



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: July 24, 2006
RE: NIPSCO / 089-19676-00117
FROM: Nisha Sizemore
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval - Effective Immediately

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

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

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

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

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

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

Enclosures
FNPER.dot 03/23/06



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

**Northern Indiana Public Service Company (NIPSCO)
D.H. Mitchell Generating Station
1 North Clark Road, Gary, Indiana 46402**

ORIS: 996

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

Operation Permit No.: AR 089-19676-00117	
Issued by: Origin signed by Nisha Sizemore Branch Chief Office of Air Quality	Issuance Date: July 24, 2006 Expiration Date: July 24, 2011

Title IV Operating Conditions

Title IV Source Description:

- (a) One (1) tangentially-fired coal-fired boiler, identified as Unit 4, with construction completed in 1956, with a design heat input capacity of 1,250 million Btu per hour (MMBtu/hr), and exhausting to stack CS45.
- (b) One (1) tangentially-fired coal-fired boiler, identified as Unit 5, with construction completed in 1959, with a design heat input capacity of 1,250 million Btu per hour (MMBtu/hr), and exhausting to stack CS45.
- (c) One (1) tangentially-fired coal-fired boiler, identified as Unit 6, with construction completed in 1959, with a design heat input capacity of 1,250 million Btu per hour (MMBtu/hr), and exhausting to stack CS611. Unit 6 is equipped with low-nitrogen oxide (NOx) burners for NOx emissions control.
- (d) One (1) dry bottom wall-fired coal-fired boiler, identified as Unit 11, with construction completed in 1970, with a design heat input capacity of 1,107 million Btu per hour (MMBtu/hr), and exhausting to stack CS611. Unit 11 is equipped with low-nitrogen oxide (NOx) burners for NOx emissions control.

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

1. Statutory and Regulatory Authorities

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

2. Standard Permit Requirements [326 IAC 21]

- (a) The designated representative has submitted a complete acid rain permit application in accordance with 40 CFR 72.30.
- (b) The Permittee shall operate Units 4, 5, 6, and 11 in compliance with this permit.

3. Monitoring Requirements [326 IAC 21]

- (a) The Permittee and, to the extent applicable, the designated representative of Units 4, 5, 6, and 11 shall comply with the monitoring requirements as provided in 40 CFR 75 and 76.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 76 shall be used to determine compliance by Units 4, 5, 6, and 11 with the acid rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (c) The requirements of 40 CFR 75 and 76 shall not affect the responsibility of the Permittee to monitor emissions of other pollutants or other emissions characteristics at Units 4, 5, 6, and 11 under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

4. Sulfur Dioxide Requirements [326 IAC 21]

- (a) The Permittee shall:
 - (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the compliance subaccount of Units 4, 5, 6, and 11, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from Units 4, 5, 6, and 11; and,

- (2) Comply with the applicable acid rain emissions limitations for sulfur dioxide.
- (b) Each ton of sulfur dioxide emitted in excess of the acid rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.
- (c) Units 4, 5, 6, and 11 shall be subject to the requirements under paragraph 4(a) of the sulfur dioxide requirements as follows:
 - (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or,
 - (2) Starting on the latter of January 1, 2000, or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).
- (d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program
- (e) An allowance shall not be deducted in order to comply with the requirements under paragraph 4(a) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the acid rain permit application, the acid rain permit, the acid rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (g) An allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.
- (h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement. [326 IAC 2-7-5(4)(A)]
- (i) No limit shall be placed on the number of allowances held by the Permittee. The Permittee may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. [326 IAC 2-7-5(4)(B)]
- (j) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

SO ₂ Annual Allowance Allocations (tons)					
	2005	2006	2007	2008	2009
Unit 4	3,116*	3,116*	3,116*	3,116*	3,116*
Unit 5	3,017*	3,017*	3,017*	3,017*	3,017*
Unit 6	2,969*	2,969*	2,969*	2,969*	2,969*
Unit 11	2,658*	2,658*	2,658*	2,658*	2,658*

* The number of allowances allocated to Phase II affected units by U.S. EPA may change in a revision to 40 CFR 73 Tables 2, 3 and 4 and 326 IAC 21. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. Neither of the aforementioned conditions necessitates a revision to the unit SO₂ allowance allocations identified in this permit. (See 40 CFR 72.84)

5. Nitrogen Oxides Requirements [326 IAC 21]

- (a) The Permittee shall comply with the applicable acid rain emissions limitation of nitrogen oxides (NO_x) for Units 4, 5, 6 and 11.
- (b) NO_x Early Election Compliance Plan for Unit 4:
 - (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x early election compliance plan for Unit 4. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, the annual average NO_x emission rate of Unit 4 for each calendar year, determined in accordance with 40 CFR 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(1), of 0.45 lb/MMBtu for tangentially fired units. If Unit 4 is in compliance with the applicable emission limitations for each year of the plan, then Unit 4 shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), of 0.40 lb/MMBtu for tangentially fired boilers until January 1, 2008.
 - (2) Permittee must annually demonstrate that Unit 4 meet the NO_x emission limit of 0.45 lb/MMBtu by showing that emissions at the common stack (through which all emissions from Units 4 and 5 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack 1. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.
- (c) NO_x Early Election Compliance Plan for Unit 5:
 - (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x early election compliance plan for Unit 5. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, the annual average NO_x emission rate of Unit 5 for each calendar year, determined in accordance with 40 CFR 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(1), of 0.45 lb/MMBtu for tangentially fired boilers. If Unit 5 is in compliance with its applicable emission limitations for each year of the plan, then Unit 5 shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), of 0.40 lb/MMBtu for tangentially fired boilers until January 1, 2008.
 - (2) Permittee must annually demonstrate that Unit 5 meet the NO_x emission limit of 0.45 lb/MMBtu by showing that emissions at the common stack (through which emissions from Units 4 and 5 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack 1. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.
- (d) NO_x Early Election Compliance Plan for Unit 6:
 - (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x early election compliance plan for Unit 6. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, the annual average NO_x emission rate of Unit 6 for each year, determined in accordance with 40 CFR 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(1), of 0.45 lb/MMBtu for tangentially fired boilers. If Unit 6 is in compliance with its applicable emission limitation for each year of the plan, then Unit 6 shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), of 0.40 lb/MMBtu for tangentially fired boilers until January 1, 2008.
 - (2) Permittee must annually demonstrate that Unit 6 meets the NO_x emission limit of 0.45 lb/MMBtu by showing that emissions at the common stack (through which emissions from Units 6 and 11 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack

2. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.

- (e) NOx Early Election Compliance Plan for Unit 11:
- (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NOx early election compliance plan for Unit 11. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, the annual average NOx emission rate of Unit 11 for each year, determined in accordance with 40 CFR 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(2) of 0.50 lb/MMBtu for dry bottom wall-fired boilers. If Unit 11 is in compliance with its applicable emission limitation for each year of the plan, then Unit 11 shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), or 0.46 lb/MMBtu for dry bottom wall-fired boilers until January 1, 2008.
 - (2) Permittee must annually demonstrate that Unit 11 meets the NOx emission limit of 0.45 lb/MMBtu by showing that emissions at the common stack (through which all emissions from units 6 and 11 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack 2. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.
- (f) The Permittee may revise the NOx averaging plan following the procedure in 40 CFR 76.
- (g) In addition to the described NOx compliance plan, Units 4, 5, 6 and 11 shall comply with all other applicable requirements of 40 CFR 76, including the duty to reapply for a NOx compliance plan and requirements covering excess emissions.
- (h) Pursuant to 40 CFR 72.80, 72.81, 72.82, and 72.83, NOx limits may be revised, however, no permit revision shall excuse any violation of an Acid Rain Program requirement that occurred prior to the effective date of the revision.

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

- (a) If Unit 4, 5, 6, or 11 has excess emissions of sulfur dioxide in any calendar year, the designated representative shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.
- (b) The designated representative shall submit required information to:

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

and

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

and

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

- (c) If Unit 4, 5, 6, or 11 has excess emissions, as defined in 40 CFR 72.2, in any calendar year the Permittee shall:
 - (1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and,
 - (2) Comply with the terms of an approved sulfur dioxide offset plan, as required by 40 CFR 77 and 326 IAC 21.

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

- (a) Unless otherwise provided, the Permittee shall keep on site each of the following documents for a period of 5 years, as required by 40 CFR 72.9(f), from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OAQ:
 - (1) The certificate of representation for the designated representative for Units 4, 5, 6, and 11 and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5 year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
 - (2) All emissions monitoring information collected in accordance with 40 CFR 75 shall be retained on site for 3 years;
 - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
 - (4) Copies of all documents used to complete an acid rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (b) The designated representative of Units 4, 5, 6, and 11 shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90, Subpart I, 40 CFR 75, and 326 IAC 21. The required information is to be submitted to the appropriate authority(ies) as specified in 40 CFR 72.90, Subpart I, and 40 CFR 75.

8. Submissions [326 IAC 21]

- (a) The designated representative of Units 4, 5, 6, and 11 shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA and IDEM, OAQ in accordance with 40 CFR 72 and 326 IAC 21.
- (b) The designated representative shall submit required information to:

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

and

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

- (c) Each such submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.
- (d) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature, the following statements which shall be included verbatim in the submission:
 - (1) "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made."; and,
 - (2) "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."
- (e) The designated representative of Units 4, 5, 6, and 11 shall notify the Permittee:
 - (1) By the date of submission, of any Acid Rain Program submissions by the designated representative;
 - (2) Within 10 business days of receipt of any written determination by U.S. EPA or IDEM, OAQ; and,
 - (3) Provided that the submission or determination covers Unit 4, 5, 6, or 11.
- (f) The designated representative of Units 4, 5, 6, and 11 shall provide the Permittee a copy of any submission or determination under paragraph 8(e), unless the Permittee expressly waives the right to receive a copy.

9. Severability [326 IAC 21]

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

10. Liability [326 IAC 21]

- (a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to Section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.
- (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to Section 113(c) of the Clean Air Act, 18 U.S.C. 1001 and IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.
- (c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (d) Units 4, 5, 6, and 11 shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to Unit 4, 5, 6, or 11, including a provision applicable to the designated representative of Unit 4, 5, 6, or 11 shall also apply

to the Permittee.

- (f) Any provision of the Acid Rain Program that applies to Unit 4, 5, 6, or 11, including a provision applicable to the designated representative of Units 4, 5, 6, or 11, shall also apply to the Permittee. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NOx averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the Permittee and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
- (g) Each violation of a provision of 40 CFR parts 72, 73, 75, 76, 77, and 78 by Unit 4, 5, 6, or 11, or by the Permittee or designated representative shall be a separate violation of the Clean Air Act.

11. Effect on Other Authorities [326 IAC 21]

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

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the Permittee and, to the extent applicable, the designated representative of Unit 4, 5, 6, or 11 from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
- (b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;
- (c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;
- (d) Modifying the Federal Power Act (16 USC 791(a) et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.

