



March 10, 2006

CERTIFIED MAIL 7000 0600 0023 5186 5973

Mr. Brian Brown
Eli Lilly and Company, Lilly Corporate Center
Indianapolis, IN 46285

Re: 097-22049-00072
Minor Source Modification
Operation Permit No.: 097-6846-00072

Dear Mr. Brown:

An application to modify the source was received on October 8, 2005. Pursuant to 326 IAC 2-7-10.5, the following emission units are approved for construction and modification at the source:

- (a) Two (2) existing diesel generators, Model number DFJD, identified as Generators A and B, located at the Building 141 (B141), constructed, respectively, in 1999 and 2004, with a maximum capacity of 1,350 HP each, using no control, and exhausting to stack B141 Generator A.
- (b) One (1) new diesel generator, Model number DQKC, identified as Generator C, located at the Building 184 (B184), planned to be constructed in 2006, with a maximum capacity of 2,700 HP, using no control, exhausting to stack B184 Generator C.

The following construction conditions are applicable to the proposed project:

General Construction Conditions

- 1. The data and information supplied with the application shall be considered part of this source modification approval. Prior to any proposed change in construction, which may affect the potential to emit (PTE) of the proposed project, the IDEM Office of Air Quality (OAQ) and Indianapolis Office of Environmental Services (OES) must approve the change.
- 2. This approval to construct does not relieve the Permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.
- 3. Effective Date of the Permit
Pursuant to IC 13-15-5-3, this approval becomes effective upon its issuance.
- 4. Pursuant to 326 IAC 2-1.1-9 and 326 IAC 2-7-10.5(i), the IDEM Commissioner may revoke this approval if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.
- 5. All requirements and conditions of this construction and modification approval shall remain in effect unless modified in a manner consistent with procedures established



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(Continued on Page 2)

Department of Public Works
Office of Environmental Services

2700 Belmont Avenue
Indianapolis, IN 46221

317-327-2234
Fax 327-2274
TDD 327-5186
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pursuant to 326 IAC 2.

The Minor Source Modification approval will be incorporated into the pending Part 70 Permit applicaiton pursuant to 326 IAC 2-7-10.5(i)(3). The source may begin operation upon issuance of the source modification approval.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter please contact Boris Gorlin at (317) 327-2280 or bgorlin@indygov.org.

Sincerely,

Original signed by:
Felicia A. Robinson,
Manager of Environmental Planning

Attachments:
Technical Support Document and Permit

BG

cc: Marion County Health Department
Air Compliance
OAQ
Files



TO: Interested Parties / Applicant

RE: Eli Lilly and Company, Lilly Corporate Center / 097-22049-00072

FROM: Felicia A. Robinson
Manager of Environmental Planning

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 approval 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 fifteen (15) calendar days of the receipt of this notice**. The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

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

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

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

If you have technical questions regarding the enclosed documents, please contact the Indianapolis Office of Environmental Services, Air Permits at (317) 327-2234.

Enclosures



Department of Public Works
Office of Environmental Services

2700 Belmont Avenue
Indianapolis, IN 46221

317-327-2234
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**INDIANA DEPARTMENT OF ENVIRONMENTAL
MANAGEMENT
OFFICE OF AIR QUALITY
and
INDIANAPOLIS OFFICE OF ENVIRONMENTAL SERVICES
PART 70 MINOR SOURCE MODIFICATION**

**Eli Lilly and Company, Lilly Technology Center
1555 South Harding Street
Indianapolis, Indiana 46221**

(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

Source Modification No.: 097-22049-00072	
Issued by:	Issuance Date: March 10, 2006
Original signed by: Felicia A. Robinson, Manager of Environmental Planning Indianapolis Office of Environmental Services	Expiration Date: March 9, 2011



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**Department of Public Works
Office of Environmental Services**

2700 Belmont Avenue
Indianapolis, IN 46221

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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) and City of Indianapolis Office of Environmental Services (OES). The information describing the source modification contained in conditions A.1 through A.4 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

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

The Permittee owns and operates a stationary pharmaceutical manufacturing and research and development facility.

