



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We Protect Hoosiers and Our Environment.

Mitchell E. Daniels Jr.
Governor

Thomas W. Easterly
Commissioner

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

TO: Interested Parties / Applicant

DATE: May 13, 2009

RE: Indianapolis Power & Light- Petersburg Generating Station / 125-23135-00002

FROM: Matthew Stuckey, Branch 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, Suite N 501E, 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.



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Mr. Jeffrey A. Harter
Indianapolis Power & Light – Petersburg Generating Station
P.O. Box 436
Petersburg, Indiana 47567

May 13, 2009

Re: Appeal Resolution
AR 125-23135-00002 to
Title IV Permit Renewal No.: AR 125-19652-00002

Dear Mr. Harter:

Indianapolis Power & Light Company – Petersburg Generating Station was issued a Title IV Permit Renewal on May 3, 2006 for a stationary utility electric generating station.

Indianapolis Power & Light Company – Petersburg Generating Station located at 6925 N. State Road 57, Petersburg, Indiana 47567 filed a petition for administrative review (Cause No. 06-A-J-3721) for Title IV (Acid Rain) Permit Renewal No.: 125-19652-00002 issued on May 3, 2006. On May 22, 2006, the Office of Air Quality (OAQ) and Indianapolis Power & Light Company – Petersburg Generating Station reached a settlement that would resolve the appeal of the Title IV (Acid Rain) Permit Renewal. Based on the settlement, a significant permit modification to this permit is hereby approved as described in the attached Technical Support Document.

The modification consists of revisions to Condition 4(j) (Sulfur Dioxide Requirements) and Condition 5 (Nitrogen Oxides Requirements).

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 Joe Sachse, OAQ, 100 North Senate Avenue, MC 61-53 1003 IGCN, Indianapolis, Indiana, 46204-2251, or call at (800) 451-6027, and ask for Joe Sachse or extension (4-5378), or dial (317) 234-5378.

Sincerely,

Tripurari P. Sinha
Tripurari P. Sinha, Ph. D., Section Chief
Permits Branch
Office of Air Quality

Attachments:
Updated Permit
Technical Support Document

TPS/ajs

cc: File – Pike County
Pike County Health Department
U.S. EPA, Region V
Compliance and Enforcement Branch
Office of Legal Counsel – Justin D. Barrett

Mr. Jeffrey A. Harter
Environmental Team Leader
Indianapolis Power & Light – Petersburg Generating Station
P.O. Box 436
Petersburg, Indiana 47567

Ms. Angelique Oliger
Indianapolis Power & Light Corporate Affairs
One Monument Circle
Indianapolis, Indiana 46204



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TITLE IV (ACID RAIN) PERMIT RENEWAL

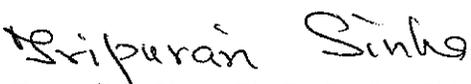
OFFICE OF AIR QUALITY

**Indianapolis Power & Light Company (IPALCO) –
Petersburg Generating Station
6925 North State Road 57
Petersburg, Indiana 47567**

ORIS: 994

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

Operation Permit No.: AR 125-19652-00002	
Original signed by Nisha Sizemore for: Paul Dubenetzky Assistant Commissioner Office of Air Quality	Issuance Date: May 3, 2006 Expiration Date: May 3, 2011

First Permit Modification No.: AR 125-23135-00002	
Issued by:  Tripurari P. Sinha, Ph. D., Section Chief Permits Branch Office of Air Quality	Issuance Date: May 13, 2009 Expiration Date: May 3, 2011

Title IV Operating Conditions

Title IV Source Description:

- (a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2,200 MMBtu per hour, using an electrostatic precipitator and FGD scrubber as particulate matter control, low NOx burners for NOx reduction, and exhausting to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO₂), and a continuous opacity monitor (COM).
- (b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4,144 MMBtu per hour, an electrostatic precipitator and FGD scrubber as particulate matter control, low NOx burners for NOx reduction, and exhausting to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO₂), and a continuous opacity monitor (COM).
- (c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5,540 MMBtu per hour, an electrostatic precipitator, FGD scrubber and selective catalytic reduction as control, and exhausting to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO₂), and a continuous opacity monitor (COM).
- (d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, constructed in 1978, with a design capacity of 5,550 MMBtu per hour, an electrostatic precipitator and FGD scrubber as particulate matter control, low NOx burners for NOx reduction, and exhausting to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO₂) and a continuous opacity monitor (COM).

