



Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

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

TO: Interested Parties / Applicant
DATE: May 26, 2006
RE: Cincinnati Gas and Electric / 165-18731-00022
FROM: Nisha Sizemore
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval – Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-17-3-4 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.

Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

100 North Senate Avenue
Indianapolis, Indiana 46204-2251
(317) 232-8603
(800) 451-6027
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Mr. Steve Pearl
Duke Energy Vermillion, L.L.C.
1000 East Main
Plainfield, IN 46168

May 26, 2006

Re: **165-18731**
First Significant Permit Modification to
Part 70 No.: T 165-14185-00022

Dear Mr. Pearl:

Duke Energy Vermillion, L.L.C. was issued a permit on May 15, 2003 for a stationary 640 MW merchant power plant. A letter requesting changes to this permit was received on February 16, 2004. Pursuant to the provisions of 326 IAC 2-7-12, a Significant Permit Modification to this permit is hereby approved as described in the attached Technical Support Document.

The modification consists of the following:

- (a) The deletion of all references and all limitations, compliance determination, compliance monitoring, record keeping and reporting requirements that refer to combustion of diesel fuel oil at the eight (8) simple cycle combustion turbines;
- (b) A revision to the NO_x and CO PSD BACT limitations for the eight (8) combustion turbines and changes to the respective quarterly report forms that can be used to document compliance;
- (c) The addition of a condition that approves the use of an alternative CEMS missing NO_x and CO data substitution methodology to demonstrate compliance with requirements of 326 IAC 2-2;
- (d) The addition of definitions for normal operations and data acquisition and handling system (DAHS) process and monitoring codes in order to define when the alternative CEMS missing data methodology should be used.
- (e) A revision to the Emission Statement requirement due to the revisions of 326 IAC 2-6 (Emission Reporting), revised on March 27, 2004 and published in the Indiana Register on April 1, 2004;
- (f) The addition of a condition that incorporates the requirements of the credible evidence rule (62 Fed. Reg. 8314, Feb 24, 1997) and Section 113(a) of the Clean Air Act, 42 U.S.C. § 7413 (a);
- (g) Updates and corrections to various conditions from Sections B and C of the permit documented in Changes 2 - 12 of the TSD;

- (h) The deletion of Section D.3 which were the operation requirements for tanks #1 through #4
- (i) An updated to the acid rain permit referenced in Condition E.1; and
- (j) The NO_x Budget Trading Program requirements that are applicable to this source have been added as Section F.

The changes in the Part 70 Operating Permit are documented in the Technical Support Document. All other conditions of the permit shall remain unchanged and in effect. For your convenience, the entire revised Title V Operating Permit, with all modifications and amendments made to it, will be provided upon approval.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter, please contact Michael S. Schaffer, c/o OAQ, 100 North Senate Avenue, Indianapolis, Indiana, 46204-2251, at 631-691-3395 ext. 23 or in Indiana at 1-800-451-6027 (ext 631-691-3395).

Sincerely,

Original Signed By:
Nisha Sizemore, Chief
Permits Branch
Office of Air Quality

Attachments
MSS/MES

cc: File - Vermillion County
U.S. EPA, Region V
Vermillion County Health Department
Air Compliance Section Inspector - Wanda Stanfield
Compliance Branch
Administrative and Development Section
Technical Support and Modeling - Michelle Boner
Duane A. Johnson - Duke Energy North America (DENA)



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**PART 70 OPERATING PERMIT
OFFICE OF AIR QUALITY**

**Duke Energy Vermillion, L.L.C.
Southwest Quadrant of Intersection CR300N and SR63
Cayuga, Indiana 47928**

(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 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.

Operation Permit No.: T 165-14185-00022	
Issued by: Janet G. McCabe, Assistant Commissioner Office of Air Quality	Issuance Date: May 15, 2003 Expiration Date: May 15, 2008

First Significant Permit Modification: 165-18731-00022 Pages Affected: Entire Permit	
Issued by: May 26, 2006 Nisha Sizemore, Chief Permits Branch Office of Air Quality	Issuance Date: May 26, 2006 Expiration Date: May 15, 2008

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Appendix A: Phase II Acid Rain Permit Renewal AR 165-19814-00022

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)] [326 IAC 2-7-1(22)]

The Permittee owns and operates a stationary 640 MW merchant power plant source.

Responsible Official:	Senior Vice President
Contact Person:	Rob Whitehead
Source Address:	SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
Mailing Address:	c/o Steve Pearl, 1000 E. Main, Plainfield, IN 46168
General Source Phone Number:	765-492-5030
Responsible Official Phone Number:	713-627-4633
Contact Person Phone Number:	317-838-1758
SIC Code:	4911
County Location:	Vermillion
Source Location Status:	Attainment for all criteria pollutants
Source Status:	Part 70 Permit Program Major Source, under PSD Rules; Minor Source, Section 112 of the Clean Air Act

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:

- (a) Eight (8) simple cycle, natural gas-fired combustion turbines, identified as units CT#1 through CT#8, installed in 1999, equipped with low-NO_x combustors, exhausting to stacks designated as # 1 - # 8, with a maximum heat input capacity of 1,272 million British thermal units per hour each, and a nominal output of 80 MW, each.
- (b) Two (2) emergency diesel generators, identified as units #9 and #10, installed in 2000, exhausting to stacks designated as #9 and #10, with a maximum heat input capacity of 17.21 million British thermal units per hour, each.
- (c) One (1) emergency diesel fire pump, identified as unit #11, installed in 2000, exhausting to stack designated as #11, with a maximum heat input capacity of 1.6 million British thermal units per hour.

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):

Paved and unpaved roads and parking lots with public access. (326 IAC 6-4)

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 an affected source under Title IV (Acid Deposition Control) of the Clean Air Act, as defined in 326 IAC 2-7-1(3);
- (c) 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 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, the applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2 and 326 IAC 2-7) shall prevail.

B.2 Permit Term [326 IAC 2-7-5(2)] [326 IAC 2-1.1-9.5] [326 IAC 2-7-4(a)(1)(D)] [IC 13-15-3-6(a)]

- (a) This permit, T 165-14185-00022 is issued for a fixed term of five (5) years from the original date, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date.
- (b) If IDEM, OAQ, upon receiving a timely and complete renewal 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.

B.3 Enforceability [326 IAC 2-7-7]

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

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

- (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
Indianapolis, Indiana 46204-2251

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

- (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. The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34). Upon request, the Permittee shall also furnish to IDEM, OAQ, copies of records required to be kept by this permit.

- (c) For information furnished by the Permittee to IDEM, OAQ, the Permittee may include a claim of confidentiality in accordance with 326 IAC 17.1. When furnishing copies of requested records directly to U.S. EPA, the Permittee may assert a claim of confidentiality in accordance with 40 CFR 2, Subpart B.

B.8 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 is grounds for:
 - (1) Enforcement action;
 - (2) Permit termination, revocation and reissuance, or modification; or
 - (3) Denial of a permit renewal application.
- (b) Noncompliance with any provisions of this permit, except any provision specifically designated as not federally enforceable, constitutes a violation of the Clean Air Act.
- (c) 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.
- (d) An emergency does constitute an affirmative defense in an enforcement action provided the Permittee complies with the applicable requirements set forth in Section B, Emergency Provisions.

B.9 Certification [326 IAC 2-7-4(f)] [326 IAC 2-7-6(1)] [326 IAC 2-7-5(3)(C)]

- (a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by a responsible official of truth, accuracy, and completeness. This certification 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, using the attached Certification Form, with each submittal requiring certification. One (1) certification may cover multiple forms in one (1) submittal.
- (c) A responsible official is defined at 326 IAC 2-7-1(34).

B.10 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 initial certification shall cover the time period from the date of final permit issuance through December 31 of the same year. All subsequent certifications 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
Indianapolis, Indiana 46204-2251

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 appropriate 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 the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-7-5(3); and
 - (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.11 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 (PMPs) 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; and
 - (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

If, due to circumstances beyond the Permittee's control, the PMPs 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
Indianapolis, Indiana 46204-2251

The PMP extension notification does not require the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).

- (b) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ, may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or contributes to any violation. The PMPs do not require the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).
- (c) Records of preventive maintenance shall be retained for a period of at least five (5) years. These records shall be kept at the source location for a minimum of three (3) years. 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 request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.

B.12 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.
- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a 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 the attached Emergency Occurrence Report Form or its equivalent, either by mail or facsimile to:

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

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). This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.
- (e) The Permittee seeking to establish the occurrence of an emergency shall make records available upon request to ensure that failure to implement a PMP did not cause or contribute to an exceedance of any limitations on emissions. However, 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 accordance with (b)(4) and (5) of this condition shall constitute a violation of 326 IAC 2-7 and any other applicable rules.
- (g) 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.
- (h) The Permittee shall include all emergencies in the Quarterly Deviation and Compliance Monitoring Report.

B.13 Permit Shield [326 IAC 2-7-15] [326 IAC 2-7-20] [326 IAC 2-7-12]

- (a) Pursuant to 326 IAC 2-7-15, the Permittee has been granted a permit shield. The permit shield provides that 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 either the applicable requirements are included and specifically identified in this permit or the permit contains an explicit determination or concise summary of a determination that other specifically identified requirements are not applicable. The Indiana statutes from IC 13 and rules from 326 IAC, referenced 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 or for applicable requirements for which a permit shield has been granted.

This permit shield does not extend to applicable requirements which are promulgated after the date of issuance of this permit unless this permit has been modified to reflect such new requirements.

- (b) 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, 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.
- (c) 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. Erroneous information means information that the Permittee knew to be false, or in the exercise of reasonable care should have been known to be false, at the time the information was submitted.
- (d) 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.
- (e) 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).
- (f) 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)]
- (g) 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.14 Prior Permits Superseded [326 IAC 2-1.1-9.5]

-
- (a) All terms and conditions of previous permits issued pursuant to permitting programs approved into the state implementation plan have been either
 - (1) incorporated as originally stated,
 - (2) revised, or
 - (3) deletedby this permit.

- (b) All previous registrations and permits are superseded by this permit except for permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

B.15 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 Data Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

using the attached Quarterly Deviation and Compliance Monitoring Report, or its equivalent. A deviation required to be reported pursuant to an applicable requirement that exists independent of this permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report.

The Quarterly Deviation and Compliance Monitoring Report does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) A deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit.

B.16 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)] The notification by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (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, may provide a shorter time period in the case of an emergency. [326 IAC 2-7-9(c)]

B.17 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). The renewal application does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Request for renewal shall be submitted to:

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

- (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.

(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.18 Permit Amendment or Modification [326 IAC 2-7-11] [326 IAC 2-7-12] [40 CFR 72]

- (a) Permit amendments and modifications are governed by 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) Pursuant to 326 IAC 2-7-11(b) and 326 IAC 2-7-12(a), administrative Part 70 permit amendments and permit modifications for purposes of the acid rain portion of a Part 70 permit shall be governed by regulations promulgated under Title IV of the Clean Air Act. [40 CFR 72]

- (c) 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
Indianapolis, Indiana 46204-2251

Any such application shall be certified by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (d) The Permittee may implement 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.19 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.20 Operational Flexibility [326 IAC 2-7-20] [326 IAC 2-7-10.5]

- (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 preconstruction approval required by 326 IAC 2-7-10.5 has been obtained;
 - (3) The changes do not result in emissions which exceed the limitations provided in 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
Indianapolis, Indiana 46204-2251

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 copy of this permit; and

- (5) The Permittee maintains records on-site, on a rolling five (5) year basis, which document all such changes and emission trades that are subject to 326 IAC 2-7-20 (b), (c), or (e). The Permittee shall make 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)(1), (c)(1), and (e)(2).

- (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). 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 is not considered an application form, report or compliance certification. Therefore, the notification 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 emissions increases and decreases at 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.
- (f) This condition does not apply to emission trades of SO₂ or NO_x under 326 IAC 21 or 326 IAC 10-4.

B.21 Source Modification Requirement [326 IAC 2-7-10.5]

A modification, construction, or reconstruction is governed by 326 IAC 2 and 326 IAC 2-7-10.5.

B.22 Inspection and Entry [326 IAC 2-7-6] [IC 13-14-2-2]

Upon presentation of proper identification cards, credentials, and other documents as may be required by law, and subject to the Permittee's right under all applicable laws and regulations to assert that the information collected by the agency is confidential and entitled to be treated as such, 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 any records that must be kept under the conditions of this permit;
- (c) Inspect any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- (d) Sample or monitor 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.

B.23 Transfer of Ownership or Operational Control [326 IAC 2-7-11]

- (a) The Permittee must comply with the requirements of 326 IAC 2-7-11 whenever the Permittee seeks to change the ownership or operational control of the source and no other change in the permit is necessary.
- (b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

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

The application 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) The Permittee may implement 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.24 Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-7-5(7)] [326 IAC 2-1.1-7]

- (a) The Permittee shall pay annual fees to IDEM, OAQ, within thirty (30) calendar days of receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ, the applicable fee is due April 1 of each year.
- (b) Except as provided in 326 IAC 2-7-19(e), 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 317-233-4230 (ask for OAQ, Billing, Licensing, and Training Section), to determine the appropriate permit fee.

B.25 Credible Evidence [326 IAC 2-7-5(3)][326 IAC 2-7-6][62 FR 8314] [326 IAC 1-1-6]

For the purpose of submitting compliance certifications or establishing whether or not the Permittee has violated or is in violation of any condition of this permit, nothing in this permit shall preclude the use, including the exclusive use, of any credible evidence or information relevant to whether the Permittee would have been in compliance with the condition of this permit if the appropriate performance or compliance test or procedure had been performed.

SECTION C

SOURCE OPERATION CONDITIONS

Entire Source

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

C.1 Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) pounds per hour [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2(e)(2), the allowable particulate emissions rate from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour.

C.2 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this permit:

- (a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

C.3 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.4 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. 326 IAC 9-1-2 is not federally enforceable.

C.5 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.6 Stack Height [326 IAC 1-7]

The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted. The provisions of 326 IAC 1-7-2, 326 IAC 1-7-3(c) and (d), 326 IAC 1-7-4(d), (e), and (f), and 326 IAC 1-7-5(d) are not federally enforceable.

C.7 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

- (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
Indianapolis, Indiana 46204-2251

The notice shall include a signed certification from the owner or operator that the information provided in this notification is correct and that only Indiana licensed workers and project supervisors will be used to implement the asbestos removal project. 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 applicable emission control procedures in 326 IAC 14-10-4 and 40 CFR 61.145(c). Per 326 IAC 14-10-1, emission control requirements are applicable 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, pursuant to the provisions of 40 CFR 61, Subpart M, is federally enforceable.

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

C.8 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 any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures 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
Indianapolis, Indiana 46204-2251

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual test date. The notification submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) Pursuant to 326 IAC 3-6-4(b), all test reports must be received by IDEM, OAQ not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, if the source submits to IDEM, OAQ, a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

Compliance Requirements [326 IAC 2-1.1-11]

C.9 Compliance Requirements [326 IAC 2-1.1-11]

The commissioner may require stack testing, monitoring, or reporting at any time to assure compliance with all applicable requirements by issuing an order under 326 IAC 2-1.1-11. Any monitoring or testing shall be performed in accordance with 326 IAC 3 or other methods approved by the commissioner or the U. S. EPA.

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

C.10 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. If due to circumstances beyond its control, that equipment cannot be installed and operated within ninety (90) days, the Permittee may extend the compliance schedule related to the equipment for an additional ninety (90) days provided the Permittee notifies:

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

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).

Unless otherwise specified in the approval for the new emission unit(s), compliance monitoring for new emission units or emission units added through a source modification shall be implemented when operation begins.

C.11 Maintenance of Continuous Emission Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]

- (a) The Permittee shall install, calibrate, maintain, and operate all necessary continuous emission monitoring systems (CEMS) and related equipment. In addition, prompt corrective action shall be initiated whenever indicated.
- (b) In the event that a breakdown of a continuous emission monitoring system occurs, a record shall be made of the times and reasons of the breakdown and efforts made to correct the problem.
- (c) Whenever a continuous emission monitor other than an opacity monitor is malfunctioning or is down for maintenance or repairs, the following shall be used as an alternative to continuous data collection:
 - (1) If the CEM is required for monitoring NO_x emissions pursuant to 40 CFR 75 (Title IV Acid Rain program) or 326 IAC 10-4 (NO_x Budget Trading Program), the Permittee shall comply with the relevant requirements of 40 CFR 75 Subpart D - Missing Data Substitution Procedures.
 - (2) If the CEM is not used to monitor NO_x emissions from a unit subject to requirements of the Title IV Acid Rain program or the NO_x Budget Trading Program, and is down for a period of four (4) hours or more, then supplemental or intermittent monitoring of the parameter shall be implemented as specified in Section D of this permit until such time as the emission monitor system is back in operation.
- (d) Whenever the CO continuous emission monitoring system is malfunctioning or down for repairs or adjustments, the Permittee shall use a data substitution procedure for the CO CEMs that is consistent with the requirements of 40 CFR 75.33(b), Standard Missing Data Substitution Procedures for SO₂ Concentration Data.
- (e) Nothing in this condition, or in Section D of this permit, shall excuse the Permittee from complying with the requirements to operate a continuous emission monitoring equipment system pursuant to 326 IAC 10-4 and 326 IAC 3-5.

C.12 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63]

Any monitoring or testing required by Section D of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60, Appendix A, 40 CFR 60 Appendix B, 40 CFR 63, or other approved methods as specified in this permit.

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

C.13 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 on September 11, 2000.

- (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) 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.14 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68.215]

If a regulated substance, subject to 40 CFR 68, is present at a source in more than a threshold quantity, 40 CFR 68 is an applicable requirement and the Permittee shall submit:

- (a) A compliance schedule for meeting the requirements of 40 CFR 68; or
- (b) As a part of the annual compliance certification submitted under 326 IAC 2-7-6(5), a certification statement that the source is in compliance with all the requirements of 40 CFR 68, including the registration and submission of a Risk Management Plan (RMP);

All documents submitted pursuant to this condition shall include the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

C.15 Response to Excursions and Exceedances [326 IAC 2-7-5] [326 IAC 2-7-6]

- (a) Upon detecting an excursion or exceedance, the Permittee shall restore operation of the emissions unit (including any control device and associated capture system) to its normal or usual manner of operation as expeditiously as practicable in accordance with good air pollution control practices for minimizing emissions.
- (b) The response shall include minimizing the period of any startup, shutdown or malfunction and taking any necessary corrective actions to restore normal operation and prevent the likely recurrence of the cause of an excursion or exceedance (other than those caused by excused startup or shutdown conditions). Corrective actions may include, but are not limited to, the following:
 - (1) initial inspection and evaluation;
 - (2) recording that operations returned to normal without operator action (such as through response by a computerized distribution control system); or
 - (3) any necessary follow-up actions to return operation to within the indicator range, designated condition, or below the applicable emission limitation or standard, as applicable.
- (c) A determination of whether the Permittee has used acceptable procedures in response to an excursion or exceedance will be based on information available, which may include, but is not limited to, the following:
 - (1) monitoring results;
 - (2) review of operation and maintenance procedures and records;
 - (3) inspection of the control device, associated capture system, and the process.
- (d) Failure to take reasonable response steps shall be considered a deviation from the permit.

- (e) The Permittee shall maintain the following records:
 - (1) monitoring data;
 - (2) monitor performance data, if applicable; and
 - (3) corrective actions taken.

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 response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.
- (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.
- (c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

The documents submitted pursuant to this condition do 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) Pursuant to 326 IAC 2-6-3(a)(1), the Permittee shall submit by July 1 of each year an emission statement covering the previous calendar year. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4(c) and shall meet the following requirements:
 - (1) Indicate estimated actual emissions of all pollutants listed in 326 IAC 2-6-4(a);
 - (2) Indicate estimated actual emissions of other regulated pollutants as defined by 326 IAC 2-7-1(32) ("Regulated pollutant, which is used only for the purposes of Section 19 of this rule") from the source, for purposes of Part 70 fee assessment.

