violation of 326 IAC 2-7 and any other applicable rules.
- (g) Operations may continue during an emergency only if the following conditions are met:
 - (1) If the emergency situation causes a deviation from a technology-based limit, the Permittee may continue to operate the affected emitting facilities during the emergency provided the Permittee immediately takes all reasonable steps to correct the emergency and minimize emissions.
 - (2) If an emergency situation causes a deviation from a health-based limit, the Permittee may not continue to operate the affected emissions facilities unless:
 - (A) The Permittee immediately takes all reasonable steps to correct the emergency situation and to minimize emissions; and
 - (B) Continued operation of the facilities is necessary to prevent imminent

injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value.

Any operation shall continue no longer than the minimum time required to prevent the situations identified in (g)(2)(B) of this condition.

B.14 Permit Shield [326 IAC 2-7-15]

- (a) This condition provides a permit shield as addressed in 326 IAC 2-7-15.
- (b) This permit shall be used as the primary document for determining compliance with applicable requirements established by previously issued permits. Compliance with the conditions of this permit shall be deemed in compliance with any applicable requirements as of the date of permit issuance, provided that:
 - (1) The applicable requirements are included and specifically identified in this permit;
or
 - (2) The permit contains an explicit determination or concise summary of a determination that other specifically identified requirements are not applicable.
- (c) If, after issuance of this permit, it is determined that the permit is in nonconformance with an applicable requirement that applied to the source on the date of permit issuance, including any term or condition from a previously issued construction or operation permit, IDEM, OAQ, shall immediately take steps to reopen and revise this permit and issue a compliance order to the Permittee to ensure expeditious compliance with the applicable requirement until the permit is reissued. The permit shield shall continue in effect so long as the Permittee is in compliance with the compliance order.
- (d) No permit shield shall apply to any permit term or condition that is determined after issuance of this permit to have been based on erroneous information supplied in the permit application.
- (e) Nothing in 326 IAC 2-7-15 or in this permit shall alter or affect the following:
 - (1) The provisions of Section 303 of the Clean Air Act (emergency orders), including the authority of the U.S. EPA under Section 303 of the Clean Air Act;
 - (2) The liability of the Permittee for any violation of applicable requirements prior to or at the time of this permit's issuance;
 - (3) The applicable requirements of the acid rain program, consistent with Section 408(a) of the Clean Air Act; and
 - (4) The ability of U.S. EPA to obtain information from the Permittee under Section 114 of the Clean Air Act.
- (f) This permit shield is not applicable to any change made under 326 IAC 2-7-20(b)(2) (Sections 502(b)(10) of the Clean Air Act changes) and 326 IAC 2-7-20(c)(2) (trading based on State Implementation Plan (SIP) provisions).

- (g) This permit shield is not applicable to modifications eligible for group processing until after IDEM, OAQ, has issued the modifications. [326 IAC 2-7-12(c)(7)]
- (h) This permit shield is not applicable to minor Part 70 permit modifications until after IDEM, OAQ, has issued the modification. [326 IAC 2-7-12(b)(8)]

B.15 Multiple Exceedances [326 IAC 2-7-5(1)(E)]

Any exceedance of a permit limitation or condition contained in this permit, which occurs contemporaneously with an exceedance of an associated surrogate or operating parameter established to detect or assure compliance with that limit or condition, both arising out of the same act or occurrence, shall constitute a single potential violation of this permit.

B.16 Deviations from Permit Requirements and Conditions [326 IAC 2-7-5(3)(C)(ii)]

- (a) Deviations from any permit requirements (for emergencies see Section B - Emergency Provisions), the probable cause of such deviations, and any response steps or preventive measures taken shall be reported to:

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

within ten (10) calendar days from the date of the discovery of the deviation.

- (b) A deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit or a rule. It does not include:
 - (1) An excursion from compliance monitoring parameters as identified in Section D of this permit unless tied to an applicable rule or limit; or
 - (2) An emergency as defined in 326 IAC 2-7-1(12); or
 - (3) Failure to implement elements of the Preventive Maintenance Plan unless lack of maintenance has caused or contributed to a deviation.
 - (4) Failure to make or record information required by the compliance monitoring provisions of Section D unless such failure exceeds 5% of the required data in any calendar quarter.

A Permittee's failure to take the appropriate response step when an excursion of a compliance monitoring parameter has occurred is a deviation.

- (c) Written notification shall be submitted on the attached Emergency/Deviation Occurrence Reporting Form or its substantial equivalent. The notification does not need to be certified by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (d) Proper notice submittal under 326 IAC 2-7-16 satisfies the requirement of this subsection.

B.17 Permit Modification, Reopening, Revocation and Reissuance, or Termination

[326 IAC 2-7-5(6)(C)] [326 IAC 2-7-8(a)] [326 IAC 2-7-9]

- (a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Part 70 permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit. [326 IAC 2-7-5(6)(C)]
- (b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ determines any of the following:
 - (1) That this permit contains a material mistake.
 - (2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.
 - (3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-7-9(a)(3)]
- (c) Proceedings by IDEM, OAQ to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-7-9(b)]
- (d) The reopening and revision of this permit, under 326 IAC 2-7-9(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ provide a shorter time period in the case of an emergency. [326 IAC 2-7-9(c)]

B.18 Permit Renewal [326 IAC 2-7-4]

- (a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ, and shall include the information specified in 326 IAC 2-7-4. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40).

Request for renewal shall be submitted to:

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

- (b) Timely Submittal of Permit Renewal [326 IAC 2-7-4(a)(1)(D)]
 - (1) A timely renewal application is one that is:
 - (A) Submitted at least nine (9) months prior to the date of the expiration of this permit; and
 - (B) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be

considered timely if received by IDEM, OAQ on or before the date it is due. [326 IAC 2-5-3]

- (2) If IDEM, OAQ, upon receiving a timely and complete permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.
- (c) **Right to Operate After Application for Renewal** [326 IAC 2-7-3]
If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified in writing by IDEM, OAQ any additional information identified as being needed to process the application.
- (d) **United States Environmental Protection Agency Authority** [326 IAC 2-7-8(e)]
If IDEM, OAQ fails to act in a timely way on a Part 70 permit renewal, the U.S. EPA may invoke its authority under Section 505(e) of the Clean Air Act to terminate or revoke and reissue a Part 70 permit.

B.19 Permit Amendment or Modification [326 IAC 2-7-11] [326 IAC 2-7-12]

- (a) The Permittee must comply with the requirements of 326 IAC 2-7-11 or 326 IAC 2-7-12 whenever the Permittee seeks to amend or modify this permit.
- (b) Any application requesting an amendment or modification of this permit shall be submitted to:

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

Any such application should be certified by the "responsible official" as defined by 326 IAC 2-7-1(34) only if a certification is required by the terms of the applicable rule.
- (c) The Permittee may implement the administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]

B.20 Permit Revision Under Economic Incentives and Other Programs [326 IAC 2-7-5(8)]

[326 IAC 2-7-12 (b)(2)]

- (a) No Part 70 permit revision shall be required under any approved economic incentives, marketable Part 70 permits, emissions trading, and other similar programs or processes for changes that are provided for in a Part 70 permit.
- (b) Notwithstanding 326 IAC 2-7-12(b)(1)(D)(i) and 326 IAC 2-7-12(c)(1), minor Part 70 permit modification procedures may be used for Part 70 modifications involving the use of

economic incentives, marketable Part 70 permits, emissions trading, and other similar approaches to the extent that such minor Part 70 permit modification procedures are explicitly provided for in the applicable State Implementation Plan (SIP) or in applicable requirements promulgated or approved by the U.S. EPA.