Responsible Official: Vice President, Parenteral Manufacturing; Vice President of Global Engineering, Environmental Health and Safety; Vice President, Product Research & Development; Vice President, Global Active Pharmaceutical Intermediate (API) Manufacturing; or President, Manufacturing

Source Address: 1555 South Harding Street, Indianapolis, IN 46221

Mailing Address: Eli Lilly and Company, Lilly Corporate Center, Indianapolis, IN 46285

General Source Phone Number: (317)276-2000 (source number)
(317)276-6415 (Manager of Environmental Services)

SIC Code: 2833, 2834

County Location: Marion

Source Location Status: Nonattainment for 8-hour Ozone standard and PM 2.5
Attainment for all other criteria pollutants

Source Status: Part 70 Permit Program
Minor Source under PSD
Major Source under Emission Offsets
Major Source, Section 112 of the Clean Air Act
1 of 28 Source Categories

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

This stationary source is approved to operate the following emission units and pollution control devices:

- (a) Two (2) existing diesel generators, one Model number DFHD, identified as Generator A, and one Model number DFJD, identified as Generator B, both located at the Building 141 (B141), constructed, respectively, in 1999 and 2004, with a maximum capacity of 1,350 HP each, using no control, and exhausting to stack B141 Generator A.
- (b) One (1) new diesel generator, Model number DQKC, identified as Generator C, located at the Building 184 (B184), planned to be constructed in 2006, with a maximum capacity of 2,700 HP, using no control, exhausting to stack B184 Generator C.

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

This stationary source modification does not involve any insignificant activities, as defined in 326 IAC 2-7-1 (21) that have applicable requirements.

A.5 Part 70 Permit Applicability [326 IAC 2-7-2]

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

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

SECTION B GENERAL CONSTRUCTION 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, any applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2 and 326 IAC 2-7) shall prevail.

B.2 Effective Date of the Permit [IC13-15-5-3]

Pursuant to IC 13-15-5-3, this approval becomes effective upon its issuance.

B.3 Revocation of Permits [326 IAC 2-1.1-9(5)] [326 IAC 2-7-10.5(i)]

Pursuant to 326 IAC 2-1.1-9(5)(Revocation of Permits), the Commissioner may revoke this approval if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

B.4 Preventive Maintenance Plan [326 IAC 2-7-5(1),(3) and (13)] [326 IAC 2-7-6(1) and (6)] [326 IAC 1-6-3]

(a) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after issuance of this permit, including the following information on each facility:

- (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
- (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and
- (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

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

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

and

Indianapolis OES
Air Compliance
2700 South Belmont Avenue
Indianapolis, IN 46221

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

- (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, and OES upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ, and OES. IDEM, OAQ, and OES 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 60/63 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.5 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, and OES 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 IDEM, OAQ, Compliance Section),
or:

Telephone Number: 317-233-5674 (ask for IDEM, OAQ, Compliance Section)
Facsimile Number: 317-233-5967;

and

Telephone Number: 317-327-2234 (ask for OES, Air Compliance)
Facsimile Number: 317-327-2274.

- (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 46204-2251

and

Indianapolis OES
Air Compliance
2700 South Belmont Avenue
Indianapolis, IN 46221

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, and OES 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, and OES 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.

SECTION C SOURCE OPERATION CONDITIONS

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

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

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

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

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

and

Indianapolis OES
Air Compliance
2700 South Belmont Avenue
Indianapolis, IN 46221

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.

C.3 Inspection and Entry [326 IAC 2-7-6] [IC 13-14-2-2] [IC 13-17-3-2] [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, OES, and 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.

C.4 Permit Amendment or Modification [326 IAC 2-7-11] [326 IAC 2-7-12]

(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) Any application requesting an amendment or modification of this permit shall be submitted to:

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

and

Indianapolis OES
Air Permits
2700 South Belmont Avenue
Indianapolis, IN 46221

Any such application should be certified 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)]

C.5 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 approval:

- (a) Opacity shall not exceed an average of thirty percent (30%) 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.

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

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

(a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAQ.

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

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

and

Indianapolis OES
Air Compliance
2700 South Belmont Avenue
Indianapolis, IN 46221

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, and OES 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, and OES not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, and OES if the Permittee submits to IDEM, OAQ, and OES 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.7 Compliance Requirements [326 IAC 2-1.1-11]

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

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

C.8 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

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

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

and

Indianapolis OES
Air Compliance
2700 South Belmont Avenue

Indianapolis, IN 46221

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

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

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

C.10 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]

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

- (a) The Permittee prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures on December 22, 1999.
- (b) Upon direct notification by IDEM, OAQ, and OES, that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level [326 IAC 1-5-3].

C.11 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 Permittee must comply with the applicable requirements of 40 CFR 68.

C.12 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5] [326 IAC 2-7-6]

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.
- (b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ, and OES that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ, and OES may extend the retesting deadline.
- (c) IDEM, OAQ, and OES reserve 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.13 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)] [326 IAC 2-6]

- (a) Pursuant to 326 IAC 2-6-3(b)(2), starting in 2008 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 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 Part 70 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 46204-2251-2251

and

Indianapolis OES
Air Compliance
2700 South Belmont Avenue
Indianapolis, IN 46221

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, and OES on or before the date it is due.