Indiana Department of Environmental Management Office of Air Quality

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

Source Name: Northern Indiana Public Service Company (NIPSCO) –
D.H. Mitchell Generating Station
Source Location: One North Clark Road, Gary, Indiana 46402
Operated By: Northern Indiana Public Service Company (NIPSCO)
ORIS Code: 996
Title IV Permit No.: AR 089-19676-00117
Permit Reviewer: CLB/AKY

On November 2, 2004, the Office of Air Quality (OAQ) had a notice published in the Gary Post Tribune, Merrillville, Indiana and The Times, Munster, Indiana, stating that Northern Indiana Public Service Company (NIPSCO) had applied for a Title IV (Acid Rain) Permit renewal for D. H. Mitchell Generating Station. The notice also stated that OAQ proposed to issue a permit for this operation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed. Comments were received by NIPSCO on November 2, 2004.

Where revisions to the permit have been made, **bolded** language has been added, the language with a line through it has been ~~deleted~~.

Comment 1:

We understand that this permit will be an appendix to the station's Title V permit. Therefore, we recommend the descriptive information contained in this permit be made consistent with the descriptive language in the Title V permit. Also, the street address should be corrected to 1 N. Clark Road.

Response to Comment 1:

IDEM has updated the unit descriptions in the Title IV permit to be consistent with the unit descriptions in the Title V permit. The address has also been corrected.

Title IV Source Description:

- ~~(a) Three (3) tangentially-fired boilers identified as Unit 4, Unit 5, and Unit 6;~~
- ~~(b) One (1) dry bottom wall-fired boiler, identified as Unit 11.~~
- (a) One (1) tangentially-fired coal-fired boiler, identified as Unit 4, with construction completed in 1956, with a design heat input capacity of 1,250 million Btu per hour (MMBtu/hr), and exhausting to stack CS45.**
- (b) One (1) tangentially-fired coal-fired boiler, identified as Unit 5, with construction completed in 1959, with a design heat input capacity of 1,250 million Btu per hour (MMBtu/hr), and exhausting to stack CS45.**
- (c) One (1) tangentially-fired coal-fired boiler, identified as Unit 6, with construction completed in 1959, with a design heat input capacity of 1,250 million Btu per hour (MMBtu/hr), and exhausting to stack CS611. Unit 6 is equipped with low-nitrogen oxide (NOx) burners for NOx emissions control.**
- (d) One (1) dry bottom wall-fired coal-fired boiler, identified as Unit 11, with construction completed in 1970, with a design heat input capacity of 1,107 million Btu per hour**

(MMBtu/hr and exhausting to stack CS611. Unit 11 is equipped with low-nitrogen oxide (NOx) burners for NOx emissions control

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

Comment 2:

Condition 4(a) and Condition 4(b) should be clarified to convey the fact that Condition 4(a)(1) establishes the applicable emission limitation for sulfur dioxide under the Acid Rain Program. The affected unit can have actual emissions that are less than or more than the number of allowances originally allocated to the unit and still be in compliance provided the affected unit holds the appropriate number of allowances corresponding to its emissions at the reconciliation deadline. We recommend condition 4(a)(2) be deleted. If not deleted, we recommend that this language be clarified to reflect the above and state that there is no violation of the Clean Air Act provided the affected unit holds the appropriate number of allowances corresponding to its calendar year emissions by the required deadline. The following language would be appropriate:

*4.(a)(2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide by **timely holding the necessary number of allowances as of the allowance transfer deadline as defined in 40 CFR 72.2.***

*4.(b) Each ton of sulfur dioxide emitted for the calendar year in excess of the **number of allowances held in the unit=s compliance subaccount as of the allowance transfer deadline as defined in 40 CFR 72.2.** of the acid rain emission limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act. @*

Comment 3:

For clarity, Condition 4(c) should be modified by adding the condition number to the reference to paragraph (a)(1) of the sulfur dioxide requirements. The recommended revision is:

*An affected unit shall be subject to the requirements under ~~paragraph~~ **Condition 4(a)** of the sulfur dioxide requirements as follows:.*

Comment 4:

For clarity, Condition 4(e) should be modified by adding the condition number to the reference to paragraph (a)(1) of the sulfur dioxide requirements. The recommended revision is:

*An allowance shall not be deducted in order to comply with the requirements under ~~paragraph~~ **Condition 4(a)(1)** of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.*

Response to Comments 2, 3, and 4:

4. Sulfur Dioxide Requirements [326 IAC 21]

(a) ~~The owners and operators of each source and each affected unit at the source~~ **Permittee** shall:

- (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the ~~unit's~~ **compliance subaccount of Units 4, 5, 6, and 11**, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from ~~the unit~~ **Units 4, 5, 6, and 11**; and,
- (2) Comply with the applicable ~~Acid Rrain~~ **Acid Rain** emissions limitations for sulfur dioxide.

(b) Each ton of sulfur dioxide emitted for the calendar year in excess of the **acid rain emissions limitations for sulfur dioxide** ~~number of allowances held in the unit's compliance sub account as of the allowance transfer deadline as defined in 40 CFR 72.2~~ shall constitute a separate violation of the Clean Air Act.

- (c) ~~An affected unit~~ **Units 4, 5, 6, and 11** shall be subject to the requirements under ~~Condition~~ **paragraph 4(a)** of the sulfur dioxide requirements as follows:
- (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or,
 - (2) Starting on the latter of January 1, 2000, or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).
- (d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (e) An allowance shall not be deducted in order to comply with the requirements under ~~Condition~~ **paragraph 4(a)(4)** of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (i) No limit shall be placed on the number of allowances held by ~~an affected source~~ **the Permittee**. ~~An affected source~~ **The Permittee** may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. [326 IAC 2-7-5(4)(B)]

Comment 5:

Condition 4 (j) should be revised to reflect the fact that the sulfur dioxide allowances have been allocated by EPA to each unit at the source. We recommend the language be changed as follows:

“(j) Sulfur dioxide allowances have been allocated by EPA to each unit at the source.”