B.21 Changes Under Section 502(b)(10) of the Clean Air Act [326 IAC 2-7-20(b)]

The Permittee may make Section 502(b)(10) of the Clean Air Act changes (this term is defined at 326 IAC 2-7-1(36)) without a permit revision, subject to the constraint of 326 IAC 2-7-20(a) and the following additional conditions:

- (a) For each such change, the required written notification shall include a brief description of the change within the source, the date on which the change will occur, any change in emissions, and any permit term or condition that is no longer applicable as a result of the change.
- (b) The permit shield, described in 326 IAC 2-7-15, shall not apply to any change made under 326 IAC 2-7-20(b).

B.22 Operational Flexibility [326 IAC 2-7-20]

(a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-7-20(b), (c), or (e), without a prior permit revision, if each of the following conditions is met:

- (1) The changes are not modifications under any provision of Title I of the Clean Air Act;
- (2) Any approval required by 326 IAC 2-1 has been obtained;
- (3) The changes do not result in emissions which exceed the emissions allowable under this permit (whether expressed herein as a rate of emissions or in terms of total emissions);
- (4) The Permittee notifies the:

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

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Regulation Development Branch - Indiana (AR-18J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

in advance of the change by written notification at least ten (10) days in advance of the proposed change. The Permittee shall attach every such notice to the Permittee's copy of this permit; and

- (5) The Permittee maintains records on-site which document, on a rolling five (5) year basis, all such changes and emissions trading that are subject to 326 IAC 2-7-20(b), (c), or (e) and makes such records available, upon reasonable request, for public review.

Such records shall consist of all information required to be submitted to IDEM, OAQ in the notices specified in 326 IAC 2-7-20(b), (c)(1), and (e)(2).

- (b) For each such Section 502(b)(10) of the Clean Air Act change, the required written notification shall include the following:
- (1) A brief description of the change within the source;
 - (2) The date on which the change will occur;
 - (3) Any change in emissions; and
 - (4) Any permit term or condition that is no longer applicable as a result of the change.

The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) Emission Trades [326 IAC 2-7-20(c)]
The Permittee may trade increases and decreases in emissions in the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).
- (d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-7-5(9). No prior notification of IDEM, OAQ, or U.S. EPA is required.
- (e) Backup fuel switches specifically addressed in, and limited under, Section D of this permit shall not be considered alternative operating scenarios. Therefore, the notification requirements of part (a) of this condition do not apply.

B.23 Construction Permit Requirement [326 IAC 2]

Except as allowed by Indiana P.L. 130-1996 Section 12, as amended by P.L. 244-1997, modification, construction, or reconstruction shall be approved as required by and in accordance with 326 IAC 2.

B.24 Inspection and Entry [326 IAC 2-7-6(2)]

Upon presentation of proper identification cards, credentials, and other documents as may be required by law, the Permittee shall allow IDEM, OAQ, U.S. EPA, or an authorized representative to perform the following:

- (a) Enter upon the Permittee's premises where a Part 70 source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;

- (b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;
- (c) Inspect, at reasonable times, any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- (d) Sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and
- (e) Utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.
[326 IAC 2-7-6(6)]
 - (1) The Permittee may assert a claim that, in the opinion of the Permittee, information removed or about to be removed from the source by IDEM, OAQ, or an authorized representative, contains information that is confidential under IC 5-14-3-4(a). The claim shall be made in writing before or at the time the information is removed from the source. In the event that a claim of confidentiality is so asserted, neither IDEM, OAQ, nor an authorized representative, may disclose the information unless and until IDEM, OAQ, makes a determination under 326 IAC 17-1-7 through 326 IAC 17-1-9 that the information is not entitled to confidential treatment and that determination becomes final. [IC 5-14-3-4; IC 13-14-11-3; 326 IAC 17-1-7 through 326 IAC 17-1-9]
 - (2) The Permittee, *and* IDEM, OAQ, acknowledge that the federal law applies to claims of confidentiality made by the Permittee with regard to information removed or about to be removed from the source by U.S. EPA. [40 CFR Part 2, Subpart B]

B.25 Transfer of Ownership or Operation [326 IAC 2-1-6] [326 IAC 2-7-11]

Pursuant to 326 IAC 2-1-6 and 326 IAC 2-7-11:

- (a) In the event that ownership of this source is changed, the Permittee shall notify IDEM, OAQ, Permits Branch, within thirty (30) days of the change. Notification shall include a written agreement containing a specific date for transfer of permit responsibility, coverage, and liability between the Permittee and the new owner.
- (b) The written notification shall be sufficient to transfer the permit to the new owner by an administrative amendment pursuant to 326 IAC 2-7-11. The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) IDEM, OAQ shall reserve the right to issue a new permit.

B.26 Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-7-5(7)]

- (a) The Permittee shall pay annual fees to IDEM, OAQ,, within thirty (30) calendar days of receipt of a billing. If the Permittee does not receive a bill from IDEM, OAQ the applicable fee is due April 1 of each year.

- (b) Failure to pay may result in administrative enforcement action, or revocation of this permit.
- (c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-0425 (ask for OAQ, Technical Support and Modeling Section), to determine the appropriate permit fee.

B.27 Credible Evidence [326 IAC 2-7-5(3)][62 Federal Register 8313][326 IAC 2-7-6]

Notwithstanding the conditions of this permit that state specific methods that may be used to assess compliance or noncompliance with applicable requirements, other credible evidence may be used to demonstrate compliance or non compliance.

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

Emission Limitations and Standards [326 IAC 2-7-5(1)]

C.1 Major Source

Pursuant to 326 IAC 2-2 (Prevention of Significant Deterioration) and 40 CFR 52.21, this source is a major source because the potential emissions of CO and NOx are equal to or greater than 250 tons per year.

C.2 Particulate Matter Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) pounds per hour [326 IAC 6-3-2(c)]

Pursuant to 326 IAC 6-3-2(c), the allowable particulate matter emissions rate from any process not already regulated by 326 IAC 6-1 or any New Source Performance Standard, and which has a maximum process weight rate less than 100 pounds per hour shall not exceed 0.551 pounds per hour.

C.3 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Visible Emissions Limitations), except as provided in 326 IAC 5-1-3 (Temporary Exemptions), visible emissions shall meet the following, unless otherwise stated in this permit:

- (a) Visible emissions shall not exceed an average of forty percent (40%) opacity in twenty-four (24) consecutive readings, as determined in 326 IAC 5-1-4.
- (b) Visible emissions shall not exceed sixty percent (60%) opacity for more than a cumulative total of fifteen (15) minutes (sixty (60) readings) in a six (6) hour period.

C.4 Open Burning [326 IAC 4-1] [IC 13-17-9]

The Permittee shall not open burn any material except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6. The previous sentence notwithstanding, the Permittee may open burn in accordance with an open burning approval issued by the Commissioner under 326 IAC 4-1-4.1. 326 IAC 4-1-3 (a)(2)(A) and (B) are not federally enforceable.

C.5 Incineration [326 IAC 4-2][326 IAC 9-1-2]

The Permittee shall not operate an incinerator or incinerate any waste or refuse except as provided in 326 IAC 4-2 and 326 IAC 9-1-2.

C.6 Fugitive Dust Emissions [326 IAC 6-4]

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions). 326 IAC 6-4-2(4) is not federally enforceable.

C.7 Operation of Equipment [326 IAC 2-7-6(6)]

All air pollution control equipment listed in this permit and used to comply with an applicable requirement shall be operated at all times that the emission unit vented to the control equipment is in operation.