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

1. Statutory and Regulatory Authorities

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

2. Standard Permit Requirements [326 IAC 21]

- (a) The designated representative has submitted a complete acid rain permit application in accordance with 40 CFR 72.30.
- (b) The Permittee shall operate Units 1, 2, 3, and 4 in compliance with this permit.

3. Monitoring Requirements [326 IAC 21]

- (a) The Permittee and, to the extent applicable, the designated representative of Units 1, 2, 3, and 4 shall comply with the monitoring requirements as provided in 40 CFR 75 and 76.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 76 shall be used to determine compliance by Units 1, 2, 3, and 4 with the acid rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (c) The requirements of 40 CFR 75 and 76 shall not affect the responsibility of the Permittee to monitor emissions of other pollutants or other emissions characteristics at Units 1, 2, 3, and 4 under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

4. Sulfur Dioxide Requirements [326 IAC 21]

- (a) The Permittee shall:
- (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the compliance subaccount of Units 1, 2, 3, and 4, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from Units 1, 2, 3, and 4; and,
 - (2) Comply with the applicable acid rain emissions limitations for sulfur dioxide.
- (b) Each ton of sulfur dioxide emitted in excess of the acid rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.
- (c) Units 1, 2, 3, and 4 shall be subject to the requirements under paragraph 4(a) of the sulfur dioxide requirements as follows:
- (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or,
 - (2) Starting on the latter of January 1, 2000, or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).
- (d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (e) An allowance shall not be deducted in order to comply with the requirements under paragraph 4(a) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the acid rain permit application, the acid rain permit, the acid rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (g) An allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.
- (h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement. [326 IAC 2-7-5(4)(A)]
- (i) No limit shall be placed on the number of allowances held by the Permittee. The Permittee may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. [326 IAC 2-7-5(4)(B)]

5. Nitrogen Oxides Requirements [326 IAC 21]

- (a) The Permittee shall comply with the terms applicable to Petersburg Units 1, 2, 3 and 4 which are contained in the approved Phase II NO_x Averaging Plan that was filed with IDEM on June 28, 2004, a copy of which is attached to this permit.
- (b) Under any circumstances, the Permittee may demonstrate compliance with the applicable acid rain emissions limitations of nitrogen oxide for all units in the Phase II NO_x Averaging Plan by using the equation set forth in 40 C.F.R. § 76.11(d)(1)(ii)(A).

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

- (a) If Unit 1, 2, 3, or 4 has excess emissions of sulfur dioxide in any calendar year, the designated representative shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.

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

Indiana Department of Environmental Management
Compliance and Enforcement Branch, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

and

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

and

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

- (c) If Unit 1, 2, 3, or 4 has excess emissions, as defined in 40 CFR 72.2, in any calendar year, the Permittee shall:
- (1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and,
 - (2) Comply with the terms of an approved sulfur dioxide offset plan, as required by 40 CFR 77 and 326 IAC 21.

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

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

CFR 75.

8. Submissions [326 IAC 21]

- (a) The designated representative of Units 1, 2, 3, and 4 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 and Support Section, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251
- and
- U.S. Environmental Protection Agency
Clean Air Markets Division
1200 Pennsylvania Avenue, NW
Mail Code (6204N)
Washington, DC 20460
- (c) Each such submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.
- (d) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature, the following statements which shall be included verbatim in the submission:
- (1) "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made."; and,
- (2) "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."
- (e) The designated representative of Units 1, 2, 3, and 4 shall notify the Permittee:
- (1) By the date of submission, of any Acid Rain Program submissions by the designated representative;
- (2) Within 10 business days of receipt of any written determination by U.S. EPA or IDEM, OAQ; and,
- (3) Provided that the submission or determination covers Unit 1, 2, 3 or 4.
- (f) The designated representative of Units 1, 2, 3, and 4 shall provide the Permittee a copy of any submission or determination under paragraph 8(e), unless the Permittee expressly waives the right to receive a copy.

