



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 07, 2005

RE: DPL Energy Montpelier Electric Generating Station / 179-20348-00026

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

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

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-17-3-4 and 326 IAC 2, this permit modification is effective immediately, unless a petition for stay of effectiveness is filed and granted, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3-7 and IC 13-15-7-3 require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office Environmental Adjudication, 100 North Senate Avenue, Government Center North, Room 1049, Indianapolis, IN 46204, **within eighteen (18) days of the mailing of this notice**. The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

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

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

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

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

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

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

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



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
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July 07, 2005

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[www.IN.us/idem](http://www.IN.us/idem)

Gary M. Bramble  
DPL Energy Montpelier Electric Generating Station  
1065 Woodman Drive  
Dayton, Ohio 45432

Re: 179-20348-00026  
First Significant Permit Modification to  
Part 70 No.: 179-15228-00026

Dear Mr. Bramble:

DPL Energy Montpelier Electric Generating Station was issued a Part 70 permit on September 2, 2003 for an electric utility generation station. A letter requesting changes to this permit was received on November 4, 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 revisions to the compliance monitoring requirements for 40 CFR 60, Subpart GG (New Source Performance Standards for Stationary Gas Turbines) based on an alternative monitoring plan approved by U.S. EPA and the most recent version of the NSPS, Subpart GG. The Permittee also applied for a NOx budget permit and this NOx budget permit has been included in the revised Part 70 permit. In addition, a new condition (B.24) has been incorporated into the revised permit to address credible evidence.

All other conditions of the permit shall remain unchanged and in effect. Please find attached a copy of the revised permit.

Pursuant to Contract No. A305-5-65, IDEM, OAQ has assigned the processing of this application to Eastern Research Group, Inc., (ERG). Therefore, questions should be directed to Yu-Lien Chu, ERG, 1600 Perimeter Park Drive, Morrisville, North Carolina 27560, or call (919) 468-7871 to speak directly to Ms. Chu. Questions may also be directed to Duane Van Laningham at IDEM, OAQ, 100 North Senate Avenue, Indianapolis, Indiana, 46204, or call (800) 451-6027, and ask for Duane Van Laningham, or extension 3-6878, or dial (317) 233-6878.

Sincerely,

Original signed by  
Paul Dubenetzky, Chief  
Permits Branch  
Office of Air Quality

Attachments  
ERG/YC

cc: File – Wells County  
Wells County Health Department  
Air Compliance Section Inspector – Dan Hancock  
Compliance Data Section  
Administrative and Development



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Technical Support and Modeling - Michele Boner



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## PART 70 OPERATING PERMIT OFFICE OF AIR QUALITY

### DPL Energy Montpelier Electric Generating Station 8495 South 450 West Poneto, Indiana 46781

(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.

**The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit is grounds for enforcement action; permit termination, revocation and reissuance, or modification; or denial of a permit renewal application. Noncompliance with any provision of this permit, except any provision specifically designated as not federally enforceable, constitutes a violation of the Clean Air Act. 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. 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.**

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.: T179-15228-00026	
Issued by: Original signed by Janet G. McCabe, Assistant Commissioner Office of Air Quality	Issuance Date: September 2, 2003  Expiration Date: September 2, 2008

First Significant Permit Modification No.: 179-20348-00026	Pages Affected: 17, 23, 28-31, 33-36
Issued by: Original signed by Paul Dubenetzky, Chief Permits Branch Office of Air Quality	Issuance Date: July 07, 2005

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## SECTION A SOURCE SUMMARY

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

### A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)] [326 IAC 2-7-1(22)]

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The Permittee owns and operates a stationary electric utility generating station.

Responsible Official: DPL Energy Operations Manager  
Source Address: 8495 South 450 West, Poneto, Indiana 46781  
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432  
Source Telephone: (937) 259-7880  
SIC Code: 4911  
County Location: Wells  
Source Location Status: Attainment for all criteria pollutants  
Source Status: Part 70 Permit Program  
Minor 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)]

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

Four (4) FT-8 Pratt & Whitney Twin-Pac units, installed in February 2001, consisting of eight (8) simple cycle natural gas-fired combustion turbines, utilizing No. 2 diesel oil as a back-up fuel source, and four (4) electric generators. Each generator is directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines directly connected to each generator are designated as CT1 and CT2. Each of the eight (8) combustion turbines has an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV), a nominal output of 25 MW, water-injection for NO<sub>x</sub> emissions control, and exhausts to one (1) dedicated stack respectively designated as G1CT1S1 through G4CT2S2. Each stack is equipped with a continuous emissions monitoring system (CEMS) to measure NO<sub>x</sub> and CO emissions.

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

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

- (a) Paved and unpaved roads and parking lots.
- (b) Other emergency equipment as stationary fire pumps, specifically including:

One (1) diesel-fired emergency fire pump, with a maximum heat input capacity of 1.0 MMBtu/hr, exhausting to the atmosphere.

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

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

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

## **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]**

This permit is issued for a fixed term of five (5) years from the issuance date of this permit, 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 of this permit or of permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

### **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 Provide Information [326 IAC 2-7-5(6)(E)]**

(a) 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.

(b) 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 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 can cover multiple forms in one (1) submittal.

(c) A responsible official is defined at 326 IAC 2-7-1(34).

B.9 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 Branch, Office of Air Quality  
100 North Senate Avenue  
Indianapolis, Indiana 46204

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.10 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 maintain and implement Preventive Maintenance Plans (PMPs) 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.
- (b) The Permittee shall implement the PMPs, including any required record keeping, as necessary to ensure that failure to implement a PMP does not cause or contribute to an exceedance of any limitation on emissions or potential to emit.
- (c) 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 is the primary contributor to an exceedance of any limitation on emissions or potential to emit. The PMP does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (d) To the extent the Permittee is required by 40 CFR Part 63 to have an Operation, Maintenance, and Monitoring (OMM) Plan for a unit, such Plan is deemed to satisfy the PMP requirements of 326 IAC 1-6-3 for that unit.

B.11 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) 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.12 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 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.13 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.14 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

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.15 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]

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- (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.16 Permit Renewal** [326 IAC 2-7-3] [326 IAC 2-7-4]

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- (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

- (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] [326 IAC 2-7-4]  
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 a reasonable deadline specified in writing by IDEM, OAQ, any additional information identified as being needed to process the application. [326 IAC 2-7-4(a)(2)(D) and (E)]
- (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.17 Source Modification [326 IAC 1-2-42] [326 IAC 2-7-10.5]

- (a) The Permittee shall obtain approval as required by 326 IAC 2-7-10.5 from the OAQ prior to making any modification to the source. Pursuant to 326 IAC 1-2-42, "Modification" means one (1) or more of the following activities at an existing source:
- (1) A physical change or change in the method of operation of any existing emissions unit that increases the potential to emit any regulated pollutant that could be emitted from the emissions unit, or that results in emissions of any regulated pollutant not previously emitted.
- (2) Construction of one (1) or more new emissions units that have the potential to emit regulated air pollutants.
- (3) Reconstruction of one (1) or more existing emission units that increases the potential to emit of any regulated air pollutant.
- (b) Any application requesting a source modification shall be submitted to:

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

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

- (c) The Permittee shall also comply with the applicable provisions of 326 IAC 2-7-11 (Administrative Permit Amendments) or 326 IAC 2-7-12 (Permit Modification) prior to operating the approved modification.

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

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)]
- (e) No permit amendment or modification is required for the addition, operation or removal of a nonroad engine, as defined in 40 CFR 89.2.

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) 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 emissions allowable under this permit (whether expressed herein as a rate of emissions or in terms of total emissions);

- (4) The Permittee notifies the:

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

and

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

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

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

Such records shall consist of all information required to be submitted to IDEM, OAQ, in the notices specified in 326 IAC 2-7-20(b)(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 increases and decreases in emissions in the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).

- (d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]  
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-7-5(9). No prior notification of IDEM, OAQ, or U.S. EPA is required.
- (e) Backup fuel switches specifically addressed in, and limited under, Section D of this permit shall not be considered alternative operating scenarios. Therefore, the notification requirements of part (a) of this condition do not apply.

B.21 Inspection and Entry [326 IAC 2-7-6] [IC 13-14-2-2][IC 13-30-3-1]

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) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, have access to and copy any records that must be kept under the conditions of this permit;
- (c) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, inspect any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- (d) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, sample or monitor substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and
- (e) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.

B.22 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

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.23 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, OAQ, Billing, Licensing, and Training Section), to determine the appropriate permit fee.

B.24 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 [40 CFR 52 Subpart P][326 IAC 6-3-2]

- (a) Pursuant to 40 CFR 52 Subpart P, particulate matter emissions 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), particulate emissions 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.

