



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: January 26, 2010

RE: Indiana Michigan Power - Tanners Creek Plant / 029-28349-00002

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



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
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Ms. Sharon McFarland
Plant Environmental Coordinator
Indiana Michigan Power - Tanners Creek Plant
800 AEP Drive
Lawrenceburg, IN 47025

January 26, 2010

Re: 029-28349-00002
Significant Permit Modification to
Acid Rain No.: AR029-16153-00002

Dear Ms. McFarland:

Indiana Michigan Power - Tanners Creek Plant was issued an Acid Rain Permit Renewal on July 25, 2006 located at 800 AEP Drive, Lawrenceburg, in Indiana. A letter requesting changes to this permit was received on June 23, 2009. Pursuant to the provisions of 326 IAC 2-7-12 a significant permit modification to this permit is hereby approved.

The modification consists of including the Sulfur Dioxide allocations and the Nitrogen Oxide averaging plan through to the 2011 expiry of the Acid Rain Permit.

All other conditions of the permit shall remain unchanged and in effect. For your convenience, the entire Part 70 Operating Permit as modified will be provided at issuance.

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 Kimberley Malley, OAQ, 100 North Senate Avenue, MC 61-53, Room 1003, Indianapolis, Indiana, 46204-2251, or call at (800) 451-6027, and ask for Kimberley Malley or extension (3-9664), or dial (317) 233-9664.

Sincerely,

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

Attachments:
Updated Permit
Technical Support Document

TS/kmm

cc: File – Dearborn County
Dearborn County Health Department
U.S. EPA, Region V
Compliance & Enforcement Branch

Mr. Timothy Kerns
Plant Manager
800 AEP Drive
Lawrenceburg, IN 47025



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Governor

Thomas W. Easterly
Commissioner

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Indianapolis, Indiana 46204
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TITLE IV (ACID RAIN) PERMIT RENEWAL OFFICE OF AIR QUALITY

**Indiana Michigan Power Company - Tanners Creek Plant
dba American Electric Power
800 AEP Drive, Lawrenceburg, Indiana 47025**

ORIS: 988

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 029-16153-00002	
Issued and Original Signed by: Nisha Sizemore Branch Chief Office of Air Quality	Issuance Date: July 25, 2006 Expiration Date: July 26, 2011

First Significant Permit Modification No.: 029-28349-00002	
Issued by: <i>Tripurari Sinha</i> Tripurari P. Sinha, Ph. D., Section Chief Permits Branch Office of Air Quality	Issuance Date: January 26, 2010 Expiration Date: July 26, 2011

Title IV Operating Conditions

Title IV Source Description:

- (a) Two (2) pulverized coal dry bottom roof-fired boilers, identified as Unit 1 and Unit 2, constructed in 1951 and 1952, respectively, each with a nominal design heat input capacity of 1391 million Btu per hour (MMBtu/hr), each with an electrostatic precipitator (ESP) for control of particulate matter, both exhausting to stack CS013. Unit 1 and Unit 2 use distillate fuel oil during startup, shutdown, and stabilization periods. Distillate oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. Unit 1 and Unit 2 each have a selective non-catalytic reduction (SNCR) system, permitted to be constructed in 2008, and low-NOX burners for NOX control, and continuous emissions monitors (CEMs) for nitrogen oxides (NOX) and sulfur dioxide (SO₂) and a continuous opacity monitor (COM).
- (b) One (1) pulverized coal dry bottom roof-fired boiler, identified as Unit 3, constructed in 1954, with a nominal design heat input capacity of 1844 million Btu per hour (MMBtu/hr), with an electrostatic precipitator (ESP) for control of particulate matter, exhausting to stack CS013. Unit 3 uses distillate fuel oil during startup, shutdown, and stabilization periods. Distillate oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. Unit 3 has a selective non-catalytic reduction (SNCR) system, permitted to be constructed in 2008, and low-NOX burners for NOX control, and has continuous emissions monitors (CEMs) for nitrogen oxides (NOX) and sulfur dioxide (SO₂) and a continuous opacity monitor (COM).
- (c) One (1) wet bottom cyclone coal fired boiler, identified as Unit 4, constructed in 1964, with a nominal design heat input capacity of 4990 million Btu per hour (MMBtu/hr), with an electrostatic precipitator (ESP) for control of particulate matter, exhausting to stack TC4. Unit 4 will combust distillate fuel oil during startup, shutdown, and stabilization periods. Distillate oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. 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 Units 1, 2, 3, and 4 compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from 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)]