C.8 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61.140]

- (a) Notification requirements apply to each owner or operator. If the combined amount of regulated asbestos containing material (RACM) to be stripped, removed or disturbed is at least 260 linear feet on pipes or 160 square feet on other facility components, or at least thirty-five (35) cubic feet on all facility components, then the notification requirements of 326 IAC 14-10-3 are mandatory. All demolition projects require notification whether or not asbestos is present.
- (b) The Permittee shall ensure that a written notification is sent on a form provided by the Commissioner at least ten (10) working days before asbestos stripping or removal work or before demolition begins, per 326 IAC 14-10-3, and shall update such notice as necessary, including, but not limited to the following:
- (1) When the amount of affected asbestos containing material increases or decreases by at least twenty percent (20%); or
 - (2) If there is a change in the following:
 - (A) Asbestos removal or demolition start date;
 - (B) Removal or demolition contractor; or
 - (C) Waste disposal site.
- (c) The Permittee shall ensure that the notice is postmarked or delivered according to the guidelines set forth in 326 IAC 14-10-3(2).
- (d) The notice to be submitted shall include the information enumerated in 326 IAC 14-10-3(3).
- All required notifications shall be submitted to:
- Indiana Department of Environmental Management
Asbestos Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
- The notifications do not require a certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (e) **Procedures for Asbestos Emission Control**
The Permittee shall comply with the emission control procedures in 326 IAC 14-10-4 and 40 CFR 61.145(c). Per 326 IAC 14-10-4 emission control requirements are mandatory for any removal or disturbance of RACM greater than three (3) linear feet on pipes or three (3) square feet on any other facility components or a total of at least 0.75 cubic feet on all facility components.
- (f) **Indiana Accredited Asbestos Inspector**
The Permittee shall comply with 326 IAC 14-10-1(a) that requires the owner or operator,

prior to a renovation/demolition, to use an Indiana Accredited Asbestos Inspector to thoroughly inspect the affected portion of the facility for the presence of asbestos. The requirement that the inspector be accredited is federally enforceable.

Testing Requirements [326 IAC 2-7-6(1)]

C.9 Performance Testing [326 IAC 3-6]

- (a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing methods approved by IDEM, OAQ.

A test protocol, except as provided elsewhere in this permit, shall be submitted 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

no later than thirty-five (35) days prior to the intended test date. The Permittee shall submit a notice of the actual test date to the above address so that it is received at least two weeks prior to the test date.

- (b) All test reports must be received by IDEM, OAQ within forty-five (45) days after the completion of the testing. An extension may be granted by the Commissioner, if the source submits to IDEM, OAQ, a reasonable written explanation within five (5) days prior to the end of the initial forty-five (45) day period.

The documentation submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Compliance Monitoring Requirements [326 IAC 2-7-5(1)] [326 IAC 2-7-6(1)]

C.10 Compliance Schedule [326 IAC 2-7-6(3)]

The Permittee:

- (a) Has certified that all facilities at this source are in compliance with all applicable requirements; and
- (b) Has submitted a statement that the Permittee will continue to comply with such requirements; and
- (c) Will comply with such applicable requirements that become effective during the term of this permit.

C.11 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

Compliance with applicable requirements shall be documented as required by this permit. The Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment, no more than ninety (90) days after receipt of this permit. If due to circumstances beyond its control, this schedule cannot be met, the Permittee may extend

compliance schedule an additional ninety (90) days provided the Permittee notifies:

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

in writing, prior to the end of the initial ninety (90) day compliance schedule with full justification of the reasons for the inability to meet this date.

The notification which shall be submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

C.12 Maintenance of Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]

- (a) In the event that a breakdown of the monitoring equipment occurs, a record shall be made of the times and reasons of the breakdown and efforts made to correct the problem. To the extent practicable, supplemental or intermittent monitoring of the parameter should be implemented at intervals no less frequent than required in Section D of this permit until such time as the monitoring equipment is back in operation. In the case of continuous monitoring, supplemental or intermittent monitoring of the parameter should be implemented at intervals no less than one (1) hour until such time as the continuous monitor is back in operation.
- (b) The Permittee shall install, calibrate, quality assure, maintain, and operate all necessary monitors and related equipment. In addition, prompt corrective action shall be initiated whenever indicated.

C.13 Monitoring Methods [326 IAC 3]

Any monitoring or testing performed to meet the applicable requirements of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60, Appendix A, or other approved methods as specified in this permit.

C.14 Pressure Gauge Specifications

Whenever a condition in this permit requires the measurement of pressure drop across any part of the unit or its control device, the gauge employed shall have a scale such that the expected normal reading shall be no less than twenty percent (20%) of full scale and be accurate within plus or minus two percent (± 2%) of full scale reading.

Corrective Actions and Response Steps [326 IAC 2-7-5] [326 IAC 2-7-6]

C.15 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]

Pursuant to 326 IAC 1-5-2 (Emergency Reduction Plans; Submission):

- (a) The Permittee prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures.
- (b) If the ERP is disapproved by IDEM, OAQ, the Permittee shall have an additional thirty (30) days to resolve the differences and submit an approvable ERP.
- (c) These ERPs shall state those actions that will be taken, when each episode level is

declared, to reduce or eliminate emissions of the appropriate air pollutants.

- (d) Said ERPs shall also identify the sources of air pollutants, the approximate amount of reduction of the pollutants, and a brief description of the manner in which the reduction will be achieved.
- (e) Upon direct notification by IDEM, OAQ that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level.
[326 IAC 1-5-3]

C.16 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5]
[326 IAC 2-7-6]

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate corrective actions. The Permittee shall submit a description of these corrective actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize emissions from the affected facility while the corrective actions are being implemented. IDEM, OAQ shall notify the Permittee within thirty (30) days, if the corrective actions taken are deficient. The Permittee shall submit a description of additional corrective actions taken to IDEM, OAQ within thirty (30) days of receipt of the notice of deficiency. IDEM, OAQ reserves the authority to use enforcement activities to resolve noncompliant stack tests.
- (b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline. Failure of the second test to demonstrate compliance with the appropriate permit conditions may be grounds for immediate revocation of the permit to operate the affected facility.

The documents submitted pursuant to this condition do not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

C.17 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]

- (a) The Permittee shall submit an annual emission statement certified pursuant to the requirements of 326 IAC 2-6, that must be received by July 1 of each year and must comply with the minimum requirements specified in 326 IAC 2-6-4. The annual emission statement shall meet the following requirements:
 - (1) Indicate actual emissions of criteria pollutants from the source, in compliance with 326 IAC 2-6 (Emission Reporting);
 - (2) Indicate actual emissions of other regulated pollutants from the source, for purposes of Part 70 fee assessment.
- (b) The annual emission statement covers the twelve (12) consecutive month time period starting January 1 and ending December 31. The annual emission statement must be

submitted to:

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

- (c) The annual emission statement required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ on or before the date it is due.