The emission statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

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

- (b) The 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 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6] [326 IAC 2-2]

- (a) Records of all required data, reports 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. 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 request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.
- (b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.
- (c) If there is a reasonable possibility that a "project" (as defined in 326 IAC 2-2-1 (qq)) at an existing emissions unit other than projects at a Clean Unit, which is not part of a "major modification" (as defined in 326 IAC 2-2-1 (ee)) may result in significant emissions increase and the Permittee elects to utilize the "projected actual emissions" (as defined in 326 IAC 2-2-1 (rr)), the Permittee shall comply with following:
 - (1) Before beginning actual construction of the "project" (as defined in 326 IAC 2-2-1 (qq)) at an existing emissions unit, document and maintain the following records:
 - (A) A description of the project;
 - (B) Identification of any emissions unit whose emissions of a regulated new source review pollutant could be affected by the project;
 - (C) A description of the applicability test used to determine that the project is not a major modification for any regulated NSR pollutant, including:
 - (i) Baseline actual emissions;
 - (ii) Projected actual emissions;
 - (iii) Amount of emissions excluded under section 326 IAC 2-2-1(rr)(2)(A)(iii); and
 - (iv) An explanation for why the amount was excluded, and any netting calculations, if applicable.
 - (2) Monitor the emissions of any regulated NSR pollutant that could increase as a result of the project and that is emitted by any existing emissions unit identified in (1)(B) above; and
 - (3) Calculate and maintain a record of the annual emissions, in tons per year on a calendar year basis, for a period of five (5) years following resumption of regular operations after the change, or for a period of ten (10) years following resumption of regular operations after the change if the project increases the design capacity of or the potential to emit that regulated NSR pollutant at the emissions unit.

C.19 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11] [326 IAC 2-2]

- (a) The source shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This

report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (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
Indianapolis, Indiana 46204-2251

- (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, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (e) 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. Reporting periods are based on calendar years.
- (f) If the Permittee is required to comply with the recordkeeping provisions of (c) in Section C - General Record Keeping Requirements for any "project" (as defined in 326 IAC 2-2-1 (qq)) at an existing emissions unit other than an Electric Utility Steam Generating Unit, and the project meets the following criteria, then the Permittee shall submit a report to IDEM, OAQ:
- (1) The annual emissions, in tons per year, from the project identified in (c)(1) in Section C - General Record Keeping Requirements exceed the baseline actual emissions, as documented and maintained under Section C - General Record Keeping Requirements (c)(1)(C)(i), by a significant amount, as defined in 326 IAC 2-2-1 (xx), for that regulated NSR pollutant, and
 - (2) The emissions differ from the preconstruction projection as documented and maintained under Section C - General Record Keeping Requirements (c)(1)(C)(ii).
- (g) The report for a project at an existing emissions unit other than an Electric Utility Steam Generating Unit shall be submitted within sixty (60) days after the end of the year and contain the following:
- (1) The name, address, and telephone number of the major stationary source.
 - (2) The annual emissions calculated in accordance with (c)(2) and (3) in Section C - General Record Keeping Requirements.
 - (3) The emissions calculated under the actual-to-projected actual test stated in 326 IAC 2-2-2(d)(3).
 - (4) Any other information that the Permittee deems fit to include in this report.

Reports required in this part shall be submitted to:

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

- (h) The Permittee shall make the information required to be documented and maintained in accordance with (c) in Section C - General Record Keeping Requirements available for review upon a request for inspection by IDEM, OAQ. The general public may request this information from the IDEM, OAQ under 326 IAC 17.1

Stratospheric Ozone Protection

C.20 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.

SECTION D.1 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]: Eight (8) Simple Cycle Turbines

- (a) Eight (8) simple cycle, natural gas-fired combustion turbines, identified as units CT#1 through CT#8, installed in 1999, equipped with low-NO_x combustors, exhausting to stacks designated as # 1 - # 8, with a maximum heat input capacity of 1,272 million British thermal units per hour each, and a nominal output of 80 MW, each.

(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 Provisions Relating to NSPS [326 IAC 12-1] [40 CFR 60, Subpart A]

The provisions of 40 CFR 60 Subpart A - General Provisions, which are incorporated as 326 IAC 12-1, apply to the facility described in this section except when otherwise specified in 40 CFR 60 Subpart GG.

D.1.2 Nitrogen Oxides (NO_x) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

Pursuant to 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT:

- (a) Use of dry low-NO_x combustors in conjunction with natural gas;
- (b) When burning natural gas the NO_x emission rate shall not exceed a one (1) hour average concentration of fifteen (15) parts per million (ppmvd) of NO_x at fifteen (15%) percent O₂ in conjunction with dry low-NO_x combustors;
- (c) When burning natural gas, the NO_x emission rate shall not exceed an average of twelve (12) parts per million (ppmvd) of NO_x per year, based on a twelve (12) consecutive month period with compliance determined at the end of each month, at fifteen (15%) percent O₂ in conjunction with dry low-NO_x combustors;
- (d) The NO_x emissions from the eight (8) combustion turbines shall be limited to a total of 426.0 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

D.1.3 Sulfur Dioxide (SO₂) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

Pursuant to 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with BACT by using natural gas as the only fuel for the combustion turbines.

D.1.4 Carbon Monoxide (CO) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

Pursuant to 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT:

- (a) The CO emission rate shall not exceed a one (1) hour average concentration of twenty-five (25) parts per million (ppmvd) of CO at fifteen (15%) percent O₂ in conjunction with firing natural gas during a steady-state operating condition.

- (b) The CO emissions from the eight (8) combustion turbines shall be limited to a total of 432.0 tons per twelve (12) consecutive month period with compliance determined at the end of each month.
- (c) Perform good combustion practices.

D.1.5 Volatile Organic Compounds (VOC) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall perform good combustion practices.

D.1.6 Particulate Matter (PM/PM₁₀) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

Pursuant to 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT:

- (a) Natural gas as the only fuel; and
- (b) Perform good combustion practices.

D.1.7 Operation and Monitoring Definitions [326 IAC 2-2]

(a) Pursuant to 326 IAC 2-2, the following operation definitions shall apply:

- (1) Startup is defined as the period of time from the initiation of combustion firing to the attainment of a steady-state operating condition (dry low NO_x (premix) mode as indicated by DAHS). Premix mode shall be defined as the low emissions mode during which all burner nozzles are in use, burning a lean premix gas for steady-state operation.
- (2) Steady-state operating condition shall be defined as the period of time that the combustion turbine is operating in dry low NO_x (premix) mode.
- (3) Shutdown is defined as that period of time from the end of a steady-state operating condition to the complete cessation of fuel combustion in the unit.
- (4) A startup/shutdown cycle is a pair of subsequent shutdown and startup events (i.e., one startup followed by one shutdown represents one startup/shutdown cycle).

(b) The following monitoring definitions shall apply:

- (1) The data acquisition and handling system (DAHS) process codes shall be defined as follows:
 - (A) DAHS Process Code 3 shall mean that a combustion turbine is operating in startup mode.
 - (B) DAHS Process Code 8 shall mean that a combustion turbine is operating in a steady-state condition.
 - (C) DAHS Process Code 4 shall mean that a combustion turbine is in shutdown mode.
 - (D) DAHS Process Code 5 shall mean that a combustion turbine is offline.

- (2) The DAHS monitoring codes shall be defined as follows:
- (A) DAHS Monitoring Code 00 shall mean that the NO_x or CO CEMS is online and is functioning properly.
 - (B) A DAHS monitoring code other than Monitoring Code 00 shall mean that the NO_x and/or CO CEMS is down.

D.1.8 Startup/Shutdown Limits [326 IAC 2-2]

- (a) Pursuant to Significant Source Modification 165-15845-00022, issued March 13, 2003, and 326 IAC 2-2 (PSD Requirements), the maximum number of startup/shutdown cycles from each turbine shall not exceed 240 per twelve (12) consecutive months period rolled on a monthly basis as determined at the end of each calendar month. The duration of each startup/ shutdown cycle shall not exceed one (1) hour.
- (b) The NO_x and CO emission limitations in Conditions D.1.2(d) and D.1.4(b) for the eight (8) combustion turbines shall also include emissions from startup and shutdown.

D.1.9 Non-Criteria PSD Pollutants (Beryllium and H₂SO₄) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

Pursuant to 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT:

- (a) Use natural gas as the only fuel for the combustion turbines; and
- (b) Perform good combustion practices.

D.1.10 Stationary Gas Turbines [40 CFR Part 60, Subpart GG]

- (a) The eight (8) combustion turbines are subject to 40 CFR Part 60, Subpart GG because the heat input at peak load is equal to or greater than 10.7 gigajoules per hour, based on the lower heating value of the fuel fired.
- (b) Pursuant to 326 IAC 12-1 and 40 CFR 60, Subpart GG (Stationary Gas Turbines), the Permittee shall:

- (1) Limit nitrogen oxides emissions, as required by 40 CFR 60.332, to:

$$\text{STD} = 0.0075 \frac{(14.4)}{Y} + F,$$

where

STD = allowable NO_x emissions (percent by volume at 15 percent oxygen on a dry basis).

Y = manufacturer's rated heat rate at manufacturer's rated load (kilojoules per watt hour) or, actual measured heat rate based on lower heating value of fuel as measured at actual peck load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt hour.

F = NO_x emission allowance for fuel-bound nitrogen as defined in paragraph (a)(3) of 40 CFR 60.332.

- (2) Limit sulfur dioxide emissions, as required by 40 CFR 60.333, to 0.015 percent by volume at fifteen (15%) percent oxygen on a dry basis, or use natural gas fuel with a sulfur content less than or equal to 0.8 percent by weight.

D.1.11 Carbon Monoxide Emission Limitations [326 IAC 9-1]

This source is subject to 326 IAC 9-1 because it is a stationary source of CO emissions commencing operation after March 21, 1972. There are no applicable CO emission limits, under this state rule, established for this type of operation.

D.1.12 Preventive Maintenance Plan [326 IAC 1-6-3]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for the eight (8) simple cycle combustion turbines and their control devices.

Compliance Determination Requirements

D.1.13 Compliance Requirements [40 CFR Part 60, Subpart GG]

Pursuant to 40 CFR Part 60, Subpart GG (Stationary Gas Turbines), the Permittee must comply with the following custom fuel monitoring schedule approved by the EPA on May 30, 2000:

- (a) Monitor the sulfur content of the natural gas being fired in the turbine by ASTM method D 5504-94, or one of the approved ASTM reference methods for the measurement of sulfur in gaseous fuels. The reference methods are: ASTM D1072-80; ASTM D3031-81; ASTM D3246-81; and ASTM D4084-82.
- (b) Monitoring of fuel nitrogen content shall not be required while natural gas is the only fuel fired in the gas turbine.
- (c) Sulfur Monitoring
 - (1) Analysis for fuel sulfur content of the natural gas shall be conducted using one of the approved ASTM reference methods for the measurement of sulfur in gaseous fuels, or an approved alternative method. The reference methods are: ASTM D1072-80; ASTM D3031-81; ASTM D3246-81; and ASTM D4084-82 as referenced in 40 CFR 60.335(b)(2). The approved alternative method is ASTM Method D5504-94.
 - (2) Effective the date of this custom schedule, sulfur monitoring shall be conducted twice monthly for six (6) months. If this monitoring shows little variability in the fuel sulfur content, and indicates consistent compliance with 40 CFR 60.333, then sulfur monitoring shall be conducted one per quarter for six quarters.
 - (3) If after the monitoring required in item c(2) above, or herein, the sulfur content of the fuel shows little variability and calculated as sulfur dioxide, represents consistent compliance with the sulfur dioxide emission limits specified under 40 CFR 60.333, sample analysis shall be conducted twice per annum. This monitoring shall be conducted during the first and third quarters of each calendar year.
 - (4) Should any sulfur analysis as required in items c(2) or c(3) above indicate non-compliance with 40 CFR 60.333, the owner or operator shall notify the U.S. EPA Region V Air and Radiation Division of such excess emissions and the custom schedule shall be re-examined by the U.S. EPA. Sulfur monitoring shall be conducted weekly during the interim period when this custom schedule is being re-examined.

- (d) If there is change in fuel supply, the owner or operator must notify the EPA of such change for re-examination of this custom schedule. A substantial change in fuel quality shall be considered as a change in fuel supply. Sulfur monitoring shall be conducted weekly during the interim period when this custom schedule is being re-examined.
- (e) Records of sample analysis and fuel supply pertinent to this custom schedule shall be retained for a period of three years, and be available for inspection by personnel of federal, state and local air pollution control agencies.

D.1.14 Continuous Emission Monitoring System (CEMS) [326 IAC 3-5]

- (a) Pursuant to 326 IAC 3-5-1(d)(1), the owner or operator of a source with an emission limitation or permit requirement established under 326 IAC 2-2 shall be required to install a continuous emissions monitoring system or alternative monitoring plan as allowed under the Clean Air Act and 326 IAC 3-5.
- (b) Pursuant to PSD Permit CP 165-10476-00022, issued on July 1, 1999, for NO_x and CO, the Permittee shall install, calibrate, certify, operate and maintain a continuous monitoring system for stacks designated as # 1 - # 8 in accordance with 326 IAC 3-5-2 and 3-5-3.
 - (1) The continuous emission monitoring system (CEMS) shall measure NO_x and CO emissions rates in pounds per hour and parts per million (ppmvd). The use of CEMS to measure and record the NO_x and CO hourly limits, is sufficient to demonstrate compliance with the fifteen (15) parts per million (ppmvd) NO_x limit and twenty-five (25) parts per million (ppmvd) CO limit, during a steady-state operating condition. To demonstrate compliance with the twelve (12) parts per million (ppmvd) NO_x annual limit, the source shall average the parts per million (ppmvd) over a twelve (12) consecutive month period.
 - (2) The CEMS shall be in operation at all times when the eight (8) turbines are in operation.
 - (3) The Permittee shall record the output of the system and shall perform the required record keeping, pursuant to 326 IAC 3-5-6, and reporting, pursuant to 326 IAC 3-5-7.
- (c) The Permittee shall follow parametric monitoring requirements for determining SO₂ emissions contained in the "*Optional SO₂ Emissions Data Protocol for Gas-Fired and Oil-Fired Units*" in lieu of continuous emission monitoring systems (CEMS).
 - (1) Pursuant to the procedures contained in 40 CFR 75.20, the Permittee shall complete all testing requirements to certify the use of the "*Optional SO₂ Emissions Data Protocol for Gas-Fired and Oil-Fired Units*" protocol.
 - (2) The Permittee shall apply to IDEM for initial certification to use the "*Optional SO₂ Emissions Data Protocol for Gas-Fired and Oil-Fired Units*" protocol, no later than 45 days after the compliance of all certification tests. The initial plan was received by the IDEM/OAQ on March 7, 2000.
 - (3) All certification and compliance methods shall be conducted in accordance with the procedures outlined in 40 CFR Part 75, Appendix D.

D.1.15 CEMS NO_x and CO Missing Data Substitution [326 IAC 2-2]

In order to demonstrate compliance with Conditions D.1.2, D.1.3, D.1.4 and D.1.7, whenever the DAHS monitoring code is not Monitoring Code 00 (the NO_x and/or CO CEMS is down), until the

DAHS is restored to Monitoring Code 00, as an alternative to the missing data substitution requirements in Section C - Maintenance of Continuous Emission Monitoring Equipment, the Permittee may use the following missing data substitution procedures utilizing the DAHS Process Codes defined in Conditions D.1.7(b) and (c):

- (a) Whenever a NO_x and/or CO CEMS is down during periods of startup, the Permittee shall substitute the maximum NO_x/CO emission rate (in pounds or tons per hour) recorded by DAHS Process Code 3 within the past twelve (12) consecutive months.
- (b) Whenever a NO_x and/or CO CEMS is down during periods of a steady-state operating condition, the Permittee shall substitute the maximum NO_x/CO emission rate (in pounds or tons per hour) recorded by DAHS Process Code 8 within the past twelve (12) consecutive months.
- (c) Whenever a NO_x and/or CO CEMS is down during periods of shutdown, the Permittee shall substitute the maximum NO_x/CO emission rate (in pounds or tons per hour) recorded by DAHS Process Code 4 within the past twelve (12) consecutive months.
- (d) Whenever a NO_x and/or CO CEMS is down during periods where the DAHS records two (2) or more process codes, the Permittee shall substitute the maximum NO_x/CO emission rate (in pounds or tons per hour) recorded by those DAHS process codes within the past twelve (12) consecutive months.
- (e) The alternative missing data procedures in paragraphs (a) through (d) of this condition do not relieve the Permittee of the responsibility to comply with the requirements listed in Section C - Maintenance of Continuous Emission Monitoring Equipment for 40 CFR 75 (Title IV Acid Rain Program) and 326 IAC 10-4 (NO_x Budget Trading Program) or the requirement to operate the CEMS.

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

D.1.16 Compliance Requirements [40 CFR Part 60, Subpart GG]

Pursuant to 40 CFR Part 60, Subpart GG, the Permittee shall operate a Continuous Monitoring System to monitor and record the fuel consumption and the ratio of water to fuel being fired in each turbine.

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

D.1.17 Record Keeping Requirements

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- (a) To document compliance with Conditions D.1.2(e), D.1.4(b), D.1.6, D.1.9 and D.1.10, the Permittee shall maintain records of the following:
 - (1) The amount of NO_x emissions (in pounds or tons) per turbine recorded by the CEMS each month; and
 - (2) The amount of CO emissions (in pounds or tons) per turbine recorded by the CEMS each month.
 - (b) To document compliance with Conditions D.1.2(b) and (c) and D.1.4(a), the Permittee shall record the emission rates of NO_x and CO in parts per million (ppmvd) based on a hourly and monthly average. The source shall perform the required record keeping, pursuant to 326 IAC 3-5-6, and reporting, pursuant to 326 IAC 3-5-7.

- (c) To document compliance with Conditions D.1.7(a) and D.1.8, the Permittee shall maintain records of the following:
 - (1) The type of operation (startup, steady-state operating condition, or shutdown) with supporting operational data; and
 - (2) The total number of minutes for startup and shutdown per 24-hour period per turbine.
- (d) To document compliance with Condition D.1.15, the Permittee shall maintain records of any hour that CEMS data was missing, the DAHS process code recorded for that hour, and the emission rate (in pounds or tons) substituted for that hour.
- (e) To document compliance with Condition D.1.16, the Permittee shall record the fuel consumption and the ratio of water to fuel being fired in each turbine.
- (f) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.18 NSPS Reporting Requirement

Pursuant to the New Source Performance Standards (NSPS), Part 60.330, Subpart GG, the source owner/operator is hereby advised of the requirement to report the following at the appropriate times:

- (a) Date of performance testing (at least thirty (30) days prior to such date), when required by a condition elsewhere in this permit; and
- (b) Report periods of excess emissions, as required by 40 CFR 60.334(c).

Reports are to be sent to:

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

The application and enforcement of these standards have been delegated to the IDEM OAQ. The requirements of 40 CFR Part 60 are also federally enforceable.

D.1.19 Reporting Requirements

- (a) The Permittee shall submit a quarterly excess emissions report, if applicable, based on the continuous emissions monitor (CEM) data for NO_x and CO, pursuant to 326 IAC 3-5-7 and 40 CFR 60.334(c). These reports shall be submitted within thirty (30) calendar days following the end of each calendar quarter and in accordance with Section C - General Reporting Requirements of this permit.
- (b) A quarterly summary of the information to document compliance with Conditions D.1.2(e) and D.1.4(b) shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) A quarterly summary of the total number of startup and shutdown hours of operation and emissions corresponding to startup and shutdown to document compliance with Condition D.1.8(a), shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported.