#### 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).

#### C.6 Fugitive Particulate Matter Emission Limitations [326 IAC 6-5]

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emissions Limitations), fugitive particulate matter emissions shall be controlled according to the plan submitted on February 16, 2000.

This plan consists of wet suppression of dust from roads on an as needed basis.

**C.7 Stack Height [326 IAC 1-7]**

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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.

**C.8 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]**

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The Permittee shall comply with the applicable requirements of 326 IAC 14-10, 326 IAC 18, and 40 CFR 61.140.

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

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

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(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

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.10 Compliance Requirements [326 IAC 2-1.1-11]**

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

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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

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.12 Maintenance of Continuous Emission Monitoring Equipment [326 IAC 2-7-5(3)(A)]**

- (a) The Permittee shall calibrate, maintain, and operate all necessary continuous emission monitoring systems (CEMS) and related equipment.
- (b) All continuous emission monitoring systems shall meet all applicable performance specifications of 40 CFR 60, 40 CFR 75, or any other performance specification, and are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.
- (c) 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.
- (d) 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<sub>x</sub> or SO<sub>2</sub> emissions pursuant to 40 CFR 75 (Title IV Acid Rain program) or 326 IAC 10-4 (NO<sub>x</sub> 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<sub>x</sub> or SO<sub>2</sub> emissions pursuant to 40 CFR 75 or 326 IAC 10-4, 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.
- (e) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous emission monitoring system pursuant to 326 IAC 3-5, 326 IAC 10-4, 40 CFR 60, or 40 CFR 75, and New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000.

**C.13 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63][40 CFR 75]**

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, 40 CFR 75, 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.14 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]**

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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 January 22, 2002.
- (b) 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]

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C.15 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68]

If a regulated substance, as defined in 40 CFR 68, is present at a source in more than a threshold quantity, the source must comply with the applicable requirements at 40 CFR 68.

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C.16 Compliance Response Plan - Preparation, Implementation, Records, and Reports  
[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. If a Permittee is required to have an Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan under 40 CFR 63, such plans shall be deemed to satisfy the requirements for a CRP for those compliance monitoring conditions. 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 or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan and the Permittee documents such response in accordance with subsection (e) below, the Permittee shall amend its Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan to include such response steps taken.

The OMM Plan or Parametric Monitoring and SSM Plan shall be submitted within the time frames specified by the applicable 40 CFR 63 requirement.

- (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 Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan; or
  - (2) If none of the reasonable response steps listed in the Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) 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 be considered a deviation from 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, in accordance with Section D, 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.

C.17 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5]  
[326 IAC 2-7-6]

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- (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 response action 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.18 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) In accordance with the compliance schedule specified in 326 IAC 2-6-3(b)(1), starting in 2004 and every three (3) years thereafter, the Permittee shall submit by July 1 an emission statement covering the previous calendar year. The emission statement shall contain, at a minimum, the information and must comply as 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 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 fee assessment.

The 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

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

- (a) Records of all required monitoring data, reports and support information required by this Permit 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 physically present or electronically accessible 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.20 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11]

- (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 462064
- (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.

### **Stratospheric Ozone Protection**

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

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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.
- (d) Pursuant to 40 CFR 82, Subpart E (The Labeling of Products Using Ozone-Depleting Substances), all containers in which a Class I or Class II substance is stored or transported and all products containing a Class I substance shall be labeled as required under 40 CFR Part 82.

## SECTION D.1

## FACILITY OPERATION CONDITIONS

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

Four (4) FT-8 Pratt & Whitney Twin-Pac units, installed in February 2001, consisting of eight (8) simple cycle natural gas-fired combustion turbines, utilizing No. 2 diesel oil as a back-up fuel source, and four (4) electric generators. Each generator is directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines directly connected to each generator are designated as CT1 and CT2. Each of the eight (8) combustion turbines has an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV), a nominal output of 25 MW, water-injection for NO<sub>x</sub> emissions control, and exhausts to one (1) dedicated stack respectively designated as G1CT1S1 through G4CT2S2. Each stack is equipped with a continuous emissions monitoring system (CEMS) to measure NO<sub>x</sub> and CO emissions.

### Insignificant Activities

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

- (b) Other emergency equipment as stationary fire pumps, specifically including:

One (1) diesel-fired emergency fire pump, with a maximum heat input capacity of 1.0 MMBtu/hr, exhausting to the atmosphere.

(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 PSD Minor Limit [326 IAC 2-2]

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, the Permittee shall comply as follows:

- (a) The potential to emit of NO<sub>x</sub> and CO from the eight (8) combustion turbines and one (1) diesel-fired emergency fire pump shall be limited to less than 250 tons per twelve (12) consecutive month period per pollutant, with compliance demonstrated at the end of each month. By limiting NO<sub>x</sub> and CO emissions to less than 250 tons per year, the SO<sub>2</sub> and PM emissions are also limited to less than 250 tons per year. Therefore, the Prevention of Significant Deterioration (PSD) rules, 326 IAC 2-2, will not apply.
- (b) The NO<sub>x</sub> and CO emissions shall be limited by the following equation:
- (1) NO<sub>x</sub> emissions (tons per twelve (12) consecutive month period) =  
Emissions from combustion turbines (tons/12-months, based on CEMs data) +  
fuel oil usage from emergency fire pump (kgals/12-months) \* appropriate AP-42  
emission factor.
- (2) CO emissions (tons per twelve (12) consecutive month period) =  
Emissions from combustion turbines (tons/12-months, based on CEMs data) +  
fuel oil usage from emergency fire pump (kgals/12-months) \* appropriate AP-42  
emission factor.

- (c) The source shall operate a continuous emissions monitoring system on each combustion turbine in accordance with 326 IAC 3-5, to demonstrate compliance with the NO<sub>x</sub> and CO limits.
- (d) The sulfur content of the fuel oil shall not exceed 0.05 percent by weight.

D.1.2 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR Part 60, Subpart A]

The provisions of 40 CFR Part 60, Subpart A - General Provisions, which are incorporated by reference in 326 IAC 12-1, apply to the eight (8) combustion turbines described in this section except when otherwise specified in 40 CFR Part 60, Subpart GG.

D.1.3 New Source Performance Standard (NSPS) [326 IAC 12-1][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<sub>x</sub> 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 peak load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt hour.

F = NO<sub>x</sub> 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 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.1.4 Hazardous Air Pollutants (HAPs) [326 IAC 2-4.1-1] [40 CFR 63.2]

(a) Pursuant to Minor Permit Revision No. 179-15577-00026, issued May 16, 2002, the formaldehyde emission rate from each stack shall not exceed 0.00203 pounds per million Btu of heat input (lb/MMBtu). Compliance with this emission rate shall limit the source-wide potential to emit a single HAP to less than 10 tons per twelve (12) consecutive month period, based on compliance with Condition D.1.1 that effectively limits fuel usage at this source.

(b) Any change or modification which may increase the source-wide potential to emit the combination of HAPs to twenty-five (25) tons per twelve (12) consecutive month period shall require OAQ's prior approval before such change can take place.

Compliance with this condition and D.1.1 shall make the requirements of 326 IAC 2-4.1-1 (New Source Toxics Control) not applicable, and shall make the source an area source, pursuant to the definition of such at 40 CFR 63.2.

**D.1.5 Sulfur Dioxide (SO<sub>2</sub>) [326 IAC 7-1.1]**

Pursuant to 326 IAC 7-1.1, sulfur dioxide emissions from fuel combustion facilities shall be limited to five-tenths (0.5) pounds per million Btu for distillate oil combustion.

**D.1.6 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.1.7 Preventive Maintenance Plan [326 IAC 2-7-5(13)]**

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

**Compliance Determination Requirements**

**D.1.8 Continuous Emissions Monitoring [326 IAC 3-5]**

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, in order to demonstrate compliance with the limits specified in Condition D.1.1 the source shall comply as follows:

- (a) Pursuant to 326 IAC 3-5-1(d)(1), the Permittee shall calibrate, certify, operate and maintain a continuous monitoring system for measuring NO<sub>x</sub> and CO emissions rates in pounds per hour from the eight (8) stacks in accordance with 326 IAC 3-5-2 and 326 IAC 3-5-3.
- (b) Pursuant to 326 IAC 3-5-4, the Permittee shall submit to IDEM, OAQ, any updates made to the continuous monitoring standard operating procedure (SOP) document submitted to IDEM, OAQ, on August 31, 2001.
- (c) 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.
- (d) Whenever a continuous emission monitoring system (CEMS) is malfunctioning or down, the Permittee shall:
  - (1) 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 SO<sub>2</sub> Concentration Data*; and
  - (2) use the *Standard Missing Data Substitution Procedures for NO<sub>x</sub> Concentration Data* of 40 CFR 75.33(c) for the NO<sub>x</sub> CEMS,

to respectively demonstrate compliance with the CO and NO<sub>x</sub> emission limits established in D.1.1.