C.18 Monitoring Data Availability [326 IAC 2-7-6(1)] [326 IAC 2-7-5(3)]

- (a) With the exception of performance tests conducted in accordance with Section C-Performance Testing, all observations, sampling, maintenance procedures, and record keeping, required as a condition of this permit shall be performed at all times the equipment is operating at normal representative conditions.
- (b) As an alternative to the observations, sampling, maintenance procedures, and record keeping of subsection (a) above, when the equipment listed in Section D of this permit is not operating, the Permittee shall either record the fact that the equipment is shut down or perform the observations, sampling, maintenance procedures, and record keeping that would otherwise be required by this permit.
- (c) If the equipment is operating but abnormal conditions prevail, additional observations and sampling should be taken with a record made of the nature of the abnormality.
- (d) If for reasons beyond its control, the operator fails to make required observations, sampling, maintenance procedures, or record keeping, reasons for this must be recorded.
- (e) At its discretion, IDEM may excuse such failure providing adequate justification is documented and such failures do not exceed five percent (5%) of the operating time in any quarter.
- (f) Temporary, unscheduled unavailability of staff qualified to perform the required observations, sampling, maintenance procedures, or record keeping shall be considered a valid reason for failure to perform the requirements stated in (a) above.

C.19 General Record Keeping Requirements [326 IAC 2-7-5(3)(B)] [326 IAC 2-7-6]

- (a) Records of all required monitoring data and support information shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be kept at the source location for a minimum of three (3) years and available upon the request of an IDEM, OAQ, representative. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a written request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.
- (b) Records of required monitoring information shall include, where applicable:

- (1) The date, place, and time of sampling or measurements;
 - (2) The dates analyses were performed;
 - (3) The company or entity performing the analyses;
 - (4) The analytic techniques or methods used;
 - (5) The results of such analyses; and
 - (6) The operating conditions existing at the time of sampling or measurement.
- (c) Support information shall include, where applicable:
- (1) Copies of all reports required by this permit;
 - (2) All original strip chart recordings for continuous monitoring instrumentation;
 - (3) All calibration and maintenance records;
 - (4) Records of preventive maintenance shall be sufficient to demonstrate that improper maintenance did not cause or contribute to a violation of any limitation on emissions or potential to emit. To be relied upon subsequent to any such violation, these records may include, but are not limited to: work orders, parts inventories, and operator's standard operating procedures. Records of response steps taken shall indicate whether the response steps were performed in accordance with the Compliance Response Plan required by Section C - Compliance Monitoring Plan - Failure to take Response Steps, of this permit, and whether a deviation from a permit condition was reported. All records shall briefly describe what maintenance and response steps were taken and indicate who performed the tasks.
- (d) All record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

C.20 General Reporting Requirements [326 IAC 2-7-5(3)(C)]

- (a) To affirm that the source has met all the compliance monitoring requirements stated in this permit the source shall submit a Quarterly Compliance Monitoring Report. Any deviation from the requirements and the date(s) of each deviation must be reported.
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted 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

- (c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- (d) Unless otherwise specified in this permit, any report shall be submitted within thirty (30) days of the end of the reporting period.
- (e) All instances of deviations as described in Section B- Deviations from Permit Requirements Conditions must be clearly identified in such reports.
- (f) Any corrective actions or response steps taken as a result of each deviation must be clearly identified in such reports.
- (g) The first report shall cover the period commencing on the date of issuance of this permit and ending on the last day of the reporting period.

The documents submitted pursuant to this condition do not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Stratospheric Ozone Protection

C.21 Compliance with 40 CFR 82 and 326 IAC 22-1

Pursuant to 40 CFR 82 (Protection of Stratospheric Ozone), Subpart F, except as provided for motor vehicle air conditioners in Subpart B, the Permittee shall comply with the standards for recycling and emissions reduction:

- (a) Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR 82.156.
- (b) Equipment used during the maintenance, service, repair, or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.
- (c) Persons performing maintenance, service, repair, or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.

C.22 Application Requirements for Section 112(j) of the Clean Air Act [40 CFR 63.52(e)] [40 CFR 63.56(a)] [40 CFR 63.9(b)] [326 IAC 2-7-12]

- (a) The Permittee shall submit a Part 2 MACT Application in accordance with 40 CFR 63.52(e)(1). The Part 2 MACT Application shall meet the requirements of 40 CFR 63.53(b).
- (b) Notwithstanding paragraph (a), the Permittee is not required to submit a Part 2 MACT Application if the Permittee no longer meets the applicability criteria of 40 CFR 63.50 by the application deadline in 40 CFR 63.52(e)(1). For example, the Permittee would not have to submit a Part 2 MACT Application if, by the application deadline:
 - (1) The source is no longer a major source of hazardous air pollutants, as defined in

- 40 CFR 63.2;
- (2) The MACT standard or standards for the affected source categories included at the source are promulgated.
- (c) Notwithstanding paragraph (a), pursuant to 40 CFR 63.56(a), the Permittee shall comply with an applicable promulgated MACT standard in accordance with the schedule provided in the MACT standard if the MACT standard is promulgated prior to the Part 2 MACT Application deadline or prior to the issuance of permit with a case-by-case Section 112(j) MACT determination. The MACT requirements include the applicable General Provisions requirements of 40 CFR 63, Subpart A. Pursuant to 40 CFR 63.9(b), the Permittee shall submit an initial notification not later than 120 days after the effective date of the MACT, unless the MACT specifies otherwise. The initial notification shall be submitted 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

United States Environmental Protection Agency, Region V
Director, Air and Radiation Division
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

SECTION D.1

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]

- (1) Six (6) natural gas fueled reciprocating internal combustion internal engine compressors, installed in 1936 through 1944, identified as ID #s 1302 through 1307, with a maximum capacity of 1300 Horsepower each, and exhausting to stacks # S1302 through S1307.
- (2) One (1) natural gas fueled reciprocating internal combustion internal engine compressor, installed in 1947, identified as ID # 1308, with a maximum capacity of 1600 Horsepower, and exhausting to stack # S1308.
- (3) One (1) natural gas fueled 2-cycle lean burn reciprocating internal combustion engine compressor, installed in 1956, identified as ID# 1309, with a maximum capacity of 2000 Horsepower (16 MMBTU/hour), and exhausting to stack # S1309.
- (4) Two (2) natural gas fueled reciprocating internal combustion engine compressors, installed in 1956, identified as ID#s 1311 and 1312, with a maximum capacity of 2000 Horsepower each, and exhausting to stacks # S1311 and S1312, respectively.

One (1) natural gas fueled 4-cycle lean burn reciprocating internal combustion engine compressor, installed in 1956, identified as ID# 1310, with a maximum capacity of 2000 Horsepower (15 MMBTU/hour), and exhausting to stack # S1310.

A new fuel injection system (valves and nozzles) is incorporated to the existing fuel injection of Engines 1309 and 1310. The new injection system is designed to optimize in-cylinder mixing of air and natural gas fuel. The optimized mixing of the fuel and air is realized by injecting fuel gas into the combustion chamber at an increased pressure, thus creating a more turbulent environment resulting in a homogeneous mixture. This homogeneous mixture results in a more complete combustion and eliminates fuel rich regions that disproportionately contribute to NO_x formation and allows combustion to happen with a lean fuel/air mixture, which raises the heat capacity of the mixture. Fuel lean operations result in lower NO_x emissions because peak temperatures are reduced during the combustion process.

Lean denotes a paucity of fuel, or an excess of oxidant, (e.g. air). In this case, excess air serves primarily as thermal ballast, keeping the temperature from soaring to levels where rapid NO_x formation occurs.

- (5) Two (2) natural gas fueled reciprocating internal combustion internal engine compressors, installed in 1963, identified as ID #s 1313 through 1314, with a maximum capacity of 3000 Horsepower each, and exhausting to stacks # S1313 through S1314.
- (6) One (1) natural gas fueled reciprocating internal combustion internal engine compressors, installed in 1970, identified as ID # 1315, with a maximum capacity of 4000 Horsepower, and exhausting to stack # S1315.
- (7) One (1) natural gas fueled turbine driven centrifugal compressor, installed in 1971, identified as ID #1316, with a maximum capacity of 10,000 Horsepower, and exhausting to stack # S1316.