(j) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

	SO ₂ Annual Allowance Allocations (tons)						
	2005	2006	2007	2008	2009	2010	2011
Unit 1	2,776*	2,776*	2,776*	2,776*	2,776*	2,037*	2,037*
Unit 2	2,798*	2,798*	2,798*	2,798*	2,798*	2,138*	2,138*
Unit 3	4,080*	4,080*	4,080*	4,080*	4,080*	2,287*	2,287*
Unit 4	10,702*	10,702*	10,702*	10,702*	10,702*	10,722*	10,722*

* 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)

5. Nitrogen Oxides Requirements [326 IAC 21]

- (a) The Permittee shall comply with the applicable acid rain emissions limitation of nitrogen oxides (NOx) for Units 1, 2, 3, and 4
- (b) NOx 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 NOx emission averaging plan for Unit 1, effective from calendar year 2005 through July 26, 2011. Under the plan the NOx emissions from Unit 1 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 0.80 lb/MMBtu. In addition, Unit 1 shall not have an annual heat input greater than 5,429,000 MMBtu. If Unit 1 is in compliance with its applicable emission limitation for each year of the plan, then Unit 1 shall not be subject to the applicable emission limitation, under 40 CFR 76.6, of 0.80 lb/MMBtu until July 26, 2011.
 - (2) Under the plan, the actual Btu-weighted annual average NOx emission rate for all the units in the plan shall be less than or equal to the Btu-weighted annual average NOx 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(d)(1)(ii)(A)) 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.
 - (3) Permittee must annually demonstrate that Unit 1 meets the NOx emission limit of 0.80 lb/MMBtu by showing that emissions at the common stack CS013 (through which emissions from Units 1, 2 and 3 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack CS013. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.

(c) NOx 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 NOx emission averaging plan for Unit 2, effective from calendar year 2005 through July 26, 2011. Under the plan the NOx emissions from Unit 2 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 0.80 lb/MMBtu. In addition, Unit 2 shall not have an annual heat input greater than 5,394,000 MMBtu. If Unit 2 is in compliance with its applicable emission limitation for each year of the plan, then Unit 2 shall not be subject to the applicable emission limitation, under 40 CFR 76.6, of 0.80 lb/MMBtu until July 26, 2011.
- (2) Under the plan, the actual Btu-weighted annual average NOx emission rate for all the units in the plan shall be less than or equal to the Btu-weighted annual average NOx 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(d)(1)(ii)(A)) 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.
- (3) Permittee must annually demonstrate that Unit 2 meets the NOx emission limit of 0.80 lb/MMBtu by showing that emissions at the common stack CS013 (through which emissions from Units 1, 2 and 3 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack CS013. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.

(d) NOx 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 NOx emission averaging plan for Unit 3, effective from calendar year 2005 through July 26, 2011. Under the plan the NOx emissions from Unit 3 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 0.80 lb/MMBtu. In addition, Unit 3 shall not have an annual heat input greater than 9,557,000 MMBtu. If Unit 3 is in compliance with its applicable emission limitation for each year of the plan, then Unit 3 shall not be subject to the applicable emission limitation, under 40 CFR 76.6, of 0.80 lb/MMBtu until July 26, 2011.
- (2) Under the plan, the actual Btu-weighted annual average NOx emission rate for all the units in the plan shall be less than or equal to the Btu-weighted annual average NOx 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(d)(1)(ii)(A)) 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.
- (3) Permittee must annually demonstrate that Unit 3 meets the NOx emission limit of 0.80 lb/MMBtu by showing that emissions at the common stack CS013 (through which emissions from Units 1, 2 and 3 are vented) meet such limit, based upon the data from certified continuous emission monitoring systems (CEMS) at common stack CS013. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.