- (e) The Permittee may submit to IDEM, OAQ, alternative emission factors based on the source's CEMS data, to use in instances of downtime. The alternative emissions factors must be approved by IDEM, OAQ, prior to use in calculating emissions for the limitations established in this permit. The alternative emission factors shall be based upon collected monitoring and test data supplied from an approved continuous emission monitoring system and/or approved performance tests. In the event that the information submitted does not contain sufficient data to establish appropriate emission factors, the Permittee shall continue to collect data until appropriate emission factors can be established.

During this period of time, the source shall continue to use the CO and NO<sub>x</sub> Missing Data Substitution Procedures specified in 40 CFR Part 75, Subpart D, in periods of downtime

D.1.9 Sulfur Dioxide Emissions and Sulfur Content [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, the Permittee shall comply as follows:

- (a) Pursuant to 326 IAC 7-1.1-2 and 326 IAC 7-2-1(c)(3), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the equivalent of 0.5 pounds per million Btu using a calendar month average.
- (b) The Permittee shall perform sampling and analysis of fuel oil samples in accordance with 326 IAC 3-7-4(a).
  - (1) The Permittee may rely upon vendor analysis of fuel delivered, if accompanied by a vendor certification [326 IAC 3-7-4(b)]; 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.
- (c) Upon written notification of a facility owner or operator to IDEM, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance. Upon such notification, the other requirements of 326 IAC 7 shall not apply. [326 IAC 7-2-1(g)]

D.1.10 NSPS Compliance Requirements [326 IAC 12][40 CFR Part 60.334 (Subpart GG)]

Pursuant to 40 CFR Part 60, Subpart GG (Stationary Gas Turbines), the Permittee shall monitor combustion turbine operations as follows:

- (a) Pursuant to 40 CFR 60.334(b), the Permittee shall install, certify, maintain, operate, and quality-assure a continuous emission monitoring system (CEMS) consisting of NO<sub>x</sub> and O<sub>2</sub> monitors. The CEMS shall be installed, certified, maintained and operated as follows:
  - (1) Each CEMS must be installed and certified according to PS 2 and 3 (for diluent) of 40 CFR part 60, appendix B, except the 7-day calibration drift is based on unit operating days, not calendar days. Appendix F, Procedure 1 is not required. The relative accuracy test audit (RATA) of the NO<sub>x</sub> and diluent monitors may be performed individually or on a combined basis.
  - (2) As specified in 40 CFR 60.13(e)(2), during each full unit operating hour, each monitor must complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each 15-minute quadrant of the hour, to validate the hour. For partial unit operating hours, at least one valid data point must be obtained for each quadrant of the hour in which the unit operates. For unit operating hours in which required quality assurance and maintenance activities are performed on the CEMS, a minimum of two valid data points (one in each of two quadrants) are required to validate the hour.

- (3) For purposes of identifying excess emissions, CEMS data must be reduced to hourly averages as specified in 40 CFR 60.13(h).
- (b) Pursuant to 40 CFR 60.334(h) and (i), the Permittee shall monitor the total sulfur content of the fuel being fired in the turbine daily, except if the gaseous fuel is demonstrated to meet the definition of natural gas in 40 CFR 60.331(u). The sulfur content of the fuel must be determined using total sulfur methods described in 40 CFR 60.335(b)(10). Alternatively, if the total sulfur content of the gaseous fuel during the most recent performance test was less than 0.4 weight percent (4000 ppmw), ASTM D4084–82, 94, D5504–01, D6228–98, or Gas Processors Association Standard 2377–86 (all of which are incorporated by reference-see 40 CFR 60.17), which measure the major sulfur compounds may be used.
- (c) On March 24, 2000, the Montpelier Electric Generating Station was issued an alternative monitoring and custom schedule approval for 40 CFR 60, Subpart GG by the USEPA, Region V. Pursuant to this EPA approval, the Permittee shall comply with (a) and (b) of this condition as follows:
  - (1) Use natural gas as the primary fuel for the combustion turbines;
  - (2) Use number 2 fuel oil as a back-up fuel source only. The source shall take a total gallons per year limit on the diesel fuel. The limitation is as follows:

The total input of number 2 fuel oil to each of the eight (8) combustion turbines shall be limited to 197.7 kilo-gallons per twelve (12) consecutive month period per turbine, with compliance demonstrated at the end of each month. This usage limitation is equivalent to 5.9 tons of SO<sub>2</sub> per year and 18.8 tons of NO<sub>x</sub> per year; and
  - (3) The Permittee shall continuously monitor the SO<sub>2</sub> and NO<sub>x</sub> emissions from each turbine per the requirements of 40 CFR Part 75. To satisfy this requirement, and in lieu of continuous water to fuel ratio monitoring, the Permittee shall use continuous emission monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>). The requirements of 40 CFR Part 75 include, but are not limited to, 40 CFR Parts 75.10, 75.11 and 75.12.

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

### **D.1.11 Record Keeping Requirements**

- (a) To document compliance with Conditions D.1.1, D.1.3, D.1.5, D.1.8, D.1.9, and D.1.10, the Permittee shall maintain records of the following:
  - (1) amount of natural gas combusted in million cubic feet (MMCF) and amount of fuel oil combusted in gallons, per unit (i.e., each turbine and emergency fire pump), during each month;
  - (2) the percent sulfur content of the natural gas (if other than pipeline quality natural gas which is defined as natural gas that is provided by a supplier through a pipeline; 40 CFR Part 72.2) and fuel oil of each unit (turbine and emergency fire pump);
  - (3) continuous emissions monitoring data, pursuant to 326 IAC 3-5, including the emission rates of NO<sub>x</sub> and CO in pounds per hour, with records maintained pursuant to 326 IAC 3-5-6 such that they may be inspected by IDEM, OAQ, or the U.S. EPA, if so requested or required.

- (4) the following information, recorded during periods of NO<sub>x</sub> and CO CEM system downtime:
  - (A) calendar dates and beginning and ending times of CEM downtime during the compliance determination period;
  - (B) actual natural gas and diesel fuel oil usage, per turbine unit, during CEM downtime;
  - (C) documentation of emission rates of NO<sub>x</sub> and CO in pounds per hour, as determined in accordance with Condition D.1.8 (d) and (e);
- (5) total NO<sub>x</sub> and CO emitted in tons per month, per unit (i.e., each turbine and emergency fire pump), for each compliance period.
- (b) To document compliance with Condition D.1.5, the Permittee shall maintain records in accordance with (1) through (6) below. Records maintained for (1) through (6) shall be taken monthly and shall be complete and sufficient to establish compliance with the SO<sub>2</sub> emission limit established in Condition D.1.5
  - (1) Calendar dates covered in the compliance determination period;
  - (2) Actual fuel oil usage since last compliance determination period and equivalent sulfur dioxide emissions;
  - (3) A certification, signed by the owner or operator, that the records of the fuel supplier certifications represent all of the fuel combusted during the period. The natural gas fired facility certification does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34); and

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

  - (4) Fuel supplier certifications;
  - (5) The name of the fuel supplier; and
  - (6) A statement from the fuel supplier that certifies the sulfur content of the fuel oil.
- (c) To document compliance with Condition D.1.7, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.
- (d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit. Records taken to demonstrate compliance with emission limitations and standards specified in Section D shall be available to IDEM, OAQ, within 30 days of the end of each compliance period.

#### D.1.12 Reporting Requirements

- (a) The Permittee shall submit a quarterly excess emissions report, if applicable, based on the continuous emissions monitor (CEM) data for NO<sub>x</sub> and CO, pursuant to 326 IAC 3-5-7. 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 D.1.1 and D.1.10(c)(2) 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.
- (c) The Permittee shall report periods of excess emissions, as required by 40 CFR 60.334(c).
- (d) The Permittee shall submit upon request reports of calendar month average sulfur content, heat content, fuel consumption, and sulfur dioxide emission rate in pounds per million Btu, based on fuel sampling and analysis data in accordance with procedures specified under 326 IAC 3-7, to document compliance with D.1.5.
- (e) The reports shall be submitted within thirty (30) calendar days following the end of each calendar quarter and shall be in accordance with Section C - General Reporting Requirements of this permit. The reports submitted by the Permittee do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

#### D.1.13 Reporting Requirements

The natural gas-fired facility certification 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 its equivalent, within thirty (30) days after the end of the semi-annual calendar period being reported. The natural gas-fired facility certification 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)]**

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

(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]

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. The Acid Rain permit for this source is attached to this permit as Appendix A, and is incorporated by reference.