Comment 6:

The Table listed in Condition 4(j) is obsolete and should be deleted as the EPA has allocated allowances through the year 2034 to these units.

Response to Comments 5 and 6:

This permit is for a five year period. The chart contains the applicable data for that five year period per 40 CFR 73.10, Table 2. Below the permit’s chart is a reference that the allowance allocations may change but would not necessitate a revision to the unit SO₂ allowance allocations identified in the permit. To clarify that EPA has made the SO₂ allocations for Units 7 and 8, 4(j) will be modified as follows.

4. Sulfur Dioxide Requirements [326 IAC 21]

- (j) Sulfur dioxide allowances shall be allocated ~~to each unit at the source~~ **by EPA** as follows:

SO ₂ Annual Allowance Allocations (tons) for Unit 4					
year	2005	2006	2007	2008	2009
Tons Unit 4	3,116*	3,116*	3,116*	3,116*	3,116*
SO ₂ Allowance Allocations for Unit 5					
year	2005	2006	2007	2008	2009
Tons Unit 5	3,017*	3,017*	3,017*	3,017*	3,017*
SO ₂ Allowance Allocations for Unit 6					
year	2005	2006	2007	2008	2009
Tons Unit 6	2,969*	2,969*	2,969*	2,969*	2,969*
SO ₂ Allowance Allocations for Unit 11					
year	2005	2006	2007	2008	2009
Tons Unit 11	2,658*	2,658*	2,658*	2,658*	2,658*

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

actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. Neither of the aforementioned conditions necessitates a revision to the unit SO₂ allowance allocations identified in this permit. (See 40 CFR 72.84)

Comment 7:

The requirements of Condition 5(b)(1) and 5(b)(2) of the NO_x Early Election Compliance Plan for Units 4, and 5 are for a calendar year and are for both Unit 4 and Unit 5. The existing language should be modified as indicated below to include these concepts.

(b) *NO_x Early Election Compliance Plan for Units 4, and 5:*

- (1) *...approves a NO_x early election compliance plan for Unit 4 and Unit 5. ... Under the compliance plan, this the unit's annual average NO_x emissions rate of these units for each calendar year, determined in accordance with...*
- (2) *NIPSCO must annually demonstrate that this unit meets these units meet the NO_x emission limit...*

Comment 8:

The language of condition 5(e) is for units participating in a NO_x averaging plan. We recommend the current condition 5(e) be deleted as these units are not part of a NO_x averaging plan.

Comment 9:

We request IDEM include language in this permit acknowledging the ability of the owner and operator to revise the NO_x averaging plan and Early Election plans at some future date. We believe this permit should contain an acknowledgement of these rights.

Comment 10:

Condition 5(f) is duplicative of condition 5(g), with the exception of being for a single unit where condition 5(g) is for multiple units as is applicable for the multiple units at the Mitchell generating station. Therefore, we recommend condition 5(f) be deleted.

Response to Comments 7, 8, 9, and 10:

IDEM agrees with Condition 7, 8, and 9. To clarify Condition 5, the following changes have been made.

5. Nitrogen Oxides Requirements [326 IAC 21]

- (a) ~~The owners and operators of the source and each affected unit at the source~~ **Permittee** shall comply with the applicable acid rain emissions limitation for nitrogen oxides (NO_x) **for Units 4, 5, 6, and 11.**
- (b) ~~NO_x Early Election Compliance Plan for Units 4 and 5:~~
 - (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x early election compliance plan for Unit 4 ~~and Unit 5~~. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, the annual average NO_x emission rate of ~~these units~~ **Unit 4** for each calendar year, determined in accordance with 40 CFR ~~part 75~~, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(1), of 0.45 lb/~~mm~~MMBtu for tangentially fired ~~units~~ **boilers**. If the ~~unit~~ **Unit 4** is in compliance with its applicable emission limitations for each year of the plan, then ~~the unit~~ **Unit 4** shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), of 0.40 lb/~~mm~~MMBtu for tangentially fired boilers until ~~December 31, 2007~~ **January 1, 2008.**
 - (2) ~~NIPSCO~~ **Permittee** must annually demonstrate that ~~this unit~~ **Unit 4** meet the NO_x emission limit of 0.45 lb/~~mm~~MMBtu by showing that emissions at the common stack (through which all emissions from ~~Units 4 and 5~~ are vented) meet such

limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack Common Stack 1. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR ~~part~~ 75.

(c) NOx Early Election Compliance Plan for Unit 5:

- (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NOx early election compliance plan for Unit 5. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, the annual average NOx emission rate of units Unit 5 for each calendar year, determined in accordance with 40 CFR 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(1), of 0.45 lb/MMBtu for tangentially fired boilers. If Unit 5 is-in compliance with its applicable emission limitations for each year of the plan, then Unit 5 shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), of 0.40 lb/MMBtu for tangentially fired boilers until January 1, 2008.**
- (2) Permittee must annually demonstrate that Unit 5 meet the NOx emission limit of 0.45 lb/MMBtu by showing that emissions at the common stack (through which all emissions from Units 4 and 5 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack Common Stack 1. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.**

(ed) NOx Early Election Compliance Plan for Unit 6:

- (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NOx early election compliance plan for Unit 6. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, ~~this unit's~~ **the** annual average NOx emission rate **of Unit 6** for each year, determined in accordance with 40 CFR ~~part~~ 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(1), of 0.45 lb/MMBtu for tangentially fired boilers. If ~~the unit~~ **Unit 6** is in compliance with its applicable emission limitation for each year of the plan, then Unit 6 shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(2), of 0.40 lb/MMBtu for tangentially fired boilers until calendar year 2008.**
- (2) NIPSCO Permittee must annually demonstrate that Unit 6 meets the NOx emission limit of 0.45 lb/MMBtu by showing that emissions at the common stack (through which all emissions from ~~u~~Units 6 and 11 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack 2. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR ~~part~~ 75.**