C.14 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6] [326 IAC 2-2] [326 IAC 2-3]

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

- (a) The Permittee shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality

100 North Senate Avenue
Indianapolis, Indiana 46204-2251

and

Indianapolis OES
Air Compliance
2700 South Belmont Avenue
Indianapolis, IN 46221

- (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).

SECTION D.1

FACILITY OPERATION CONDITIONS

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

- (a) Two (2) existing diesel generators, one (1) Model number DFHD, identified as Generator A, and one Model number DFJD, identified as Generator B, both located at the Building 141 (B141), constructed, respectively, in 1999 and 2004, with a maximum capacity of 1,350 HP each, using no control, and exhausting to stack B141 Generator A
- (b) One (1) new diesel generator, Model number DQKC, identified as Generator C, located at the Building 184 (B184), planned to be constructed in 2006, with a maximum capacity of 2,700 HP, using no control, and exhausting to stack B184 Generator C.

General Construction Conditions

THIS SECTION OF THE PERMIT IS BEING ISSUED UNDER THE PROVISIONS OF 326 IAC 2-1 AND 326 IAC 2-7-10.5, WITH CONDITIONS LISTED BELOW.

D.1.1 Permit No Defense

This permit to construct the new diesel generator, identified as Generator C, does not relieve the Permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.

D.1.2 Part 70 Operating Permit [326 IAC 2-7-10.5]

Pursuant to 326 IAC 2-7-10.5(e)(3)(ii), operation of the modified Generators A and B may begin upon this approval issuance, and operation of the and new Generator C may begin after the construction is completed.

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

D.1.3 General Provisions Relating to National Emission Standards for Hazardous Air Pollutants under 40 CFR Part 63 [326 IAC 20-1] [40 CFR Part 63, Subpart A]

- (a) Pursuant to 40 CFR 63.6665, the Permittee shall comply with the provisions of 40 CFR Part 63, Subpart A – General Provisions, which are incorporated by reference as 326 IAC 20-1-1 for the diesel Generators A, B, and C as specified in 40 CFR 63.6665 in accordance with schedule in 40 CFR 63 Subpart ZZZZ.
- (b) Pursuant to 40 CFR 63.10, the Permittee shall submit all required notifications and reports to:

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

and

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

and

Indianapolis Office of Environmental Services
Air Compliance

2700 South Belmont Avenue
Indianapolis, IN 46221

D.1.4 National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines Requirements [40 CFR Part 63, Subpart ZZZZ] [326 IAC 20-82] [40 CFR 63.6590] [40 CFR 63.6645]

Pursuant to 40 CFR 63.6645(d), the permittee shall submit the initial notification, which shall include the information in §63.9(b)(2)(i) through (v), and a statement that the stationary RICE, Emission Units Generators A, B, and C have no additional requirements, and explain the basis of the exclusion. The notification for the Generators A and B shall be submitted no later than 120 days after this permit issuance date, and for the new Generator C - no later than 120 days after its start up date.

D.1.5 Emission Offset Minor Limit [326 IAC 2-3]

(a) Time of operation of each of the Generators A, B, and C shall be limited to less than 99 hours per 12 consecutive months, with compliance determined at the end of each month.

(b) NO_x emission from each of the Generators A and B shall be limited to less than 32.40 pounds per hour; NO_x emission from the Generator C shall be limited to less than 64.80 pounds per hour.

Compliance with these limits shall render requirements of 326 IAC 2-3 not applicable.

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

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for this facility and any control device.

Compliance Determination Requirements [326 IAC 2-1.1-11]

None

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

None

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

D.1.7 Record Keeping Requirements

(a) To document compliance with Condition D.1.5, the Permittee shall maintain records of actual hours of operation for each of the Generators A, B, and C. Records shall be taken monthly and shall be complete and sufficient to establish compliance with the time of operation limit established in Condition D.1.5. Records necessary to demonstrate compliance shall be available within 30 days of the end of each compliance period.