SECTION D.2

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]: Two (2) Emergency Generators and Fire Pump

- (b) Two (2) emergency diesel generators, identified as units #9 and #10, installed in 2000, exhausting to stacks designated as #9 and #10, with a maximum heat input capacity of 17.21 million British thermal units per hour, each.
- (c) One (1) emergency diesel fire pump, identified as unit #11, installed in 2000, exhausting to stack designated as #11, with a maximum heat input capacity of 1.6 million British thermal units per hour.

(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.2.1 Nitrogen Oxides (NO_x) - Best Available Control Technology for the Two (2) Emergency Diesel Generators [326 IAC 2-2-3]

Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the source shall perform good combustion practices as BACT.

D.2.2 Sulfur Dioxide (SO₂) - Best Available Control Technology for the Two (2) Emergency Diesel Generators [326 IAC 2-2-3]

Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the source shall comply to the following BACT:

- (a) Perform good combustion practices;
- (b) The sulfur content of the diesel fuel used by the generators shall not exceed 0.05 percent by weight; and
- (c) The total input of the diesel fuel to the generators shall be limited to 6,029 gallons per day and shall not exceed a total of 125,620 gallons per twelve consecutive month period, rolled on a monthly basis. This usage limitation is equivalent to 0.435 tons of SO₂ per year and 27.5 tons of NO_x per year.

D.2.3 Carbon Monoxide (CO) - Best Available Control Technology for the Two (2) Emergency Diesel Generators [326 IAC 2-2-3]

Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the source shall perform good combustion practices as BACT.

D.2.4 Particulate Matter (PM/PM₁₀) - Best Available Control Technology for the Two (2) Emergency Diesel Generators [326 IAC 2-2-3]

Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the source shall comply with the following BACT:

- (a) The limit of diesel fuel established under the SO₂ BACT analysis; and
- (b) Perform good combustion practices.

D.2.5 Best Available Control Technology for the Emergency Diesel Fire Pump [326 IAC 2-2-3]

Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the source shall comply with the following BACT:

- (a) Perform good combustion practices;
- (b) The sulfur content of the diesel fuel used by the fire pump shall not exceed 0.05 percent by weight; and
- (c) The total input of the diesel fuel to the fire pump shall be limited to 5,840 gallons per twelve consecutive month period, rolled on a monthly basis.

D.2.6 Nonapplicability of Sulfur Dioxide (SO₂) - Best Available Control Technology for the Two (2) Emergency Diesel Generators [326 IAC 2-2-3]

The requirement from MPR 165-11417-00022, issued February 25, 2000, Condition D.1.9 which requires a diesel fuel limit of 3,014.7 gallons per day and 125,600 gallons per twelve (12) consecutive month period, rolled on a monthly basis, has not been included in the Title V operating permit. This requirement is no longer applicable because the calculation of the diesel fuel usage limitation was incorrect. A new diesel fuel usage limitation is described in this permit in Condition D.2.2. Thus, Condition D.1.9 of MPR 165-11417-00022 is hereby rescinded.

Compliance Determination Requirements

D.2.7 Sulfur Dioxide Emissions and Sulfur Content

Compliance shall be determined utilizing one of the following options.

- (a) Pursuant to 326 IAC 3-7-4, the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed five-tenths (0.5) pounds per million Btu heat input by:
 - (1) Providing vendor analysis of fuel delivered, if accompanied by a vendor certification, or;
 - (2) Analyzing the oil sample to determine the sulfur content of the oil via the procedures in 40 CFR 60, Appendix A, Method 19.
 - (A) Oil samples may be collected from the fuel tank immediately after the fuel tank is filled and before any oil is combusted; and
 - (B) If a partially empty fuel tank is refilled, a new sample and analysis would be required upon filling.
- (b) Compliance may also be determined by conducting a stack test for sulfur dioxide emissions from the two (2) emergency diesel fired generators, using 40 CFR 60, Appendix A, Method 6 in accordance with the procedures in 326 IAC 3-6.

A determination of noncompliance pursuant to any of the methods specified in (a) or (b) above shall not be refuted by evidence of compliance pursuant to the other method.

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

There are no specific Compliance Monitoring Requirements applicable to these emission units.

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

D.2.8 Record Keeping Requirements

(a) To document compliance with Conditions D.2.2, D.2.4, and D.2.5, the Permittee shall maintain records of the following:

- (1) Amount of diesel fuel combusted per unit (in gallons) during each month; and
- (2) The percent sulfur content of diesel fuel.

If the fuel supplier certification is used to demonstrate compliance the following, as a minimum, shall be maintained:

- (3) Fuel supplier certifications;
- (4) The name of the fuel supplier; and
- (5) A statement from the fuel supplier that certifies the sulfur content of the fuel oil.

(b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.2.9 Reporting Requirements

A quarterly summary of the information to document compliance with Conditions D.2.2 and D.2.5 shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

SECTION E

TITLE IV CONDITIONS

Facility Description [326 IAC 2-7-5(15)] Eight (8) simple cycle turbines

- (a) Eight (8) simple cycle, natural gas-fired combustion turbines, identified as units CT#1 through CT#8, installed in 1999, equipped with low-NO_x combustors, exhausting to stacks designated as # 1 - # 8, with a maximum heat input capacity of 1,272 million British thermal units per hour each, and a nominal output of 80 MW, each.

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

Acid Rain Program

E.1 Acid Rain Permit [326 IAC 2-7-5(1)(C)] [326 IAC 21] [40 CFR 72 through 40 CFR 78]

- (a) The attached Acid Rain permit for this source, AR 165-19814-00022, issued on August 29, 2005, is incorporated by reference into this Part 70 permit. Pursuant to 326 IAC 21 (Acid Deposition Control), the Permittee shall comply with all provisions of the Acid Rain permit issued for this source, and any other applicable requirements contained in 40 CFR 72 through 40 CFR 78.
- (b) Where an applicable requirement of the Clean Air Act is more stringent than an applicable requirement of regulations promulgated under Title IV of the Act, both provisions shall apply.

E.2 Title IV Emissions Allowances [326 IAC 2-7-5(4)] [326 IAC 21]

Emissions exceeding any allowances that the Permittee lawfully holds under the Title IV Acid Rain Program of the Clean Air Act are prohibited, subject to the following limitations:

- (a) No revision of this permit shall be required for increases in emissions that are authorized by allowances acquired under the Title IV Acid Rain Program, provided that such increases do not require a permit revision under any other applicable requirement.
- (b) No limit shall be placed on the number of allowances held by the Permittee. The Permittee may not use allowances as a defense to noncompliance with any other applicable requirement.
- (c) Any such allowance shall be accounted for according to the procedures established in regulations promulgated under Title IV of the Clean Air Act.

SECTION F Nitrogen Oxides Budget Trading program - NO_x Budget Trading Permit for NO_x Budget Units Under 326 IAC 10-4-1(a)

ORIS Code: 55111

NO_x Budget Source:

- (a) Eight (8) simple cycle, natural gas-fired combustion turbines, identified as units CT#1 through CT#8, installed in 1999, equipped with low-NO_x combustors exhausting to stacks designated as # 1- # 8, with a maximum heat input capacity of 1,272 million British thermal units per hour each, and a nominal output of 80 MW, each.

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

F.1 Automatic Incorporation of Definitions [326 IAC 10-4-7(e)]

This NO_x budget permit is deemed to incorporate automatically the definitions of terms under 326 IAC 10-4-2.

F.2 Standard Permit Requirements [326 IAC 10-4-4(a)]

- (a) The owners and operators of the NO_x budget source and each NO_x budget unit shall operate each unit in compliance with this NO_x budget permit.
- (b) The NO_x budget units subject to this NO_x budget permit are: combustion turbine units CT#1 through CT#8.

F.3 Monitoring Requirements [326 IAC 10-4-4(b)]

- (a) The owners and operators and, to the extent applicable, the NO_x authorized account representative of the NO_x budget source and each NO_x budget unit at the source shall comply with the monitoring requirements of 40 CFR 75 and 326 IAC 10-4-12.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 326 IAC 10-4-12 shall be used to determine compliance by each unit with the NO_x budget emissions limitation under 326 IAC 10-4-4(c) and Condition F.4, Nitrogen Oxides Requirements.

F.4 Nitrogen Oxides Requirements [326 IAC 10-4-4(c)]

- (a) The owners and operators of the NO_x budget source and each NO_x budget unit at the source shall hold NO_x allowances available for compliance deductions under 326 IAC 10-4-10(j), as of the NO_x allowance transfer deadline, in each unit's compliance account and the source's overdraft account in an amount:
- (1) Not less than the total NO_x emissions for the ozone control period from the unit, as determined in accordance with 40 CFR 75 and 326 IAC 10-4-12;
 - (2) To account for excess emissions for a prior ozone control period under 326 IAC 10-4-10(k)(5); or
 - (3) To account for withdrawal from the NO_x budget trading program, or a change in regulatory status of a NO_x budget opt-in unit.
- (b) Each ton of NO_x emitted in excess of the NO_x budget emissions limitation shall constitute a separate violation of the Clean Air Act (CAA) and 326 IAC 10-4.

- (c) NO_x allowances shall be held in, deducted from, or transferred among NO_x allowance tracking system accounts in accordance with 326 IAC 10-4-9 through 11, 326 IAC 10-4-13, and 326 IAC 10-4-14.
- (d) A NO_x allowance shall not be deducted, in order to comply with the requirements under (a) above and 326 IAC 10-4-4(c)(1), for an ozone control period in a year prior to the year for which the NO_x allowance was allocated.
- (e) A NO_x allowance allocated under the NO_x budget trading program is a limited authorization to emit one (1) ton of NO_x in accordance with the NO_x budget trading program. No provision of the NO_x budget trading program, the NO_x budget permit application, the NO_x budget permit, or an exemption under 326 IAC 10-4-3 and no provision of law shall be construed to limit the authority of the U.S. EPA or IDEM, OAQ to terminate or limit the authorization.
- (f) A NO_x allowance allocated under the NO_x budget trading program does not constitute a property right.
- (g) Upon recordation by the U.S. EPA under 326 IAC 10-4-10, 326 IAC 10-4-11, or 326 IAC 10-4-13, every allocation, transfer, or deduction of a NO_x allowance to or from each NO_x budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, this NO_x budget permit of the NO_x budget unit by operation of law without any further review.

F.5 Excess Emissions Requirements [326 IAC 10-4-4(d)]

The owners and operators of each NO_x budget unit that has excess emissions in any ozone control period shall do the following:

- (a) Surrender the NO_x allowances required for deduction under 326 IAC 10-4-10(k)(5).
- (b) Pay any fine, penalty, or assessment or comply with any other remedy imposed under 326 IAC 10-4-10(k)(7).

F.6 Record Keeping Requirements [326 IAC 10-4-4(e)] [326 IAC 2-7-5(3)]

Unless otherwise provided, the owners and operators of the NO_x budget source and each NO_x budget unit at the source shall keep, either on site at the source or at a central location within Indiana for those owners or operators with unattended sources, each of the following documents for a period of five (5) years:

- (a) The account certificate of representation for the NO_x authorized account representative for the source and each NO_x budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 326 IAC 10-4-6(h). The certificate and documents shall be retained either on site at the source or at a central location within Indiana for those owners or operators with unattended sources beyond the five (5) year period until the documents are superseded because of the submission of a new account certificate of representation changing the NO_x authorized account representative.
- (b) All emissions monitoring information, in accordance with 40 CFR 75 and 326 IAC 10-4-12, provided that to the extent that 40 CFR 75 and 326 IAC 10-4-12 provide for a three (3) year period for record keeping, the three (3) year period shall apply.
- (c) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_x budget trading program.

- (d) Copies of all documents used to complete a NO_x budget permit application and any other submission under the NO_x budget trading program or to demonstrate compliance with the requirements of the NO_x budget trading program.

This period may be extended for cause, at any time prior to the end of five (5) years, in writing by IDEM, OAQ or the U.S. EPA. Records retained at a central location within Indiana shall be available immediately at the location and submitted to IDEM, OAQ or U.S. EPA within three (3) business days following receipt of a written request. Nothing in 326 IAC 10-4-4(e) shall alter the record retention requirements for a source under 40 CFR 75. Unless otherwise provided, all records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

F.7 Reporting Requirements [326 IAC 10-4-4(e)]

- (a) The NO_x authorized account representative of the NO_x budget source and each NO_x budget unit at the source shall submit the reports and compliance certifications required under the NO_x budget trading program, including those under 326 IAC 10-4-8, 326 IAC 10-4-12, or 326 IAC 10-4-13.

- (b) Pursuant to 326 IAC 10-4-4(e) and 326 IAC 10-4-6(e)(1), each submission shall include the following certification statement by the NO_x authorized account representative: "I am authorized to make this submission on behalf of the owners and operators of the NO_x budget sources or NO_x budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

- (c) Where 326 IAC 10-4 requires a submission to IDEM, OAQ, the NO_x authorized account representative shall submit required information to:

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

- (d) Where 326 IAC 10-4 requires a submission to U.S. EPA, the NO_x authorized account representative shall submit required information to:

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

F.8 Liability [326 IAC 10-4-4(f)]

The owners and operators of each NO_x budget source shall be liable as follows:

- (a) Any person who knowingly violates any requirement or prohibition of the NO_x budget trading program, a NO_x budget permit, or an exemption under 326 IAC 10-4-3 shall be subject to enforcement pursuant to applicable state or federal law.

- (b) Any person who knowingly makes a false material statement in any record, submission, or report under the NO_x budget trading program shall be subject to criminal enforcement pursuant to the applicable state or federal law.
- (c) No permit revision shall excuse any violation of the requirements of the NO_x budget trading program that occurs prior to the date that the revision takes effect.
- (d) Each NO_x budget source and each NO_x budget unit shall meet the requirements of the NO_x budget trading program.
- (e) Any provision of the NO_x budget trading program that applies to a NO_x budget source, including a provision applicable to the NO_x authorized account representative of a NO_x budget source, shall also apply to the owners and operators of the source and of the NO_x budget units at the source.
- (f) Any provision of the NO_x budget trading program that applies to a NO_x budget unit, including a provision applicable to the NO_x authorized account representative of a NO_x budget unit, shall also apply to the owners and operators of the unit. Except with regard to the requirements applicable to units with a common stack under 40 CFR 75 and 326 IAC 10-4-12, the owners and operators and the NO_x authorized account representative of one (1) NO_x budget unit shall not be liable for any violation by any other NO_x budget unit of which they are not owners or operators or the NO_x authorized account representative and that is located at a source of which they are not owners or operators or the NO_x authorized account representative.

F.9 Effect on Other Authorities [326 IAC 10-4-4(g)]

No provision of the NO_x budget trading program, a NO_x budget permit application, a NO_x budget permit, or an exemption under 326 IAC 10-4-3 shall be construed as exempting or excluding the owners and operators and, to the extent applicable, the NO_x authorized account representative of a NO_x budget source or NO_x budget unit from compliance with any other provision of the applicable, approved state implementation plan, a federally enforceable permit, or the CAA.

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

**PART 70 OPERATING PERMIT
CERTIFICATION**

Source Name: Duke Energy Vermillion, L.L.C.
Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
Mailing Address: 1000 E. Main, Plainfield, IN 46168
Part 70 Permit No.: T 165-14185-00022

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) _____
- Affidavit (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:

Phone:

Date:

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH
100 North Senate Avenue
Indianapolis, Indiana 46204-2251
Phone: 317-233-5674
Fax: 317-233-5967

PART 70 OPERATING PERMIT
EMERGENCY OCCURRENCE REPORT

Source Name: Duke Energy Vermillion, L.L.C.
Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
Mailing Address: 1000 E. Main, Plainfield, IN 46168
Part 70 Permit No.: T 165-14185-00022

This form consists of 2 pages

Page 1 of 2

- 9** This is an emergency as defined in 326 IAC 2-7-1(12)
- 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
 - The Permittee must submit notice in writing or by facsimile within two (2) working days (Facsimile Number: 317-233-5967), and follow the other requirements of 326 IAC 2-7-16.

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:
Describe the cause of the Emergency:

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

Page 2 of 2

Date/Time Emergency started:
Date/Time Emergency was corrected:
Was the facility being properly operated at the time of the emergency? 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:
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: _____

Phone: _____

A certification is not required for this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
 OFFICE OF AIR QUALITY
 COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: Duke Energy Vermillion, L.L.C.
 Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
 Mailing Address: 1000 East Main, Plainfield, Indiana 46168
 Part 70 Permit No.: T 165-14185-00022
 Facilities: Eight (8) simple cycle combustion turbines
 Parameter: Total NO_x Emissions, including emissions from startup and shutdown
 Limit: 426.0 tons per twelve (12) consecutive month period with compliance determined at the end of each month

YEAR: _____

Month	Total NO _x Emissions for This Month (Tons)	Total NO _x Emissions for Previous 11 Months (Tons)	Total NO _x Emissions for 12-Month Period (Tons)
Emissions From Startup			
Emissions From Normal Operation			
Emissions From Shutdown			
Emissions from Startup, Normal Operation, and Shutdown			

☉ No deviation occurred in this month.

☉ Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: Duke Energy Vermillion, L.L.C.
Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
Mailing Address: 1000 East Main, Plainfield, Indiana 46168
Part 70 Permit No.: T 165-14185-00022
Facilities: Eight (8) simple cycle combustion turbines
Parameter: Total CO Emissions, including emissions from startup and shutdown
Limit: 432.0 tons per twelve (12) consecutive month period with compliance determined at the end of each month

YEAR: _____

Month	Total CO Emissions for This Month (Tons)	Total CO Emissions for Previous 11 Months (Tons)	Total CO Emissions for 12-Month Period (Tons)
Emissions From Startup			
Emissions From Normal Operation			
Emissions From Shutdown			
Emissions from Startup, Normal Operation, and Shutdown			

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
 OFFICE OF AIR QUALITY
 COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: Duke Energy Vermillion, L.L.C.
 Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
 Mailing Address: 1000 E. Main, Plainfield, IN 46168
 Part 70 Permit No.: T 165-14185-00022
 Facilities: Two (2) emergency diesel generators
 Parameter: Diesel fuel usage
 Limit: 6,029 gallons per day, equivalent to 0.435 tons of SO₂ total per year.

Month: _____ Year: _____

Day	Diesel Fuel Oil Usage This Day (gallons)	Day	Diesel Fuel Oil Usage This Day (gallons)
1		17	
2		18	
3		19	
4		20	
5		21	
6		22	
7		23	
8		24	
9		25	
10		26	
11		27	
12		28	
13		29	
14		30	
15		31	
16		no. of deviations	

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: Duke Energy Vermillion, L.L.C.
Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
Mailing Address: 1000 E. Main, Plainfield, IN 46168
Part 70 Permit No.: T 165-14185-00022
Facilities: Two (2) emergency diesel generators
Parameter: Diesel fuel usage
Limit: 125,620 gallons per twelve (12) consecutive month period, equivalent to 27.5 tons of NO_x total per year.

YEAR: _____

Month	Diesel Fuel Oil Usage This Month (gallons)	Diesel Fuel Oil Usage for Previous 11 Months (gallons)	Diesel Fuel Oil Usage for Twelve-Month Period (gallons)

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: Duke Energy Vermillion, L.L.C.
Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
Mailing Address: 1000 E. Main, Plainfield, IN 46168
Part 70 Permit No.: T 165-14185-00022
Facilities: One (1) emergency diesel fire pump
Parameter: Diesel fuel usage
Limit: 5,840 gallons per twelve (12) consecutive month period.

YEAR: _____

Month	Diesel Fuel Oil Usage This Month (gallons)	Diesel Fuel Oil Usage for Previous 11 Months (gallons)	Diesel Fuel Oil Usage for Twelve-Month Period (gallons)

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

**Indiana Department of Environmental Management
 Office of Air Quality
 Compliance Data Section and Vermillion County Air Pollution Control
 Quarterly Report**

Company Name: Duke Energy Vermillion Generating Station
 Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
 Mailing Address: 1000 E. Main, Plainfield, IN 46168
 Part 70 Permit No.: T 165-14185-00022
 Source: Each of the eight (8) natural gas combustion turbines operating in simple cycle
 Limit: 240 hour startups/shutdowns per twelve (12) consecutive month period.