- (e) NOx 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 NOx emission averaging plan for Unit 4, effective from calendar year 2005 through July 26, 2011. Under the plan the NOx emissions from Unit 4 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 1.58 lb/MMBtu. In addition, Unit 4 shall not have an annual heat input greater than 33,431,000 MMBtu. If Unit 4 is in compliance with its applicable emission limitation for each year of the plan, then Unit 4 shall not be subject to the applicable emission limitation, under 40 CFR 76.6, of 0.86 lb/MMBtu until July 26, 2011.
 - (2) Under the plan, the actual Btu-weighted annual average NOx emission rate for all the units in the plan shall be less than or equal to the Btu-weighted annual average NOx 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(d)(1)(ii)(A)) 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 NOx 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 NOx compliance plan and requirements covering excess emissions.
- (g) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plan shall be final only when the Ohio Environmental Protection Agency, Division of Air Pollution Control; the Kentucky Department of Environmental Protection, Division of Air Quality; Virginia Department of Environmental Quality, Air Division; and the West Virginia Department of Environmental Protection, Division of Air Quality have also approved this averaging plan.

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
Indianapolis, IN 46204-2251

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 for 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
Indianapolis, IN 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 of Units 1, 2, 3, or 4 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 Unit 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.

Indiana Department of Environmental Management Office of Air Quality

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

Source Background and Description

Source Name:	Indiana Michigan Power Company-Tanners Creek Plant
Source Location:	800 AEP Drive, Lawrenceburg, IN 47025
County:	Dearborn
Operated By:	d.b.a. American Electric Power (AEP)
Designated Representative:	Timothy Kerns
ORIS Code:	988
Title IV (Acid Rain) Permit No.:	AR 029-16153-00002
Significant Permit Modification No.:	029-28349-00002
Permit Reviewer:	Kimberley Malley

The Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) has reviewed a Significant Permit Modification to a Title IV (Acid Rain) permit renewal application submitted by Indiana Michigan Power Company-Tanners Creek Plant on June 23, 2009. The application is for the operation of the following affected units at a station located at 800 AEP Drive, Lawrenceburg, Indiana.

- (a) Two (2) pulverized coal dry bottom roof-fired boilers, identified as Unit 1 and Unit 2, constructed in 1951 and 1952, respectively, each with a nominal design heat input capacity of 1391 million Btu per hour (MMBtu/hr), each with an electrostatic precipitator (ESP) for control of particulate matter, both exhausting to stack CS013. Unit 1 and Unit 2 use distillate fuel oil during startup, shutdown, and stabilization periods. Distillate oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. Unit 1 and Unit 2 each have a selective non-catalytic reduction (SNCR) system, permitted to be constructed in 2008, and low-NO_x burners for NO_x control, and continuous emissions monitors (CEMs) for nitrogen oxides (NO_x) and sulfur dioxide (SO₂) and a continuous opacity monitor (COM).
- (b) One (1) pulverized coal dry bottom roof-fired boiler, identified as Unit 3, constructed in 1954, with a nominal design heat input capacity of 1844 million Btu per hour (MMBtu/hr), with an electrostatic precipitator (ESP) for control of particulate matter, exhausting to stack CS013. Unit 3 uses distillate fuel oil during startup, shutdown, and stabilization periods. Distillate oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. Unit 3 has a selective non-catalytic reduction (SNCR) system, permitted to be constructed in 2008, and low-NO_x burners for NO_x control, and has continuous emissions monitors (CEMs) for nitrogen oxides (NO_x) and sulfur dioxide (SO₂) and a continuous opacity monitor (COM).
- (c) One (1) wet bottom cyclone coal fired boiler, identified as Unit 4, constructed in 1964, with a nominal design heat input capacity of 4990 million Btu per hour (MMBtu/hr), with an electrostatic precipitator (ESP) for control of particulate matter, exhausting to stack TC4. Unit 4 will combust distillate fuel oil during startup, shutdown, and stabilization periods. Distillate oil may also be burned to maintain boiler temperature to ensure boiler availability on short notice, and to maintain boiler temperature required during chemical cleaning. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_x) and sulfur dioxide (SO₂) and a continuous opacity monitor (COM).