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

D.1.8 Reporting Requirements

A quarterly summary of the information to document compliance with Condition D.1.5 shall be submitted to the addresses 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 calendar quarter being reported. The report submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

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

and

**Indianapolis Office of Environmental Services
Air Compliance
2700 South Belmont Avenue
Indianapolis, IN 46221**

**PART 70 OPERATING PERMIT
CERTIFICATION**

Source Name: Eli Lilly and Company, Lilly Technology Center
Source Address: 1555 South Harding Street, Indianapolis, IN
Mailing Address: Eli Lilly and Company, Lilly Corporate Center, Indianapolis, IN 46285
Minor Source Modification No.: 097-22049-00072

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

Please check what document is being certified:

Annual Compliance Certification Letter

Test Result (specify)

Report (specify)

Notification (specify)

Affidavit (specify)

Other (specify)

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

Signature:

Printed Name:

Title/Position:

Phone:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH
and
INDIANAPOLIS OFFICE OF ENVIRONMENTAL SERVICES
AIR COMPLIANCE**

**PART 70 OPERATING PERMIT
EMERGENCY OCCURRENCE REPORT**

Source Name: Eli Lilly and Company, Lilly Technology Center
Source Address: 1555 South Harding Street, Indianapolis, IN
Mailing Address: Eli Lilly and Company, Lilly Corporate Center, Indianapolis, IN 46285
Minor Source Modification No.: 097-22049-00072

This form consists of 2 pages

Page 1 of 2

<input type="checkbox"/> This is an emergency as defined in 326 IAC 2-7-1(12) <ul style="list-style-type: none">C The Permittee must notify the Office of Air Quality (OAQ), and OES within four (4) business hours (1-800-451-6027 or 317-233-5674, ask for Compliance Section); andC 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
Type of Pollutants Emitted: TSP, PM-10, SO ₂ , VOC, NO _x , CO, Pb, other:
Estimated amount of pollutant(s) emitted during emergency:
Describe the steps taken to mitigate the problem:
Describe the corrective actions/response steps taken:
Describe the measures taken to minimize emissions:
If applicable, describe the reasons why continued operation of the facilities are necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value:

Form Completed by:

Title / Position:

Date:

Phone:

A certification is not required for this report.

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

Part 70 Quarterly Report

Source Name: Eli Lilly and Company, Lilly Technology Center
Source Address: 1555 South Harding Street, Indianapolis, IN
Mailing Address: Eli Lilly and Company, Lilly Corporate Center, Indianapolis, IN 46285
Minor Source Modification No.: 097-22049-00072
Facility: Generators A, B, and C
Parameter: Time (hours) of operation
Limit: 99 hours of operation per 12 consecutive months (each of Generators A, B, and C)

YEAR:

Month/Generator	Column 1 Hours of Operation	Column 2 Hours of Operation	Column 1 + Column 2
	This Month	Previous 11 Months	12 Month Total
Month 1. Generator A			
Month 1. Generator B			
Month 1. Generator C			
Month 2. Generator A			
Month 2. Generator B			
Month 2. Generator C			
Month 3. Generator A			
Month 3. Generator B			
Month 3. Generator C			

No deviation occurred in this quarter.

Deviation/s occurred in this quarter.
Deviation has been reported on:

Submitted by:
Title / Position:
Signature:
Date:
Phone:

Attach a signed certification to complete this report.

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

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

Source Name: Eli Lilly and Company, Lilly Technology Center
Source Address: 1555 South Harding Street, Indianapolis, IN
Mailing Address: Eli Lilly and Company, Lilly Corporate Center, Indianapolis, IN 46285
Minor Source Modification No.: 097-22049-00072

Months: _____ to _____ Year: _____

Page 1 of 2

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

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

Form Completed By:

Title/Position:

Date:

Phone:

Attach a signed certification to complete this report.

**Indiana Department of Environmental Management
Office of Air Quality
and
Indianapolis Office of Environmental Services**

Technical Support Document (TSD) for a Part 70 Minor Source Modification

Source Description and Location
--

Source Name:	Eli Lilly and Company, Lilly Technology Center
Source Location:	1555 South Harding Street, Indianapolis, IN
County:	Marion County
SIC Code:	2834, 2833
Operation Permit No.:	T 097-6846-00072
Minor Source Modification No.:	097-22049-00072
Permit Reviewer:	Boris Gorlin

Existing Approvals

The source submitted an application for a Part 70 Operating Permit on October 8, 1996. At this time, this application is still under review. The source is operating under the following approvals:

