



Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

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

TO: Interested Parties / Applicant
DATE: December 28, 2006
RE: Headwaters Resources, Inc / 073-237111-00040
FROM: Nisha Sizemore
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval - Effective Immediately

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

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

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

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

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

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

Enclosures
FNPER.dot 03/23/06



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
We make Indiana a cleaner, healthier place to live.

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Mr. Tom Schmaltz, Corporate Environmental Manager
Headwaters Resources, Inc.
1160 Millstone Run
Bogart, GA 30622

December 28, 2006

Re: Interim Significant Source Modification Petition
073-237111-00040

Dear Mr. Schmaltz:

On December 1, 2006, the Office of Air Quality (OAQ) received an interim significant source modification petition from Headwaters Resources, Inc., located at NIPSCO – Schahfer Station, 2723 East, 1500 North, in Wheatfield, Indiana for construction of a fly ash processing facility.

Public notice of the interim significant source modification petition was published on December 5, 2006. The public comment period ended on December 19, 2006. There were no comments received during the public comment period. This interim significant source modification petition expires on the effective date of the final significant source modification permit.

The interim significant source modification petition may be revoked after the effective date upon a written finding by the Indiana Department of Environmental Management (IDEM) that any of the reasons for denial in 326 IAC 2-13-1(h) exist or if the final significant source modification permit is denied. The IDEM has reviewed this interim significant source modification petition and has not found any such reason. The facilities specified in the interim significant source modification petition may not operate until the final significant source modification permit is issued by OAQ.

The interim significant source modification petition is federally enforceable. Detailed construction and operation conditions will be specified in the final significant source modification permit 073-23711-00040.

If you have any questions regarding this interim significant source modification petition, please contact Kimberly Cottrell, OAQ, 100 North Senate Avenue, Indianapolis, Indiana, 46204-2251, or call at (800) 451-6027, and ask for Kimberly Cottrell or extension (3-0870), or dial (317) 233-0870.

Sincerely,

Original signed by
Nisha Sizemore, Chief
Permits Branch
Office of Air Quality

Enclosure: Interim Permit Evaluation (3 pages)

KLC

cc: File – Jasper County
Jasper County Health Department
U.S. EPA, Region V
Air Compliance Inspectors – Dan Hancock
Compliance Data Section
Permits Administration and Development

Mr. Mike Adams, Regional Vice President
Headwaters Resources, Inc.
4043 North Euclid Avenue
Bay City, MI 48706

Ms. Holly Argiris
Environmental Resources Management (ERM)
Fidelity Plaza, Tower Two
11350 North Meridian, Suite 220
Carmel, IN 46032

Mr. John M. Ross
NIPSCO – Schahfer Station
2723 East, 1500 North
Wheatfield, IN 46392

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

**Interim Significant Permit Revision/ Significant Source Modification
Evaluation Sheet**

Company Name:	Headwaters Resources, Inc. at NIPSCO - Schahfer Station		
Location:	2723 East, 1500 North, Wheatfield, IN 46392	Permit No:	073-237111-00040
Permit Reviewer:	Kim Cottrell	Date Receipt of Application:	12/1/2006
		Date of review:	12/5/2006
Description of the interim construction:	Installation of pneumatic conveyors, storage silo, bahouse, pugmill and end product conveyor for the fly ash processing facility		
Public Notice Date + 3 days = 17 days =	12/22/2006		

Interim Petition Applicability: 326 IAC 2-13-1

- (a) Existing Source with valid permit;
- (b) Exemptions:
 - (1) construction of a PSD source or PSD modification;
 - (2) construction or modification in nonattainment area that would emit those pollutants for which the nonattainment designation is based.
 - (3) any modification subject to 326 IAC 2-4.1.
- (c) Public notice comment period is 14 calendar days.

Instructions: Check (✓) appropriate answers and make a recommendation.

