



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: August 25, 2009

RE: IPL – Petersburg Generating Station / 125-27991-00002

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 13-15-5-3, 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, Suite N 501E, 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.dot12/03/07



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

**Indianapolis Power & Light (IPL) -
Petersburg Generating Station
6925 N. 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 [326 IAC 21] with conditions listed on the attached pages.

Operation Permit No.: AR 125-27991-00002	
Issued by: <i>Tripurari Sinha</i> Tripurari P. Sinha, Ph. D., Section Chief Permits Branch Office of Air Quality	Issuance Date: August 25, 2009 Expiration Date: August 25, 2009

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 Units 1, 2, 3 and 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

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

- (c) If Units 1, 2, 3 and 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 Units 1, 2, 3 and 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 Units 1, 2, 3 and 4, including a provision applicable to the designated representative of Units 1, 2, 3 and 4 shall also apply to the Permittee.
- (f) Any provision of the Acid Rain Program that applies to Units 1, 2, 3 and 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 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the Permittee and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
- (g) Each violation of a provision of 40 CFR parts 72, 73, 75, 76, 77, and 78 by Units 1, 2, 3 and 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 Units 1, 2, 3 and 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 5

STEP 1

Identify the units participating in this averaging plan by plant name, State, and boiler ID# from NADES. 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

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

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

Where,

- R_{ai} = Alternative contemporaneous annual emission limitation for unit i, in lb/mmBtu, as specified in column (b) of Step 1;
- R_{ci} = 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

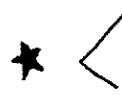
Read the special provisions and certification, enter the name of the designated representative, and sign and date.

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 78.5, 78.6, or 78.7, 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 78.5, 78.6, or 78.7, the actual annual heat input for the calendar year is not less than the annual heat input limit in the averaging plan, or
- (B) If one or more of the units does not meet the requirements of (i), the designated representative shall demonstrate, in accordance with 40 CFR 78.11(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 78.5, 78.6, or 78.7.
- (II) If there is a successful group showing of compliance under 40 CFR 78.11(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 Renewal

Source Background and Description

Source Name:	Indianapolis Power & Light (IPL) Petersburg Generating Station
Source Location:	6925 N. State Road 57, Petersburg, Indiana, 47567
County:	Pike
Designated Representative:	Jeffrey A. Harter
ORIS Code:	994
Previous Title IV (Acid Rain) Permit No.:	AR 125-19652-00002
Title IV (Acid Rain) Renewal Permit No.:	AR 125-27991-00002
Permit Reviewer:	Kimberley Malley

The Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) has reviewed a Title IV (Acid Rain) permit renewal application submitted by Indianapolis Power & Light (IPL) - Petersburg Generating Station on May 28, 2009. The application is for the operation of the following affected units at a station located at 6925 N. State Road 57, Petersburg, Indiana.

- (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).

This Title IV (Acid Rain) permit renewal AR 125-27991-00002, when issued, will have a term of five years and will involve the same affected units as indicated in the initial Title IV (Acid Rain) permit AR 125-19652-00002.

Existing Title IV (Acid Rain) Approvals

The source has been operating under the following previous Title IV (Acid Rain) approvals:

- (a) Appeal No. 125-23135-00002, issued on May 13, 2009; and
- (b) AR 125-19652-00002, issued on May 3, 2006.

Indianapolis Power & Light (IPL) was issued a Title IV permit for the Petersburg Generating Station, effective from May 3, 2006 to May 3, 2011. June 28, 2004, Indianapolis Power & Light (IPL) submitted a Phase II NOx Compliance Plan and incorporated a Phase II NOx Averaging Plan for the Petersburg Generating Station. The aforementioned revision(s) have been combined into this renewal permit.

Program Description

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

- (a) **Goal of the Program**

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

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

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

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

- (d) **Sulfur Dioxide (SO₂) Emission Allocations**
 The sulfur dioxide allowance allocation rule (40 CFR Part 73) was revised in August 1998. The nation wide allocated sulfur dioxide emissions are 9,480,000 tons per year for 2000 through 2009. The 2010 cap is projected to reduce sulfur dioxide emissions to 8,900,000 tons per year. No allocations were made for new sources. New regulated power plants have to obtain sulfur dioxide emission allocations by purchasing them from pre-existing power plants that have received U.S. EPA allocations. A regulated power plant may have emission allocations to sell because the plant purchased newer, less polluting, equipment. The U.S. EPA keeps track of the transfer of all sulfur dioxide emission allocations in an official accounting system.
- (e) **Nitrogen Oxide Emission (NO_x) Limitations**
 Pursuant to 40 CFR 76, nitrogen oxide (NOX) emission limitations are applicable only to coal-fired utility and coal-fired substitution units that are subject to Phase I and Phase II sulfur dioxide (SO₂) reduction requirements.