- (a) 8109, issued on May 16, 1984 for B348 Evaporator 24;
- (b) 8163, issued on July 9, 1984 for B348 Tanks 14-17;
- (c) 8303, issued on November 29, 1984 for B348 Evaporator 21;
- (d) 8304, issued on November 29, 1984 for B348 Evaporator 22;
- (e) 8305, issued on November 29, 1984 for B348 Evaporator 23
- (f) 8306, issued on November 29, 1984 for B348 Evaporator (wall);
- (g) 8307, issued on November 29, 1984 for B348 Ventilation Room;
- (h) 8308, issued on November 30, 1984 for B140/P/D5, PCA14 (Bldg 100);
- (i) 8309, issued on November 30, 1984 for B140/P/D7, PCA16 (Bldg 100);
- (j) 8310, issued on November 30, 1984 for B100/P/F6, EF4;
- (k) 8311, issued on November 30, 1984 for B100/P/F6, EF9 (Bldg 100);
- (l) 8312, issued on November 30, 1984 for B100 ST3/D15;
- (m) 8783, issued on April 22, 1986, for Vanco 348 Facility;
- (n) 0072-1, issued on July 15, 1987 for Building 130;
- (o) 890073-01, issued on September 8, 1989 for equipment in Building 334 (replaced by CP950073-03 issued on May 17, 1995);

Construction Permits

- (p) 11043, issued on September 13, 1985 for Vanco 348;
- (q) 890073-03, issued on November 17, 1989 for B348 Tanks 19 and 20;
- (r) 910072-01, issued on October 2, 1991 for BHI 132 Facility;
- (s) 920073-01, issued on August 14, 1992 for 358 Pilot Plant;
- (t) 097-3341, issued on July 27, 1994 for 110 RACT Plan;
- (u) 950073-03, issued on November 6, 1995 for LTC Emergency Generators;
- (v) 950073-02, issued on January 5, 1995 for PC1: 328 Facility;
- (w) 950073-01, issued on January 5, 1995 for PC100 Facility;
- (x) 950073-03, issued on May 17, 1995 for Vancomycin Processing (revoked);
- (y) A097-5322, issued on February 20, 1996 for 110 RACT Plan Amendment;
- (z) 960072-01, issued on February 29, 1996 for Glucagon 130 Facility;
- (aa) 960073-01, issued on July 10, 1996 for Emergency Generator (314);
- (bb) 960073-01, issued on September 25, 1996 for 358 Pilot Plant;
- (cc) A0970072-02, issued on December 10, 1997, for 110 RACT Plan Amendment;
- (dd) A0970072-03, issued on March 12, 1999, 110 RACT Plan Amendment;
- (ee) 097-12128, issued on May 2, 2001, for Building 110 RACT Plan Amendment;
- (ff) 097B12605-00072, issued on September 10, 2001, for modification to Building 130;

County Attainment Status

The source is located in Marion County.

Pollutant	Status
PM-2.5	nonattainment
PM-10	attainment
SO ₂	maintenance attainment
NO ₂	attainment
8-hour Ozone	basic nonattainment
1-hour Ozone	maintenance attainment
CO	attainment
Lead	attainment

- (a) Volatile organic compounds (VOC) and nitrogen oxides (NOx) are regulated under the Clean Air Act (CAA) for the purposes of attaining and maintaining the National Ambient Air Quality Standards (NAAQS) for ozone. Therefore, VOC and NOx emissions are considered when evaluating the rule applicability relating to the ozone standards. Marion County has

been designated as nonattainment for the 8-hour ozone standard. Therefore, VOC and NOx emissions were reviewed pursuant to the requirements for Emission Offset, 326 IAC 2-3.

- (b) Marion County has been classified as nonattainment for PM2.5 in 70 FR 943 dated January 5, 2005. Until U.S. EPA adopts specific New Source Review rules for PM2.5 emissions, it has directed states to regulate PM10 emissions as a surrogate for PM2.5 emissions pursuant to the requirements of Emission Offset, 326 IAC 2-3. See the State Rule Applicability for the source section.
- (c) Marion County has been classified as attainment or unclassifiable in Indiana for all other criteria pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2. See the State Rule Applicability for the Source Section.
- (d) Fugitive Emissions
 Since this type of operation is in one of the twenty-eight (28) listed source categories under 326 IAC 2-2 or 326 IAC 2-3, fugitive emissions are counted toward the determination of PSD and Emission Offset applicability.

Source Status

The table below summarizes the potential to emit of the entire source, prior to the proposed modification, after consideration of all enforceable limits established in the effective permits:

Pollutant	Emissions (tons/year)
PM	<100
PM10	<100
SO ₂	<100
VOC	>100
CO	<100
NO _x	<100

- (a) This source is one of the listed source types, but does not have the potential to emit PM10, CO, NO_x, or SO₂ greater than 100 tons per year. Therefore, pursuant to 326 IAC 2-2 the source is not a major source under PSD.
- (b) This existing source has potential emissions of VOC greater than 100 tons per year. Therefore, pursuant to 326 IAC 2-3 the source is a major source. However, the source was constructed prior to the effective date of the rule and no construction or modifications to this source have resulted in a major modification as defined in 326 IAC 2-3.
- (c) These emissions are based upon the Part 70 Permit Application.