(The information describing the process contained in this facility description box is descriptive information)

and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-7-5(1)]

D.1.1 General Operation

Any change or modification which may increase potential emissions from the equipment covered in this permit shall obtain prior approval from the Office of Air Quality (OAQ).

D.1.2 Pollution Control Project [326 IAC 2-2.5]

(a) The Permittee shall modify the fuel injection system of Engines 1309 and 1310 such that the NO_x emissions are less than the following rates:

Engines	NO _x Emission Rate (pounds/hour)
1309	44.09
1310	50.27

(b) Pursuant to 326 IAC 2-2.5, this combustion modification technology is considered a pollution control project (PCP), thus significant net emissions are excluded from the 326 IAC 2-2 PSD requirements.

Compliance Determination Requirements

D.1.3 Testing Requirements [326 IAC 2-7-6(1)(6)]

No later than 180 days after the start up of the modified engines, the Permittee shall perform NO_x testing on either Engine 1309 or Engine 1310, to verify compliance with Condition D.1.2(a). These tests shall be performed using methods as approved by the Commissioner. Testing shall be conducted in accordance with Section C - Performance Testing.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY**

**PART 70 OPERATING PERMIT
CERTIFICATION**

Source Name: Panhandle Eastern Pipe Line Company
Source Address: 1-1/2 miles NE of Montezuma on Lafayette Road, Montezuma, IN 47862
Mailing Address: P.O. Box 4967, Houston, Texas 77210-4967
Part 70 Permit No.: T121-5945-00008

This certification shall be included when submitting monitoring, testing reports/results or other documents as required by this permit.

Please check what document is being certified:

- Annual Compliance Certification Letter
- Test Result (specify)
- Report (specify)
- Notification (specify)
- Other (specify)

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

Signature:

Printed Name:

Title/Position:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH
P.O. Box 6015, 100 North Senate Avenue
Indianapolis, Indiana 46206-6015
Phone: 317-233-5674 Fax: 317-233-5967**

**PART 70 OPERATING PERMIT
EMERGENCY/DEVIATION OCCURRENCE REPORT**

Source Name: Panhandle Eastern Pipe Line Company
Source Address: 1-1/2 miles NE of Montezuma on Lafayette Road, Montezuma, IN 47862
Mailing Address: P.O. Box 4967, Houston, Texas 77210-4967
Part 70 Permit No.: T121-5945-00008

This form consists of 2 pages

Page 1 of 2

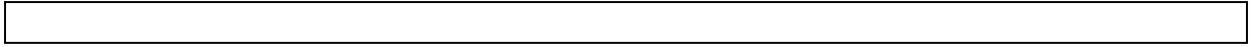
Check either No. 1 or No.2
<input checked="" type="radio"/> 1. This is an emergency as defined in 326 IAC 2-7-1(12)
<input type="radio"/> C The Permittee must notify the Office of Air Quality (OAQ), within four (4) business hours (1-800-451-6027 or 317-233-5674, ask for Compliance Section); and
<input type="radio"/> C The Permittee must submit notice in writing or by facsimile within two (2) days (Facsimile Number: 317-233-5967), and follow the other requirements of 326 IAC 2-7-16
<input checked="" type="radio"/> 2. This is a deviation, reportable per 326 IAC 2-7-5(3)(c)
<input type="radio"/> C The Permittee must submit notice in writing within ten (10) calendar days

If any of the following are not applicable, mark N/A

Facility/Equipment/Operation:
Control Equipment:
Permit Condition or Operation Limitation in Permit:
Description of the Emergency/Deviation:
Describe the cause of the Emergency/Deviation:

Panhandle Eastern Pipe Line Company
Montezuma, Indiana
Part 70 Permit 121-5954-00008

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First SPM 121-18609-00008
Permit Writer: Iryn Calilung



Page 2 of 2 of EMERGENCY/DEVIATION OCCURRENCE REPORT

If any of the following are not applicable, mark N/A

Date/Time Emergency/Deviation started:
Date/Time Emergency/Deviation was corrected:
Was the facility being properly operated at the time of the emergency/deviation? Y N Describe:
Type of Pollutants Emitted: TSP, PM-10, SO ₂ , VOC, NO _x , CO, Pb, other:
Estimated amount of pollutant(s) emitted during emergency/deviation:
Describe the steps taken to mitigate the problem:
Describe the corrective actions/response steps taken:
Describe the measures taken to minimize emissions:
If applicable, describe the reasons why continued operation of the facilities are necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value:

Form Completed by:

Title / Position:

Date:

Telephone:

Panhandle Eastern Pipe Line Company
Montezuma, Indiana
Part 70 Permit 121-5954-00008

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First SPM 121-18609-00008
Permit Writer: Iryn Calilung

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY**

**PART 70 OPERATING PERMIT
QUARTERLY COMPLIANCE MONITORING REPORT**

Source Name: Panhandle Eastern Pipe Line Company
Source Address: 1-1/2 miles NE of Montezuma on Lafayette Road, Montezuma, IN 47862
Mailing Address: P.O. Box 4967, Houston, Texas 77210-4967
Part 70 Permit No.: 121-5945-00008

Months: _____ to _____ Year: _____

<p>This report is an affirmation that the source has met all the compliance monitoring requirements stated in this permit. This report shall be submitted quarterly. Any deviation from the compliance monitoring requirements and the date(s) of each deviation must be reported. Additional pages may be attached if necessary. This form can be supplemented by attaching the Emergency/Deviation Occurrence Report. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".</p>		
<input type="checkbox"/> NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.		
<input type="checkbox"/> THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD:		
Compliance Monitoring Requirement (e.g. Permit Condition D.1.3)	Number of Deviations	Date of each Deviations

Form Completed By:

Title/Position:

Date:

Telephone:

Panhandle Eastern Pipe Line Company
Montezuma, Indiana
Part 70 Permit 121-5954-00008

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Permit Writer: Iryn Calilung

Attach a signed certification to complete this report.

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

**Technical Support Document (TSD)
Part 70 Significant Source Modification (SSM)
Significant Permit Modification (SPM)
Minor PSD Modification
Pollution Control Project (PCP)**

Source Background and Description

Source Name:	Panhandle Eastern Pipe Line Company - - Montezuma Compressor Station
Source Address:	1-1/2 miles NE of Montezuma on Lafayette Road, Montezuma, IN 47862
Mailing Address:	P.O. Box 4967, Houston, Texas 77210-4967
County:	Parke
SIC Code:	4922 (Transporting Natural Gas)
Source Categories:	Major PSD Source
Part 70 Operating Permit No.:	121-5945-00008, issued on September 25, 1998
Significant Source Modification No.:	121-18342-00008
Significant Permit Modification No.:	121-18609-00008
Permit Writer:	Iryn Calilung

Proposed Modification

On September 25, 1998, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) issued a Part 70 permit to Panhandle Eastern Pipe Line Company (PEPL) for their Montezuma Compressor Station, located at 1-1/2 miles NE of Montezuma on Lafayette Road, Montezuma, IN 47862.

On January 5, 2004, the OAQ received an application from PEPL to modify their Montezuma Compressor Station. The modification is for the following two (2) engines among the several permitted units in this source:

- (1) One (1) natural gas fueled reciprocating internal combustion internal engine compressor, installed in 1956, identified as ID# 1309, with a maximum capacity of 2000 Horsepower, and exhausting to stack# S1309.
- (2) One (1) natural gas fueled reciprocating internal combustion internal engine compressor, installed in 1956, identified as ID# 1310, with a maximum capacity of 2000 Horsepower, and exhausting to stack# S1310.