Existing Title IV (Acid Rain) Approvals

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

AR 029-16153-00004, issued on July 25, 2006.

Proposed Changes

Change No. 1. Indiana Michigan Power Company-Tanners Creek Plant, requests to include the SO₂ allocations of their Title IV (Acid Rain) permit (No.: AR 029-16153-00002) from 2009 through 2011 which is the expiry of their Acid Rain Permit. The changes to the Title IV (Acid Rain) permit, Section 4.(j) are as follows:

4. Sulfur Dioxide Requirements [326 IAC 21]

(a) - (i)

(j) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

		SO ₂ Annual Allowance Allocations (tons)					
	2005	2006	2007	2008	2009	2010	2011
Unit 1	2,776*	2,776*	2,776*	2,776*	2,776*	2,037*	2,037*
Unit 2	2,798*	2,798*	2,798*	2,798*	2,798*	2,138*	2,138*
Unit 3	4,080*	4,080*	4,080*	4,080*	4,080*	2,287*	2,287*
Unit 4	10,702*	10,702*	10,702*	10,702*	10,702*	10,722*	10,722*

* 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)

Change No. 2. Condition 5 of Indiana Michigan Power Company-Tanners Creek Plant Acid Rain Permit relates to the Indiana NO_x averaging plan for the calendar year of 2005 through December 31, 2006. The dates have been extended to include through to the expiry of the Acid Rain permit. The changes are 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

(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 ~~December 31, 2006~~ **July 26, 2011**. Under the plan the NO_x emissions from Unit 1 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 0.80 lb/MMBtu. In addition, Unit 1 shall not have an annual heat input greater than 5,429,000 lb/MMBtu. If Unit 1 is in compliance with its applicable emission limitation for each year of the plan, then Unit 1 shall not be subject to the applicable emission limitation, under 40 CFR 76.6, of 0.80 lb/MMBtu until ~~January 1, 2007~~ **July 26, 2011**.

(2)

(3)

(c) NOx 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 NOx emission averaging plan for Unit 2, effective from calendar year 2005 through ~~December 31, 2006~~ **July 26, 2011**. Under the plan the NOx emissions from Unit 2 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 0.80 lb/MMBtu. In addition, Unit 2 shall not have an annual heat input greater than 5,394,000 MMBtu. If Unit 2 is in compliance with its applicable emission limitation for each year of the plan, then Unit 2 shall not be subject to the applicable emission limitation, under 40 CFR 76.6, of 0.80 lb/MMBtu until ~~January 1, 2007~~. **July 26, 2011.**

(2)

(3)

(d) NOx 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 NOx emission averaging plan for Unit 3, effective from calendar year 2005 through ~~December 31, 2006~~ **July 26, 2011**. Under the plan the NOx emissions from Unit 3 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 0.80 lb/MMBtu. In addition, Unit 3 shall not have an annual heat input greater than 9,557,000 MMBtu. If Unit 3 is in compliance with its applicable emission limitation for each year of the plan, then Unit 3 shall not be subject to the applicable emission limitation, under 40 CFR 76.6, of 0.80 lb/MMBtu until ~~January 1, 2007~~. **July 26, 2011.**

(2)

(3)