The table below summarizes the potential to emit HAPs for the entire source, prior to the proposed modification, after consideration of all enforceable limits established in the effective permits:

HAPs	Potential To Emit (tons/year)
acetonitrile	greater than 10
Combined HAPs	greater than 25

This existing source is a major source of HAPs, as defined in 40 CFR 63.41, because HAP emissions are greater than ten (10) tons per year for a single HAP and greater than twenty-five (25) tons per year for a combination of HAPs. Therefore, this source is a major source under Section 112 of the Clean Air Act (CAA).

Actual Emissions

The following table shows the actual emissions from the source. This information reflects the 2004 Office of Air Quality (OAQ) and Indianapolis Office of Environmental Services (OES) emission data.

Pollutant	Actual Emissions (tons/year)
PM	none reported
PM-10	none reported
SO ₂	none reported
VOC	43.17
CO	none reported
NO _x	none reported
methylene chloride	0.74 tons
chlorine	0.17 tons

Description of Proposed Modification and New Source Construction

The OAQ and OES have reviewed a modification application, submitted by Eli Lilly and Company, Lilly Technology Center on October 31, 2005, relating to two (2) emergency generators status change to "peak shaving" generators, and construction of one (1) new generator with the same status. The following is a list of the proposed emission units:

- (a) Two (2) existing diesel generators, Model number DFJD, identified as Generators A and B, located at the Building 141 (B141), constructed, respectively, in 1999 and 2004, with a maximum capacity of 1,350 HP each, using no control, and exhausting to stack B141 Generator A.
- (b) One (1) new diesel generator, Model number DQKC, identified as Generator C, located at the Building 184 (B184), planned to be constructed in 2006, with a maximum capacity of 2,700 HP, using no control, exhausting to stack B184 Generator C.

Enforcement Issues

There are no pending enforcement actions related to this modification.

Stack Summary

Stack ID	Operation	Height (feet)	Diameter (feet)	Flow Rate (acfm)	Temperature (°F)
Building generator A	Diesel Generator	14.17	0.17	7,775	975
Building generator B	Diesel Generator	14.17	0.17	7,775	975
Building generator C	Diesel Generator	14.17	0.17	16,200	890

Emission Calculations

See Appendix A (two pages) of this document for detailed emission calculations.

Permit Level Determination – Part 70

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as "the maximum capacity of a

stationary source or emission unit to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA, IDEM, or the appropriate local air pollution control agency.”

The following table is used to determine the appropriate permit level under 326 IAC 2-7-10.5. This table reflects the PTE before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

Total PTE from Modification

Pollutant	Total unlimited PTE (8,760 hr/yr) of New and Modified Units (ton/year)	Total Limited PTE (99 hr/yr) of New and Modified Emission Units (ton/year)
PM	16.556	0.187
PM10	16.556	0.187
SO ₂	19.662	1.081
VOC	16.775	0.188
CO	130.09	1.470
NO _x	570.65	6.416
HAPs	0.014	1.58x10 ⁻⁴

This Source Modification is subject to 326 IAC 2-7-10.5(d)(4)(B) as a Minor Source Modification for which potential to emit is limited to less than twenty five (25) tons per year of any regulated pollutant by limiting annual hours of operation of the process. Additionally, this modification will be incorporated into the Part 70 Operating Permit at the time of its issuance.

Permit Level Determination – PSD or Emission Offset

The table below summarizes the potential to emit, reflecting all limits, of the emission units. Any control equipment is considered federally enforceable only after issuance of this Part 70 Minor Source modification, and only to the extent that the effect of the control equipment is made practically enforceable in the permit.

Process/Emission Unit	Potential to Emit (tons/year)					
	PM	PM10	SO ₂	VOC	CO	NO _x
Generator A (Building 141)	0.0468	0.0468	0.0270	0.047	0.0318	1.604
Generator B (Building 141)	0.0468	0.0468	0.0270	0.047	0.0318	1.604
Generator C (Building 184)	0.0936	0.0936	0.541	0.094	0.0735	3.208
Total for Modification	0.187	0.187	1.081	0.188	1.470	6.416
Significant Level or Major Source Threshold - PSD	100		100		100	
Significant Level - Emission Offset	25	15	40	40	100	40

This modification to an existing PSD minor stationary source is not major because the PM, SO₂, and CO emissions increase is less than the PSD major thresholds. Therefore, pursuant to 326 IAC

2-2, the PSD requirements do not apply.