The main purpose of the proposed modification is to enhanced the existing fuel injection systems of these two (2) engines, thus PEPL can use the NOx emission reductions toward compliance with the pending Phase II of the NOx SIP call. At this time, there is no final call in effect for NOx reduction for internal combustion engines. PEPL is making this modification as anticipation of future requirement.

The NOx reduction will be attained by the incorporation of a new fuel injection system (valves and nozzles) to the existing fuel injection. The new injection system, considered as an evolution of Low

Emission Combustion (LEC) technology, is designed to optimize in-cylinder mixing of air and natural gas fuel. The optimized mixing of the fuel and air is realized by injecting fuel gas into the combustion chamber at an increased pressure, thus creating a more turbulent environment resulting in a homogeneous mixture. This homogeneous mixture results in a more complete combustion and eliminates fuel rich regions that disproportionately contribute to NO_x formation and allows combustion to happen with a lean fuel/air mixture, which raises the heat capacity of the mixture. Fuel lean operations result in lower NO_x emissions because peak temperatures are reduced during the combustion process.

Lean denotes a paucity of fuel, or an excess of oxidant, (e.g. air). In this case, excess air serves primarily as thermal ballast, keeping the temperature from soaring to levels where rapid NO_x formation occurs.

The advantage of installing and using this combustion modification is that it prevents the formation of NO_x emissions. This is more environmentally beneficial than installing and using add on controls designed to eliminate NO_x emissions once it has been formed because it minimizes the formation from the beginning of the process.

This proposed modification could be accomplished with no new construction of emitting unit.

Potential To Emit of Modification (Engines 1309 and 1310 Only)

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as “the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA.”

Methodology:

- (1) The maximum capacity of Engines 1309 and 1310 is 2000 HP each.
- (2) Table 1 summarizes the PTE of Engines 1309 and 1310. This information was taken from PEPL’s Part 70 renewal application.
- (3) The NO_x, CO, and VOC emissions were based from the manufacturer’s specifications. The PM₁₀ and SO₂ emissions were based from AP-42, Table 3.2-1.
- (4) Table 2 summarizes the PTE of Engines 1309 and 1310 after the installations of the Low Emission Combustion Technology.
- (5) The NO_x emissions were based on the manufacturer’s specifications with the addition of the Low Emission Combustion Technology to Units 1309 and 1310.
 - (a) Engine 1309 is estimated to emit 44.09 pounds of NO_x per hour.
 - (b) Engine 1310 is estimated to emit 50.27 pounds of NO_x per hour.
- (6) There is no expected increase in PTE after the modification for CO, VOC, PM₁₀ and SO₂ emissions. The CO emission rates were based on the manufacturer’s guarantee.

- (7) Table 3 shows the actual emissions of Engines 1309 and 1310 taken from the IDEM, OAQ Emission Inventory database. They are the same information that PEPL provided in the application for this proposed modification.
- (8) Average (tons/year) = 2000 plus 2001 actual emissions divide by 2.
- (9) Total Average = Average of Engine 1309 + Average of Engine 1310
- (10) Table 4 shows the net emissions and decreases due to the installation of the Low Emission Combustion Technology.
- (11) Based on the comparison of the (PTE before PCP) to the (PTE after PCP), there is a significant decrease in the NOx emissions.
- (11) Based on the methodology of determining increase emissions: (PTE after the PCP) minus (Past actuals) of Engines 1309 and 1310, the net emissions emission increase of CO, NOX, PM10 and VOC are less than the PSD Significant levels.

However, due to uncertainties of the effect of the fuel mixing to the CO emissions, the CO emissions might exceed the PSD significant level. Based on this, the proposed modification will be evaluated as a Pollution Control Project (PCP), such that any significant emission increase of CO above the PSD Significant levels will not be required to undergo major review. There are no expected increases in PTE for PM₁₀, SO₂ and VOC. Detailed PCP evaluation is shown in the subsequent pages.

Pollution Control Project (PCP) Exclusion

This project is going to be evaluated as a PCP. A project that is considered a PCP is exempted from PSD major review and requirements even though the collateral emissions increase are greater than the PSD significant levels.

Pursuant to 326 IAC 2-2.5-2(b)(1)(H), a proposed modification can be a PCP if it is a pollution prevention project that the IDEM has determined to be environmentally beneficial.

Table 5 shows the evaluations to determine if the proposed modification is a PCP according to the existing state rules.

Table 1 PTE Before the PCP (ton/year)			
Pollutant	Engine 1309	Engine 1310	Total
NO _x	386.25	579.38	965.63
CO	27.04	17.38	44.42
VOC	13.52	7.73	21.25
PM ₁₀	2.69	0.01	2.7
SO ₂	0.04	0.04	0.08

Table 2 PTE After the PCP (ton/year)			
Pollutant	Engine 1309	Engine 1310	Total
NO _x	193.13	220.16	413.29
CO	27.04	17.38	44.42
VOC	13.52	7.73	21.25
PM ₁₀	2.69	0.01	2.7
SO ₂	0.04	0.04	0.08

Table 3 Past Actual (ton/year)							
Pollutant	Engine 1309			Engine 1310			Total Average (tons/year)
	2001	2002	Average	2001	2002	Average	
NO _x	146.26	139.7	142.98	353.79	310.38	332.09	475.07
CO	10.24	9.78	10.01	10.6	9.3	19.9	29.91
VOC	4.02	4.16	4.09	3.3	3.16	6.46	10.55
PM ₁₀	0.3	9.28	0.29	0.48	0.42	0.9	1.19
SO ₂	0.2	0.02	0.02	0.03	0.03	0.03	0.05

Table 4 Increase Emission (ton/year)		
Pollutant	PTE-PTE	PTE-Past Actual
NO _x	- 552.34	- 61.72
CO	--	14.51
VOC	--	10.7
PM ₁₀	--	1.51
SO ₂	--	0.03

Table 5 PCP Evaluation		
Rule 326 IAC	Criteria	Evaluations
2-2.5-2(b) & 2-2.1-1(13)	PCP means an activity or project undertaken at an existing emission unit for the purposes of reducing emissions.	PEPL is proposing to modify Engines 1309 and 1310 to minimize the formation of NO _x .
2-2.5-2(b)(1)(H)	PCP is a pollution prevention project that IDEM has determined to be environmentally beneficial.	The intent of the modification is to prevent the formation of NO _x , instead of installing NO _x control.
2-2.5-2(b)(2) & 2-2.1-1(13)	PCP does not include the replacement of an existing emission unit with a newer or different unit.	There will be no construction of new emitting unit in this proposed modification. The proposed modification is to modify 2 existing units to add or modify valves and nozzles to optimize in-cylinder mixing of the air and natural gas fuel, resulting in lower NO _x levels.
2-2.5(d)(1)	Types and quantity of air pollutants emitted before and after the project.	See Tables 1 and 2.
2-2.5(d)(2)	Increase in pollutants other than those targeted in the project shall be reviewed, has to be minimized and does not result in environmental harm	CO emissions increase has been evaluated and does not cause an environmental harm or a violation of the NAAQS or PSD increment.
2-2.5(d)(3)	Result in an unacceptable increase risk due to the release of air toxics is not environmentally beneficial.	There is no expected increase in the PTE of HAPs.
2-2.5(b)	A PCP that causes a significant net emission increase pursuant to 326 IAC 2-2 must be approved by US EPA under the SIP prior to beginning actual construction.	See Table 4. The net emission increase (based on the PTE-Past actual methodology) is not significant because it is less than the PSD significant levels therefore; this PCP is not required to be submitted as SIP to US EPA.
2-2.5(b)	To obtain an approval for a PCP, the applicant shall submit a SSM application.	PEPL submitted a SSM application on January 5, 2004.
	Cross Media Evaluation	There is no need to perform a cross media evaluation.
	Cause and Contribute Test	This source is located in an attainment status; therefore, this test does not apply.
Conclusion	Based on the evaluations and fulfillment of the PCP criteria, this proposed modification is considered a PCP.	