Month: _____ Year _____
 Total from previous month(s) Startup _____ Shutdown _____
 Total hours per year for startup and shutdown for 12 month period

		Startup / Shutdown										Startup / Shutdown							
Day/ Turbine	1	2	3	4	5	6	7	8	Day/ Turbine	1	2	3	4	5	6	7	8		
1									17										
2									18										
3									19										
4									20										
5									21										
6									22										
7									23										
8									24										
9									25										
10									26										
11									27										
12									28										
13									29										
14									30										
15									31										
16									Total										

No deviation occurred in this month
 Deviation/s occurred in this month.
 Deviation has been reported on: _____
 Submitted by: _____
 Title/Position: _____
 Signature: _____
 Date: _____
 Phone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

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

Source Name: Duke Energy Vermillion, L.L.C.
Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
Mailing Address: 1000 E. Main, Plainfield, IN 46168
Part 70 Permit No.: T 165-14185-00022

Months: _____ to _____ Year: _____

Page 1 of 2

<p>This report shall be submitted quarterly based on a calendar year. Any deviation from the requirements, the date(s) of each deviation, the probable cause of the deviation, and the response steps taken must be reported. A deviation required to be reported pursuant to an applicable requirement that exists independent of the permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".</p>	
<input type="radio"/> NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.	
<input type="radio"/> THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD	
Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	
Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	
Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	
Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

Indiana Department of Environmental Management Office of Air Quality

Addendum to the Technical Support Document for a PSD Significant Source Modification and Significant Permit Modification to a Part 70 Operating Permit

Source Name: Duke Energy Vermillion, LLC
Source Location: Southwest Quadrant of Intersection CR300N and SR 63,
Cayuga, Indiana 47928
County: Vermillion
Significant Source Modification No.: SSM 165-21133-00022
Significant Permit Modification No.: SPM 165-18731-00022
SIC Code: 4911
Permit Reviewer: Michael S. Schaffer

On March 27, 2006, the Office of Air Quality (OAQ) had a notice published in the Daily Clintonian, Clinton, Indiana, stating that Duke Energy Vermillion, LLC had applied for a PSD Significant Source Modification and Significant Permit Modification to their Part 70 Operating Permit (T 165-14185-00022), issued on May 15, 2003, to revise the startup and shutdown NO_x and CO PSD BACT determinations for the eight (8) existing simple cycle combustion turbines. The notice also stated that OAQ proposed to issue a PSD Significant Source Modification and Significant Permit Modification and provided information on how the public could review the proposed PSD Significant Source Modification and Significant Permit Modification and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this PSD Significant Source Modification and Significant Permit Modification to a Part 70 Operating Permit should be issued as proposed.

On April 5, 2005, Ethan Chatfield of U.S. EPA Region 5 submitted a comment on the proposed PSD Significant Source Modification and Significant Permit Modification to a Part 70 Operating Permit. The comments are as follows: The permit language, if changed, has deleted language as ~~strikeouts~~ and new language **bolded**.

Comment:

It appears that the source is requesting that the start-up and shut-down and fuel usage limitations be deleted from the PSD permit. It seems that removal of these limitations, taken in a BACT analysis, could potentially result in an increase in operating hours (i.e., a change in the method of operations in accordance with 40 CFR 52.21 (b)(2)) and therefore a significant net increase in emissions. Please demonstrate that removal of the start-up, shut-down and fuel usage limitations will not result in a significant net emissions increase under NSR using the past actual to future potential emission test.

Response:

This project does not include the construction of new emission units, the modification of existing emission units, or a change to the method of operation. Therefore, there is no need to evaluate the past actual to future potential emission test for the removal of these limitations.

Indiana Department of Environmental Management Office of Air Quality

Technical Support Document (TSD) for a Part 70 Significant Source Modification and a Significant Permit Modification

Source Background and Description

Source Name:	Duke Energy Vermillion, L.L.C.
Source Location:	Southwest Quadrant of Intersection CR300N and SR63, Cayuga, IN 47928
SIC Code:	4911
Operation Permit No.:	T 165-14185-00022
Operation Permit Issuance Date:	May 15, 2003
Significant Source Modification No.:	SSM 165-21133-00022
Significant Permit Modification No.:	SPM 165-18731-00022
Permit Reviewer:	Michael S. Schaffer

The Office of Air Quality (OAQ) has reviewed a modification application from Duke Energy Vermillion, L.L.C. relating to the following requests to revise Part 70 Operating Permit T 165-14185-00022, issued on May 15, 2003:

- (1) To delete the capability to use diesel fuel from paragraph (a) of Condition A.2 and the equipment description box for Section D.1.;

Note: The request in paragraph (1) above will result in the following proposed changes to the permitted equipment list (deleted language appears as ~~strikeouts~~, new language appears in **bold**):

- (a) Eight (8) simple cycle, natural gas-fired combustion turbines, identified as units CT#1 through CT#8, installed in 1999, ~~utilizing diesel fuel as back-up fuel, controlled by~~ **equipped with** low-NO_x combustors ~~in conjunction with natural gas usage, controlled by wet injection in conjunction with diesel fuel usage,~~ exhausting to stacks designated as # 1- # 8, with a maximum heat input capacity of 1,272 million British thermal units per hour each, and a nominal output of 80 MW, each.
- (2) To delete all limits, compliance determination, compliance monitoring, record keeping, and reporting requirements associated with the use of diesel fuel;
- (3) To add a condition which will include the possibility of using an alternative missing data substitution procedure from that listed in Appendix C of 40 CFR 75 and 40 CFR 75.33(b) in order to demonstrate compliance with annual NO_x and CO PSD BACT limitations whenever a NO_x and/or CO continuous emission monitoring system (CEMS) is malfunctioning or is down for maintenance or repairs;
- (4) To revise the annual NO_x BACT limitation to a tons per twelve (12) consecutive month period limit rather than a fuel usage limit. In addition, language stating that the annual NO_x limit includes emissions from startup and shutdown will also be added to the Part 70 Operating Permit;
- (5) To add an annual CO BACT limitation that will include emissions from startup and shutdown;

- (6) To delete the current NO_x and CO BACT pound per startup and pound per shutdown limits that are currently in the Part 70 Operating Permit. See Appendix A of this document for further details regarding the revised NO_x and CO BACT analyses for startup and shutdown; and
- (7) To delete Section D.3 since tanks #1 through #4 were never constructed.

History

On February 16, 2004, Duke Energy Vermillion, L.L.C. submitted an application to the OAQ requesting changes to their operating permit. Duke Energy Vermillion, L.L.C. was issued a Part 70 permit (T 165-14185-00022) on May 15, 2003. Prior to the issuance of the Part 70 Operating Permit, Duke Energy Vermillion, L.L.C. was issued:

- (a) PSD construction permit (CP 165-10476-00022) on July 1, 1999 to construct and operate the entire source;
- (b) Acid Rain Permit (AR 165-10727-00022), on April 4, 2004, concerning the applicability of 326 IAC 21 as well as 40 CFR 72 through 78 to the entire source;
- (c) A minor permit revision to the PSD construction permit (MPR165-11417-00022), on February 25, 2000 to revise the diesel throughput limits for the emergency generators and fire pump that were established in CP 165-10476-00022;
- (d) An Administrative Amendment to the PSD construction permit (AA 165-15533-00022), on May 2, 2002, to allow a twelve (12) month extension from December 2001 to December 2002 for the source to construct the diesel fuel capability at the eight (8) existing simple cycle combustion turbines; and
- (e) A significant source modification to the PSD construction permit (SSM 165-15845-00022), on March 13, 2003 to establish BACT NO_x and CO limitations for startup and shutdown that were to be counted as part of the source-wide BACT emissions established by CP 165-10476-00022.

Existing Approval

The source has been operating under the following approval:

T 165-14185-00022, issued on May 15, 2003;

The following terms and conditions from the previous approval have been revised in this permit modification:

T 165-14185-00022, issued on May 15, 2003:

- (a) Condition D.1.2(f) - The total input of the natural gas fuel to the eight (8) combustion turbines shall be limited to 20,336 million cubic feet per twelve (12) consecutive month period, rolled on a monthly basis. This usage limitation is equivalent to 426.0 tons of NO_x per year.

Since this source operates a NO_x CEMS at each combustion turbine stack, the limitation will be in tons per twelve (12) consecutive month period rather than a fuel usage limitation. The 20,336 million cubic foot fuel usage limitation will be changed 426.0 tons per twelve (12) consecutive month period with compliance determined at the end of each month. See Emissions Calculations section and Appendix A of this document for further details.

- (b) Conditions D.1.7(a) and (b) - Startup/Shutdown Limits - Startup is defined as the period of time from the initiation of combustion firing from a "cold start" operating condition to the attainment of steady-state operating condition and shutdown is defined as that period of time from the initial lowering of the turbine output to the complete cessation of fuel combustion in the unit with the intent to shutdown to a "cold stop" condition.

In order to provide consistency between the revised limits in the permit and the source's proposed alternative CEMS missing data substitution methodology, the definitions of startup and shutdown will be revised. In addition, a definition for premix mod and a steady-state operating condition will be added. The definitions are as follows:

- (1) Startup is defined as the period of time from the initiation of combustion firing to the attainment of a steady-state operating condition (dry low NO_x (premix) mode as indicated by DAHS). Premix mode shall be defined as the low emissions mode during which all burner nozzles are in use, burning a lean premix gas for steady-state operation.
 - (2) Steady-state operating condition shall be defined as the period of time that the combustion turbine is operating in dry low NO_x (premix) mode.
 - (3) Shutdown is defined as that period of time from the end of a steady-state operating condition to the complete cessation of fuel combustion in the unit.
- (c) Condition D.1.7(d)(2)(A) and (B) - Pursuant to 326 IAC 2-2, the Permittee shall meet the following startup and shutdown emission limits:

When firing natural gas, the NO_x emissions per turbine shall not exceed 20.7 pounds per each startup and 11.0 pounds per each shutdown. The CO emissions per turbine shall not exceed 76.4 pounds per each startup and 65.5 pounds per each shutdown.

IDEM, OAQ has determined that the BACT emission limits for startup and shutdown pursuant to 326 IAC 2-2 that were established in SSM 165-15845-00022, issued on March 13, 2003 are no longer necessary. See the revised startup and shutdown BACT analysis in Appendix A of this document for further details.

The following terms and conditions from the previous approval have been deleted in this permit modification:

- (a) Conditions D.1.2(b), (e), (f), D.1.3(b) and (c), D.1.4 (a)(2), D.1.6(b), D.1.7(d)(3), D.1.8, D.1.10, D.1.13, D.1.15(b), D.1.16(b)(1), D.1.17, D.1.19(a)(1), (a)(3), as well as (d), and D.1.21 of T 165-14185-00022, issued on May 15, 2003, regarding the combustion of diesel fuel:
- (1) Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT:
 - (A) Use wet-injection in conjunction with diesel fuel;
 - (B) When burning diesel fuel the NO_x emission rate shall not exceed a one (1) hour average concentration of forty-two (42) parts per million (ppmvd) of NO_x at fifteen (15%) percent O₂ in conjunction with wet injection;
 - (C) If diesel fuel oil is combusted during any portion of a twelve consecutive month period, natural gas usage shall be reduced such that NO_x emissions

for the eight (8) turbines do not exceed 732.8 tons per year for gas and oil firing combined, as determined by CEMS;

- (D) The sulfur content of the diesel fuel used by the combustion turbines shall not exceed 0.05 percent by weight;
 - (E) Use only diesel fuel oil as a back-up fuel source. The total input of the diesel fuel to the eight (8) combustion turbines shall be limited to 34,000 kilo-gallons per twelve (12) consecutive month period, rolled on a monthly basis. This usage limitation is equivalent to 116.0 tons of SO₂ per year and 392.0 tons of NO_x per year; and
 - (F) Limit diesel fuel as established under the SO₂ BACT analysis.
- (2) Pursuant to Significant Source Modification 165-15845-00022, and 326 IAC 2-2 (PSD Requirements), the Permittee shall meet the following startup and shutdown requirements:
- When firing distillate oil: The NO_x emissions per turbine shall not exceed 31.6 pounds per each startup and 17.5 pounds per each shutdown. The CO emissions per turbine shall not exceed 76.4 pounds per each startup and 65.5 pounds per each shutdown.
- (3) Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 7-1.1-2, the sulfur dioxide emissions from the eight (8) turbines, shall not exceed 0.5 pounds per million British thermal units for distillate oil combustion.
- (4) Pursuant to 326 IAC 7-2-1, the Permittee shall demonstrate that the fuel oil sulfur dioxide does not exceed 0.5 pounds per million British thermal units per hour by:
- (A) Fuel sampling and analysis data shall be collected pursuant to procedures specified in 326 IAC 3-7-4 for oil combustion and shall be determined by using a calendar month average sulfur dioxide emission rate in pounds per million British thermal units per hour unless a shorter averaging time or alternate methodology is specified under 326 IAC 7-2. Analyzing the oil sample to determine the sulfur content of the oil via the procedures in 40 CFR 60, Appendix A, Method 19.
 - (i) Oil samples may be collected from the fuel tank immediately after the fuel tank is filled and before any oil is combusted; and
 - (ii) If a partially empty fuel tank is refilled, a new sample and analysis would be required upon filling; or
 - (B) Compliance may also be determined by conducting a stack test for sulfur dioxide emissions from the eight (8) combustion turbines, using 40 CFR 60, Appendix A, Method 6 in accordance with the procedures in 326 IAC 3-6, or
 - (C) Upon written notification of a facility owner or operator to the department, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance.
- (5) As soon as the Permittee installs the equipment capable of using low sulfur (0.05%) distillate oil as the backup fuel, monitoring of fuel nitrogen content will be required pursuant to 40 CFR 60.334(b).

- (6) Pursuant to PSD Permit CP 165-10476-00022, issued on July 1, 1999, for NO_x and CO, the Permittee shall install, calibrate, certify, operate and maintain a continuous monitoring system for stacks designated as #1 - #8 in accordance with 326 IAC 3-5-2 and 326 IAC 3-5-3:

The use of CEMS to measure and record the NO_x and CO hourly limits, is sufficient to demonstrate compliance with the forty-two (42) parts per million NO_x limit, in conjunction with wet-injection, and twenty (20) parts per million when firing diesel fuel.

- (7) Visible emissions notations of the combustion turbine stack exhausts shall be performed once per shift during normal daylight operations when exhausting to the atmosphere when burning diesel fuel. A trained employee shall record whether emissions are normal or abnormal.

- (8) To document compliance with Condition D.1.3 the Permittee shall maintain records of the following:

- (A) Amount of diesel fuel combusted (in gallons) per turbine each month, and
(B) The percent sulfur content of the diesel fuel.

- (9) To document compliance with Condition D.1.17, the Permittee shall maintain records of visible emissions notations of the eight (8) combustion turbine stack exhausts once per shift when burning diesel fuel.

- (10) Pursuant to 326 IAC 7-2-1, owners or operators of sources or facilities subject to 326 IAC 7-2-1 or 326 IAC 7-4, shall submit to the Commissioner the following reports based on fuel sampling and analysis data in accordance with procedures specified under 326 IAC 3-7:

Shall submit reports of calendar month average sulfur content, heat content, fuel consumption, and sulfur dioxide emission rate in pound per million British thermal units upon request.

Reason not incorporated: The capability to combust diesel fuel is no longer permitted to be constructed and/or operated at this source. Therefore, all requirements that involve the combustion of diesel fuel at the eight (8) combustion turbines will be deleted from the Part 70 Operating Permit as part of this modification.

- (b) The requirements in Section D.3 of T 165-14185-00022, issued on May 15, 2003

Reason not incorporated: Tanks #1 through #4 were never installed.

Enforcement Issue

There are no pending enforcement actions related to this modification.

Recommendation

The staff recommends to the Commissioner that the Part 70/PSD Significant Source and Part 70 Significant Permit Modifications be approved. This recommendation is based on the following facts and conditions:

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 February 16, 2004. Additional information was received on May 26, June 22, and November 11, 2004, and June 16, November 8 and 15, 2005.

Emissions Calculations

The NO_x and CO BACT emission limitations that will be established as part of this modification were derived as follows:

2,000 hrs of operation/yr * 53.25 lbs of NO_x/hr/turbine (average NO_x emission factor for each turbine based on manufacturer's specifications) = 106,500 lbs of NO_x/yr/turbine * 1 ton/2,000 lbs = 53.25 tons/yr/turbine * 8 turbines = **426.0 tons of NO_x/yr** (which is equivalent to the current limit of 20,336 million cubic feet per twelve (12) consecutive month period)

2,000 hrs of operation/yr * 54.0 lbs of CO/hr/turbine (average CO emission factor for each turbine based on manufacturer's specifications) = 135,000 lbs of CO/yr/turbine * 1 ton/2,000 lbs = 54.0 tons/yr/turbine * 8 turbines = **432.0 tons of CO/yr**

Note: The average CO emission factor used in the above emissions calculation is the same emission factor that was used to calculate the limited potential emissions from the combustion turbines on Page 3 of 12 of the TSD to CP 165-10476-00022, issued on July 1, 1999. The BACT determinations from CP 165-10476-00022 were based on the source operating each of the eight (8) combustion turbines for 2,000 hours per year.

Justification for Modification

- (a) This modification is to revise PSD requirements that were established in a PSD permit for NO_x and CO emissions. Therefore, in order to revise the PSD requirements, this modification must be performed pursuant to 326 IAC 2-2 as a Significant Source Modification to a major PSD source. In addition, this permit must also be performed as a Part 70 Significant Source Modification pursuant to 326 IAC 2-7-10.5(f)(1), since as part of this modification, this source will be undergoing PSD review for NO_x and CO emissions. As a result, this modification requires public notice and will require a 30-day public comment period.
- (b) The Part 70 Operating Permit is also being modified through a Part 70 Significant Permit Modification. This modification is being performed pursuant to 326 IAC 2-7-12(d)(1) which states, "Significant modification procedures shall be used for applications requesting Part 70 permit modifications that do not qualify as minor permit modifications or as administrative amendments. Every significant change in existing monitoring Part 70 permit terms or conditions and every relaxation of reporting or record keeping permit terms or conditions shall be considered significant. Nothing in this subdivision shall be construed to preclude the Permittee from making changes consistent with this rule that would render existing Part 70 permit compliance terms and conditions irrelevant." Since these changes include significant changes to existing limits and the relaxing of certain compliance monitoring and record keeping and reporting requirements, a Part 70 Significant Permit Modification is required.

Federal Rule Applicability

All requirements applicable to this source shall remain applicable in this modification. Additional Federal rule applicability determinations are as follows:

- (a) This significant source modification and significant permit modification does not involve a pollutant-specific emissions unit as defined in 40 CFR 64.1 for NO_x and CO:

- (1) with the potential to emit before controls equal to or greater than the major source threshold for NO_x and CO;
- (2) that is subject to an emission limitation or standard for NO_x and CO; and
- (3) uses a control device as defined in 40 CFR 64.1 to comply with that emission limitation or standard.

Therefore, the requirements of 40 CFR 64, Compliance Assurance Monitoring, are not applicable to this modification.

Note that low NO_x burners are not considered a control device in terms of 40 CFR 64.1 because low NO_x combustors are considered a passive control measure that prevents pollutants from forming.

- (b) The eight (8) combustion turbines, identified as units CT#1 through CT#8, are subject to the National Emission Standards for Hazardous Air Pollutants for Stationary Combustion Turbines because the entire source is a major source of HAPs emissions as defined by 40 CFR 63.6085(b), Subpart YYYY.