This modification to an existing Emission Offset major stationary source is not major because the VOC and NOx emissions increase is less than the Emission Offset significant levels. Therefore, pursuant to 326 IAC 2-3, the Emission Offset requirements do not apply.

Marion County has been designated as nonattainment for PM 2.5 in 70 FR 943 dated January 5, 2005. According to the April 5, 2005 EPA memo titled "Implementation of New Source Review Requirements in PM2.5 Nonattainment Areas" authored by Steve Page, Director of OAQPS, until EPA promulgates the PM2.5 major NSR regulations, states should assume that a major stationary source's PM10 emissions represent PM2.5 emissions. IDEM will use the PM10 nonattainment major NSR program as a surrogate to address the requirements of nonattainment major NSR for the PM2.5 NAAQS. A major source in a nonattainment area is a source that emits or has the potential to emit one hundred (100) tons per year of any nonattainment regulated pollutant. Eli Lilly and Co., Lilly Technology Center has potential to emit of PM10 below one hundred (100) tons per year. Therefore, assuming that PM10 emissions represent PM2.5 emissions, 326 IAC 2-3 does not apply for PM2.5.

Federal Rule Applicability Determination

The following federal rules are applicable to the source due to this modification.

- (a) The diesel Generators A, B, and C are, each, subject to the National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (40 CFR 63, Subpart ZZZZ), which is incorporated by reference as 326 IAC 20-82. Existing Generators A and B, and new Generator C are limited stationary RICE, operating (limited to) less than 100 hours per year each (see State Rule Applicability Section).
- (b) Pursuant to 40 CFR 63.6590(b), the Permittee is subject only to the requirements in 40 CFR 63.6645 (d) for this facility.
- (c) Pursuant to 40 CFR 63.6645(d), the permittee shall submit the initial notification, which shall include the information in 40 CFR 63.9(b)(2)(i) through (v), and a statement that the stationary RICE, Emission Units Generators A, B, and C have no additional requirements, and explain the basis of the exclusion (for example, that it operates occasionally with limited operation hours, less than 100 hours per year each). The notification for the Generators A and B shall be submitted no later than 120 days after this permit issuance date, and for the new Generator C - no later than 120 days after its start up date.
- (d) The provisions of 40 CFR 63 Subpart A – General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the facility described in this section except when otherwise specified in 40 CFR 63 Subpart ZZZZ.

State Rule Applicability Determination

The following state rules are applicable to the source due to the modification:

326 IAC 2-3 (Emission Offset)

- (a) Time of operation of each of the Generators A, B, and C shall be limited to less than 99 hours per 12 consecutive month period, with compliance determined at the end of each month.
- (b) NOx emission from each of the Generators A and B shall be limited to less than 32.40 pounds per hour; NOx emission from the Generator C shall be limited to less than 64.80 pounds per hour.

Compliance with these limits shall render requirements of 326 IAC 2-3 not applicable.

326 IAC 2-4.1 (Major Sources of Hazardous Air Pollutants (HAP))

The operation of Generators A, B, and C will emit less than ten (10) tons per year for a single HAP and less than twenty-five (25) tons per year for a combination of HAPs. Therefore, 326 IAC 2-4.1 does not apply.

326 IAC 2-6 (Emission Reporting)

Since this source is required to have an operating permit under 326 IAC 2-7, Part 70 Permit Program, this source is subject to 326 IAC 2-6 (Emission Reporting). In accordance with the compliance schedule in 326 IAC 2-6-3, an emission statement must be submitted triennially. The first report is due no later than July 1, 2008, and subsequent reports are due every three (3) years thereafter. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4.

326 IAC 5-1 (Opacity Limitations)

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 the permit:

- (a) Opacity shall not exceed an average of thirty percent (30%) 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.

326 IAC 6.5-1-2 (Particulate Emissions Limitations)

This rule does not apply to this source because the potential to emit of particulate is less than one hundred (100) tons per year, actual particulate emissions are less than ten (10) tons per year, and it is not a specifically listed source in 326 IAC 6.5-6 (Marion County).

326 IAC 7-1 (Sulfur Dioxide Emission Limitations)

This rule does not apply to the Generators A, B, and C because the potential to emit SO₂ from each emission unit is less than twenty five (25) tons per year or ten (10) pounds per hour.

326 IAC 8-1-6 (New facilities; general reduction requirements)

This rule does not apply to the Generators A, B, and C because the potential VOC emissions are less than twenty five (25) tons per year per unit.