Justification for Modification

- (A) Significant Source Modification (SSM)

The source is being modified through a Part 70 Significant Source Modification (SSM).

- (1) Pursuant to 326 IAC 2-7-10.5(f)(4)(D), a modification with PTE greater than 25 tons/year shall be processed as SSM.
- (2) Pursuant to 326 IAC 2-7-10.5(f)(8) and (f)(9), PCP is to be process as a SSM.
- (3) 326 IAC 2-2.5(b) also confirms that a PCP is an application to be process as a SSM.

IDEM requires that PCP has to be processed as a SSM, thus the construction may not start until a modification approval has been issued.

- (B) Significant Permit Modification (SPM)
Pursuant to 326 IAC 2-7-12(d), a significant permit modification is required because the proposed modification to the Part 70 permit involves a case by case determination of an emission limit or other standard and involves significant changes to existing monitoring, reporting or record keeping.
- (C) NO_x SIP Call
PEPL indicated that the main purpose of the modification is to comply in advance with the NO_x SIP call consistent with EPA's August 22, 2002 memorandum. IDEM acknowledges the EPA's August 22, 2002 memorandum indicating that such early reductions "from a large IC engine may be considered credit towards meeting the NO_x SIP call requirements. Creditable reductions may include emissions controls in place during or prior to 1995 as well as after 1995 for the large engines. The applicable control requirements must be adopted as part of the SIP and must yield enforceable and demonstrable reductions".

The SSM and SPM approval that is going to be proposed and finalized is intended only to satisfy the construction and operating Part 70 program. This review does not deal with the evaluation if this control and or the NO_x reductions are adequate or not in terms of Indiana's final NO_x SIP requirements for IC engines.

Enforcement Issue

There are no enforcement actions pending on this source.

Source Status

- (1) Major PSD status
Pursuant to 40 CFR Part 52.21(b) and 326 IAC 2-2-1(y), this existing source is a major stationary source because an attainment regulated pollutant is emitted at a rate of 250 tons per year or more. It is not one of the 28 listed source categories.
- (2) Part 70 status
 - (a) The Part 70 permit for PEPL - Montezuma Compressor Station was issued on September 22, 1998.
 - (b) A Part 70 permit renewal application was submitted on November 4, 2002.

County Attainment Status

The source is located in Parke County. Table 6 shows the attainment status of Parke County.

Table 6 Parke County	
Pollutant	Status
PM ₁₀	Attainment
SO ₂	Attainment
NO ₂	Attainment
Ozone	Attainment
CO	Attainment
Lead	Attainment

- (1) Volatile organic compounds (VOC) and Ozone
 VOC are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Parke County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD) 326 IAC 2-2.
- (2) Criteria Pollutants
 Parke County has been classified as attainment or unclassifiable for all the other pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD) 326 IAC 2-2.
- (3) Fugitive Emissions
 Since this type of operation is not one of the 28 listed source categories under 326 IAC 2-2-1(y) and since there are no applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive PM emissions are not counted toward determination of PSD and Emission Offset applicability.

Federal Rule Applicability

- (1) New Source Performance Standards (NSPS)
 There are no NSPS (326 IAC 12 and 40 CFR Part 60) applicable to this proposed modification.
- (2) National Emission Standards for Hazardous Air Pollutants (NESHAP)
 There are no NESHAP (326 IAC 14, 40 CFR Part 61, and 40 CFR Part 63) applicable to this proposed modification.

At this time, the NESHAP for Internal combustion engines is at the proposal stage.

- (3) Section 112(j) of the Clean Air Act (CAA)
 - (a) The requirements of Section 112(j) of the Clean Air Act (40 CFR Part 63.50 through 63.56) are applicable to this source because the source is a major source of HAPs (i.e., the source has the potential to emit 10 tons per year or greater of a single HAP or 25 tons per year or greater of a combination of HAPs) and the source includes one or more units that belong to one or more source categories affected by the Section 112(j) Maximum Achievable Control Technology (MACT) Hammer date of May 15, 2002.
 - (1) This rule requires the source to:

- (A) Submit a Part 1 MACT Application by May 15, 2002; and
 - (B) Submit a Part 2 MACT Application within twenty-four (24) months after the Permittee submitted a Part 1 MACT Application.
- (2) The Permittee submitted a Part 1 MACT Application on May 6, 2002. Therefore, the Permittee is required to submit the Part 2 MACT Application on or before May 2, 2004.

Note that on April 25, 2002, Earthjustice filed a lawsuit against the US EPA regarding the April 5, 2002 revisions to the rules implementing Section 112(j) of the Clean Air Act. In particular, Earthjustice challenged the US EPA's 24-month period between the Part 1 and Part 2 MACT Application due dates. The U.S. EPA and Earthjustice filed a settlement agreement on November 26, 2002. Proposed rule amendments based on this settlement agreement were published in the December 9, 2002 *Federal Register*. It appears that U.S. EPA intends to establish a phased schedule for promulgating all of the remaining MACT standards, resulting in four Part 2 MACT Application deadlines. Under the proposed amendments, some Part 2 MACT Applications would be due as early as May 15, 2003. Part 2 MACT applications for IC engines are due by February 2004.

- (3) Pursuant to 40 CFR 63.56(a), the Permittee shall comply with an applicable promulgated MACT standard in accordance with the schedule provided in the MACT standard if the MACT standard is promulgated prior to the Part 2 MACT Application deadline or prior to the issuance of permit with a case-by-case Section 112(j) MACT determination. The MACT requirements include the applicable General Provisions requirements of 40 CFR 63, Subpart A. Pursuant to 40 CFR 63.9(b), the Permittee shall submit an initial notification not later than 120 days after the effective date of the MACT, unless the MACT specifies otherwise. The MACT and the General Provisions of 40 CFR 63, Subpart A will become new applicable requirements, as defined by 326 IAC 2-7-1(6), that must be incorporated into the Part 70 permit. After IDEM, OAQ receives the initial notification, any of the following will occur:
- (A) If three or more years remain on the Part 70 permit term at the time the MACT is promulgated, IDEM, OAQ will notify the source that IDEM, OAQ will reopen the permit to include the MACT requirements pursuant to 326 IAC 2-7-9; or
 - (B) If less than three years remain on the Part 70 permit term at the time the MACT is promulgated, the Permittee must include information regarding the MACT in the renewal application, including the information required in 326 IAC 2-7-4(c); or
 - (C) The Permittee may submit an application for a significant permit modification under 326 IAC 2-7-12 to incorporate the MACT requirements. The application may include information regarding which portions of the MACT are applicable to the emission units

at the source and which compliance options will be followed.

- (b) Based on the Section 112(j) Part 2 MACT application requirement, the following condition will be added to the Part 70 permit (121-5945-00008) though the SPM 121-18609-00008.