#### 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<sub>x</sub> Budget Permit for NO<sub>x</sub> Budget Units Under 326 IAC 10-4-1(a)**

**ORIS Code: 055229**

**NO<sub>x</sub> Budget Source [326 IAC 2-7-5(15)]**

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

This NO<sub>x</sub> 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<sub>x</sub> budget source and each NO<sub>x</sub> budget unit shall operate each unit in compliance with this NO<sub>x</sub> budget permit.
- (b) The NO<sub>x</sub> budget units subject to this NO<sub>x</sub> budget permit are: eight (8) natural gas fired combustion turbines.

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

- (a) The owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> budget source and each NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget source and each NO<sub>x</sub> budget unit at the source shall hold NO<sub>x</sub> allowances available for compliance deductions under 326 IAC 10-4-10(j), as of the NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget trading program, or a change in regulatory status of a NO<sub>x</sub> budget opt-in unit.
- (b) Each ton of NO<sub>x</sub> emitted in excess of the NO<sub>x</sub> budget emissions limitation shall constitute a separate violation of the Clean Air Act (CAA) and 326 IAC 10-4.
- (c) NO<sub>x</sub> allowances shall be held in, deducted from, or transferred among NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> allowance was allocated.
- (e) A NO<sub>x</sub> allowance allocated under the NO<sub>x</sub> budget trading program is a limited authorization to emit one (1) ton of NO<sub>x</sub> in accordance with the NO<sub>x</sub> budget trading program. No provision of the NO<sub>x</sub> budget trading program, the NO<sub>x</sub> budget permit application, the NO<sub>x</sub> 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<sub>x</sub> allowance allocated under the NO<sub>x</sub> 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<sub>x</sub> allowance to or from each NO<sub>x</sub> 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<sub>x</sub> budget permit of the NO<sub>x</sub> 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<sub>x</sub> budget unit that has excess emissions in any ozone control period shall do the following:

- (a) Surrender the NO<sub>x</sub> 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<sub>x</sub> budget source and each NO<sub>x</sub> 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<sub>x</sub> authorized account representative for the source and each NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget trading program.
- (d) Copies of all documents used to complete a NO<sub>x</sub> budget permit application and any other submission under the NO<sub>x</sub> budget trading program or to demonstrate compliance with the requirements of the NO<sub>x</sub> 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 department 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.

Documents available electronically, including DPLE databases and related U.S. EPA databases (currently referred to as Clean Air Markets or CAMD), are considered to be immediately available at the location.

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

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- (a) The NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> budget source and each NO<sub>x</sub> budget unit at the source shall submit the reports and compliance certifications required under the NO<sub>x</sub> 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<sub>x</sub> authorized account representative: "I am authorized to make this submission on behalf of the owners and operators of the NO<sub>x</sub> budget sources or NO<sub>x</sub> 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<sub>x</sub> authorized account representative shall submit required information to:

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

- (d) Where 326 IAC 10-4 requires a submission to U.S. EPA, the NO<sub>x</sub> 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)]

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The owners and operators of each NO<sub>x</sub> budget source shall be liable as follows:

- (a) Any person who knowingly violates any requirement or prohibition of the NO<sub>x</sub> budget trading program, a NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget trading program that occurs prior to the date that the revision takes effect.
- (d) Each NO<sub>x</sub> budget source and each NO<sub>x</sub> budget unit shall meet the requirements of the NO<sub>x</sub> budget trading program.
- (e) Any provision of the NO<sub>x</sub> budget trading program that applies to a NO<sub>x</sub> budget source, including a provision applicable to the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> budget source, shall also apply to the owners and operators of the source and of the NO<sub>x</sub> budget units at the source.
- (f) Any provision of the NO<sub>x</sub> budget trading program that applies to a NO<sub>x</sub> budget unit, including a provision applicable to the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> 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<sub>x</sub> authorized account representative of one (1) NO<sub>x</sub> budget unit shall not be liable for any violation by any other NO<sub>x</sub> budget unit of which they are not owners or operators or the NO<sub>x</sub> authorized account representative and that is located at a source of which they are not owners or operators or the NO<sub>x</sub> authorized account representative.

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

No provision of the NO<sub>x</sub> budget trading program, a NO<sub>x</sub> budget permit application, a NO<sub>x</sub> 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<sub>x</sub> authorized account representative of a NO<sub>x</sub> budget source or NO<sub>x</sub> 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: DPL Energy Montpelier Electric Generating Station  
Source Address: 8495 South 450 West, Poneto, Indiana 46781  
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432  
Part 70 Permit No.: T179-15228-00026

**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:

Telephone:

Date:

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

**PART 70 OPERATING PERMIT  
EMERGENCY OCCURRENCE REPORT**

Source Name: DPL Energy Montpelier Electric Generating Station  
Source Address: 8495 South 450 West, Poneto, Indiana 46781  
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432  
Part 70 Permit No.: T179-15228-00026

**This form consists of 2 pages**

**Page 1 of 2**

- 9** This is an emergency as defined in 326 IAC 2-7-1(12)
- C The Permittee must notify the Office of Air Quality (OAQ), within four (4) business hours (1-800-451-6027 or 317-233-5674, ask for Compliance Section); and
  - C 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 <sub>2</sub> , VOC, NO <sub>x</sub> , 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: \_\_\_\_\_

Telephone: \_\_\_\_\_

A certification is not required for this report.

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

**PART 70 OPERATING PERMIT  
SEMI-ANNUAL NATURAL GAS FIRED FACILITY CERTIFICATION**

Source Name: DPL Energy Montpelier Electric Generating Station  
Source Address: 8495 South 450 West, Poneto, Indiana 46781  
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432  
Part 70 Permit No.: T179-15228-00026

<input checked="" type="checkbox"/> Natural Gas Only
<input checked="" type="checkbox"/> Alternate Fuel burned
From: _____ To: _____

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:

Telephone:

Date:

A certification by the responsible official as defined by 326 IAC 2-7-1(34) is required for this report.

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

### Part 70 Quarterly Report

Source Name: DPL Energy Montpelier Electric Generating Station  
Source Address: 8495 South 450 West, Poneto, Indiana 46781  
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432  
Part 70 Permit No.: T179-15228-00026  
Facility: Eight (8) combustion turbines & one (1) diesel-fired emergency fire pump  
Parameter: CO  
Limit: less than 250 tons per twelve (12) consecutive month period

Year: \_\_\_\_\_

Month	CO Emissions (tons/month)		Total CO Emissions for previous 11-month period (tons)	Total CO Emissions for 12-month period (tons)
	Eight (8) turbines	One (1) diesel-fired emergency fire pump		
Month 1				
Month 2				
Month 3				

☛ No deviation occurred in this month.

☛ Deviation/s occurred in this month.

Deviation has been reported on: \_\_\_\_\_

Submitted by: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone: \_\_\_\_\_

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: DPL Energy Montpelier Electric Generating Station  
Source Address: 8495 South 450 West, Poneto, Indiana 46781  
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432  
Part 70 Permit No.: T179-15228-00026  
Facility: Eight (8) combustion turbines & one (1) diesel-fired emergency fire pump  
Parameter: NOx  
Limit: less than 250 tons per twelve (12) consecutive month period

Year: \_\_\_\_\_

Month	NOx Emissions (tons/month)		Total NOx Emissions for previous 11-month period (tons)	Total NOx Emissions for 12-month period (tons)
	Eight (8) turbines	One (1) diesel-fired emergency fire pump		
Month 1				
Month 2				
Month 3				

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: \_\_\_\_\_

Telephone: \_\_\_\_\_

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: DPL Energy Montpelier Electric Generating Station  
 Source Address: 8495 South 450 West, Poneto, Indiana 46781  
 Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432  
 Part 70 Permit No.: T179-15228-00026  
 Facility: Eight (8) combustion turbines, identified as G1CT1 through G4CT2  
 Parameter: No. 2 diesel fuel oil usage (surrogate for NOx and SO2 emissions)  
 Limit: 197.7 kilo-gallons per twelve (12) consecutive month period per turbine

Year: \_\_\_\_\_

Month	Fuel Oil Usage this Month per Turbine (gallons/month)				Fuel Oil Usage Previous 11-Months Per Turbine (gallons)				Fuel Oil Usage for 12-month Period per Turbine (gallons)			
	G1CT1	G1CT2	G2CT1	G2CT2	G1CT1	G1CT2	G2CT1	G2CT2	G1CT1	G1CT2	G2CT1	G2CT2
Month 1												
Month 2												
Month 3												

Month	Fuel Oil Usage this Month per Turbine (gallons/month)				Fuel Oil Usage Previous 11-Months Per Turbine (gallons)				Fuel Oil Usage for 12-month Period per Turbine (gallons)			
	G3CT1	G3CT2	G4CT1	G4CT2	G3CT1	G3CT2	G4CT1	G4CT2	G3CT1	G3CT2	G4CT1	G4CT2
Month 1												
Month 2												
Month 3												

- 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: \_\_\_\_\_  
 Telephone: \_\_\_\_\_

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: DPL Energy Montpelier Electric Generating Station  
Source Address: 8495 South 450 West, Poneto, Indiana 46781  
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432  
Part 70 Permit No.: T179-15228-00026

Months: \_\_\_\_\_ to \_\_\_\_\_ Year: \_\_\_\_\_

Page 1 of 2

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. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".

NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.

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:**

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

Form Completed By: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone: \_\_\_\_\_

Attach a signed certification to complete this report.



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

## Phase II Acid Rain Permit

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

### Office of Air Quality

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

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

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

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

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

## Title IV Acid Rain

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

### 1. Statement of Basis

Statutory and Regulatory Authorities: In accordance with IC 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1 and IC 13-17-8-2 as well as Title IV - Acid Deposition Control - Section 400 of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 CFR 72 through 78).

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

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

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

- (a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR 75.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 72.9(b)(1) and (2) shall be used to determine compliance by the unit with the acid rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (c) The requirements of 40 CFR 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

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

- (a) The owners and operators of each source and each affected unit at the source shall:
  - (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and,
  - (2) Comply with the applicable acid rain emissions limitations for sulfur dioxide.
- (b) Each ton of sulfur dioxide emitted in excess of the acid rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.

- (c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirements as follows:
  - (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or,
  - (2) Starting on the latter of January 1, 2000, or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).
- (d) Allowances shall be transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (e) These units were not allocated allowances by United States Environmental Protection Agency (U.S. EPA) under 40 CFR part 73. However, these units must still comply with the requirement to hold allowances to account for sulfur dioxide emissions under (a) and 326 IAC 21.
- (f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the acid rain permit application, the acid rain permit, the acid rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization. Pursuant to 40 CFR 72.9(c)(7), allowances allocated by U.S. EPA do not constitute a property right.
- (g) These units have no sulfur dioxide (SO<sub>2</sub>) allowance allocations from U.S. EPA. The allowances shall be obtained from other units to account for the SO<sub>2</sub> emissions from these units as required by 40 CFR 72.9(c).

5. Nitrogen Oxides Requirements [326 IAC 21]

Pursuant to 40 Code of Federal Regulations (CFR) 76, Acid Rain Nitrogen Oxides Emission Reduction Program, the units are not subject to the nitrogen oxide limitations set out in 40 CFR 76.

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

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

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

and

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

and

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

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

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

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

8. Submissions [326 IAC 21]

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

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

Indiana Department of Environmental Management

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

and

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

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

9. Severability [326 IAC 21]

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

10. Liability [326 IAC 21]

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- (a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to Section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.
  - (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to Section 113(c) of the Clean Air Act, 18 U.S.C. 1001 and IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.
  - (c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
  - (d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
  - (e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.
  - (f) Any provision of the Acid Rain Program that applies to an affected unit, including a provision applicable to the designated representative of an affected unit, shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NOx averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
  - (g) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

11. Effect on Other Authorities [326 IAC 21]

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

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

- (c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;
- (d) Modifying the Federal Power Act (16 USC 791(a) et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.

## Indiana Department of Environmental Management Office of Air Quality

### Technical Support Document (TSD) for a Significant Permit Modification to a Part 70 Operating Permit

#### Source Background and Description

Source Name:	DPL Energy Montpelier Electric Generating Station
Source Location:	8495 South 450 West, Poneto, Indiana 46781
County:	Wells
SIC Code:	4911
Operation Permit No.:	T179-15228-00026
Operation Permit Issuance Date:	September 2, 2003
Significant Permit Modification No.:	179-20348-00026
Permit Reviewer:	ERG/YC

The Office of Air Quality (OAQ) has reviewed a modification application from DPL Energy Montpelier Electric Generating Station relating to the operation of an existing electric utility generating station.

#### Explanation of Modification

DPL Energy Montpelier Electric Generating Station (referred to as "DPLE") is an existing electric generating station. This source was constructed in 2001 and their Part 70 permit (T179-15228-00026) was issued on September 2, 2003. The Permittee requested the following changes to their Part 70 permit:

- (a) On February 11, 2003, the Permittee submit a NOx budget permit application to IDEM, OAQ. Pursuant to 326 IAC 10-4-2(16), the eight (8) existing simple cycle natural gas fired combustion turbines, which use No. 2 diesel oil as a back-up fuel, are considered "electricity generating units (EGU)" because these units commenced operation after January 1, 1999, and serve a generator that has a nameplate capacity greater than twenty-five (25) megawatts and produced electricity for sale. Pursuant to 326 IAC 10-4-1(a)(1), an "EGU" is a NOx budget unit. Because this source meets the criteria of having one (1) or more NOx budget units, it is a NOx budget source and is subject to the requirements of 326 IAC 10-4 (NOx Budget Trading Program). The Technical Support Document (TSD) for the NOx budget permit is provided as Appendix A to this TSD. In addition, the following changes have been made to the Permittee's Part 70 permit:
- (1) The addition of the NOx budget permit in Section F of the Part 70 permit; and
  - (2) The removal of Condition D.1.9 - Nitrogen Oxides Monitoring Requirements, and Condition D.1.13 - Nitrogen Oxides Budget Permit Application Submittal Requirements, from the original Part 70 permit. The monitoring Condition D.1.9 is no longer necessary in the D sections because all the NOx Budget Program Requirements are included in Section F of the revised permit. DPLE has already submitted the NOx Budget Permit Application; therefore, Condition D.1.13 -

Nitrogen Oxides Budget Permit Application Submittal Requirements is no longer necessary.

(b) On November 4, 2004, the Permittee submitted a letter requesting the following changes to their Part 70 permit:

- (1) A revision to Condition D.1.11 - NSPS Compliance Requirements, to reflect the most recent version of 40 CFR 60, Subpart GG (New Source Performance Standards for Stationary Gas Turbines) and an additional flexibility for their CEMs QA practices, based on a letter from U.S. EPA to the Permittee dated September 22, 2004.

The NSPS, Subpart GG was amended on July 8, 2004. Pursuant to the revised 40 CFR 60.334(b), the Permittee may install, certify, maintain, operate, and quality-assure a continuous emission monitoring system (CEMS) consisting of NO<sub>x</sub> and O<sub>2</sub> monitors, instead of monitoring the fuel consumption and the ratio of water to fuel as required under 40 CFR 60.334(a). Since there are NO<sub>x</sub> CEMs installed with each stack associated with the turbines at this source, the Permittee has elected to maintain and operate the NO<sub>x</sub> and O<sub>2</sub> CEMS. Therefore, Condition D.1.11(a) has been revised to state that the Permittee shall comply with this NSPS by operating NO<sub>x</sub> and O<sub>2</sub> CEMs.

Pursuant to the revised 40 CFR 60.334(h)(3), the Permittee may elect not to monitor the total sulfur content of the gaseous fuel combusted in the turbine, if the gaseous fuel is demonstrated to meet the definition of natural gas in 40 CFR 60.331(u). Since the combustion turbines at this source use natural gas as the primary fuel and use No. 2 fuel oil as a back-up fuel, the Permittee shall still monitor the sulfur content of fuel when using No. 2 fuel oil, pursuant to 40 CFR 60.334(h)(1). Therefore, Condition D.1.11(b) has been revised to include the most recent version of 40 CFR 60.334(h).

Pursuant to the revised 40 CFR 60.334(h)(2), the Permittee is required to monitor the nitrogen content of the fuel combusted in the turbine, only if the owner or operator claims an allowance for fuel bound nitrogen (i.e., if an F-value greater than zero is being or will be used by the owner or operator to calculate STD in 40 CFR 60.332). Since the Permittee does not claim an allowance for fuel bound nitrogen, nitrogen content monitoring is no longer required for this source. Therefore, the nitrogen content monitoring requirement in Condition D.1.11(b) has been removed from the permit.

The letter from U.S. EPA to the Permittee, dated September 22, 2004, states that Appendix F, Procedure 1 is not required for the NO<sub>x</sub> and O<sub>2</sub> CEMs for the purposes of compliance with 40 CFR 60, Subpart GG. This letter also indicated that these CEMs shall still be operated in accordance with 40 CFR 60.14(e). The revised 40 CFR 60.334(b) includes these specifications clearly and has been included to the revised Part 70 permit as Condition D.1.10(a).