(de) NOx Early Election Compliance Plan for Unit 11:

- (1) Pursuant to 40 CFR 76.8(d)(2), the Indiana Department of Environmental Management, Office of Air Quality approves a NOx early election compliance plan for Unit 11. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, ~~this unit's~~ **the** annual average NOx emission rate **of Unit 11** for each year, determined in accordance with 40 CFR ~~part~~ 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(2) of 0.50 lb/MMBtu for dry bottom wall-fired boilers. If ~~the unit~~ **Unit 11** is in compliance with its applicable emission limitation for each year of the plan, then Unit 11 shall not be subject to the applicable emission limitation, under 40 CFR**

76.7(a)(2), or 0.46 lb/—mmMMBtu for dry bottom wall-fired boilers until ~~calendar~~
year **January 1, 2008**.

- (2) ~~NIPSCO Permittee~~ must annually demonstrate that ~~this unit~~ **Unit 11** meets the NOx emission limit of 0.45 lb/—mmMMBtu by showing that emissions at the common stack (through which all emissions from units 6 and 11 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack 2. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR ~~part~~ 75.
- ~~(e) Under the plan, the actual Btu-weighted annual average NOx emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NOx emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.~~
- (f) The Permittee may revise the NOx averaging plan following the procedure in 40 CFR 76.**
- ~~(f) In addition to the described NOx compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NOx compliance plan and requirements covering excess emissions.~~
- (g) In addition to the described NOx compliance plan, ~~this unit~~ **Units 4, 5, 6, and 11** shall comply with all other applicable requirements of 40 CFR ~~part~~ 76, including the duty to reapply for a NOx compliance plan and requirements covering excess emissions.
- ~~(h) Pursuant to 40 CFR 76, Acid Rain Nitrogen Oxides Emission Reduction Program, the natural gas-fired simple cycle Unit is not subject to the nitrogen oxide limitations set out in 40 CFR 76.~~
- (h) Pursuant to 40 CFR 72.80, 72.81, 72.82, and 72.83, NOx limits may be revised, however, no permit revision shall excuse any violation of an Acid Rain Program requirement that occurred prior to the effective date of the revision.**

Comment 11:

Condition 7(a) specifies the copies of all reports, compliance certifications, other submissions, compliance certifications, emissions monitoring, and all records made or required under the Acid Rain Program be retained on site at the source for 5 years. It would be helpful to change this provision to allow for retention of these documents at the location of the office of the Designated Representative of the affected source. This would facilitate record retention and access, especially for sources for which the Designated Representative is located at a central office instead of the source location.

Comment 12:

The last sentence of Condition 7(b) is unclear. We believe the intent is to specify where the designated representative is to submit the appropriate reports. We recommend the following revision:

~~Submit~~ **The required information is to be submitted to the appropriate authority(ies) as specified in 40 CFR 72.90 subpart I and 40 CFR 75.**

Response to Comment 11 and 12:

The requirement to keep the records on site is required by the exact wording of 40 CFR 72.9(f). IDEM declines to make the requested change. IDEM agrees to clarify Condition 7(b) with the following changes.

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

- (a) ~~Unless otherwise provided, the owners and operators of the source and each affected unit at the source~~ **Permittee** shall keep on site each of the following documents for a period of 5 years, as required by 40 CFR 72.9(f), from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OAQ:
- (1) ~~The certificate of representation for the designated representative for the source and each affected unit at the source~~ **Units 4, 5, 6, and 11** and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5 year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
- (b) ~~The designated representative of an affected source and each affected unit at the source~~ **Units 4, 5, 6, and 11** shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90, Subpart I, 40 CFR 75, and 326 IAC 21. ~~Submit~~ **The required information is to be submitted** to the appropriate authority(ies) as specified in 40 CFR 72.90, Subpart I, and 40 CFR 75.

Comment 13:

The regulatory citations listed in the heading of each of the conditions of the permit only reference 326 IAC 21 despite several different references to Title 326 of the Indiana Administrative Code and references to regulations in title 40 of the Code of Federal Regulations within the condition. To be consistent with the methodology used in the Title V permits, we recommend the regulatory authority for the various permit conditions be listed in the heading line of each condition, in addition to their current location in the text of the condition.

Response to Comment 13:

The Indiana Air Pollution Control Board adopted the acid deposition control program in 326 Indiana Administrative Code 21.

Comment 14:

We question the need for the permit to contain two separate certification subconditions in Condition 8(d)(1) and 8(d)(2) when they could be combined into one as is done on the certification form attached to the earlier version of this permit. We recommend condition 8(d)(1) and 8(d)(2) be combined into one condition.

Comment 15:

The language of Condition 8(e) is awkwardly crafted and should be reworded as recommended below. This is based on our understanding that the intent of this condition is to identify the deadlines for the designated representative of a source applicable upon his submission of Acid Rain Program documents or his receipt of any written determinations by EPA or IDEM, OAQ determinations that “cover “ the source or unit. We recommend the following language to convey this intent:

- (e) ~~The designated representative of a source shall notify~~ **provide notification, according to the schedule in (e)(1) and (e)(2) as applicable, to each owner and operator of the source and of an affected unit at the source for each submission he provides or determination he receives that covers the source or the unit.**
- (1) *By the date of submission, of any Acid Rain Program submissions by the designated representative **for the unit;***
- (2) *Within 10 business days of receipt of any written determination by the U. S. EPA or IDEM, OAQ **for the unit;** and,*

- (3) ~~Provided that the submission or determination covers the source or the unit.~~

Response to Comment 14 and 15:

Pursuant to 40 CFR 72.21(b) this language is directly from the regulations, however, to clarify the responsibilities of the Permittee, IDEM, OAQ has made the following changes.