C.22 Application Requirements for Section 112(j) of the Clean Air Act [40 CFR 63.52(e)] [40 CFR 63.56(a)] [40 CFR 63.9(b)] [326 IAC 2-7-12]

- (a) **The Permittee shall submit a Part 2 MACT Application in accordance with 40 CFR 63.52(e)(1). The Part 2 MACT Application shall meet the requirements of 40 CFR 63.53(b).**
- (b) **Notwithstanding paragraph (a), the Permittee is not required to submit a Part 2 MACT Application if the Permittee no longer meets the applicability criteria of 40 CFR 63.50 by the application deadline in 40 CFR 63.52(e)(1). For example, the Permittee would not have to submit a Part 2 MACT Application if, by the application deadline:**
- (1) **The source is no longer a major source of hazardous air pollutants, as defined in 40 CFR 63.2;**
 - (2) **The MACT standard or standards for the affected source categories included at the source are promulgated.**
- (c) **Notwithstanding paragraph (a), pursuant to 40 CFR 63.56(a), the Permittee shall comply with an applicable promulgated MACT standard in accordance with the schedule provided in the MACT standard if the MACT standard is promulgated prior to the Part 2 MACT Application deadline or prior to the issuance of permit with a case-by-case Section 112(j) MACT determination. The MACT requirements include the applicable General Provisions requirements of 40 CFR 63, Subpart A. Pursuant to 40 CFR 63.9(b), the Permittee shall submit an initial notification not later than 120 days after the effective date of the MACT, unless the MACT specifies otherwise. The initial notification shall be submitted 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
United States Environmental Protection Agency, Region V
Director, Air and Radiation Division
77 West Jackson Boulevard
Chicago, Illinois 60604-3590**

- (4) Prevention of Significant Deterioration (PSD) 40 CFR 52.21

This proposed modification is not subject to PSD review and requirements because of the PCP exclusion and supplemented by the fact that the net emission increase does not cause a violation of the NAAQS and PSD increment.

- (5) Compliance Assurance Monitoring (CAM) 40 CFR Part 64
These IC engines have PTE greater than the Part 70 major source level, however, they do not have control, thus pursuant to 40 CFR 64.2(a), CAM does not apply.

State Rule Applicability - Individual Facilities

- (1) 326 IAC 2-2 PSD
This modification to the existing major stationary source is not major because pursuant to 326 IAC 2-2.5 (1)(a), PCP at an existing source shall not constitute a major modification under 326 IAC 2-2-1(x). Therefore, pursuant to 326 IAC 2-2, the PSD requirements do not apply.
- (2) There are no additional state rules due to this proposed modification.

Air Quality Impact Analysis

Pursuant to 326 IAC 2-2.5(e), IDEM may request the applicant to submit an air quality impact analysis of the criteria pollutant net emissions increase of the PCP. The OAQ did not require the applicant to submit an air impact analysis because:

- (1) The PTE after the PCP is expected to be less than the PTE before the PCP.
- (2) The source is located in an attainment area.
- (3) The source is not within the 50 mile radius of a Federal Class I area.

No air quality modeling is necessary for HAPs because there is no expected increase in HAPs PTE.

Testing Requirements

Engines 1309 and 1310 have not been tested. Since PEPL's intent to reduce NOx emissions to comply with future NOx Budget Trading Program, NOx compliance testing will be required to Engines 1309 and 1310. This test will also verify the NOx reductions used in this PCP exclusion.

Compliance Requirements

No additional compliance monitoring has been changed or relaxed due to this proposed modification.

Proposed Permit Conditions

The following proposed changes will be incorporated to the Permittee's existing Part 70 permit (121-5945-00008). Proposed changes are in **bold** or ~~strikeout~~ fonts for emphasis.

- I. The descriptions of the 2 units in Sections A.2 and D.1 are revised as follows to incorporate the change in fuel mixture:
 - (3) One (1) natural gas fueled **2-cycle lean burn** reciprocating internal combustion

~~internal~~ engine compressor, installed in 1956, identified as ID# 1309, with a maximum capacity of 2000 Horsepower (**16 MMBTU/hour**), and exhausting to stack# S1309.

- (4) ~~Three (3)~~ **Two (2)** natural gas fueled reciprocating internal combustion ~~internal~~ engine compressors, installed in 1956, identified as ID#s ~~1310 through~~ **1311 and 1312**, with a maximum capacity of 2000 Horsepower each, and exhausting to stacks # ~~S1310 through~~ **S1311 and S1312, respectively.**

One (1) natural gas fueled 4-cycle lean burn reciprocating internal combustion engine compressor, installed in 1956, identified as ID# 1310, with a maximum capacity of 2000 Horsepower (15 MMBTU/hour), and exhausting to stack# S1310.

A new fuel injection system (valves and nozzles) is incorporated to the existing fuel injection of Engines 1309 and 1310. The new injection system, is designed to optimize in-cylinder mixing of air and natural gas fuel. The optimized mixing of the fuel and air is realized by injecting fuel gas into the combustion chamber at an increase pressure, thus creating a more turbulent environment resulting in a homogeneous mixture. This homogeneous mixture results in a more complete combustion and eliminates fuel rich regions that disproportionately contribute to NO_x formation and allows combustion to happen with a lean fuel/air mixture, which raises the heat capacity of the mixture. Fuel lean operations result in lower NO_x emissions because peak temperatures are reduced during the combustion process.

Lean denotes a paucity of fuel, or an excess of oxidant, (e.g. air). In this case, excess air serves primarily as thermal ballast, keeping the temperature from soaring to levels where rapid NO_x formation occurs.

- II The following conditions are added to assure that the project operates under the PCP exclusion: Subsequent conditions have been renumbered and the Table of Contents has been updated.

D.1.2 Pollution Control Project [326 IAC 2-2.5]

- (a) **The Permittee shall modify the fuel injection system of Engines 1309 and 1310 such that the NO_x emissions are less than the following rates:**

Engines	NO_x Emission Rate (pounds/hour)
1309	44.09
1310	50.27

- (b) **Pursuant to 326 IAC 2-2.5, this combustion modification technology is considered a pollution control project (PCP), thus significant net emissions are excluded from the 326 IAC 2-2 PSD requirements.**

D.1.3 Testing Requirements [326 IAC 2-7-6(1)(6)] [326 IAC 2-2.5]

~~The Permittee is not required to test this facility by this permit. However, IDEM may require compliance testing at any specific time when necessary to determine~~

~~if the facility is in compliance. If testing is required by IDEM, compliance with the emission limit shall be determined by a performance test conducted in accordance with Section C - Performance Testing.~~

No later than 180 days after the start up of the modified engines, the Permittee shall perform NO_x testing on either Engine 1309 or Engine 1310, to verify compliance with Condition D.1.2(a). These tests shall be performed using methods as approved by the Commissioner. Testing shall be conducted in accordance with Section C - Performance Testing.

III The following statement was also added in Section D.1 to provide further clarification:

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

Recommendation

Based on the facts, conditions and evaluations made, OAQ recommends to the IDEM Commissioner that the Part 70 Significant Source Modification (SSM), Part 70 Significant Permit Modification (SPM) and pollution control project (PCP) be approved made available to the public and interested parties for review.

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An application for the purposes of this review was received on January 5, 2004.

The applicant has provided a copy of the application to the Montezuma Public Library, 212 Crawford, Montezuma, IN 47862.

Conclusion

- (a) The construction of this proposed modification shall be subject to the conditions of the attached proposed Part 70 SSM and PCP Permit No. 121-18342-00008.
- (a) The operation of this proposed modification shall be subject to the conditions of the attached proposed Part 70 SPM and PCP Permit No. 121-18609-00008.