- (2) A revision to Condition C.18 - Emission Statement to reflect the recent changes to rule 326 IAC 2-6.

Rule 326 IAC 2-6 was revised on December 3, 2003. This source is located in Wells County and has potential to emit all critical pollutants less than 250 tons/yr. Pursuant to the revised 326 IAC 2-6-3, the Permittee shall submit an emission statement triennially, by July 1, starting in 2004 and three (3) years after. Therefore, Condition C.18 has been revised to reflect these changes.

Upon further review, IDEM, OAQ has made the following changes to the permit:

- (a) 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 (USEPA) 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. A new condition - B.24 has been incorporated into the revised permit to address credible evidence.
- (b) The mailing address of IDEM, OAQ has been changed as follows:
- 100 North Senate Avenue  
Indianapolis, Indiana 46204

This change has been made throughout the whole permit.

### Justification for the Modification

This modification is being performed through a Significant Permit Modification pursuant to 326 IAC 2-7-12(d) for a request that does not qualify as a Minor Permit Modification or Administrative Amendment, and is considered as a significant change to the existing permit terms and conditions, including monitoring, recordkeeping and reporting.

### Recommendation

The staff recommends to the Commissioner that the Significant Permit Modification 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 11, 2003 and November 4, 2004.

### Proposed Changes

#### **B.24 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.**

#### **C.18 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) **In accordance with the compliance schedule specified in 326 IAC 2-6-3(b)(1), starting in 2004 and every three (3) years thereafter, the Permittee shall submit by July 1 an annual emission statement covering the previous calendar year. The emission statement shall contain, at a minimum, the information 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 as specified in 326 IAC 2-6-4(c) and the annual emission statement shall meet the following requirements:**

- (1) Indicate estimated actual emissions of ~~criteria~~ **all** pollutants from the source, in compliance with ~~326 IAC 2-6 (Emission Reporting)~~ **listed in 326 IAC 2-6-4(a);**
- (2) Indicate estimated actual emissions of 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 6045  
Indianapolis, Indiana ~~46206-6045~~ **46204**

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

- (eb) 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.

~~D.1.9 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<sub>x</sub> budget units (i.e., G1CT1 through G4CT2) 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.~~

~~D.1.109 Sulfur Dioxide Emissions and Sulfur Content [326IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]~~

~~D.1.110 NSPS Compliance Requirements [326 IAC 12][40 CFR Part 60.334 (Subpart GG)]~~

~~Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, and 40 CFR Part 60, Subpart GG (Stationary Gas Turbines), the Permittee shall monitor combustion turbine operations as follows:~~

- (a) ~~Install a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in the turbine. This system shall be accurate to within 5.0 percent and shall be approved by the Administrator. [40 CFR 60.334(a)]~~
- (b) ~~Monitor the nitrogen and sulfur content of the fuel fired in each turbine. [40 CFR 60.334(b)]~~

- (a) Pursuant to 40 CFR 60.334(b), the Permittee shall install, certify, maintain, operate, and quality-assure a continuous emission monitoring system (CEMS) consisting of NO<sub>x</sub> and O<sub>2</sub> monitors. The CEMS shall be installed, certified, maintained and operated as follows:

- (1) Each CEMS must be installed and certified according to PS 2 and 3 (for diluent) of 40 CFR part 60, appendix B, except the 7-day calibration drift is based on unit operating days, not calendar days. Appendix F, Procedure 1 is not required. The relative accuracy test audit (RATA) of the NO<sub>x</sub> and diluent monitors may be performed individually or on a combined basis.
- (2) As specified in 40 CFR 60.13(e)(2), during each full unit operating hour, each monitor must complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each 15-minute quadrant of the hour, to validate the hour. For partial unit operating hours, at least one valid data point must be obtained for each quadrant of the hour in which the unit operates. For unit operating hours in which required quality

assurance and maintenance activities are performed on the CEMS, a minimum of two valid data points (one in each of two quadrants) are required to validate the hour.

- (3) For purposes of identifying excess emissions, CEMS data must be reduced to hourly averages as specified in 40 CFR 60.13(h).
- (b) Pursuant to 40 CFR 60.334(h) and (i), the Permittee shall monitor the total sulfur content of the fuel being fired in the turbine daily, except if the gaseous fuel is demonstrated to meet the definition of natural gas in 40 CFR 60.331(u). The sulfur content of the fuel must be determined using total sulfur methods described in 40 CFR 60.335(b)(10). Alternatively, if the total sulfur content of the gaseous fuel during the most recent performance test was less than 0.4 weight percent (4000 ppmw), ASTM D4084-82, 94, D5504-01, D6228-98, or Gas Processors Association Standard 2377-86 (all of which are incorporated by reference-see 40 CFR 60.17), which measure the major sulfur compounds may be used.

....

D.1.1211 Record Keeping Requirements

- (a) To document compliance with Conditions D.1.1, D.1.3, D.1.5, D.1.8, D.1.9, and D.1.4410, the Permittee shall maintain records of the following:

...

D.1.13 Nitrogen Oxides Budget Trading Program [326 IAC 10-4-9(e)(2)]

~~For the NO<sub>x</sub> budget units (i.e., eight (8) combustion turbines, G1CT1 through G4CT2) that commenced operation on or after May 1, 2000, the NO<sub>x</sub> authorized account representative shall submit a request for NO<sub>x</sub> allowances in accordance with 326 IAC 10-4-9(e) by September 1 of the calendar year that is one (1) year in advance of the first ozone control period for which the NO<sub>x</sub> allowance allocation is requested. The NO<sub>x</sub> authorized account representative shall submit a request each year that the units will require allowances from the new unit set aside until the units are allocated allowances from the existing source pool. These requests shall be submitted by the NO<sub>x</sub> authorized account representative to:~~

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

...

D.1.4412 Reporting Requirements

...

- (b) A quarterly summary of the information to document compliance with D.1.1 and D.1.4410(c)(2) 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.

...

D.1.4513 Reporting Requirements

**SECTION F Nitrogen Oxides Budget Trading Program - NO<sub>x</sub> Budget Permit for NO<sub>x</sub> Budget Units Under 326 IAC 10-4-1(a)**

**ORIS Code: 055229**

**NO<sub>x</sub> Budget Source [326 IAC 2-7-5(15)]**

Four (4) FT-8 Pratt & Whitney Twin-Pac units, installed in February 2001, consisting of eight (8) simple cycle natural gas-fired combustion turbines, utilizing No. 2 diesel oil as a back-up fuel source, and four (4) electric generators. Each generator is directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines directly connected to each generator are designated as CT1 and CT2. Each of the eight (8) combustion turbines has an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV), a nominal output of 25 MW, water-injection for NO<sub>x</sub> emissions control, and exhausts to one (1) dedicated stack respectively designated as G1CT1S1 through G4CT2S2. Each stack is equipped with a continuous emissions monitoring system (CEMS) to measure NO<sub>x</sub> and CO emissions.

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

This NO<sub>x</sub> 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<sub>x</sub> budget source and each NO<sub>x</sub> budget unit shall operate each unit in compliance with this NO<sub>x</sub> budget permit.
- (b) The NO<sub>x</sub> budget units subject to this NO<sub>x</sub> budget permit are: eight (8) natural gas fired combustion turbines.

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

- (a) The owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> budget source and each NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget source and each NO<sub>x</sub> budget unit at the source shall hold NO<sub>x</sub> allowances available for compliance deductions under 326 IAC 10-4-10(j), as of the NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget trading program, or a change in regulatory status of a NO<sub>x</sub> budget opt-in unit.

- (b) Each ton of NO<sub>x</sub> emitted in excess of the NO<sub>x</sub> budget emissions limitation shall constitute a separate violation of the Clean Air Act (CAA) and 326 IAC 10-4.
- (c) NO<sub>x</sub> allowances shall be held in, deducted from, or transferred among NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> allowance was allocated.
- (e) A NO<sub>x</sub> allowance allocated under the NO<sub>x</sub> budget trading program is a limited authorization to emit one (1) ton of NO<sub>x</sub> in accordance with the NO<sub>x</sub> budget trading program. No provision of the NO<sub>x</sub> budget trading program, the NO<sub>x</sub> budget permit application, the NO<sub>x</sub> 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<sub>x</sub> allowance allocated under the NO<sub>x</sub> 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<sub>x</sub> allowance to or from each NO<sub>x</sub> 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<sub>x</sub> budget permit of the NO<sub>x</sub> budget unit by operation of law without any further review.