The eight (8) combustion turbines, are considered existing stationary combustion turbines under NESHAP Subpart YYYY because each combustion turbine was constructed prior to January 14, 2003. Therefore, pursuant 40 CFR 63.6090(b)(4), the eight (8) combustion turbines do not have to meet the requirements of 40 CFR 63, Subpart YYYY or 40 CFR 63, Subpart A.

State Rules - Entire Source

All requirements applicable to the entire source shall remain applicable in this modification. Additional State rule applicability determinations are as follows:

326 IAC 2-6 (Emission Reporting)

Revisions to 326 IAC 2-6 that became effective March 27, 2004. The revised rule was published in the April 1, 2004 Indiana Register. This source is subject to 326 IAC 2-6 (Emission Reporting) because has been issued an operating permit pursuant to 326 IAC 2-7, Part 70. In accordance with the compliance schedule in 326 IAC 2-6-3(a)(1), an annual emission statement must be submitted by July 1. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4.

State Rules - Individual Facilities

All requirements applicable to the eight (8) combustion turbines shall remain applicable in this modification. Additional State rule applicability determinations are as follows:

326 IAC 2-2 (Prevention of Significant Deterioration (PSD))

The purpose of this modification is to reassess the CO and NO_x emissions from the startup and shutdown of the existing eight (8) simple cycle combustion turbines and to determine the effect that deleting the capability to use diesel fuel will have on the limited annual CO and NO_x emissions for those combustion turbines.

This source continues to be subject to the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration) for emissions of CO and NO_x because the potential to emit for these pollutants exceed the PSD major significant thresholds, as specified in 326 IAC 2-2-1. Therefore, the PSD provisions require that this source be reviewed to ensure compliance with the National Ambient Air Quality

Standard (NAAQS), the applicable PSD air quality increments, and the requirements to apply the Best Available Control Technology (BACT) for the affected pollutants.

In Appendix A of this permit, BACT analyses for startup and shutdown were conducted for the major source PSD pollutants for natural gas on a case-by-case basis by reviewing similar process controls and new available technologies. The search revealed that there were various methodologies that can be used limit emissions from the startup and shutdown of combustion turbines. Therefore, the current BACT for CO and NO_x for these units under CP 165-10476-00022, issued on July 1, 1999 will continue to be BACT for startup and shutdown.

However, as a result of this modification, the NO_x and CO limits that were established under the current BACT, will be revised such that:

- (a) The startup and shutdown NO_x and CO emissions limits from SSM 165-15845-00022, issued on March 13, 2003 will be deleted; and
- (b) The annual NO_x and CO emission limits:
 - (1) Will each be required in this modification as “tons per twelve (12) consecutive month period” limits that are based on 2,000 hours of operation for each turbine in combination with previously utilized emission factors; and
 - (2) Will each include emissions from startup and shutdown.

The NO_x and CO limits derived in the Emissions Calculations section of this document have been summarized as follows:

Pollutant	Control - Combustion Turbines Firing Natural Gas Only	Startup/Shutdown	Annual Limit including Startup and Shutdown (tons/12-month period)
NO_x	Dry Low NO _x Combustors & Limited Hours of Operation	Limited to 1 hour per startup/shutdown cycle	Natural Gas Only 426.0 tons per twelve (12) consecutive month period
CO	Good Combustion Design & Limited Hours of Operation	Limited to 1 hour per startup/shutdown cycle	Natural Gas Only 432.0 tons per twelve (12) consecutive month period

In addition to the source’s request to revise the NO_x and CO BACT emission limitations, Duke Energy Vermillion, L.L.C. has submitted a request to use an alternative CEMS missing data substitution methodology from the substitution methods listed in 40 CFR 75 Subpart D - Missing Data Substitution Procedures, for the sole purpose of demonstrating continuous compliance with NO_x and CO PSD BACT requirements. The use of an alternative CEMS missing data substitution methodology will not relieve the Permittee of the responsibility to comply with the requirements listed in Section C - Maintenance of Continuous Emission Monitoring Equipment for 40 CFR 75 (Title IV Acid Rain Program) and 326 IAC 10-4 (NO_x Budget Trading Program) or the requirement to operate the CEMS.

The following information regarding the proposed substitution methodology has been provided.

A data acquisition and handling system (DAHS), which is a centralized computer system that logs and stores data measured by each NO_x and CO CEMS every hour, will be utilized to monitor the performance of each NO_x and CO CEMS and record emissions in order to document compliance with the NO_x and CO BACT limitations. The DAHS will operate with different electronic signals (process and monitoring codes), which will indicate whether each combustion turbine is in startup mode, normal operations, shutdown mode, or offline and will also indicate whether the CEMS is either

operating properly or is down. The process and monitoring codes programmed into the DAHS will be based on the detection of physical changes in operation mode of the combustion turbine from hour to hour.

Since the source is requesting to use an alternative CEMS missing data substitution procedure and since there will be changes to the NO_x and CO PSD BACT emission limitations in this modification, IDEM, OAQ has determined that the existing startup/shutdown definitions in the Part 70 Operating Permit must be revised. In addition, the definition of normal operation and the definitions for various DAHS process and monitoring codes must be included as part of this modification in order for this source to show continuous compliance with the proposed NO_x and CO BACT limitations when CEMS is down.

The definitions that will be included in this modification are as follows:

- (a) Startup is defined as the period of time from the initiation of combustion firing to the attainment of a steady-state operating condition (dry low NO_x (premix) mode as indicated by DAHS). Premix mode shall be defined as the low emissions mode during which all burner nozzles are in use, burning a lean premix gas for steady-state operation.
- (b) Steady-state operating condition shall be defined as the period of time that the combustion turbine is operating in dry low NO_x (premix) mode.
- (c) Shutdown is defined as that period of time from the end of a steady-state operating condition to the complete cessation of fuel combustion in the unit.
- (d) The DAHS process codes shall be defined as follows:
 - (1) DAHS Process Code 3 shall mean that a combustion turbine is operating in startup mode.
 - (2) DAHS Process Code 8 shall mean that a combustion turbine is operating in a steady-state condition.
 - (3) DAHS Process Code 4 shall mean that a combustion turbine is in shutdown mode.
 - (4) DAHS display of Process Code 5 shall mean that a combustion turbine is offline.
- (e) The DAHS monitoring codes shall be defined as follows:
 - (1) DAHS Monitoring Code 00 shall mean that the NO_x or CO CEMS is online and is functioning properly.
 - (2) A DAHS monitoring code other than Monitoring Code 00 shall mean that the NO_x or CO CEMS is down or not functioning properly.

For more information regarding the alternative CEMS missing data substitution procedures that will be permitted as part of this modification, please see Change 20 in the Proposed Changes section of this document.

326 IAC 7-1.1 (Sulfur Dioxide Emission Limitations)

As part of this modification this source will no longer be permitted to construct and/or operate the capability to combust diesel fuel at the eight (8) simple cycle combustion turbines. As a result, the eight (8) simple cycle combustion turbines are no longer subject to requirements of 326 IAC 7-1.1

because the potential to emit sulfur dioxide from the eight (8) simple cycle combustion turbines is now less than ten (10) pounds per hour and twenty-five (25) tons per year each.

Air Modeling Analysis

The air modeling analysis performed in the CP 165-10476-00022, issued on July 1, 1999 was based on the eight (8) combustion turbines having a limited potential to emit of 549.6 tons of CO per year and 847.5 tons of NO_x per year. The air modeling analysis performed for CP 165-10476-00022, issued on July 1, 1999 indicated that all pollutant impacts were predicted to be less than the significant impact increments. Subsequently, in SSM 165-15845-00022, issued on March 13, 2003, the emissions levels were reduced and included 240 (1-hour) startup/shutdown cycles per year. As part of that modification, the limited NO_x emission levels for the eight (8) combustion turbines were then reduced to 732.8 tons per year and the limited CO emissions were 547.6 tons per year with the requirement of pound per startup and pound per shutdown limits.

The limited potential to emit in this modification will be further reduced to 426.0 tons of NO_x per year. In addition, the CO emission limitation that will be established by this modification will reduce the limited CO emissions to 432.0 tons of CO per year. Since the proposed changes in limited NO_x and CO emissions including startup/shutdown are lower than when the air quality analysis for this source was performed, a new air quality analysis is not required for this modification.

NO_x Budget Permit Application and Rule Applicability

A complete Nitrogen Oxides (NO_x) Budget Permit Application for this NO_x budget source was received on February 25, 2002. The Office of Air Quality (OAQ) has reviewed a NO_x budget permit application from Duke Energy Vermillion, LLC, under 326 IAC 10-4-7 for the operation of the NO_x budget source. The NO_x budget source includes all NO_x Budget Units at the source, including opt-in units, if applicable. The following units at the source are NO_x Budget Units:

Eight (8) simple cycle, natural gas-fired combustion turbines, identified as units CT#1 through CT#8, installed in 1999, controlled by low-NO_x combustors in conjunction with natural gas usage, exhausting to stacks designated as # 1- # 8, with a maximum heat input capacity of 1,272 million British thermal units per hour each, and a nominal output of 80 MW, each.

Pursuant to 326 IAC 10-4-2(16), combustion turbine units CT#1 through CT#8 are each considered an "electricity generating unit (EGU)" because they commenced operation after January 1, 1999 and each unit serves a generator at any time that has a nameplate capacity greater than twenty-five (25) megawatts that produces electricity for sale under a firm contract to the electric grid. Pursuant to 326 IAC 10-4-1(a)(1), an "EGU" is a NO_x budget unit. Because this source meets the criteria of having one (1) or more NO_x budget units, it is a NO_x budget source.

The NO_x budget permit requirements will be incorporated as Section F of the Part 70 Operating Permit.

The requirements of 326 IAC 2-7-20(a) and (c) do not apply to emission trades of SO₂ or NO_x in accordance with 326 IAC 21 or 326 IAC 10-4; therefore, no pre-notification of a trade under one of these rules is required.

Pursuant to 326 IAC 10-4-7, the NO_x budget permit shall be a complete and segregable portion of the Part 70 permit and the NO_x budget portion of the Part 70 permit shall be administered in accordance with 326 IAC 2-7, except as provided otherwise by 326 IAC 10-4-7.

This NO_x budget permit is being incorporated into the source's Part 70 Operating Permit as a significant permit modification pursuant to 326 IAC 2-7-12. This modification includes the following:

- (a) The addition of the NO_x budget permit in Section F of the Part 70 Operating Permit; and
- (b) The removal of Conditions D.1.14, Nitrogen Oxides Monitoring, from the original Part 70 Operating Permit. The monitoring condition is no longer necessary in Section D.1 because all the NO_x Budget Program Requirements are included in Section F of this significant permit modification. Duke Energy Vermillion, L.L.C. has already submitted the NO_x Budget Permit Application; therefore, the requirement is no longer necessary.

Program Description

On October 27, 1998, the U.S. EPA promulgated final federal rules requiring 22 states and the District of Columbia to submit state implementation plan (SIP) revisions to reduce the regional transport of ozone. The federal rule focused on reducing NO_x emissions in the affected states. In the federal rule, the U.S. EPA established a NO_x emission "budget" for each of the affected states and the District of Columbia. The "budget" represents a reduction from emissions in the year 2007 that the U.S. EPA believes will reduce the transport of NO_x emissions and will assist downwind areas in meeting ozone air quality standards. The states must demonstrate compliance with the "budget" by implementing control measures to reduce NO_x emissions beginning May 31, 2004. While the rule does not mandate which sources will have to reduce emissions, the rule did provide options that would result in a 65% reduction of NO_x emissions from utility boilers and a 60% reduction from large industrial (non-utility) boilers and turbines. IDEM developed the NO_x Budget Trading Program in 326 IAC 10-4 in response to this mandate. The NO_x reductions that will be achieved by this rule will result in significant air quality improvements throughout the state of Indiana, and will be especially important in those areas of the state where ozone levels exceed or regularly approach state and federal air quality health standards.

The Nitrogen Oxides Budget Trading Program is a regional cap and trade program among all the states subject to the NO_x SIP call. Electricity generating units (EGUs) and non-electricity generating units (non-EGUs) are allocated allowances for tons of NO_x that they are allowed to emit during the ozone season. IDEM allocates NO_x allowances for the affected units, and owners or operators of these units are able to buy, sell, or trade allowances, as necessary, to demonstrate compliance with the unit's NO_x emissions cap. Because this program is a regional program administered by U.S. EPA, sources are able to buy, sell or trade allowances across state boundaries and between different types of units and sources. More information about the NO_x SIP Call can be found at: <http://www.epa.gov/airmarkets/fednox/index.html> and <http://www.in.gov/idem/air/standard/Sip/index.html>.

326 IAC 10-4 (NO_x Budget Trading Program) Requirements

- (a) Pursuant to 326 IAC 10-4-4(b), the owners and operators and, to the extent applicable, the NO_x authorized account representative of the NO_x budget source and each NO_x budget unit at the source shall comply with the monitoring requirements of 40 CFR 75 and 326 IAC 10-4-12. The emissions measurements recorded and reported in accordance with 40 CFR 75 and 326 IAC 10-4-12 shall be used to determine compliance by each unit with the NO_x budget emissions limitation under 326 IAC 10-4-4(c).
- (b) Pursuant to 326 IAC 10-4-4(c), the owners and operators of the NO_x budget source and each NO_x budget unit at the source shall hold NO_x allowances available for compliance deductions under 326 IAC 10-4-10(j), as of the NO_x allowance transfer deadline, in each unit's compliance account and the source's overdraft account in an amount:
 - (1) Not less than the total NO_x emissions for the ozone control period from the unit, as determined in accordance with 40 CFR 75 and 326 IAC 10-4-12;
 - (2) To account for excess emissions for a prior ozone control period under 326 IAC 10-4-10(k)(5); or

- (3) To account for withdrawal from the NO_x budget trading program, or a change in regulatory status of a NO_x budget opt-in unit.
- (c) Pursuant to 326 IAC 10-4-4(d), the owners and operators of each NO_x budget unit that has excess emissions in any ozone control period shall do the following:
- (1) Surrender the NO_x allowances required for deduction under 326 IAC 10-4-10(k)(5).
 - (2) Pay any fine, penalty, or assessment or comply with any other remedy imposed under 326 IAC 10-4-10(k)(7).
- (d) Pursuant to 326 IAC 10-4-4(e)(1), unless otherwise provided, the owners and operators of the NO_x budget source and each NO_x budget unit at the source shall keep either on site at the source or at a central location within Indiana for those owners or operators with unattended sources, each of the following documents for a period of five (5) years:
- (1) The account certificate of representation for the NO_x authorized account representative for the source and each NO_x budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 326 IAC 10-4-6(h). The certificate and documents shall be retained either on site at the source or at a central location within Indiana for those owners or operators with unattended sources beyond the five (5) year period until the documents are superseded because of the submission of a new account certificate of representation changing the NO_x authorized account representative.
 - (2) All emissions monitoring information, in accordance with 40 CFR 75 and 326 IAC 10-4-12, provided that to the extent that 40 CFR 75 and 326 IAC 10-4-12 provide for a three (3) year period for record keeping, the three (3) year period shall apply.
 - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_x budget trading program.
 - (4) Copies of all documents used to complete a NO_x budget permit application and any other submission under the NO_x budget trading program or to demonstrate compliance with the requirements of the NO_x budget trading program.
- This period may be extended for cause, at any time prior to the end of five (5) years, in writing by IDEM, OAQ or the U.S. EPA. Records retained at a central location within Indiana shall be available immediately at the location and submitted to the IDEM, OAQ or U.S. EPA within three (3) business days following receipt of a written request. Nothing in 326 IAC 10-4-4(e) shall alter the record retention requirements for a source under 40 CFR 75. Unless otherwise provided, all records shall be maintained in accordance with Section C - General Record Keeping Requirements, of the Part 70 Operating Permit.
- (e) Pursuant to 326 IAC 10-4-4(e)(2), the NO_x authorized account representative of the NO_x budget source and each NO_x budget unit at the source shall submit the reports and compliance certifications required under the NO_x budget trading program, including those under 326 IAC 10-4-8, 326 IAC 10-4-12, or 326 IAC 10-4-13.

Monitoring

The NO_x Budget Trading Program references monitoring and reporting requirements from the Acid Rain program at 40 CFR Part 75. These provisions require, for most sources, the use of continuous emissions monitors (CEMs). A CEM is a system composed of various equipment that continuously

measures the amount of nitrogen oxides emitted into the atmosphere in exhaust gases from the NO_x budget unit's stack.

Excepted monitoring systems under 40 CFR Part 75, Appendix E are allowed for gas-fired peaking units and oil-fired peaking units as defined in 40 CFR 72.2. The excepted monitoring system methodology involves performing stack tests to determine the average NO_x emissions rate from a unit at four, equally-spaced load levels, in accordance with specific US EPA test methods, to establish a "load curve". The "load curve" correlates emissions to heat input rate such that emissions can be estimated based on the actual hourly heat input.

NO_x Emissions Allocations

- (a) Pursuant to 326 IAC 10-4-7(e), this NO_x budget permit is deemed to incorporate automatically, upon recordation by the U.S. EPA under 326 IAC 10-4-10, 326 IAC 10-4-11, or 326 IAC 10-4-13, every allocation, transfer, or deduction of a NO_x allowance to or from the compliance accounts of the NO_x budget units or the overdraft account of the NO_x budget source covered by this permit. The allocations for each ozone season and transaction information can be found at: <http://www.epa.gov/airmarkets/tracking/factsheet.html>. In addition, IDEM, OAQ posts proposed allocations prior to submitting them to the U.S. EPA on the following web site: <http://www.in.gov/idem/air/standard/Sip/index.html>.
- (b) The following requirements from 326 IAC 10-4-4(c) apply to NO_x allowances
- (1) Each ton of NO_x emitted in excess of the NO_x budget emissions limitation shall constitute a separate violation of the Clean Air Act (CAA) and 326 IAC 10-4.
 - (2) NO_x allowances shall be held in, deducted from, or transferred among NO_x allowance tracking system accounts in accordance with 326 IAC 10-4-9 through 11, 326 IAC 10-4-13, and 326 IAC 10-4-14.
 - (3) An NO_x allowance shall not be deducted, in order to comply with the requirements under 326 IAC 10-4-4(c)(1), for an ozone control period in a year prior to the year for which the NO_x allowance was allocated.
 - (4) An NO_x allowance allocated under the NO_x budget trading program is a limited authorization to emit one (1) ton of NO_x in accordance with the NO_x budget trading program. No provision of the NO_x budget trading program, the NO_x budget permit application, the NO_x budget permit, or an exemption under 326 IAC 10-4-3 and no provision of law shall be construed to limit the authority of the U.S. EPA or IDEM, OAQ to terminate or limit the authorization.
 - (5) An NO_x allowance allocated under the NO_x budget trading program does not constitute a property right.
 - (6) Upon recordation by the U.S. EPA under 326 IAC 10-4-10, 326 IAC 10-4-11, or 326 IAC 10-4-13, every allocation, transfer, or deduction of a NO_x allowance to or from an NO_x budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, this NO_x budget permit of the NO_x budget unit by operation of law without any further review.

Other Record Keeping and Reporting Requirements

Pursuant to 326 IAC 10-4-7(g), except as provided in 326 IAC 10-7-4(e), IDEM, OAQ shall revise the NO_x budget permit, as necessary, in accordance with the permit modification and revision provisions under 326 IAC 2-7.

Pursuant to 326 IAC 10-4-7(b)(1)(C), for permit renewal, the NO_x authorized account representative shall submit a complete NO_x budget permit application covering the NO_x budget units at the source in accordance with 326 IAC 2-7-4(a)(1)(D) with the Part 70 permit renewal.