Specific NOX Compliance and Averaging Plan

There are four affected unit(s), identified as Units 1, 2, 3 and 4, in this generating station. Table 1 below summarize the NOx compliance and averaging plan for these unit(s).

Table 1			
Calendar Years 2010 to 2014	Emission Limitation per 40 CFR 76.5, 76.6 or 76.7 (lb/MMBTU)	Alternative Limit (lb/MMBTU)	Heat Input Limit (MMBTU)
Unit 1	0.45	0.35	17303000
Unit 2	0.45	0.45	32809000
Unit 3	0.45	0.47	39803000
Unit 4	0.45	0.43	40122000
The BTU weighted annual emission rate average over the units if they are operated in accordance with the proposed averaging plans = BTU weighted annual average emission rate for same units operated in compliance with 40 CFR 76			

Emissions Monitoring Requirements

The Permittee and, to the extent applicable, the designated representative of Unit 1, Unit 2, Unit 3, and Unit 4 must comply with the monitoring requirements set out in 40 CFR 75 and 72.9(b)(1) and (2). The source must measure and record it's emissions of sulfur dioxide. The source must report these measurements to IDEM and U.S. EPA. These records and reports are used to determine if the source is in compliance with the sulfur dioxide allocation program. The requirements of the Title IV (Acid Rain) permit do not affect the source's responsibility to monitor emissions of other pollutants or other emissions characteristics required by the Clean Air Act and other operating permit provisions. Monitoring requirements outlined in the source's Title IV (Acid Rain) permit renewal application are considered as part of the Title IV (Acid Rain) renewal permit.

Other Record Keeping and Reporting Requirements

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

Submissions

The designated representative for each emissions unit must sign and certify every report or other submission required by the Title IV (Acid Rain) renewal permit. The designated representative must include the following certification statement in every submission:

"I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

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

Draft Title IV (Acid Rain) Permit Renewal

IDEM has preliminarily determined that the source meets the requirements of Indiana Code (IC) 13-17-3-4 and IC 13-17-3-11, as well as Title IV of the Clean Air Act. IDEM proposes this draft Title IV (Acid Rain) permit renewal pursuant to 326 IAC 21.

Recommendation

The staff recommends that the Title IV Acid Rain permit renewal be approved. This recommendation is based on the following facts and conditions.

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

IDEM Contact

- (a) Permit
Questions regarding the proposed Title IV (Acid Rain) renewal permit can be directed to Kimberley Malley at the Indiana Department Environmental Management (IDEM), Office of Air Quality (OAQ), 100 North Senate Avenue, MC 61-53 IGCN 1003, Indianapolis, Indiana 46204-2251 or by telephone at (317) 233-9664 or toll free at 1-800-451-6027 extension 3-9664.
- (b) Compliance Inspection
The source will be inspected by IDEM's compliance inspection staff. Persons seeking to obtain information regarding the source's compliance status or to report any potential violation of any permit condition should contact Dan Hancock at the Office of Air Quality (OAQ) address or by telephone at (317) 232-8429 or toll free at 1-800-451-6027 extension 2-8429.
- (c) Copies
Copies of the Code of Federal Regulations (CFR) referenced in the permit may be obtained from:

Indiana Department of Environmental Management
Office of Air Quality
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

or

The Government Printing Office
Washington, D.C. 20402

or

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



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

SENT VIA U.S. MAIL: CONFIRMED DELIVERY AND SIGNATURE REQUESTED

TO: Jeffrey Harter
IPL - Petersburg Generating Station
P.O. Box 436
Petersburg, IN 47567

DATE: August 25, 2009

FROM: Matt Stuckey, Branch Chief
Permits Branch
Office of Air Quality

SUBJECT: Final Decision
Acid Rain - Renewal
125-27991-00002

Enclosed is the final decision and supporting materials for the air permit application referenced above. Please note that this packet contains the original, signed, permit documents.

The final decision is being sent to you because our records indicate that you are the contact person for this application. However, if you are not the appropriate person within your company to receive this document, please forward it to the correct person.

A copy of the final decision and supporting materials has also been sent via standard mail to:
Angelique Oliger (IPL)
OAQ Permits Branch Interested Parties List

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178, or toll-free at 1-800-451-6027 (ext. 3-0178), and ask to speak to the permit reviewer who prepared the permit. If you think you have received this document in error, please contact Joanne Smiddie-Brush of my staff at 1-800-451-6027 (ext 3-0185), or via e-mail at jbrush@idem.IN.gov.

Final Applicant Cover letter.dot 11/30/07



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

August 25, 2009

TO: Pikie County Public Library

From: Matthew Stuckey, Branch Chief
Permits Branch
Office of Air Quality

Subject: **Important Information for Display Regarding a Final Determination**

Applicant Name: IPL - Petersburg Generating Station
Permit Number: 125-27991-00002

You previously received information to make available to the public during the public comment period of a draft permit. Enclosed is a copy of the final decision and supporting materials for the same project. Please place the enclosed information along with the information you previously received. To ensure that your patrons have ample opportunity to review the enclosed permit, **we ask that you retain this document for at least 60 days.**

The applicant is responsible for placing a copy of the application in your library. If the permit application is not on file, or if you have any questions concerning this public review process, please contact Joanne Smiddie-Brush, OAQ Permits Administration Section at 1-800-451-6027, extension 3-0185.