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

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The owners and operators of each NO<sub>x</sub> budget unit that has excess emissions in any ozone control period shall do the following:

- (a) Surrender the NO<sub>x</sub> 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)]**

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Unless otherwise provided, the owners and operators of the NO<sub>x</sub> budget source and each NO<sub>x</sub> 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<sub>x</sub> authorized account representative for the source and each NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget trading program.**
- (d) **Copies of all documents used to complete a NO<sub>x</sub> budget permit application and any other submission under the NO<sub>x</sub> budget trading program or to demonstrate compliance with the requirements of the NO<sub>x</sub> 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 department 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.

Documents available electronically, including DPLE databases and related U.S. EPA databases (currently referred to as Clean Air Markets or CAMD), are considered to be immediately available at the location.

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

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- (a) **The NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> budget source and each NO<sub>x</sub> budget unit at the source shall submit the reports and compliance certifications required under the NO<sub>x</sub> 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<sub>x</sub> authorized account representative: "I am authorized to make this submission on behalf of the owners and operators of the NO<sub>x</sub> budget sources or NO<sub>x</sub> 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<sub>x</sub> authorized account representative shall submit required information to:**

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

- (d) **Where 326 IAC 10-4 requires a submission to U.S. EPA, the NO<sub>x</sub> 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)]**

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**The owners and operators of each NO<sub>x</sub> budget source shall be liable as follows:**

- (a) Any person who knowingly violates any requirement or prohibition of the NO<sub>x</sub> budget trading program, a NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget trading program that occurs prior to the date that the revision takes effect.**
- (d) Each NO<sub>x</sub> budget source and each NO<sub>x</sub> budget unit shall meet the requirements of the NO<sub>x</sub> budget trading program.**
- (e) Any provision of the NO<sub>x</sub> budget trading program that applies to a NO<sub>x</sub> budget source, including a provision applicable to the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> budget source, shall also apply to the owners and operators of the source and of the NO<sub>x</sub> budget units at the source.**
- (f) Any provision of the NO<sub>x</sub> budget trading program that applies to a NO<sub>x</sub> budget unit, including a provision applicable to the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> 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<sub>x</sub> authorized account representative of one (1) NO<sub>x</sub> budget unit shall not be liable for any violation by any other NO<sub>x</sub> budget unit of which they are not owners or operators or the NO<sub>x</sub> authorized account representative and that is located at a source of which they are not owners or operators or the NO<sub>x</sub> authorized account representative.**

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

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No provision of the NO<sub>x</sub> budget trading program, a NO<sub>x</sub> budget permit application, a NO<sub>x</sub> 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<sub>x</sub> authorized account representative of a NO<sub>x</sub> budget source or NO<sub>x</sub> budget unit from compliance with any other provision of the applicable, approved state implementation plan, a federally enforceable permit, or the CAA.

**Conclusion**

This permit modification shall be subject to the conditions of the attached Part 70 Significant Permit Modification No. 179-20348-00026.

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

**Addendum to the Technical Support Document (TSD)  
for a Significant Permit Modification to a Part 70 Operating Permit**

**Source Background and Description**

Source Name:	DPL Energy Montpelier Electric Generating Station
Source Location:	8495 South 450 West, Poneto, Indiana 46781
County:	Wells
SIC Code:	4911
Operation Permit No.:	T179-15228-00026
Operation Permit Issuance Date:	September 2, 2003
Significant Permit Modification No.:	179-20348-00026
Permit Reviewer:	ERG/YC

On April 23, 2005, the Office of Air Quality (OAQ) had a notice published in the Bluffto News Banner, Bluffto, Indiana stating that DPL Energy Montpelier Electric Generating Station had applied for a Part 70 Significant Source Modification (SSM) to operate an electric utility generating station with control. 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.

On May 20, 2005, DPL Energy Montpelier Electric Generating Station (referred to as "DPLE") submitted comments on the proposed Part 70 Significant Permit Modification. The summary of the comments is as follows (bolded language has been added, the language with a line through it has been deleted):

**Comment 1:**

The Permittee noted that this facility's Acid Rain Permit was addressed as a 7-page "Second Administrative Amendment" to their Part 70 Permit. The Permittee stated that the Nitrogen Oxides Budget Trading Program (326 IAC 10-4) and other changes being proposed are existing applicable requirements and could also be processed as an administrative amendment.

**Response to Comment 1:**

The Permittee's Acid Rain Permit was issued as a separate permit (#179-11651-00026) on January 29, 2001 and was incorporated into their construction permit (MSOP #179-12321-00026, issued on December 29, 2000) as an Administrative Amendment to their MSOP (#179-17969-00026, issued on August 8, 2003). The Permittee's Part 70 permit (T179-15228-00026) was issued on September 2, 2003.

As stated in the technical support document (TSD), this modification includes significant changes to the existing permit terms and conditions, including monitoring, recordkeeping, and reporting. Therefore, this modification does not qualify for Part 70 Minor Permit Modification provisions in 326 IAC 2-7-12(b). In addition, IDEM did not issue a separate NOx budget permit for this source and could not incorporate the requirements of the NOx budget permit into their Part 70 permit under the Administrative Amendment provisions in 326 IAC 2-7-11. Therefore, the changes in

this modification were processed as a Part 70 Significant Permit Modification, pursuant to 326 IAC 2-7-12(d). No change has been made as a result of this comment.

**Comment 2:**

The Permittee stated that the newly added condition - B.24 Credible Evidence, does not relate to the NOx program and was not requested by DPLE. The Permittee requests that this condition be removed, as it is not required. In the alternative, if IDEM chooses to retain this provision, the Permittee requested to include the following additional sentence: "Nothing in this permit shall be construed to waive any defenses otherwise available to the Permittee, including but not limited to, any challenge to the Credible Evidence Rule (see 62 Fed. Reg. 8314, Feb. 24, 1997), in the context of any future proceeding."

**Response to Comment 2:**

Indiana was required to incorporate credible evidence provisions into state rules consistent with the SIP call published by U.S. EPA in 1997 (62 FR 8314). Indiana has incorporated the credible evidence provision in 326 IAC 1-1-6. This rule became effective March 16, 2005, and Condition B.24 incorporates the rule into the revised Part 70 permit. Therefore, Condition B.24 is necessary and will not be removed from the permit. IDEM does not believe that DPL's proposed language is appropriate for inclusion in the permit because only requirements that are enforceable by the state at the time of issuance will be included in the permit. However, IDEM takes note that failure of DPL to appeal this permit condition is not intended as a waiver of DPL's right to challenge the federal credible evidence rule. Therefore, no change has been made as a result of this comment.

**Comment 3:**

The Permittee stated that Condition D.1.8 - Continuous Emissions Monitoring needs clarification to the extent that it refers DPLE to the IDEM Guidance Document for CEMS. The IDEM Guidance Document for CEMS contains provisions that are inconsistent with the revisions to 40 CFR Part 60 Subpart GG. Additionally, they request that this guidance document be updated to include the July 8, 2004 changes to 40 CFR 60, Subpart GG.

**Response to Comment 3:**

Condition D.1.8 does not refer to IDEM Guidance Document for CEMS. Pursuant to Condition D.1.8(b) and 326 IAC 3-5-4, the Permittee could update the continuous monitoring standard operating procedure (SOP) document submitted to IDEM, OAQ, on August 31, 2001. Therefore, no change has been made as a result of this comment.

**Comment 4:**

The Permittee stated that Condition D.1.10 - NSPS Compliance Requirements appears to be revised to accommodate the July 8, 2004 changes to 40 CFR 60, Subpart GG, which incorporated provisions of multiple previous letter determinations. They also noted that the Technical Support Document confirms that DPLE received a letter from U.S. EPA dated September 22, 2004 providing additional flexibility for their CEMS QA practices. The Permittee also stated that the first three words of Section D.1.10(a) appear to be in error and should be replaced by "Pursuant to....".

**Response to Comment 4:**

Condition D.1.10(a) has been corrected as follows:

D.1.10 NSPS Compliance Requirements [326 IAC 12][40 CFR Part 60.334 (Subpart GG)]

Pursuant to 40 CFR Part 60, Subpart GG (Stationary Gas Turbines), the Permittee shall monitor combustion turbine operations as follows:

- (a) ~~The Permittee shall~~ Pursuant to 40 CFR 60.334(b), the Permittee shall install, certify, maintain, operate, and quality-assure a continuous emission monitoring system (CEMS) consisting of NO<sub>x</sub> and O<sub>2</sub> monitors. The CEMS shall be installed, certified, maintained and operated as follows:

...