Submissions

The NO_x authorized account representative for each NO_x budget source on behalf of which a submission is made must sign and certify every report or other submission required by the NO_x budget permit. The NO_x authorized account representative must include the following certification statement in every submission: "I am authorized to make this submission on behalf of the owners and operators of the NO_x budget sources or NO_x budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

Recommendation

The staff recommends to the Commissioner that the NO_x budget permit be approved.

Unless otherwise stated, information used in this review was derived from the application.

Additional Information

Questions regarding the NO_x budget permit can be directed to Madhurima Moulik at the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ), 100 North Senate Avenue, Indianapolis, Indiana 46204-2251 or by telephone at (317) 233-0868 or toll free at 1-800-451-6027 extension 3-0868.

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

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

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

or

The Government Printing Office
Washington, D.C. 20402

or

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

Proposed Changes

The permit language is changed to read as follows (deleted language appears as ~~strikeouts~~, new language appears in **bold**):

Change 1:

"P.O. Box 6015" was removed from IDEM, OAQ's mailing address and the zip code for IDEM, OAQ's was changed from "462066205" to "46204-2251" throughout the entire Part 70 Operating Permit.

Change 2:

Condition B.2 (Permit Term) will be revised as follows:

- B.2 Permit Term [326 IAC 2-7-5(2)] [326 IAC 21.19.5] **[326 IAC 2-7-4(a)(1)(D)] [IC 13-15-36(a)]**
- (a) This permit, **T 165-14185-00022** is issued for a fixed term of five (5) years from the original date, as determined in accordance with IC 421.535(f) and IC 131553. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date.
- (b) **If IDEM, OAQ, upon receiving a timely and complete renewal 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.**

Change 3:

Conditions B.9(b) will be revised to clarify that the certification form may cover more than one (1) document that is submitted as follows:

- B.9 Certification [326 IAC 2-7-4(f)] [326 IAC 2-7-6(1)] [326 IAC 2-7-5(3)(C)]
- (b) One (1) certification shall be included, using the attached Certification Form, with each submittal requiring certification. **One (1) certification may cover multiple forms in one (1) submittal.**

Change 4:

IDEM has determined that the Permittee is not required to keep records of all preventive maintenance. However, where the Permittee seeks to demonstrate that an emergency has occurred, the Permittee must provide, upon request, records of preventive maintenance in order to establish that the lack of proper maintenance did not cause or contribute to the deviation. Therefore, Condition B.11(b) will be deleted and Condition B.12(e) will be revised as follows:

- B.11 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]
- ~~(b) The Permittee shall implement the PMPs as necessary to ensure that failure to implement a PMP does not cause or contribute to a violation of any limitation on emissions or potential to emit.~~
- (e) (b)** A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ, may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or contributes to any violation. The PMPs ~~does~~ not require the certification by the "responsible official" as defined by 326 IAC 271(34).

- ~~(d)~~ **(c)** Records of preventive maintenance shall be retained for a period of at least five (5) years. These records shall be kept at the source location for a minimum of three (3) years. 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 request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.

B.12 Emergency Provisions [326 IAC 2-7-16]

- (e) The Permittee seeking to establish the occurrence of an emergency shall make records available upon request to ensure that failure to implement a PMP did not cause or contribute to an exceedance of any limitations on emissions. However, IDEM, OAQ, may require that the Preventive Maintenance Plans required under 326 IAC 274(c)(40) (9) be revised in response to an emergency.**

Change 5:

For clarification purposes, Conditions B.20(a)(3) and (5) and (c) will be revised and Condition B.20(f) will be added. In addition, Condition B.20(e) will be added to state that backup fuel switches will not be considered alternative operating scenarios. The changes to Condition B.20 will be as follows:

B.20 Operational Flexibility [326 IAC 2-7-20] [326 IAC 2-7-10.5]

- (a) (3) The changes do not result in emissions which exceed the ~~emissions allowable under~~ **limitations provided in** this permit (whether expressed herein as a rate of emissions or in terms of total emissions);
- (a) (5) The Permittee maintains records on-site, **on a rolling five (5) year basis**, which document, ~~on a rolling five (5) year basis~~, all such changes and emissions trading **trades** that are subject to 326 IAC 2-7-20(b), (c), or (e). ~~and makes~~ **The Permittee shall make** such records available, upon reasonable request, for public review.
- (c) Emission Trades [326 IAC 2-7-20(c)]
The Permittee may trade **emissions** increases and decreases ~~in emissions in~~ **at** 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).
- (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.**
- (f) This condition does not apply to emission trades of SO₂ or NO_x under 326 IAC 21 or 326 IAC 10-4.**

Change 6:

The OAQ, Technical Support and Modeling Section listed in Condition B.24(c) should now be the OAQ, Billing, Licensing, and Training Section. Therefore, Condition B.24(c) will be revised as follows:

B.24 Annual Fee Payment [326 IAC 2719] [326 IAC 2-7-5(7)] [326 IAC 2-1.1-7]

- (c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4230 (ask for ~~OAQ, Technical Support and Modeling Section~~ **Billing, Licensing, and Training Section**), to determine the appropriate permit fee.

Change 7:

In accordance with the credible evidence rule (62 Fed. Reg. 8314, Feb 24, 1997); Section 113(a) of the Clean Air Act, 42 U.S.C. § 7413 (a); and a letter from the United States Environmental Protection Agency (U.S. EPA) to IDEM, OAQ dated May, 18 2004, all permits must address the use of credible evidence; otherwise, U.S. EPA will object to the permits. The following language will be incorporated into this modification as Condition to address credible evidence:

B.25 Credible Evidence [326 IAC 2-7-5(3)][326 IAC 2-7-6][62 FR 8314] [326 IAC 1-1-6]

For the purpose of submitting compliance certifications or establishing whether or not the Permittee has violated or is in violation of any condition of this permit, nothing in this permit shall preclude the use, including the exclusive use, of any credible evidence or information relevant to whether the Permittee would have been in compliance with the condition of this permit if the appropriate performance or compliance test or procedure had been performed.

Change 8:

On September 25, 2005, the revisions to 326 IAC 6-3-2 were approved into Indiana's SIP. As a result, Condition C.1(a) will be removed as follows:

C.1 Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) Pounds per Hour [40 CFR 52 Subpart P] [326 IAC 6-3-2]

- (a) ~~Pursuant to 40 CFR 52 Subpart P, 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.~~
- (b) Pursuant to 326 IAC 6-3-2(e)(2), the allowable particulate emissions rate from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour. ~~This condition is not federally enforceable.~~

Change 9:

Since the requirements of Condition C.6 (Operation of Equipment) have been incorporated in Section D.1, Condition C.6 has been removed from the permit, as follows, and the remainder of Section C has been renumbered accordingly:

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

~~Except as otherwise provided by statute or rule, or in this permit, 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 units vented to the control equipment are in operation.~~

Change 10:

IDEM has reconsidered the requirement to develop and follow a Compliance Response Plan. The Permittee will still be required to take reasonable response steps when a compliance monitoring parameter is determined to be out of range or abnormal. Replacing the requirement to develop and follow a Compliance Response Plan with a requirement to take reasonable response steps will ensure that the control equipment is returned to proper operation as soon as practicable, while still allowing the Permittee the flexibility to respond to situations that were not anticipated. Condition C.16 (now Condition C.15) will be revised as follows:

C.16 15 Compliance Response Plan – Preparation, Implementation, Records, and Reports Response to Excursions and Exceedances [326 IAC 2-7-5] [326 IAC 2-7-6]

- ~~(a) The Permittee is required to prepare a Compliance Response Plan (CRP) for each compliance monitoring condition of this permit. A CRP shall be submitted to IDEM, OAQ upon request. The CRP shall be prepared within ninety (90) days after issuance of this permit by the Permittee, supplemented from time to time by the Permittee, maintained on site, and comprised of:~~
- ~~(1) Reasonable response steps that may be implemented in the event that a response step is needed pursuant to the requirements of Section D of this permit; and an expected timeframe for taking reasonable response steps.~~
 - ~~(2) If, at any time, the Permittee takes reasonable response steps that are not set forth in the Permittee's current Compliance Response Plan and the Permittee documents such response in accordance with subsection (e) below, the Permittee shall amend its Compliance Response Plan to include such response steps taken.~~
- ~~(b) For each compliance monitoring condition of this permit, reasonable response steps shall be taken when indicated by the provisions of that compliance monitoring condition as follows:~~
- ~~(1) Reasonable response steps shall be taken as set forth in the Permittee's current Compliance Response Plan; or~~
 - ~~(2) If none of the reasonable response steps listed in the Compliance Response Plan is applicable or responsive to the excursion, the Permittee shall devise and implement additional response steps as expeditiously as practical. Taking such additional response steps shall not be considered a deviation from this permit so long as the Permittee documents such response steps in accordance with this condition.~~
 - ~~(3) If the Permittee determines that additional response steps would necessitate that the emissions unit or control device be shut down, the IDEM, OAQ shall be promptly notified of the expected date of the shut down, the status of the applicable compliance monitoring parameter with respect to normal, and the results of the actions taken up to the time of notification.~~
 - ~~(4) Failure to take reasonable response steps shall constitute a violation of the permit.~~
- ~~(c) The Permittee is not required to take any further response steps for any of the following reasons:~~
- ~~(1) A false reading occurs due to the malfunction of the monitoring equipment and prompt action was taken to correct the monitoring equipment.~~
 - ~~(2) The Permittee has determined that the compliance monitoring parameters established in the permit conditions are technically inappropriate, has previously submitted a request for a minor permit modification to the permit, and such request has not been denied.~~
 - ~~(3) An automatic measurement was taken when the process was not operating.~~
 - ~~(4) The process has already returned or is returning to operating within "normal" parameters and no response steps are required.~~
- ~~(d) When implementing reasonable steps in response to a compliance monitoring condition, if the Permittee determines that an exceedance of an emission limitation has occurred, the~~

~~Permittee shall report such deviations pursuant to Section B-Deviations from Permit Requirements and Conditions.~~

- ~~(e) The Permittee shall record all instances when response steps are taken. In the event of an emergency, the provisions of 326 IAC 2-7-16 (Emergency Provisions) requiring prompt corrective action to mitigate emissions shall prevail.~~
- ~~(f) Except as otherwise provided by a rule or provided specifically in Section D, all monitoring as required in Section D shall be performed when the emission unit is operating, except for time necessary to perform quality assurance and maintenance activities.~~
- (a) Upon detecting an excursion or exceedance, the Permittee shall restore operation of the emissions unit (including any control device and associated capture system) to its normal or usual manner of operation as expeditiously as practicable in accordance with good air pollution control practices for minimizing emissions.**
- (b) The response shall include minimizing the period of any startup, shutdown or malfunction and taking any necessary corrective actions to restore normal operation and prevent the likely recurrence of the cause of an excursion or exceedance (other than those caused by excused startup or shutdown conditions). Corrective actions may include, but are not limited to, the following:**
 - (1) initial inspection and evaluation;**
 - (2) recording that operations returned to normal without operator action (such as through response by a computerized distribution control system); or**
 - (3) any necessary follow-up actions to return operation to within the indicator range, designated condition, or below the applicable emission limitation or standard, as applicable.**
- (c) A determination of whether the Permittee has used acceptable procedures in response to an excursion or exceedance will be based on information available, which may include, but is not limited to, the following:**
 - (1) monitoring results;**
 - (2) review of operation and maintenance procedures and records;**
 - (3) inspection of the control device, associated capture system, and the process.**
- (d) Failure to take reasonable response steps shall be considered a deviation from the permit.**
- (e) The Permittee shall maintain the following records:**
 - (1) monitoring data;**
 - (2) monitor performance data, if applicable; and**
 - (3) corrective actions taken.**

Change 11:

The following revisions were made to the Emission Statement condition (Condition C.18 (now Condition C.17)) to incorporate the revisions to 326 IAC 2-6 that became effective March 27, 2004. The revised rule was published in the April 1, 2004 Indiana Register.

C.18 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:~~ **Pursuant to 326 IAC 2-6-3(a)(1), the Permittee shall submit by July 1 of each year an emission statement covering the previous calendar year. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4(c) and shall meet the following requirements:**

- (1) Indicate estimated actual emissions of ~~criteria pollutants from the source, in compliance with 326 IAC 2-6 (Emission Reporting)~~ **all pollutants listed in 326 IAC 2-6-4(a);**
- (2) Indicate estimated actual emissions of other regulated pollutants (as defined by 326 IAC 2-7-1(32) ("**Regulated pollutant, which is used only for purposes of Section 19 of this rule**") 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 46204-2251 -6-6015

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

~~(e)~~ (b) 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.

Change 12:

The general record keeping and reporting requirements in Conditions C.19 and C.20 (now Conditions C.18 and C.19) have been revised to reflect the NSR reform provisions at major sources under PSD rules. The changes are as follows.

C.19 18 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6] [326 IAC 2-2]

- (a) Records of all required data, reports 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. 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 request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.
- (b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

- (c) If there is a reasonable possibility that a “project” (as defined in 326 IAC 2-2-1 (qq)) at an existing emissions unit other than projects at a Clean Unit), which is not part of a “major modification” (as defined in 326 IAC 2-2-1 (ee)) may result in significant emissions increase and the Permittee elects to utilize the “projected actual emissions” (as defined in 326 IAC 2-2-1 (rr)), the Permittee shall comply with following:
- (1) Before beginning actual construction of the “project” (as defined in 326 IAC 2-2-1 (qq)) at an existing emissions unit, document and maintain the following records:
 - (A) A description of the project;
 - (B) Identification of any emissions unit whose emissions of a regulated new source review pollutant could be affected by the project;
 - (C) A description of the applicability test used to determine that the project is not a major modification for any regulated NSR pollutant, including:
 - (i) Baseline actual emissions;
 - (ii) Projected actual emissions;
 - (iii) Amount of emissions excluded under section 326 IAC 2-2-1(rr)(2)(A)(iii); and
 - (iv) An explanation for why the amount was excluded, and any netting calculations, if applicable.
 - (2) Monitor the emissions of any regulated NSR pollutant that could increase as a result of the project and that is emitted by any existing emissions unit identified in (1)(B) above; and
 - (3) Calculate and maintain a record of the annual emissions, in tons per year on a calendar year basis, for a period of five (5) years following resumption of regular operations after the change, or for a period of ten (10) years following resumption of regular operations after the change if the project increases the design capacity of or the potential to emit that regulated NSR pollutant at the emissions unit.

C.20 19 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11] [326 IAC 2-2]

- (a) The source shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).
- (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
Indianapolis, Indiana 46204-2251

- (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, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (e) 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. Reporting periods are based on calendar years.
- (f) **If the Permittee is required to comply with the recordkeeping provisions of (c) in Section C - General Record Keeping Requirements for any "project" (as defined in 326 IAC 2-2-1 (qq)) at an existing emissions unit other than an Electric Utility Steam Generating Unit, and the project meets the following criteria, then the Permittee shall submit a report to IDEM, OAQ:**
 - (1) **The annual emissions, in tons per year, from the project identified in (c)(1) in Section C - General Record Keeping Requirements exceed the baseline actual emissions, as documented and maintained under Section C - General Record Keeping Requirements (c)(1)(C)(i), by a significant amount, as defined in 326 IAC 2-2-1 (xx), for that regulated NSR pollutant, and**
 - (2) **The emissions differ from the preconstruction projection as documented and maintained under Section C - General Record Keeping Requirements (c)(1)(C)(ii).**
- (g) **The report for a project at an existing emissions unit other than an Electric Utility Steam Generating Unit shall be submitted within sixty (60) days after the end of the year and contain the following:**
 - (1) **The name, address, and telephone number of the major stationary source.**
 - (2) **The annual emissions calculated in accordance with (c)(2) and (3) in Section C - General Record Keeping Requirements.**
 - (3) **The emissions calculated under the actual-to-projected actual test stated in 326 IAC 2-2-2(d)(3).**
 - (4) **Any other information that the Permittee deems fit to include in this report.**

Reports required in this part shall be submitted to:

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

- (h) **The Permittee shall make the information required to be documented and maintained in accordance with (c) in Section C - General Record Keeping Requirements available for review upon a request for inspection by IDEM, OAQ. The general public may request this information from the IDEM, OAQ under 326 IAC 17.1**

Change 13:

Since the source will no longer be permitted to combust diesel fuel at the eight (8) combustion turbines as part of this modification and tanks #1 through #4 were never installed paragraph (a) of Condition A.2 will be revised and paragraph (d) will be deleted as follows:

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:

- (a) Eight (8) simple cycle, natural gas-fired combustion turbines, identified as units CT#1 through CT#8, installed in 1999, ~~utilizing diesel fuel as back up fuel, controlled by~~ **equipped with** low-NO_x combustors ~~in conjunction with natural gas usage, controlled by wet injection in conjunction with diesel fuel usage,~~ exhausting to stacks designated as # 1- # 8, with a maximum heat input capacity of 1,272 million British thermal units per hour each, and a nominal output of 80 MW, each.
- ~~(d) Four (4) diesel fuel storage tanks, identified as tanks #1 through #4, exhausting to vents designated as #12 through #15, with a maximum capacity of 519,000 gallons of diesel fuel per tank, and a maximum volume of 69,400 cubic feet per tank.~~

The same change to paragraph (a) will be made in the equipment description box to Section D.1 and the equipment description box in Section E.

Change 14:

Condition D.1.2 will be revised since the source will no longer be permitted to combust diesel fuel at the eight (8) combustion turbines. The annual NO_x BACT limits are being revised as a result of this modification. The changes to Condition D.1.2 are as follows:

D.1.2 Nitrogen Oxides (NO_x) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

Pursuant to ~~CP 165-10476-00022, issued on July 1, 1999, and~~ 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT:

- (a) Use ~~with~~ **of** dry low-NO_x combustors in conjunction with natural gas;
- ~~(b) Use wet injection in conjunction with diesel fuel;~~
- ~~(e)~~ **(b)** When burning natural gas the NO_x emission rate shall not exceed a one (1) hour average concentration of fifteen (15) parts per million (ppmvd) of NO_x at fifteen (15%) percent O₂ in conjunction with dry low-NO_x combustors;
- ~~(d)~~ **(c)** When burning natural gas, the NO_x emission rate shall not exceed **an average of** twelve (12) parts per million (ppmvd) of NO_x per year, based ~~ever on a~~ **compliance determined at the end of each month**, at fifteen (15%) percent O₂ in conjunction with dry low-NO_x combustors;
- ~~(e)~~ ~~When burning diesel fuel the NO_x emission rate shall not exceed a one (1) hour average concentration of forty two (42) parts per million (ppmvd) of NO_x at fifteen (15%) percent O₂ in conjunction with wet injection;~~

- (f) ~~(d)~~ The total input of the natural gas fuel to NO_x emissions from the eight (8) combustion turbines shall be limited to 20,336 million cubic feet per twelve (12) consecutive month period, rolled on a monthly basis. This usage limitation is equivalent to a total of 426.0 tons of NO_x per year **twelve (12) consecutive month period with compliance determined at the end of each month.** If diesel fuel oil is combusted during any portion of a twelve (12) consecutive month period, natural gas usage shall be reduced such that NO_x emissions for the eight (8) turbines do not exceed 732.8 tons per year for gas and oil firing combined, as determined by CEMS.