8. Submissions [326 IAC 21]

- (a) The designated representative of **Units 4, 5, 6, and 11** shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA and IDEM, OAQ in accordance with 40 CFR 72 and 326 IAC 21.
- (b) The designated representative shall submit required information to:
- Indiana Department of Environmental Management
Permits **Branch** Administration Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6045
Indianapolis, IN Indiana 46206-6045 **46204-2251**
- (e) The designated representative of a source **Units 4, 5, 6, and 11** shall provide notification, according to schedule in (e)(1) and (e)(2) as applicable, to each owner and operator of the source and of an affected unit at the source for each submission he provides or determination he receives that covers the source or the unit **notify the Permittee:**
- (3) Provided that the submission or determination covers the source or the unit.**
- (f) The designated representative of a source **Units 4, 5, 6, and 11** shall provide each owner and operator **the Permittee** of an affected unit at the source a copy of any submission or determination under condition **paragraph 8(e)** of this section, unless the owner or operator **Permittee** expressly waives the right to receive a copy.

Comment 16:

The language of Condition 10(c) appears to conflict and interfere with the ability of the permit holder to obtain and utilize legal remedies or judgments that revise the requirements applicable to the permit holder prior to the revision of the permit reflecting those changes. We recommend the following revision to remove this impediment:

- (c) *No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect unless otherwise allowed by law.*

Response to Comment 16:

The permit terms and conditions in this permit reflect the wording set out in the rules. This language is used by all permitting authorities across the U.S. IDEM wishes to have permit conditions that are consistent with other permitting authorities. However, IDEM has made the following changes to clarify the responsibilities of the Permittee and designated representative.

10. Liability [326 IAC 21]

- (d) ~~Each affected source and each affected unit~~ **Units 4, 5, 6, and 11** shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to ~~an affected source~~ **Unit 4, 5, 6, or 11**, including a provision applicable to the designated representative of ~~an affected source~~ **Unit 4, 5, 6, or 11**, shall also apply to the owners and operators **Permittee** of such source ~~and of the affected units at the source.~~
- (f) Any provision of the Acid Rain Program that applies to ~~an affected unit~~ **Unit 4, 5, 6, or 11**,

including a provision applicable to the designated representative of ~~an affected unit~~ **Unit 4, 5, 6, or 11**, shall also apply to the ~~owners and operators of such unit~~ **Permittee**. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NOx averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the ~~owners and operators~~ **Permittee** and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

- (g) Each violation of a provision of 40 CFR parts 72, 73, ~~74~~, 75, 76, 77, and 78 by ~~an affected source or affected unit~~ **Unit 4, 5, 6, or 11**, or by ~~an owner or operator~~ **the Permittee** or designated representative ~~of such source or unit~~, shall be a separate violation of the Clean Air Act.

Comment 17:

Condition 9 leads us to believe that this permit is a separate and distinct permit from the Title V operating permit for the Dean H. Mitchell Generating Station and, therefore, this permit will exist independent of the Title V permit. We would appreciate confirmation of this interpretation.

Response to Comment 17:

The Title IV permit is separate and distinct from the Title V operating permit.

Comment 18:

We would like to remind IDEM that the draft Title V permit for this generating station is expected to be finalized at about the same time this Phase II Acid Rain Permit is set to become effective. It is our understanding that when this permit is finalized it will be attached as an appendix in the Title V permit. To reduce the administrative burden on IDEM and NIPSCO, we recommend IDEM synchronize the expiration date of the Phase II Acid Rain Permit to match the expiration date of the Title V permit.

Response to Comment 18:

Due to the complexities of issuing the Title V permit for this source, this synchronization cannot be done.

Comment 19:

The reference to the Federal Power Act (16 U.S.C 791(a) et seq.) contained in Condition 11(d) appears incorrect. We believe the correct reference to this law is 16 U.S.C 791a. We recommend IDEM correct the reference in the permit.

Response to Comment 19:

Pursuant to "The Blue Book, A Uniform System of Citation; 15th Edition"; Rule 12.3.1(a) – Use of the parentheses are appropriate when citing to the subsection of a statute. The purpose of the permit and TSD is to clarify the federal and state statutes. The use of the parentheses throughout these documents assists statute and rule research.

Comment 20:

The reference to the Clean Air Act (42 U.S.C 7651 to 7651(o)) contained in Condition 11(a) is incorrect. We believe the correct reference to this is 42 U.S.C 7651 to 7651o. We recommend IDEM correct the reference in the permit.

Response to Comment 20:

Pursuant to The Blue Book, A Uniform System of Citation; 15th Edition; Rule 12.3.1(a) – Use of the parentheses are appropriate when citing to the subsection of a statute. The purpose of the permit and TSD is to clarify the federal and state statutes. The use of the parentheses throughout these documents assists statute and rule research.

To clarify the responsibilities of the Permittee and the designated representative, the following changes have been made to Condition 11:

11. Effect on Other Authorities [326 IAC 21]

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

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the ~~owners and operators~~ **Permittee** and, to the extent applicable, the designated representative of ~~an affected source or affected unit~~ **Unit 4, 5, 6, or 11** from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

Upon further review, the OAQ has decided to make the following revisions to the permit (where language deleted is shown with ~~strikeout~~ and the added is shown in **bold**) are as follows:

Change 1:

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

~~Phase II~~
TITLE IV (ACID RAIN) PERMIT RENEWAL

Change 2:

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

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

Change 3:

The following changes to the permit have been made to clarify the responsibilities of the Permittee and the designated representative.