1. Did the applicant submit a written petition for an interim permit?
 - Yes Go to question 2.
 - No Ignore verbal request.
2. Did the applicant pay the \$500 interim permit fee?
 - Yes Go to question 3.
 - No Deny the application, pursuant to 326 IAC 2-13-1(c)(1).
3. Did the applicant state acceptance of federal enforceability of an interim permit?
 - Yes Go to question 4.
 - No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(D).
4. Did the applicant or its authorized agent sign the application?
 - Yes Go to question 5.
 - No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(E).
5. Did the applicant submit a notarized affidavit stating that the applicant will proceed at its own risk (if the interim permit is issued), including, but not limited to:
 - (a) Financial risk,

- (b) Risk that additional emission controls may be required,
(c) Risk that the final permit may be denied.
- Yes Go to question 6.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(F).
6. Did the applicant begin construction prior to submitting the interim permit application?
 Yes Deny the application, pursuant to 326 IAC 2-13-1(h)(6).
 No Go to question 7.
7. What is the type of the interim construction?
 New Source Deny the application, pursuant to 326 IAC 2-13-1(a)
 Modification to an existing source Go to question 8.
8. Did the applicant present data in the interim permit that is sufficient to determine PSD, NSPS, NESHAP, and state rule compliance?
 Yes Go to question 9.
 No Deny the application pursuant to:
326 IAC 2-13-1(c)(2)(B), for PSD;
326 IAC 2-13-1(c)(2)(C), for NSPS or NESHAP;
326 IAC 2-13-1(c)(2)(C), for state rules.
9. Is the proposed modification to be located in a nonattainment area?
 Yes Go to question 10.
 No Go to question 11.
- County: Jasper County
10. Will the proposed modification emit the pollutant for which the area is nonattainment in quantities greater than the significant levels?
 Yes Deny the application, pursuant to 326 IAC 2-13-1(a)(2).
 No Go to question 11.
11. Did the petition include a complete description of the process?
 Yes Go to question 12.
 No Deny the petition, pursuant to 326 IAC 2-13-1(c)(2).
12. Did the interim permit petition contain conditions accepting either emission controls (baghouse, afterburners, scrubbers, etc.) or enforceable limits or other suitable restriction to avoid PSD applicability; as well as control parameters (incinerator operating temperature, baghouse pressure drop, etc.)? The specific limits must be explicitly spelled out (i.e.: The gas consumption of the boiler shall not exceed 29 million cubic feet per month.) A statement such as that the company agrees to conditions such that PSD rules are not applicable is not acceptable.
 Yes Go to question 13.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(B).
13. Do the emission controls and/or throughput limits prevent PSD applicability?
 Yes Go to question 14.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(B).
14. Will the modification, after application of all emission controls and/or throughput limitations comply with all applicable New Source Performance Standards (NSPS) (40 CFR 60)?
 Yes Go to question 15.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(C).

15. Will the modification, after application of all emission controls and/or throughput limitations comply with all applicable National Emission Standards for Hazardous Air Pollutants (NESHAP)?

- Yes Go to question 16.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(C).

16. Will the modification, after application of all emission controls and/or throughput limitations, comply with all applicable state rules?

- Yes Go to question 17.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(C).

17. Does the applicant dispute applicability of any applicable state or federal rule?

- Yes Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(C).
 No Go to question 18.

18. Is there good reason to believe that the applicant does not intend to construct in accordance with the interim permit petition?

- Yes Deny the application, pursuant to 326 IAC 2-13-1(h)(1).
 No Go to question 19.

19. Is there good reason to believe that information in the petition has been falsified?

- Yes Deny the application, pursuant to 326 IAC 2-13-1(h)(7).
 No Approve the interim permit petition.

20. Has the petition been adequately public noticed? A proof of publication copy is necessary.

- Yes Go to question 21.
 No Deny the application, pursuant to 326 IAC 2-13-1(e).

Newspaper: Rensseliar Republican

Date of publication: 12/5/2006 to 12/19/2006

21. Were comments received within seventeen (17) days after the public notice of the interim permit?
(14 calendar days for comment period + 3 working days for mailing)

- Yes Evaluate the comments received, and make a recommendation.
 No Issue the final interim permit approval.

Comments: _____

Recommendation: _____

Date the applicant was informed of the decision: _____

Method of informing the applicant: _____