Change 15:

Since the source will no longer be permitted to combust diesel fuel at the eight (8) combustion turbines and natural gas is going to be considered the "only" fuel rather than the primary fuel Condition D.1.3 will be revised as follows:

D.1.3 Sulfur Dioxide (SO₂) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT: **by using natural gas as the only fuel for the combustion turbines.**

- (a) ~~Use natural gas as the primary fuel for the combustion turbines;~~
- (b) ~~The sulfur content of the diesel fuel used by the combustion turbines shall not exceed 0.05 percent by weight; and~~
- (c) ~~Use only diesel fuel oil as a back up fuel source. The total input of the diesel fuel to the eight (8) combustion turbines shall be limited to 34,000 kilo-gallons per twelve (12) consecutive month period, rolled on a monthly basis. This usage limitation is equivalent to 116.0 tons of SO₂ per year and 392.0 tons of NO_x per year.~~

Change 16:

For the same reason provided in Change 13, Condition D.1.4(a)(2) will be deleted. Since an annual CO BACT emission limitation will now be required for the eight (8) combustion turbines Condition D.1.4(b) will be added. The changes to Condition D.1.4 will be as follows:

D.1.4 Carbon Monoxide (CO) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT:

- (a) ~~Combustion control maintaining the following emission limits: The CO emission rate shall not exceed a one (1) hour average concentration of twenty-five (25) parts per million (ppmvd) of CO at fifteen (15%) percent O₂ in conjunction with firing natural gas during a steady-state operating condition.~~
- (1) ~~The CO emission rate shall not exceed a one (1) hour average concentration of twenty five (25) parts per million (ppmvd) of CO at fifteen (15%) percent O₂ in conjunction with firing natural gas at operating loads above fifty (50%) percent; and~~
- (2) ~~The CO emission rate shall not exceed a one (1) hour average concentration of twenty (20) parts per million (ppmvd) of CO at fifteen (15%) percent O₂ in conjunction with firing diesel fuel at operating loads above fifty (50%) percent.~~

- (b) **The CO emissions from the eight (8) combustion turbines shall be limited to a total of 432.0 tons per twelve (12) consecutive month period with compliance determined at the end of each month.**

- (b) (c) Perform good combustion practices.

Change 17:

For the same reason already mentioned in Change 13, Condition D.1.6 will be revised as follows:

D.1.6 Particulate Matter (PM/PM₁₀) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

~~Pursuant to CP 165-10476-00022, issued on July 1, 1999, and~~ Pursuant to 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT:

- (a) Natural gas as ~~the primary~~ **only** fuel; and
- (b) ~~Limit diesel fuel as established under the SO₂ BACT analysis; and~~
- (c) (b) Perform good combustion practices.

Change 18:

Since the pound per startup and pound per shutdown NO_x and CO limitations will be removed from the BACT requirements and the source will be using an alternative CEMS missing data substitution methodology to demonstrate continuous compliance with the NO_x and CO BACT requirements, the definitions for startup and shutdown will be revised and the definitions for steady-state operating condition, and data acquisition and handling system process and handling codes, will be established. As a result, Condition D.1.7 will be revised such that the definitions and operation limitations are required as two (2) separate conditions (Conditions D.1.7 and D.1.8). The changes are as follows:

D.1.7 Startup/Shutdown Limits [40 CFR 52.21] Operation and Monitoring Definitions [326 IAC 2-2]

- (a) ~~Pursuant to Significant Source Modification 165-15845-00022, issued March 13, 2003:~~ Pursuant to 326 IAC 2-2, the following operation definitions shall apply:
- (a) ~~Startup is defined as the period of time from the initiation of combustion firing from a "cold start" operating condition to the attainment of steady-state operating condition.~~
- (1) **Startup is defined as the period of time from the initiation of combustion firing to the attainment of a steady-state operating condition (dry low NO_x (premix) mode as indicated by DAHS). Premix mode shall be defined as the low emissions mode during which all burner nozzles are in use, burning a lean premix gas for steady state operation.**
- (2) **Steady-state operating condition shall be defined as the period of time that the combustion turbine is operating in dry low NO_x (premix) mode.**
- (b) ~~Shutdown is defined as that period of time from the initial lowering of the turbine output to the complete cessation of fuel combustion in the unit with the intent to shutdown to a "cold stop" condition.~~
- (3) **Shutdown is defined as that period of time from the end of a steady-state operating condition to the complete cessation of fuel combustion in the unit.**

- (e) (4) A startup/shutdown cycle is a pair of subsequent shutdown and startup events (i.e., one startup followed by one shutdown represents one startup/shutdown cycle).
- (b) The following monitoring definitions shall apply:
 - (1) The data acquisition and handling system (DAHS) process codes shall be defined as follows:
 - (A) DAHS Process Code 3 shall mean that a combustion turbine is operating in startup mode.
 - (B) DAHS Process Code 8 shall mean that a combustion turbine is operating in a steady-state condition.
 - (C) DAHS Process Code 4 shall mean that a combustion turbine is in shutdown mode.
 - (D) DAHS Process Code 5 shall mean that a combustion turbine is offline.
 - (2) The DAHS monitoring codes shall be defined as follows:
 - (A) DAHS Monitoring Code 00 shall mean that the NO_x or CO CEMS is online and is functioning properly.
 - (B) A DAHS monitoring code other than Monitoring Code 00 shall mean that the NO_x and/or CO CEMS is down.

D.1.8 Startup/Shutdown Limits [326 IAC 2-2]

- ~~(d)(a)~~ Pursuant to Significant Source Modification 165-15845-00022, issued March 13, 2003, and 326 IAC 2-2 (PSD Requirements), ~~the Permittee shall meet the following startup and shutdown limits: the maximum number of startup/shutdown cycles from each turbine shall not exceed 240 per twelve (12) consecutive months period rolled on a monthly basis as determined at the end of each calendar month. The duration of each startup/shutdown cycle shall not exceed one (1) hour.~~
 - ~~(1) The maximum number of startup/shutdown cycles shall not exceed 240 per twelve (12) consecutive months period rolled on a monthly basis as determined at the end of each calendar month. The duration of each startup/shutdown cycle shall not exceed one (1) hour.~~
 - ~~(2) When firing natural gas:
 - (A) The NO_x emissions per turbine shall not exceed:
 - (i) 20.7 lbs per each startup
 - (ii) 11.0 lbs per each shutdown
 - (B) The CO emissions per turbine shall not exceed:
 - (i) 65.5 lbs per each startup
 - (ii) 58.9 lbs per each shutdown~~
- ~~(d)~~ ~~(3) When firing Distillate oil:~~

~~(A) The NO_x emissions per turbine shall not exceed:~~

~~(i) 31.6 lbs per each startup~~

~~(ii) 17.5 lbs per each shutdown~~

~~(B) The CO emissions per turbine shall not exceed:~~

~~(i) 76.4 lbs per each startup~~

~~(ii) 65.5 lbs per each shutdown~~

- (b) The NO_x and CO emission limitations in Conditions D.1.2(d) and D.1.4(b) for the eight (8) combustion turbines shall also include emissions from startup and shutdown.**

Change 19:

For the same reason provided in Change 13, Conditions D.1.10 and D.1.13 will be deleted and Conditions D.1.8 (now Condition D.1.9), D.1.15(b) (now Condition D.1.13(b)), and D.1.16(b)(1) (now Condition D.1.14(b)(1)) will be modified as follows:

D.1.8 9 Non-Criteria PSD Pollutants (Beryllium and H₂SO₄) - Best Available Control Technology for the Eight (8) Combustion Turbines [326 IAC 2-2-3]

~~Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 2-2-3 (PSD - Control Technology Review Requirements), the eight (8) combustion turbines shall comply with the following BACT:~~

~~(a) Use natural gas as the primary **only** fuel for the combustion turbines; and~~

~~(b) The sulfur content of the diesel fuel used by the combustion turbines shall not exceed 0.05 percent by weight; and~~

~~(c)(b) Perform good combustion practices.~~

D.1.10 Sulfur Dioxide Emission Limitations [326 IAC 7-1]

~~Pursuant to CP 165-10476-00022, issued on July 1, 1999, and 326 IAC 7-1-1-2, the sulfur dioxide emissions from the eight (8) turbines, shall not exceed 0.5 pounds per million British thermal units for distillate oil combustion.~~

D.1.13 Sulfur Content Compliance [326 IAC 7-2]

~~(a) Pursuant to 326 IAC 7-2-1, the Permittee shall demonstrate that the fuel oil sulfur content does not exceed 0.5 pounds per million British thermal units per hour by:~~

~~(1) Fuel sampling and analysis data shall be collected pursuant to procedures specified in 326 IAC 3-7-4 for oil combustion and shall be determined by using a calendar month average sulfur dioxide emission rate in pounds per million British thermal units per hour unless a shorter averaging time or alternate methodology is specified under 326 IAC 7-2. Analyzing the oil sample to determine the sulfur content of the oil via the procedures in 40 CFR 60, Appendix A, Method 19.~~

~~(A) Oil samples may be collected from the fuel tank immediately after the fuel tank is filled and before any oil is combusted; and~~

~~(B) — If a partially empty fuel tank is refilled, a new sample and analysis would be required upon filling; or~~

~~(2) — Compliance may also be determined by conducting a stack test for sulfur dioxide emissions from the eight (8) combustion turbines, using 40 CFR 60, Appendix A, Method 6 in accordance with the procedures in 326 IAC 3-6, or~~

~~(3) — Upon written notification of a facility owner or operator to the department, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance.~~

~~(b) — A determination of noncompliance pursuant to either of the methods specified in (1), (2) or (3) above shall not be refuted by evidence of compliance pursuant to the other method.~~

D.1.15 13 Compliance Requirements [40 CFR Part 60, Subpart GG]

Pursuant to 40 CFR Part 60, Subpart GG (Stationary Gas Turbines), the Permittee must comply with the following custom fuel monitoring schedule approved by the EPA on May 30, 2000:

(b) Monitoring of fuel nitrogen content shall not be required while natural gas is the only fuel fired in the gas turbine.

~~As soon as the Permittee installs the equipment capable of using low sulfur (0.05%) distillate oil as the backup fuel, monitoring of fuel nitrogen content will be required pursuant to 40 CFR 60.334(b).~~

D.1.16 14 Continuous Emission Monitoring System (CEMS) [326 IAC 3-5]

(b) (1) The continuous emission monitoring system (CEMS) shall measure NO_x and CO emissions rates in pounds per hour and parts per million (ppmvd). The use of CEMS to measure and record the NO_x and CO hourly limits, is sufficient to demonstrate compliance with the fifteen (15) parts per million (ppmvd) NO_x limit and twenty-five (25) parts per million (ppmvd) CO limit, ~~when firing natural gas, and the forty two (42) parts per million NO_x limit, in conjunction with wet injection, and twenty (20) parts per million CO limit, when firing diesel fuel, at operating loads above fifty (50) percent~~ **during a steady-state operating condition.** To demonstrate compliance with the twelve (12) parts per million (ppmvd) NO_x annual limit, the source shall average the parts per million (ppmvd) over a twelve (12) consecutive month period.

Change 20:

Duke Energy Vermillion, L.L.C. has proposed to add a condition as part of this modification which will include the possibility of using an alternative missing data substitution procedures from that listed in Appendix C of 40 CFR 75 in order to demonstrate compliance with annual NO_x PSD BACT limitations whenever a continuous emission monitor other than an opacity monitor is malfunctioning or is down for maintenance or repairs. Duke Energy Vermillion, L.L.C. has also proposed to use the same alternative missing data substitution procedures to demonstrate compliance with the annual CO PSD BACT limitations.

Condition C.12(c)(1) states that whenever a continuous emission monitor other than an opacity monitor is malfunctioning or is down for maintenance or repairs, if the CEMS is required for monitoring NO_x emissions pursuant to 40 CFR 75 (Title IV Acid Rain program) or 326 IAC 10-4 (NO_x Budget Trading Program), the Permittee shall comply with the relevant requirements of 40 CFR 75 Subpart D - Missing Data Substitution Procedures.

Condition C.12(d) states that whenever the CO continuous emission monitoring system is malfunctioning or down for repairs or adjustments, the Permittee shall use a data substitution procedure for

the CO CEMs that is consistent with the requirements of 40 CFR 75.33(b), Standard Missing Data Substitution Procedures for SO₂ Concentration Data.

Duke Energy Vermillion, L.L.C. has no intention of deviating from the requirements in Conditions C.12 (c)(1) and (d) to demonstrate compliance with 40 CFR 75 and/or 326 IAC 10-4. Duke Energy Vermillion, L.L.C. will continue to use Appendix C to 40 CFR 75 as part of the compliance procedures for missing NO_x data in 40 CFR 75 Subpart D and will also continue to comply with the requirements of 40 CFR 75.33(b) for missing CO data.

The relevant requirements of 40 CFR 75 Subpart D - Missing Data Substitution Procedures as well as 40 CFR 75.33(b), were created for the use of demonstrating compliance with the Title IV Acid Rain program and/or the allocated emissions that a source has been given through the NO_x Budget Trading Program. This source's revised PSD BACT limitations for NO_x and CO are more stringent than the amount of NO_x and/or CO emissions allowed for this source under the Acid Rain Program and/or the NO_x Budget Trading Program. By using the procedures to obtain missing NO_x and CO data substitutions as provided in Appendix C to 40 CFR 75 and 40 CFR 75.33(b), the source could be substituting data that is overestimating NO_x and CO emissions when the NO_x and CO CEMS are down. An overestimation of NO_x and CO emissions could lead to a possible deviation from the annual NO_x and CO BACT limitations even if the missing NO_x and CO data substitution procedures Appendix C to 40 CFR 75 as well as 40 CFR 75.33(b) do not accurately represent the actual emissions from the combustion turbines.

In order to demonstrate compliance with the annual NO_x and CO PSD BACT emission limits, Duke Energy Vermillion, L.L.C. has requested that an alternative missing data substitution protocol be added to the permit and consist of the following:

As indicated in proposed Condition D.1.7(b) (Change 18), in order to demonstrate compliance with the annual NO_x and CO BACT limitations during startup, steady-state operating condition, or shutdown, the source shall operate a data acquisition and handling system (DAHS). The DAHS will contain electronic signals that are process codes (operation signals) and monitoring codes (monitoring signals). As indicated by proposed Condition D.1.7(b), for the purposes of the CEMS missing data substitution methodology the process and monitoring codes will be defined as follows:

Process Code 3 = a combustion turbine is in startup mode
Process Code 8 = a combustion turbine is operating under a steady-state condition
Process Code 4 = a combustion turbine is shutdown mode
Process Code 5 = a combustion turbine is offline

Monitoring Code 00 = The NO_x and/or CO CEMS is online and is functioning properly
Monitoring Code ≠ 00 = The NO_x and/or CO CEMS is down or not functioning properly

To further support Duke Energy Vermillion, L.L.C.'s request to add this alternative data substitution methodology to the permit, the source submitted to IDEM, OAQ a copy of a missing NO_x and CO data substitution protocol submitted to Ohio EPA for Duke Energy Hanging Rock, L.L.C. on September 26, 2003 which was later approved by U.S. EPA Region V, Ohio EPA, and the Portsmouth Local Air Agency. That protocol was permitted by Ohio EPA in a letter dated October 22, 2003 for similar reasons that has compelled Duke Energy Vermillion, L.L.C. to make the same request for this modification. In addition, IDEM, OAQ has determined that the Duke Energy Hanging Rock, L.L.C. protocol is similar to the proposed protocol for this modification.

As a result, IDEM, OAQ will allow the use of either the requirements of 40 CFR 75, Subpart D or an alternative missing data substitution protocol solely for the purposes of demonstrating compliance with the NO_x and CO annual BACT emission limits. Therefore, Condition D.1.15 will be added as follows:

D.1.15 CEMS NO_x and CO Missing Data Substitution [326 IAC 2-2]

In order to demonstrate compliance with Conditions D.1.2, D.1.3, D.1.4 and D.1.7, whenever the DAHS monitoring code is not Monitoring Code 00 (the NO_x and/or CO CEMS is down), until the DAHS is restored to Monitoring Code 00, as an alternative to the missing data substitution requirements in Section C - Maintenance of Continuous Emission Monitoring Equipment, the Permittee may use the following missing data substitution procedures utilizing the DAHS Process Codes defined in Conditions D.1.7(b) and (c):

- (a) Whenever a NO_x and/or CO CEMS is down during periods of startup, the Permittee shall substitute the maximum NO_x/CO emission rate (in pounds or tons per hour) recorded by DAHS Process Code 3 within the past twelve (12) consecutive months.
- (b) Whenever a NO_x and/or CO CEMS is down during periods of a steady-state operating condition, the Permittee shall substitute the maximum NO_x/CO emission rate (in pounds or tons per hour) recorded by DAHS Process Code 8 within the past twelve (12) consecutive months.
- (c) Whenever a NO_x and/or CO CEMS is down during periods of shutdown, the Permittee shall substitute the maximum NO_x/CO emission rate (in pounds or tons per hour) recorded by DAHS Process Code 4 within the past twelve (12) consecutive months.
- (d) Whenever a NO_x and/or CO CEMS is down during periods where the DAHS records two (2) or more process codes, the Permittee shall substitute the maximum NO_x/CO emission rate (in pounds or tons per hour) recorded by those DAHS process codes within the past twelve (12) consecutive months.
- (e) The alternative missing data procedures in paragraphs (a) through (d) of this condition do not relieve the Permittee of the responsibility to comply with the requirements listed in Section C - Maintenance of Continuous Emission Monitoring Equipment for 40 CFR 75 (Title IV Acid Rain Program) and 326 IAC 10-4 (NO_x Budget Trading Program) or the requirement to operate the CEMS.

Change 21:

Since the eight (8) combustion turbines will only be permitted to use natural gas as part of this modification, the Visible Emissions Notations requirements in Condition D.1.17 will be deleted as follows:

~~D.1.17 Visible Emissions Notations~~

- ~~(a) Visible emission notations of the combustion turbine stack exhausts shall be performed once per shift during normal daylight operations when exhausting to the atmosphere when burning diesel fuel. A trained employee shall record whether emissions are normal or abnormal.~~
- ~~(b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.~~
- ~~(c) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.~~
- ~~(d) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.~~

- (e) ~~The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed. Failure to take response steps in accordance with Section C—Compliance Response Plan—Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.~~

Change 22:

As a result of the changes that are being made to the Emissions Limitations and Standards, Compliance Determination Requirements, and Compliance Monitoring Requirements in Section D.1 of the Part 70 Operating Permit, Conditions D.1.19 through D.1.21 (now Conditions D.1.17 through D.1.19) will be revised as follows:

D.1.19 **17** Record Keeping Requirements

- (a) To document compliance with Conditions D.1.2(~~e~~), ~~D.1.3~~, D.1.4(**b**), D.1.6, ~~D.1.8~~, D.1.9 and D.1.10, the Permittee shall maintain records of the following:
- (1) ~~Amount of diesel fuel combusted (in gallons) per turbine during each month;~~
 - (2) **(1) Amount of natural gas combusted (in million cubic feet) per turbine during each month; The amount of NO_x emissions (in pounds or tons) per turbine recorded by the CEMS each month; and**
 - (3) ~~The percent sulfur content of the diesel fuel; and~~
 - (4) **(2) The heat input capacity of each turbine. The amount of CO emissions (in pounds or tons) per turbine recorded by the CEMS each month.**
- (b) To document compliance with Conditions D.1.2(**b** and **c**) and D.1.4(**a**), the Permittee shall record the emission rates of NO_x and CO in parts per million (ppmvd) based on a hourly and monthly average. The source shall perform the required record keeping, pursuant to 326 IAC 3-5-6, and reporting, pursuant to 326 IAC 3-5-7.
- (c) ~~Pursuant to Significant Source Modification 165-15845-00022, issued March 13, 2003, t~~To document compliance with Conditions D.1.7(**a**) and D.1.8, the Permittee shall maintain records of the following:
- (1) The type of operation (startup, **steady-state operating condition**, or shutdown) with supporting operational data- ; **and**
 - (2) The total number of minutes for startup and shutdown per 24-hour period per turbine.
 - (3) ~~The fuel flow meter data and Method 19 calculations corresponding to each startup and shutdown period.~~
- (d) ~~To document compliance with Condition D.1.17, the Permittee shall maintain records of visible emission notations of the eight (8) combustion turbine stack exhausts once per shift when burning diesel fuel.~~
- (d) **To document compliance with Condition D.1.15, the Permittee shall maintain records of any hour that CEMS data was missing, the DAHS process code recorded for that hour, and the emission rate (in pounds or tons) substituted for that hour.**
- (e) To document compliance with Condition D.1.48 **16**, the Permittee shall record the fuel consumption and the ratio of water to fuel being fired in each turbine.