1. Statutory and Regulatory Authorities

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

2. Standard Permit Requirements [326 IAC 21]

- (a) The designated representative has submitted a complete acid rain permit application in accordance with the deadlines in 40 CFR 72.30.
- (b) The ~~owners and operators of each affected source and each affected unit~~ **Permittee** shall operate ~~the unit~~ **Units 4, 5, 6, and 11** in compliance with this permit.

3. Monitoring Requirements [326 IAC 21]

- (a) The ~~owners and operators~~ **Permittee** and, to the extent applicable, the designated representative of ~~each affected source and each affected unit at the source~~ **Units 4, 5, 6, and 11** shall comply with the monitoring requirements as provided in 40 CFR 75 and 76.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 76 shall be used to determine compliance by ~~the unit~~ **Units 4, 5, 6, and 11** with the acid rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.

- (c) The requirements of 40 CFR 75 and 76 shall not affect the responsibility of the ~~owners and operators~~ **Permittee** to monitor emissions of other pollutants or other emissions characteristics at the unit **Units 4, 5, 6, and 11** under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

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

- (a) ~~The designated representative of an affected unit that~~ **If Unit 4, 5, 6, or 11** has excess emissions of sulfur dioxide in any calendar year, **the designated representative** shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.

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

Indiana Department of Environmental Management
Air Compliance ~~Section 1~~ **Branch**, Office of Air Quality
100 North Senate Avenue, ~~P.O. Box 6015~~
Indianapolis, ~~IN Indiana 46206-6015~~ **46204-2251**

- (c) ~~The owners and operators of an affected unit that~~ **If Unit 4, 5, 6, or 11** has excess emissions, as defined in 40 CFR 72.2, in any calendar year **the Permittee** shall:

Indiana Department of Environmental Management Office of Air Quality

Technical Support Document For a Phase II Acid Rain Permit Renewal

Source Background and Description

Source Name: NIPSCO D.H. Mitchell Generating Station
Source Location: Clark Road and Lake Michigan, Gary, IN
County: Lake
Operated By: Northern Indiana Public Service Company (NIPSCO)
ORIS Code: 996
Previous Phase II Permit No.: 089-5299-00117
Phase II Permit Renewal No.: 089-19676-00117
Permit Reviewer: Cynthia Bymaster

The Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) has reviewed a Phase II Acid Rain permit renewal application submitted by Northern Indiana Public Service Company (NIPSCO) on July 6, 2004. The application is for the operation of the tangentially-fired unit 4, tangentially-fired unit 5, tangentially-fired unit 6, and dry bottom wall-fired boiler unit 11, at a site located at Clark Road and Lake Michigan, Gary, Indiana.

- (a) Three (3) tangentially-fired boilers identified as Unit 4, Unit 5, and Unit 6;
- (b) One (1) dry bottom wall-fired boiler, identified as Unit 11.

This permit renewal, 089-19676-00117, covers calendar years 2005 to 2009 involving the same affected units as indicated in the initial Phase II permit, 089-5299-00117.

Existing Approvals

The source has been operating under the following previous Phase II approval:

- (a) AR 089-5299-00117, issued December 31, 1997.

NIPSCO was issued a Title IV permit with an Early Election Plan, for the Dean Mitchell Generating Station, effective from January 1, 2000 to December 31, 2004.

Program Description

The following information is provided to explain the Acid Rain Program.

- (a) **Goal of the Program**
The goal of the 1990 Clean Air Act (CAA) Amendments, Acid Rain Program is to reduce the impact of man-made emissions of sulfur dioxide (SO₂) and nitrogen oxide (NO_x) on lakes, streams, forests, crops and, most important, the health of the public, by a nationwide SO₂ allocation of emissions from power plants. While it may not seem to be a local problem, the information collected shows a need for this reduction. This is because these emissions can be transported great distances. Results of the SO₂ and NO_x program, along with past, present and future plans, can be found on the Internet at <http://www.epa.gov/airmarkets/arp/>. Additional information in the form of maps showing the results of the SO₂ and NO_x limitations can be found on the Internet at <http://nadp.sws.uiuc.edu/>.

The U.S. EPA has set a limit on the amount of sulfur dioxide emissions and the emission rate of nitrogen oxides for all regulated power plants, for each year from 2000 through 2009. The total sulfur dioxide emissions for all affected power plants in the nation have been limited to 9.4 million tons every year. That amount is 10 million tons less than the total emissions of sulfur dioxide in 1980. In 1993, U.S. EPA allocated a certain amount of sulfur dioxide emissions allowances to each power plant regulated by Phase II of the Acid Rain Program. Emissions of nitrogen oxides are being reduced by at least 2 million tons per year, by setting limits on the emission rate of nitrogen oxides from coal-fired power plant boilers.

(b) Federal Rules

The emission allowances and conditions in this draft Phase II permit were taken from the limits developed by the U.S. EPA for the Acid Rain Program pursuant to Title IV of the Clean Air Act, 42 United States Code 7401, as amended by Public Law 101-5049 (November 15, 1990). Parts 72 through 78 of Title 40 of the Code of Federal Regulations (CFR), 61 Federal Register (FR) 59142, 61 FR 67111, 61 FR 68821, and 62 FR 3463, apply to regulated power plants.

(c) Indiana's Rules

Title 326 of the Indiana Administrative Code (IAC) Article 21, Acid Deposition Control, has adopted the federal rule by referencing 40 CFR 72 through 78, 61 FR 59142, 61 FR 67111, 61 FR 68821, and 62 FR 3463. The rule incorporates the requirements of Title IV, Clean Air Act Acid Rain Program, of the 1990 Clean Air Act (CAA).