**Comment 5:**

Section F, "Nitrogen Oxides Budget Trading Program - NOx Budget Permit for NOx Budget Units Under 326 IAC 10-4-1(a)" spreads across four pages a lengthy digest of these new state regulations. DPLE has concerns with this approach. Lengthy extracts and rewordings of IDEM regulations are inappropriate for inclusion in Title V permits. Not only might the new wording carry a different meaning, it may become dated as the federal NOx trading regulations change. DPLE recommends a more succinct approach and requests Section F be revised to read:

*Nitrogen Oxides (NOx) Budget Trading Program Provisions. The Permittee is subject to the provisions of 326 IAC 10-4 NOx Budget Trading and shall ensure that affected emissions units comply with those requirements. Emissions exceeding any allowances that are lawfully held under 326 IAC 10-4 are prohibited.*

**Response to Comment 5:**

326 IAC 10-4-7(d) states that a complete NOx Budget permit "shall contain, in a format prescribed by the department, all elements required for a complete NOx budget permit application under subsection (c)." 326 IAC 10-4-7(c)(3) includes "standard requirements under section 4 of this rule". Therefore, IDEM, OAQ cannot just cite 326 IAC 10-4 as the only content of the NOx Budget permit as requested. No change has been made as a result of this comment.

## Appendix A

# INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT Office of Air Quality

## Technical Support Document (TSD) for the NO<sub>x</sub> Budget Permit

### Source Background and Description

<b>Source Name:</b>	<b>DPL Energy Montpelier Electric Generating Station</b>
<b>Source Location:</b>	<b>8265 South 450 West, Poneto, Indiana</b>
<b>County:</b>	<b>Wells</b>
<b>SIC Code:</b>	<b>4911</b>
<b>Operated By:</b>	<b>DPL Energy, LLC</b>
<b>Owned By:</b>	<b>DPL Energy, LLC</b>
<b>ORIS Code:</b>	<b>055229</b>
<b>Operation Permit No.:</b>	<b>T179-15228-00026</b>
<b>Operation Permit Issuance Date:</b>	<b>September 2, 2003</b>
<b>Significant Permit Modification No.:</b>	<b>179-20348-00026</b>
<b>Permit Reviewer:</b>	<b>Madhurima D. Moulik</b>

### NO<sub>x</sub> Budget Permit Application and Rule Applicability

A complete Nitrogen Oxides (NO<sub>x</sub>) Budget Permit Application for this NO<sub>x</sub> budget source was received on February 11, 2003. The Office of Air Quality (OAQ) has reviewed a NO<sub>x</sub> budget permit application from DPL Energy Montpelier Electric Generating Station under 326 IAC 10-4-7 for the operation of the NO<sub>x</sub> budget source. The NO<sub>x</sub> budget source includes all NO<sub>x</sub> Budget Units at the source, including opt-in units, if applicable. The following units at the source are NO<sub>x</sub> Budget Units:

Four (4) FT-8 Pratt & Whitney Twin-Pac units, installed in February 2001, consisting of eight (8) simple cycle natural gas-fired combustion turbines, utilizing No. 2 diesel oil as a back-up fuel source, and four (4) electric generators. Each generator is directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines directly connected to each generator are designated as CT1 and CT2. Each of the eight (8) combustion turbines has an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV), a nominal output of 25 MW, water-injection for NO<sub>x</sub> emissions control, and exhausts to one (1) dedicated stack respectively designated as G1CT1S1 through G4CT2S2. Each stack is equipped with a continuous emissions monitoring system (CEMS) to measure NO<sub>x</sub> and CO emissions.

Since the NO<sub>x</sub> budget units GT1CT1, GT1CT2, GT2CT1, GT2CT2, GT3CT1, GT3CT2, GT4CT1, and GT4CT2 commenced operation after May 1, 2000, the units were not allocated NO<sub>x</sub> allowances for the 2004, 2005, and 2006 ozone seasons from the existing EGU budget under 326 IAC 10-4-9(b)(1)(A). Therefore, if the NO<sub>x</sub> authorized account representative requires NO<sub>x</sub> allowances to be allocated, the NO<sub>x</sub> authorized account representative shall submit a written request to the IDEM, OAQ for NO<sub>x</sub> allowances in accordance with 326 IAC 10-4-9(e)(2) and (3).

The NO<sub>x</sub> budget permit is in Section F of the Part 70 permit.

The requirements of 326 IAC 2-7-20(a) and (c) do not apply to emission trades of SO<sub>2</sub> or NO<sub>x</sub> 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<sub>x</sub> budget permit shall be a complete and segregable portion of the Part 70 permit and the NO<sub>x</sub> 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<sub>x</sub> budget permit is being incorporated into the source's Part 70 permit as a significant permit modification pursuant to 326 IAC 2-7-12. This modification includes the following:

- (a) The addition of the NO<sub>x</sub> budget permit in Section F of the Part 70 permit; and
- (b) Deletion of Condition D.1.9, Nitrogen Oxides Monitoring from the original Part 70 permit. The monitoring conditions are no longer necessary in the D sections because all the NO<sub>x</sub> Budget Program Requirements are included in Section F of the permit. The remaining D subsections were re-numbered and the Table of Content modified. References to subsections of section D have also been modified to reflect the re-numbering.

### 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<sub>x</sub> emissions in the affected states. In the federal rule, the U.S. EPA established a NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> emissions from utility boilers and a 60% reduction from large industrial (non-utility) boilers and turbines. IDEM developed the NO<sub>x</sub> Budget Trading Program in 326 IAC 10-4 in response to this mandate. The NO<sub>x</sub> 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<sub>x</sub> SIP call. Electricity generating units (EGUs) and non-electricity generating units (non-EGUs) are allocated allowances for tons of NO<sub>x</sub> that they are allowed to emit during the ozone season. IDEM allocates NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> Budget Trading Program) Requirements

- (a) Pursuant to 326 IAC 10-4-4(b), the owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> budget source and each NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget source and each NO<sub>x</sub> budget unit at the source shall hold NO<sub>x</sub> allowances available for compliance deductions under 326 IAC 10-4-10(j), as of the NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget trading program, or a change in regulatory status of a NO<sub>x</sub> budget opt-in unit.
- (c) Pursuant to 326 IAC 10-4-4(d), the owners and operators of each NO<sub>x</sub> budget unit that has excess emissions in any ozone control period shall do the following:
- (1) Surrender the NO<sub>x</sub> 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<sub>x</sub> budget source and each NO<sub>x</sub> 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<sub>x</sub> authorized account representative for the source and each NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> budget trading program.
  - (4) Copies of all documents used to complete a NO<sub>x</sub> budget permit application and any other submission under the NO<sub>x</sub> budget trading program or to demonstrate compliance with the requirements of the NO<sub>x</sub> 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 this permit.
- (e) Pursuant to 326 IAC 10-4-4(e)(2), the NO<sub>x</sub> authorized account representative of the NO<sub>x</sub> budget source and each NO<sub>x</sub> budget unit at the source shall submit the reports and

compliance certifications required under the NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> Emissions Allocations

- (a) Pursuant to 326 IAC 10-4-7(e), this NO<sub>x</sub> 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<sub>x</sub> allowance to or from the compliance accounts of the NO<sub>x</sub> budget units or the overdraft account of the NO<sub>x</sub> 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<sub>x</sub> allowances:
- (1) Each ton of NO<sub>x</sub> emitted in excess of the NO<sub>x</sub> budget emissions limitation shall constitute a separate violation of the Clean Air Act (CAA) and 326 IAC 10-4.
  - (2) NO<sub>x</sub> allowances shall be held in, deducted from, or transferred among NO<sub>x</sub> 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) A NO<sub>x</sub> 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<sub>x</sub> allowance was allocated.
  - (4) A NO<sub>x</sub> allowance allocated under the NO<sub>x</sub> budget trading program is a limited authorization to emit one (1) ton of NO<sub>x</sub> in accordance with the NO<sub>x</sub> budget trading program. No provision of the NO<sub>x</sub> budget trading program, the NO<sub>x</sub> budget permit application, the NO<sub>x</sub> 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) A NO<sub>x</sub> allowance allocated under the NO<sub>x</sub> 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<sub>x</sub> allowance to or from a NO<sub>x</sub> 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<sub>x</sub> budget permit of the NO<sub>x</sub> 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<sub>x</sub> 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<sub>x</sub> authorized account representative shall submit a complete NO<sub>x</sub> budget permit application covering the NO<sub>x</sub> 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<sub>x</sub> authorized account representative for each NO<sub>x</sub> budget source on behalf of which a submission is made must sign and certify every report or other submission required by the NO<sub>x</sub> budget permit. The NO<sub>x</sub> 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<sub>x</sub> budget sources or NO<sub>x</sub> 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<sub>x</sub> budget permit be approved.

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

### **Additional Information**

Questions regarding the NO<sub>x</sub> 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 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 Ryan Hillman at the Office of Air Quality (OAQ) address or by telephone at (317) 233-5674 or toll free at 1-800-451-6027 extension 3-5674.

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  
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>