9. Severability [326 IAC 21]

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

10. Liability [326 IAC 21]

- (a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to Section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.
- (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to Section 113(c) of the Clean Air Act, 18 U.S.C. 1001 and IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.
- (c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (d) Units 1, 2, 3, and 4 shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to Unit 1, 2, 3, or 4, including a provision applicable to the designated representative of Unit 1, 2, 3, or 4, shall also apply to the Permittee.
- (f) Any provision of the Acid Rain Program that applies to Unit 1, 2, 3, or 4, including a provision applicable to the designated representative, shall also apply to the Permittee. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NOx averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the Permittee and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
- (g) Each violation of a provision of 40 CFR 72, 73, 75, 76, 77, and 78 by Units 1, 2, 3, or 4, or by the Permittee or designated representative, shall be a separate violation of the Clean Air Act.

11. Effect on Other Authorities [326 IAC 21]

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

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the Permittee and, to the extent applicable, the designated representative of Unit 1, 2, 3, or 4 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.



Phase II NO_x Averaging Plan

For more information, see instructions and refer to 40 CFR 76.11

Page 1

This submission is: New Revised

Page 1 of 3

STEP 1

Identify the units participating in this averaging plan by plant name, State, and boiler ID# from NADE. In column (a), fill in each unit's applicable emission limitation from 40 CFR 76.5, 76.6, or 76.7. In column (b), assign an alternative contemporaneous annual emissions limitation (ACEL) in lb/mmBtu to each unit. In column (c), assign an annual heat input limitation in mmBtu to each unit. Continue to page 3 if necessary.

Plant Name	State	ID#	(a) Emission Limitation	(b) ACEL	(c) Annual Heat Input Limit
Eagle Valley	IN	3	0.45	0.76	2522000
Eagle Valley	IN	4	0.45	0.76	2853000
Eagle Valley	IN	5	0.45	0.44	2790000
Eagle Valley	IN	6	0.45	0.44	5234000
Harding Street	IN	50	0.45	0.44	5797000
Harding Street	IN	60	0.45	0.45	5422000
Harding Street	IN	70	0.45	0.40	25412000
Petersburg	IN	1	0.45	0.35	17303000
Petersburg	IN	2	0.45	0.45	32809000

Continued on pg. 3

STEP 2

Use the formula to enter the Btu-weighted annual emission rate averaged over the units if they are operated in accordance with the proposed averaging plan and the Btu-weighted annual average emission rate for the same units if they are operated in compliance with 40 CFR 76.5, 76.6, or 76.7. The former must be less than or equal to the latter.

Btu-weighted annual emission rate averaged over the units if they are operated in accordance with the proposed averaging plan

0.44

Btu-weighted annual average emission rate for same units operated in compliance with 40 CFR 76.5, 76.6 or 76.7

0.45

$$\frac{\sum_{i=1}^n (R_{Li} \times HI_i)}{\sum_{i=1}^n HI_i}$$

$$\frac{\sum_{i=1}^n [R_{Li} \times HI_i]}{\sum_{i=1}^n HI_i}$$

Where,

- R_{Li} = Alternative contemporaneous annual emission limitation for unit i, in lb/mmBtu, as specified in column (b) of Step 1;
- R_i = Applicable emission limitation for unit i, in lb/mmBtu, as specified in column (a) of Step 1;
- HI_i = Annual heat input for unit i, in mmBtu, as specified in column (c) of Step 1;
- n = Number of units in the averaging plan

Eagle Valley, Harding Street
Petersburg
Plant Name (from Step 1)

STEP 3

Mark one of the two options and enter dates.