(d) Sulfur Dioxide (SO₂) Emission Allocations

The sulfur dioxide allowance allocation rule (40 CFR Part 73) was revised in August 1998. The nation wide allocated sulfur dioxide emissions are 9,480,000 tons per year for 2000 through 2009. The 2010 cap is projected to reduce sulfur dioxide emissions to 8,900,000 tons per year. No allocations were made for new sources. New regulated power plants have to obtain sulfur dioxide emission allocations by purchasing them from pre-existing power plants that have received U.S. EPA allocations. A regulated power plant may have emission allocations to sell because the plant purchased newer, less polluting, equipment. The U.S. EPA keeps track of the transfer of all sulfur dioxide emission allocations in an official accounting system.

(e) Nitrogen Oxide Emission (NO_x) Limitations

Pursuant to 40 CFR 76, nitrogen oxide (NO_x) emission limitations are applicable only to coal-fired utility and coal-fired substitution units that are subject to Phase I and Phase II sulfur dioxide (SO₂) reduction requirements.

Specific Sulfur Dioxide (SO₂) Emission Allocations

There are four (4) affected units, identified as Units 4, 5, 6, and 11 in this generating station. Table 1 below summarizes the SO₂ Allowance Allocations for these units.

Table 1					
SO ₂ Allowance Allocations (tons/year)					
	2005	2006	2007	2008	2009
Unit 4	3,116	3,116	3,116	3,116	3,116
Unit 5	3,017	3,017	3,017	3,017	3,017
Unit 6	2,969	2,969	2,969	2,969	2,969
Unit 11	2,658	2,658	2,658	2,658	2,658

The four (4) coal burning boilers are subject to U.S. EPA 40 CFR 73 allotment allowances and may change in revisions to Tables 2, 3, and 4.

Specific NO_x Compliance and Averaging Plan

There are four (4) affected units, identified as Units 4, 5, 6, and 11, in this generating station. Table 2 below summarize the NO_x compliance plan for these units.

Table 2 Early Election Limits		
Calendar Years 2005 to 2007	Emission Limitation per 40 CFR 76.7(a)(2) (lb/MMBTU)	Alternative Limit per 40 CFR 76.5(a)(2) (lb/MMBTU)
Unit 4	0.45	0.45
Unit 5	0.45	0.45
Unit 6	0.45	0.45
Unit 11	0.50	0.50
Calendar Years 2008 to 2009	Emission Limitation per 40 CFR 76.7(a)(2) (lb/MMBTU)	Alternative Limit per 40 CFR 76.5(a)(2) (lb/MMBTU)
Unit 4	0.40	n/a
Unit 5	0.40	n/a
Unit 6	0.40	n/a
Unit 11	0.46	n/a
The BTU weighted annual emission rate limit over the units if they are operated in accordance with the early election plans = BTU weighted annual emission limit rate for same units operated in compliance with 40 CFR 76.5		

Emissions Monitoring Requirements

The owners and operators and, to the extent applicable, the designated representative for the source must comply with the monitoring requirements set out in 40 CFR 75 and 72.9(b)(1) and (2). The source must measure and record it's emissions of sulfur dioxide. The source must report these measurements to IDEM and U.S. EPA. These records and reports are used to determine if the source is in compliance with the sulfur dioxide allocation program. The requirements of the Phase II permit do not affect the source's responsibility to monitor emissions of other pollutants or other emissions characteristics required by the Clean Air Act and other operating permit provisions. Monitoring requirements outlined in the source's Phase II permit renewal application are considered as part of the Phase II renewal permit.

Other Record Keeping and Reporting Requirements

The source must keep copies of all reports and compliance certifications that it submits to demonstrate compliance with the requirements of the Phase II permit for five years. The source must submit the reports and compliance certifications required by the Phase II permit to the U.S. EPA and IDEM, OAQ. Record keeping and reporting requirements outlined in the Phase II renewal application are considered part of the Phase II renewal permit.

Submissions

The designated representative for each emissions unit must sign and certify every report or other

submission required by the Phase II renewal permit. The designated representative must include the following certification statement in every submission:

"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."

The designated representative must send each owner and operator of the source a notification regarding every submission. The designated representative must also notify each owner and operator of the source within ten (10) business days of the receipt of any written determination made by U.S. EPA or IDEM.

Draft Phase II Permit Renewal

Based on the information IDEM received from the proposed operator, IDEM has preliminarily determined that the source meets the requirement of Indiana Code (IC) 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2, as well as Title IV of the Clean Air Act. IDEM proposes this draft Phase II permit renewal pursuant to 326 IAC 21.

Recommendation

The staff recommends to the IDEM's Commissioner that the Title IV Acid Rain permit renewal 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.

A Phase II Acid Rain permit renewal application for the purposes of this review was received on July 6, 2004.

IDEM Contact

- (a) Permit
Questions regarding the proposed Phase II renewal permit can be directed to Cynthia Bymaster at the Indiana Department Environmental Management (IDEM), Office of Air Quality (OAQ), 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015 or by telephone at (317) 233-2641 or toll free at 1-800-451-6027 extension 3-2641.
- (b) Compliance Inspection
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 Dan Hancock at the Office of Air Quality (OAQ) address or by telephone at (317) 232-8429 or toll free at 1-800-451-6027 extension 232-8429.
- (c) Copies
Copies of the Code of Federal Regulations (CFR) referenced in the permit may be obtained from:

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

DRAFT

or

The Government Printing Office
Washington, D.C. 20402

or

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