326 IAC 20-82 (Stationary Reciprocating Internal Combustion Engines)

The source is subject to 326 IAC 20-82 Stationary Reciprocating Internal Combustion Engines. 326 IAC 20-82 incorporates by reference 40 CFR 63 Subpart ZZZZ. The Permittee will comply with the provisions of 40 CFR 63 Subpart ZZZZ as detailed in the Federal Rule Applicability Determination section above.

Conclusion and Recommendation

This proposed modification shall be subject to the conditions of the attached proposed Part 70 Minor Source Modification No. 097-22049-00072. The staff recommends to the Administrator that this Part 70 Minor Source Modification be approved.

Source Name: Eli Lilly and Co., Lilly Technology Center
Minor Source Modification: 097-22049-00072
Part 70 Permit No.: 097-6846-00072
Reviewer: Boris Gorlin

Peak Generators
Calculation of potential emissions

Fuel sulfur content:	0.5 %
Generators A, B Maximum Capacity (each):	1,350 HP
Generator C Maximum Capacity:	2,700 HP

AP-42, Chapter 3.4 (Large Stationary Diesel and All Stationary Dual-Fuel Engines)

Existing Generators A & B

Pollutant	Emission Factor lb/HP-hr	Emission Rate (each) lb/hr	500 hr	8,760 hr/yr	99 hr	Net Difference (2 gen.) ton/yr
			Potential Emission (2 gen.) ton/yr	Total Potential Emission (2 gen.) ton/yr	Total Limited Emission (2 gen.) ton/yr	
PM	7.000E-04	0.945	0.4725	8.2782	0.0936	-0.379
PM10	7.000E-04	0.945	0.4725	8.2782	0.0936	-0.379
NOx	0.024	32.40	16.200	283.82	3.208	-12.99
SO2	4.045E-03	5.461	2.730	47.836	0.541	-2.190
CO	5.5E-03	7.425	3.713	65.043	0.735	-2.977
VOC	7.05E-04	0.952	0.476	8.337	0.094	-0.382

New Generator C

Pollutant	Emission Factor lb/HP-hr	Emission Rate (each) lb/hr	8,760 hr/yr	99 hr
			Total Potential Emission ton/yr	Total Limited Emission ton/yr
PM	7.000E-04	1.890	8.278	0.0936
PM10	7.000E-04	1.890	8.278	0.0936
NOx	0.024	64.80	283.824	3.208
SO2	4.045E-03	10.922	47.836	0.541
CO	5.5E-03	14.850	65.043	0.735
VOC	7.05E-04	1.904	8.337	0.094

Total Modification Limited Emissions (99 hr)

Generators EU IDs: A, B, C

Pollutant	Total PTE 8760 hr/yr ton/yr	Total Limited	Net Difference
		Emission, 99 hr/yr ton/yr	
PM	16.556	0.187	-0.285
PM10	16.556	0.187	-0.285
NOx	567.648	6.415	-9.785
SO2	95.672	1.081	-1.649
CO	130.086	1.470	-2.242
VOC	16.675	0.188	-0.287

Fuel Limits Calculation

Generators A, B (each)	1350 HP
	Or: 3.4337 MMBtu/hr
Fuel heat value:	0.13703 MMBtu/gal
Maximum Fuel Consumption (8,760 hr/yr):	25.058 gal/hr
	219,510 gal/yr
	or: 219.5 kgal/yr, per each generator
Limited Fuel Consumption (99 hr/yr)	2.481 kgal/yr, per each generator

Generator C	2700 HP
	Or: 6.8675 MMBtu/hr
Fuel heat value:	0.13703 MMBtu/gal
Maximum Fuel Consumption (8,760 hr/yr):	50.116 gal/hr
	439,020 gal/yr
	or: 439.0 kgal/yr
Limited Fuel Consumption (99 hr/yr)	4.962 kgal/yr
NOx emission limit, lb/MMBtu 0.107	

METHODOLOGY

Maximum Fuel Consumption, kgal/yr = (Maximum Heat Input Capacity, MMBtu/hr / Fuel Heat Value, MMBtu/gal) / 1,000

Limited Fuel Consumption, kgal/yr = (Maximum Fuel Consumption, kgal/yr x 8,760 hr/yr) / 99 hr/yr

NOx emission limit, lb/MMBtu = (NOx Emission Limit at 99 hr/yr x 2,000 lb/ton/8,760 hr/yr) / Max. Heat Input Capacity, MMBtu/hr = 0.107 lb/MMBtu