- This plan is effective for calendar year _____ through calendar year _____ unless notification to terminate the plan is given.
- Treat this plan as identical plans, each effective for one calendar year for the following calendar years: 2005, 2006, 2007, 2008 and 2009 unless notification to terminate one or more of these plans is given.

STEP 4

Read the special provisions and certification, enter the name of the designated representative, and sign and date.

Special Provisions

Emission Limitations

Each affected unit in an approved averaging plan is in compliance with the Acid Rain emission limitation for NO_x under the plan only if the following requirements are met:

- (i) For each unit, the unit's actual annual average emission rate for the calendar year, in lb/mmBtu, is less than or equal to its alternative contemporaneous annual emission limitation in the averaging plan, and
 - (a) For each unit with an alternative contemporaneous emission limitation less stringent than the applicable emission limitation in 40 CFR 76.5, 76.6, or 76.7, the actual annual heat input for the calendar year does not exceed the annual heat input limit in the averaging plan.
 - (b) For each unit with an alternative contemporaneous emission limitation more stringent than the applicable emission limitation in 40 CFR 76.5, 76.6, or 76.7, the actual annual heat input for the calendar year is not less than the annual heat input limit in the averaging plan, or
- (ii) If one or more of the units does not meet the requirements of (i), the designated representative shall demonstrate, in accordance with 40 CFR 76.11(d)(1)(ii)(A) and (B), that the actual Btu-weighted annual average emission rate for the units in the plan is less than or equal to the Btu-weighted annual average rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations in 40 CFR 76.5, 76.6, or 76.7.
- (iii) If there is a successful group showing of compliance under 40 CFR 76.11(d)(1)(ii)(A) and (B) for a calendar year, then all units in the averaging plan shall be deemed to be in compliance for that year with their alternative contemporaneous emission limitations and annual heat input limits under (i).



Liability

The owners and operators of a unit governed by an approved averaging plan shall be liable for any violation of the plan or this section at that unit or any other unit in the plan, including liability for fulfilling the obligations specified in part 77 of this chapter and sections 113 and 411 of the Act.

Termination

The designated representative may submit a notification to terminate an approved averaging plan, in accordance with 40 CFR 72.40(d), no later than October 1 of the calendar year for which the plan is to be terminated.

Certification

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. 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.

Name	Jeffrey A. Harter	
Signature	Jeffrey A. Harter	Date 6-28-04

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

**Technical Support Document
For a Title IV (Acid Rain) Permit Modification**

Source Description and Location

Source Name:	Indianapolis Power & Light Company - Petersburg Generating Station
Source Location:	6925 N. State Road 57, Petersburg, Indiana 47567
Mailing Address:	6925 N. State Road 57, Petersburg, Indiana 47567
County:	Pike
ORIS Code:	994
Title IV Renewal Permit No.:	AR 125-19652-00002, issued on May 3, 2006
Title IV Permit Modification No.:	125-23135-00002
Permit Reviewer:	Joe Sachse

Existing Approvals

The source was issued Title IV (Acid Rain) Renewal Permit No.: AR 125-19652-00002 on May 3, 2006.

Description of Proposed Modification

This modification consists of modifying the existing Title IV (Acid Rain) Renewal Permit Conditions to reflect the resolution of the petition that was filed by Indianapolis Power & Light Company - Petersburg Generating Station May 22, 2006 for an administrative review (Cause 06-A-J-3721) of their Title IV (Acid Rain) Renewal Permit No. AR 125-19652-00002.

Proposed Changes

The changes listed below have been made to Title IV (Acid Rain) Renewal Permit No.: AR 125-19652-00002 to reflect the resolution for Cause No. 06-A-J-3721. Deleted language appears as ~~strikethroughs~~ and new language appears in **bold**:

Appeal Resolution No. 1:

Condition 4(j): the following table and paragraph have been deleted because they are no longer needed:

SO ₂ Annual Allowance Allocations (tons)					
	2005	2006	2007	2008	2009
Unit 1	7,086*	7,086*	7,086*	7,086*	7,086*
Unit 2	13,961*	13,961*	13,961*	13,961*	13,961*
Unit 3	16,881*	16,881*	16,881*	16,881*	16,881*
Unit 4	16,150*	16,150*	16,150*	16,150*	16,150*