Enclosures
Final Library.dot 11/30/07

Mail Code 61-53

IDEM Staff	MIDENNEY 8/25/2009 Indianapolis Power and Light - Petersburg Generating Station 125-27991-00002 (final)		AFFIX STAMP HERE IF USED AS CERTIFICATE OF MAILING
Name and address of Sender	 Indiana Department of Environmental Management Office of Air Quality – Permits Branch 100 N. Senate Indianapolis, IN 46204	Type of Mail: CERTIFICATE OF MAILING ONLY	

Line	Article Number	Name, Address, Street and Post Office Address	Postage	Handing Charges	Act. Value (If Registered)	Insured Value	Due Send if COD	R.R. Fee	S.D. Fee	S.H. Fee	Rest. Del. Fee	Remarks
1		Jeffrey A Harter Indianapolis Power and Light - Petersburg Generati PO Box 436 Petersburg IN 47567 (Source CAATS) via confirmed delivery										
2		Mr. Randy Brown Plumbers & Steam Fitters Union, Local 136 2300 St. Joe Industrial Park Dr Evansville IN 47720 (Affected Party)										
3		Mr. Paul Lake 2364 South CR 750 E. Winslow IN 47598 (Affected Party)										
4		Mr. Steve Buyer US Representative 5th District C/O Brandt Herhsman, 100 S. Main St Monticello IN 47960 (Legislator)										
5		Ms. Andrea Wood 4565 E CR 750 N Petersburg IN 47567 (Affected Party)										
6		Pike County Commissioners 801 Main Street Petersburg IN 47567 (Local Official)										
7		Petersburg City Council and Mayors Office 704 Main St, City Hall Petersburg IN 47567 (Local Official)										
8		Pike County Health Department 801 Main St, Courthouse Petersburg IN 47567-1298 (Health Department)										
9		Pike County Public Library 1104 Main St Petersburg IN 47567-1337 (Library)										
10		Mr. Meyer Larry 4715 S. CR 175 E. Winslow IN 47598 (Affected Party)										
11		Mr. Gary Leavitt 502 S. Lakeview Dr. Petersburg IN 47567 (Affected Party)										
12		Mr. Jeff Janett 603 S CR 450 E Sullivan IN 47882 (Affected Party)										
13		Tom & Sandy Loveless 138 Nichols Ave Petersburg IN 47567 (Affected Party)										
14		C.J. & Betty Meadors 5582 N CR 500 E Petersburg IN 47567 (Affected Party)										
15		Ms. Angelique Oliger IPL One Monument Circle Indianapolis IN 46204 (Consultant)										

Total number of pieces Listed by Sender 14	Total number of Pieces Received at Post Office	Postmaster, Per (Name of Receiving employee)	The full declaration of value is required on all domestic and international registered mail. The maximum indemnity payable for the reconstruction of nonnegotiable documents under Express Mail document reconstructing insurance is \$50,000 per piece subject to a limit of \$50, 000 per occurrence. The maximum indemnity payable on Express mil merchandise insurance is \$500. The maximum indemnity payable is \$25,000 for registered mail, sent with optional postal insurance. See Domestic Mail Manual R900, S913, and S921 for limitations of coverage on inured and COD mail. See International Mail Manual for limitations o coverage on international mail. Special handling charges apply only to Standard Mail (A) and Standard Mail (B) parcels.
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Mail Code 61-53

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Line	Article Number	Name, Address, Street and Post Office Address	Postage	Handing Charges	Act. Value (If Registered)	Insured Value	Due Send if COD	R.R. Fee	S.D. Fee	S.H. Fee	Rest. Del. Fee	Remarks
1		Rachel 12710 N Green River Rd Evansville In 47725 (Affected Party)										
2		Mr. John Blair 800 Adams Ave Evansville IN 47713 (Affected Party)										
3												
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Total number of pieces Listed by Sender 2	Total number of Pieces Received at Post Office	Postmaster, Per (Name of Receiving employee)	The full declaration of value is required on all domestic and international registered mail. The maximum indemnity payable for the reconstruction of nonnegotiable documents under Express Mail document reconstructing insurance is \$50,000 per piece subject to a limit of \$50, 000 per occurrence. The maximum indemnity payable on Express mil merchandise insurance is \$500. The maximum indemnity payable is \$25,000 for registered mail, sent with optional postal insurance. See Domestic Mail Manual R900, S913, and S921 for limitations of coverage on inured and COD mail. See International Mail Manual for limitations o coverage on international mail. Special handling charges apply only to Standard Mail (A) and Standard Mail (B) parcels.
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