- (f) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

~~D.1.20~~ 18 NSPS Reporting Requirement

D.1.24 19 Reporting Requirement

- (a) The Permittee shall submit a quarterly excess emissions report, if applicable, based on the continuous emissions monitor (CEM) data for NO_x and CO, pursuant to 326 IAC 3-5-7 and 40 CFR 60.334(c). These reports shall be submitted within thirty (30) calendar days following the end of each calendar quarter and in accordance with Section C - General Reporting Requirements of this permit.
- ~~(b) Pursuant to 326 IAC 7-2-1, owners or operators of sources or facilities subject to 326 IAC 7-2-1 or 326 IAC 7-4, shall submit to the Commissioner the following reports based on fuel sampling and analysis data in accordance with procedures specified under 326 IAC 3-7:~~
- ~~Shall submit reports of calendar month average sulfur content, heat content, fuel consumption, and sulfur dioxide emission rate in pounds per million British thermal units upon request.~~
- ~~(b)~~ (b) A quarterly summary of the information to document compliance with Conditions D.1.2(e) and D.1.4(b) ~~D.1.3~~ shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- ~~(c)~~ (c) A quarterly summary of the total number of startup and shutdown hours of operation and emissions corresponding to startup and shutdown to document compliance with Condition ~~D.1.7~~ D.1.8(a), shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported.

Change 23:

As a result of the changes that will be made to Section D.1 of the Part 70 Operating Permit, and the respective quarterly reports for the referenced conditions listed in and deleted from Condition D.1.21 (now Condition D.1.19), the quarterly report forms at the end of the permit will be revised as follows:

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
 OFFICE OF AIR QUALITY
 COMPLIANCE DATA SECTION

Part 70 Quarterly Report

Source Name: ~~_____~~ Duke Energy Vermillion, L.L.C.
 Source Address: ~~_____~~ SW Quadrant of Intersection of CR300N and SR63, Eugene Township, IN 47928
 Mailing Address: ~~_____~~ c/o Steven F. Gilliland 5400 Westheimer Court, Houston, TX 77056-5310
 Part 70 Permit No.: ~~_____~~ T 165 14185 00022
 Facilities: ~~_____~~ Eight (8) simple cycle combustion turbines
 Parameter: ~~_____~~ Diesel fuel usage
 Limit: ~~_____~~ 34,000 kilo-gallons per twelve (12) consecutive month period (equivalent to 116.0 tons of SO₂, total) and 392 tons of NO_x.

YEAR:

Month	Diesel Fuel Oil Usage This Month (gallons)	Diesel Fuel Oil Usage for Previous 11 Months (gallons)	Diesel Fuel Oil Usage for Twelve Month Period (gallons)

~~9~~ _____ No deviation occurred in this month.

~~9~~ _____ Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
 OFFICE OF AIR QUALITY
 COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: Duke Energy Vermillion, L.L.C.
 Source Address: SW Quadrant of Intersection of CR300N and SR63, Eugene Township, IN 47928
 Mailing Address: c/o Steven F. Gilliland, 5400 Westheimer Court, Houston, TX 77056-5310
 Part 70 Permit No.: T 165-14185-00022
 Facilities: Eight (8) simple cycle combustion turbines
 Parameter: Natural Gas fuel usage, only
 Limit: 20,336 million cubic feet per twelve (12) consecutive month period (equivalent to 426.0 tons of NO_x per twelve (12) consecutive month period), total

YEAR: _____

Month	Natural Gas Usage (MMCF)	Natural Gas Usage for Previous 11 Months (MMCF)	Natural Gas Usage for Twelve Month Period (MMCF)

No deviation occurred in this month.

Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

**Indiana Department of Environmental Management
 Office of Air Quality
 Compliance Data Section and Vermillion County Air Pollution Control
 Quarterly Report**

Company Name: Duke Energy Vermillion Generating Station
 Location: CR 300N and SR 63 Eugene Township, IN 47928
 Permit No.: CP 083-15845-00022
 Source: Eight (8) natural gas combustion turbines operating in simple cycle
 Limit: Nat. Gas per turbine: NOx- 20.7 lb/startup & 11.0 lb/shutdown; CO- 65.5 lb/startup & 58.9 lb/ shutdown
 Diesel per turbine: NOx- 31.6 lb/ startup & 17.5 lb/ shutdown; CO- 76.4 lb/ startup & 65.5 lb/ shutdown

Month: _____ Year _____
 Total from previous month(s) Startup _____ Shutdown _____
 Total hours per year for startup and shutdown for 12 month period

Day/ Turbine	Startup / Shutdown								Day/ Turbine	Startup / Shutdown							
	1	2	3	4	5	6	7	8		1	2	3	4	5	6	7	8
1									17								
2									18								
3									19								
4									20								
5									21								
6									22								
7									23								
8									24								
9									25								
10									26								
11									27								
12									28								
13									29								
14									30								
15									31								
16									Total								

No deviation occurred in this month
 Deviation/s occurred in this month.
 Deviation has been reported on: _____
 Submitted by: _____
 Title/Position: _____
 Signature: _____
 Date: _____
 Phone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
 OFFICE OF AIR QUALITY
 COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: Duke Energy Vermillion, L.L.C.
Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
Mailing Address: 1000 East Main, Plainfield, Indiana 46168
Part 70 Permit No.: T 165-14185-00022
Facilities: Eight (8) simple cycle combustion turbines
Parameter: Total NO_x Emissions, including emissions from startup and shutdown
Limit: 426.0 tons per twelve (12) consecutive month period with compliance determined at the end of each month

YEAR: _____

Month	Total NO _x Emissions for This Month (Tons)	Total NO _x Emissions for Previous 11 Months (Tons)	Total NO _x Emissions for 12-Month Period (Tons)
Emissions From Startup			
Emissions From Normal Operation			
Emissions From Shutdown			
Emissions from Startup, Normal Operation, and Shutdown			

☉ No deviation occurred in this month.

☉ Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
 OFFICE OF AIR QUALITY
 COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: Duke Energy Vermillion, L.L.C.
Source Address: SW Quadrant of Intersection of CR300N and SR63, Cayuga, IN 47928
Mailing Address: 1000 East Main, Plainfield, Indiana 46168
Part 70 Permit No.: T 165-14185-00022
Facilities: Eight (8) simple cycle combustion turbines
Parameter: Total CO Emissions, including emissions from startup and shutdown
Limit: 432.0 tons per twelve (12) consecutive month period with compliance determined at the end of each month

YEAR: _____

Month	Total CO Emissions for This Month (Tons)	Total CO Emissions for Previous 11 Months (Tons)	Total CO Emissions for 12-Month Period (Tons)
Emissions From Startup			
Emissions From Normal Operation			
Emissions From Shutdown			
Emissions from Startup, Normal Operation, and Shutdown			

☛ No deviation occurred in this month.

☛ Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

Change 24:

Condition D.1.14, Nitrogen Oxides Monitoring, will be removed from Section D.1 and all the NO_x Budget Program Requirements will be added in Section F as follows:

~~D.1.14 Nitrogen Oxides Monitoring Requirement [326 IAC 10-4-4(b)(1)] [326 IAC 10-4-12(b) and (c)] [40 CFR 75]~~

~~The Permittee shall meet the monitoring requirements of 326 IAC 10-4-12(b)(1) through (b)(3) that are applicable to their monitoring systems for the NO_x budget units on or before May 1, 2003. The Permittee shall record, report, and quality assure the data from the monitoring systems on and after May 1, 2003 in accordance with 326 IAC 10-4-12 and 40 CFR 75.~~

SECTION F Nitrogen Oxides Budget Trading program - NO_x Budget Trading Permit for NO_x Budget Units Under 326 IAC 10-4-1(a)

ORIS Code: 55111

NO_x Budget Source:

- (a) Eight (8) simple cycle, natural gas-fired combustion turbines, identified as units CT#1 through CT#8, installed in 1999, equipped with low-NO_x combustors exhausting to stacks designated as # 1- # 8, with a maximum heat input capacity of 1,272 million British thermal units per hour each, and a nominal output of 80 MW, each.

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

F.1 Automatic Incorporation of Definitions [326 IAC 10-4-7(e)]

This NO_x budget permit is deemed to incorporate automatically the definitions of terms under 326 IAC 10-4-2.

F.2 Standard Permit Requirements [326 IAC 10-4-4(a)]

- (a) The owners and operators of the NO_x budget source and each NO_x budget unit shall operate each unit in compliance with this NO_x budget permit.
- (b) The NO_x budget units subject to this NO_x budget permit are: Combustion Turbine units CT#1 through CT#8.

F.3 Monitoring Requirements [326 IAC 10-4-4(b)]

- (a) The owners and operators and, to the extent applicable, the NO_x authorized account representative of the NO_x budget source and each NO_x budget unit at the source shall comply with the monitoring requirements of 40 CFR 75 and 326 IAC 10-4-12.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 326 IAC 10-4-12 shall be used to determine compliance by each unit with the NO_x budget emissions limitation under 326 IAC 10-4-4(c) and Condition F.4, Nitrogen Oxides Requirements.

F.4 Nitrogen Oxides Requirements [326 IAC 10-4-4(c)]

- (a) The owners and operators of the NO_x budget source and each NO_x budget unit at the source shall hold NO_x allowances available for compliance deductions under 326 IAC 10-4-10(j), as of the NO_x allowance transfer deadline, in each unit's compliance account and the source's overdraft account in an amount:

- (1) Not less than the total NO_x emissions for the ozone control period from the unit, as determined in accordance with 40 CFR 75 and 326 IAC 10-4-12;
 - (2) To account for excess emissions for a prior ozone control period under 326 IAC 10-4-10(k)(5); or
 - (3) To account for withdrawal from the NO_x budget trading program, or a change in regulatory status of a NO_x budget optin unit.
- (b) Each ton of NO_x emitted in excess of the NO_x budget emissions limitation shall constitute a separate violation of the Clean Air Act (CAA) and 326 IAC 10-4.
 - (c) NO_x allowances shall be held in, deducted from, or transferred among NO_x allowance tracking system accounts in accordance with 326 IAC 10-4-9 through 11, 326 IAC 10-4-13, and 326 IAC 10-4-14.
 - (d) A NO_x allowance shall not be deducted, in order to comply with the requirements under (a) above and 326 IAC 10-4-4(c)(1), for an ozone control period in a year prior to the year for which the NO_x allowance was allocated.
 - (e) A NO_x allowance allocated under the NO_x budget trading program is a limited authorization to emit one (1) ton of NO_x in accordance with the NO_x budget trading program. No provision of the NO_x budget trading program, the NO_x budget permit application, the NO_x budget permit, or an exemption under 326 IAC 10-4-3 and no provision of law shall be construed to limit the authority of the U.S. EPA or IDEM, OAQ to terminate or limit the authorization.
 - (f) A NO_x allowance allocated under the NO_x budget trading program does not constitute a property right.
 - (g) Upon recordation by the U.S. EPA under 326 IAC 10-4-10, 326 IAC 10-4-11, or 326 IAC 10-4-13, every allocation, transfer, or deduction of a NO_x allowance to or from each NO_x budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, this NO_x budget permit of the NO_x budget unit by operation of law without any further review.

F.5 Excess Emissions Requirements [326 IAC 10-4-4(d)]

The owners and operators of each NO_x budget unit that has excess emissions in any ozone control period shall do the following:

- (a) Surrender the NO_x allowances required for deduction under 326 IAC 10-4-10(k)(5).
- (b) Pay any fine, penalty, or assessment or comply with any other remedy imposed under 326 IAC 10-4-10(k)(7).

F.6 Record Keeping Requirements [326 IAC 10-4-4(e)] [326 IAC 2-7-5(3)]

Unless otherwise provided, the owners and operators of the NO_x budget source and each NO_x budget unit at the source shall keep, either on site at the source or at a central location within Indiana for those owners or operators with unattended sources, each of the following documents for a period of five (5) years:

- (a) The account certificate of representation for the NO_x authorized account representative for the source and each NO_x budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in

accordance with 326 IAC 10-4-6(h). The certificate and documents shall be retained either on site at the source or at a central location within Indiana for those owners or operators with unattended sources beyond the five (5) year period until the documents are superseded because of the submission of a new account certificate of representation changing the NO_x authorized account representative.

- (b) All emissions monitoring information, in accordance with 40 CFR 75 and 326 IAC 10-4-12, provided that to the extent that 40 CFR 75 and 326 IAC 10-4-12 provide for a three (3) year period for record keeping, the three (3) year period shall apply.
- (c) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_x budget trading program.
- (d) Copies of all documents used to complete a NO_x budget permit application and any other submission under the NO_x budget trading program or to demonstrate compliance with the requirements of the NO_x budget trading program.

This period may be extended for cause, at any time prior to the end of five (5) years, in writing by IDEM, OAQ or the U.S. EPA. Records retained at a central location within Indiana shall be available immediately at the location and submitted to IDEM, OAQ or U.S. EPA within three (3) business days following receipt of a written request. Nothing in 326 IAC 10-4-4(e) shall alter the record retention requirements for a source under 40 CFR 75. Unless otherwise provided, all records shall be maintained in accordance with Section C General Record Keeping Requirements, of this permit.

F.7 Reporting Requirements [326 IAC 10-4-4(e)]

- (a) The NO_x authorized account representative of the NO_x budget source and each NO_x budget unit at the source shall submit the reports and compliance certifications required under the NO_x budget trading program, including those under 326 IAC 10-4-8, 326 IAC 10-4-12, or 326 IAC 10-4-13.
- (b) Pursuant to 326 IAC 10-4-4(e) and 326 IAC 10-4-6(e)(1), each submission shall include the following certification statement by the NO_x authorized account representative: "I am authorized to make this submission on behalf of the owners and operators of the NO_x budget sources or NO_x budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."
- (c) Where 326 IAC 10-4 requires a submission to IDEM, OAQ, the NO_x authorized account representative shall submit required information to:

Indiana Department of Environmental Management
Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 4620-2251

- (d) Where 326 IAC 10-4 requires a submission to U.S. EPA, the NO_x authorized account representative shall submit required information to:

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

F.8 Liability [326 IAC 10-4-4(f)]

The owners and operators of each NO_x budget source shall be liable as follows:

- (a) Any person who knowingly violates any requirement or prohibition of the NO_x budget trading program, a NO_x budget permit, or an exemption under 326 IAC 10-4-3 shall be subject to enforcement pursuant to applicable state or federal law.
- (b) Any person who knowingly makes a false material statement in any record, submission, or report under the NO_x budget trading program shall be subject to criminal enforcement pursuant to the applicable state or federal law.
- (c) No permit revision shall excuse any violation of the requirements of the NO_x budget trading program that occurs prior to the date that the revision takes effect.
- (d) Each NO_x budget source and each NO_x budget unit shall meet the requirements of the NO_x budget trading program.
- (e) Any provision of the NO_x budget trading program that applies to a NO_x budget source, including a provision applicable to the NO_x authorized account representative of a NO_x budget source, shall also apply to the owners and operators of the source and of the NO_x budget units at the source.
- (f) Any provision of the NO_x budget trading program that applies to a NO_x budget unit, including a provision applicable to the NO_x authorized account representative of a NO_x budget unit, shall also apply to the owners and operators of the unit. Except with regard to the requirements applicable to units with a common stack under 40 CFR 75 and 326 IAC 10-4-12, the owners and operators and the NO_x authorized account representative of one (1) NO_x budget unit shall not be liable for any violation by any other NO_x budget unit of which they are not owners or operators or the NO_x authorized account representative and that is located at a source of which they are not owners or operators or the NO_x authorized account representative.

F.9 Effect on Other Authorities [326 IAC 10-4-4(g)]

No provision of the NO_x budget trading program, a NO_x budget permit application, a NO_x budget permit, or an exemption under 326 IAC 10-4-3 shall be construed as exempting or excluding the owners and operators and, to the extent applicable, the NO_x authorized account representative of a NO_x budget source or NO_x budget unit from compliance with any other provision of the applicable, approved state implementation plan, a federally enforceable permit, or the CAA.

Change 25:

Since tanks #1 through #4 were never installed, Section D.3 will be deleted as follows:

~~SECTION D.3 FACILITY OPERATION CONDITIONS~~

~~Facility Description [326 IAC 2-7-5(15)]: Four (4) Storage Tanks~~

~~(d) Four (4) diesel fuel storage tanks, identified as tanks #1 through #4, exhausting to vents designated as #12 through #15, with a maximum capacity of 519,000 gallons of diesel fuel per tank, and a maximum volume of 69,400 cubic feet per tank.~~

~~(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.3.1 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR 60, Subpart A]~~

~~The provisions of 40 CFR 60 Subpart A – General Provisions, which are incorporated as 326 IAC 12-1, apply to the facility described in this section except when otherwise specified in 40 CFR 60 Subpart Kb.~~

~~D.3.2 Volatile Organic Storage Vessels [40 CFR Part 60, Subpart Kb]~~

~~Pursuant to 40 CFR Part 60, Subpart Kb, the Permittee shall notify the Administrator and the Office of Air Management within thirty (30) days when the maximum true vapor pressure of the liquid exceeds the respective maximum true vapor pressure values for each volume range. (Available data on the storage temperature may be used to determine the maximum vapor pressure as determined in 40 CFR Part 60.117b(e)(1) – (3)).~~

~~Compliance Determination Requirements~~

~~There are no specific Compliance Determination Requirements applicable to these emission units.~~

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

~~There are no specific Compliance Monitoring Requirements applicable to these emission units.~~

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

~~D.3.3 Record Keeping Requirements~~

~~(a) To document compliance with Condition D.3.2, the Permittee shall:~~

- ~~(1) Maintain the records of the volatile organic liquid (VOL) stored;~~
- ~~(2) The period of storage;~~
- ~~(3) The maximum true vapor pressure of the volatile organic liquid (VOL) during the respective storage period; and~~
- ~~(4) Shall keep readily accessible records showing the dimension of the storage vessel and an analysis showing the capacity of the storage vessel.~~

~~(b) All records shall be maintained in accordance with Section C – General Record Keeping Requirements, of this permit.~~

Change 26:

Since this sources acid rain permit renewal (AR 165-19814-00022) was issued on August 29, 2005, Condition E.1(a) will be revised as follows:

E.1 Acid Rain Permit [326 IAC 2-7-5(1)(C)] [326 IAC 21] [40 CFR 72 through 40 CFR 78]

- (a) The attached Acid Rain permit for this source, ~~AR 165-10727-00022~~ **AR 165-19814-00022**, issued on ~~April 4, 2000~~ **August 29, 2005**, is incorporated by reference into this Part 70 permit. Pursuant to 326 IAC 21 (Acid Deposition Control), the Permittee shall comply with all provisions of the Acid Rain permit issued for this source, and any other applicable requirements contained in 40 CFR 72 through 40 CFR 78.

Change 27:

The third sentence on the Quarterly Deviation and Compliance Monitoring report form has been replaced with the following sentence to be consistent with Section B Deviations from Permit Requirements and Conditions:

This report shall be submitted quarterly based on a calendar year. Any deviation from the requirements, the date(s) of each deviation, the probable cause of the deviation, and the response steps taken must be reported. ~~Deviations that are required to be reported by an applicable requirement shall be reported according to the schedule stated in the applicable requirement and do not need to be included in this report.~~
A deviation required to be reported pursuant to an applicable requirement that exists independent of the permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".

Change 28:

The source address has been changed from "Eugene Township" to "Cayuga," Indiana throughout the Part 70 Operating Permit. The zip code will remain unchanged as 47928.

Conclusion

This proposed modification shall be subject to the conditions of the attached proposed PSD Significant Source Modification No. 165-21133-00022 and Part 70 Significant Permit Modification No. 165-18731-00022.