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

Appeal Resolution No. 2:

Condition 5 - Nitrogen Oxide Requirements is modified as follows:

5. Nitrogen Oxides Requirements [326 IAC 21]

- ~~(a) The permittee shall comply with the applicable acid rain emissions limitation of nitrogen oxides (NO_x) for Units 1, 2, 3, and 4.~~
- (a) The Permittee shall comply with the terms applicable to Petersburg Units 1, 2, 3 and 4 which are contained in the approved Phase II NO_x Averaging Plan that was filed with IDEM on June 28, 2004, a copy of which is attached to this permit.**
- ~~(b) NO_x Emission Averaging Plan for Unit 1:~~
- ~~(1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x emission averaging plan for Unit 1, effective from calendar year 2005 through 2009. Unlike the plan, NO_x emissions from Unit 1 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 0.35 lb/MMBtu. In addition Unit 1 shall not have an annual heat input of less than 17,303,000 MMBtu.~~
- ~~(2) Under the plan, the actual Btu weighted annual average NO_x emission rate for all the units in the plan shall be less than or equal to the Btu weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11) is met for a year under the~~

~~plan, then Unit 1 shall be deemed to be in compliance for that year with its annual ACEL and annual heat input limit.~~

(b) Under any circumstances, the Permittee may demonstrate compliance with the applicable acid rain emissions limitations of nitrogen oxide for all units in the Phase II NO_x Averaging Plan by using the equation set forth in 40 C.F.R. § 76.11(d)(1)(ii)(A).

~~(c) NO_x Emission Averaging Plan for Unit 2:~~

- ~~(1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x emission averaging plan for Unit 2, effective from calendar year 2005 through 2009. Unlike the plan, NO_x emissions from Unit 2 shall not exceed the annual average (ACEL) of 0.45 lb/MMBtu. In addition Unit 2 shall not have an annual heat input of less than 32,809,000 MMBtu.~~
- ~~(2) Under the plan, the actual Btu weighted annual average NO_x emission rate for all the units in the plan shall be less than or equal to the Btu weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11) is met for a year under the plan, then Unit 2 shall be deemed to be in compliance for that year with its annual ACEL and annual heat input limit.~~

~~(d) NO_x Emission Averaging Plan for Unit 3:~~

- ~~(1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x emission averaging plan for Unit 3, effective from calendar year 2005 through 2009. Unlike the plan, NO_x emissions from Unit 3 shall not exceed the annual average (ACEL) of 0.47 lb/MMBtu. In addition Unit 2 shall not have an annual heat input of less than 39,803,000 MMBtu.~~
- ~~(2) Under the plan, the actual Btu weighted annual average NO_x emission rate for all the units in the plan shall be less than or equal to the Btu weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11) is met for a year under the plan, then Unit 3 shall be deemed to be in compliance for that year with its annual ACEL and annual heat input limit.~~

~~(e) NO_x Emission Averaging Plan for Unit 4:~~

- ~~(1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO_x emission averaging plan for Unit 4, effective from calendar year 2005 through 2009. Unlike the plan, NO_x emissions from Unit 3 shall not exceed the annual average (ACEL) of 0.43 lb/MMBtu. In addition Unit 2 shall not have an annual heat input of less than 40,122,000 MMBtu.~~
- ~~(2) Under the plan, the actual Btu weighted annual average NO_x emission rate for all the units in the plan shall be less than or equal to the Btu weighted annual average NO_x emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11) is met for a year under the~~

~~plan, then Unit 4 shall be deemed to be in compliance for that year with its annual ACEL and annual heat input limit.~~

- ~~(f) In addition to the described NO_x compliance plan, Units 1, 2, 3, and 4 shall comply with all other applicable requirements of 40 CFR 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.~~

Conclusion and Recommendation

The source shall be subject to the conditions of the attached Title IV Significant Permit Modification No. 125-23135-00002. The staff recommends to the Commissioner that this Title IV Significant Permit Modification be approved.