(e) NOx 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 NOx emission averaging plan for Unit 4, effective from calendar year 2005 through ~~December 31, 2006~~ **July 26, 2011**. Under the plan the NOx emissions from Unit 4 shall not exceed the annual average alternative contemporaneous emission limitation (ACEL) of 1.58 lb/MMBtu. In addition, Unit 4 shall not have an annual heat input greater than 33,431,000 MMBtu. If Unit 4 is in compliance with its applicable emission limitation for each year of the plan, then Unit 4 shall not be subject to the applicable emission limitation, under 40 CFR 76.6, of 0.86 lb/MMBtu until ~~January 1, 2007~~. **July 26, 2011.**

(2)

(f)

(g)

Change No. 3: Condition 6, Excess Emissions Requirements has been modified as follows:

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

(a)

(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
Indianapolis, IN 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)

Change No. 4: Several of IDEM's Branches and sections have been renamed. Therefore, IDEM has updated the addresses listed in the permit. References to Permit Administration and Development Section and the Permits Branch have been changed to Permit Administration and Support Section. References to Asbestos Section, Compliance Data Section, Air Compliance Section, and Compliance Branch have been changed to Compliance and Enforcement Branch.

**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**

**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**

IDEM Contacts

- (a) **Permit**
Questions regarding the proposed Title IV (Acid Rain) permit modification 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
Compliance and Enforcement Branch, 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: Sharon McFarland
Indiana Michigan Power Co. - Tanners Creek Plant
800 AEP Drive
Lawrenceburg, IN 47250

DATE: January 26, 2010

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

SUBJECT: Final Decision
Significant Permit Modification
029-28349-00002

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:
Timothy C. Kerns
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

January 26, 2010

TO: Lawrenceburg Public Library

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

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

Applicant Name: Indiana Michigan Power Company - Tanners Creek Plant

Permit Number: 029-28349-00002

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	GHOTOPP 1/26/2010 Indiana Michigan Power Co-Tanners Creek Plant 029-28349-00002 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		Sharon McFarland Indiana Michigan Power Co-Tanners Creek Plant 800 AEP Drive Lawrence IN 47250 (Source CAATS) via confirmed delivery										
2		Timothy C Kerns Indiana Michigan Power Co-Tanners Creek Plant 800 AEP Dr Lawrenceburg IN 47025 (RO CAATS)										
3		Michael & Monica Ramsey 9931 Old SR 56 Aurora IN 47001 (Affected Party)										
4		Dearborn County Commissioner 215 B West High Street Lawrenceburg IN 47025 (Local Official)										
5		Lawrenceburg City Council and Mayors Office 212 Walnut St. Lawrenceburg IN 47025 (Local Official)										
6		Dearborn County Health Department 215-b W. Hight St, County Admin Building Lawrenceburg IN 47025-1910 (Health Department)										
7		Lawrenceburg Public Library 123 W High St Lawrenceburg IN 47025-1995 (Library)										
8		Mr. John Teaney P.O. Box 494 10837 Aurora IN 47001 (Affected Party)										
9		Robin & Vic Willoughby 311 Broadway Street Aurora IN 47001 (Affected Party)										
10		Aurora City Council and Mayors Office P.O. Box 158 Aurora IN 47001 (Local Official)										
11		James & Mary Hassett 7199 E. Laughery Creek Rd Aurora IN 47001 (Affected Party)										
12		Nancy & William McDaniel 4600 Hartford PK # 98 Aurora IN 47001 (Affected Party)										
13		Ken & Jackie Greive 4685 E. Laughery Creek Road Aurora IN 47001 (Affected Party)										
14		Marlin M. Guss, Jr. 10400 Millstone Dr, P.O. Box 272 Aurora IN 47001 (Affected Party)										
15		Mrs. Shirley Greive 4412 E. Laughery Aurora IN 47001 (Affected Party)										

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14			

Mail Code 61-53

IDEM Staff	GHOTOPP 1/26/2010 Indiana Michigan Power Co-Tanners Creek Plant 029-28349-00002 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	

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1		Patricia 10095 Old SR 56 Aurora IN 47001 (Affected Party)										
2		Sam & Nancy Valone 3826 E. Laughery Creek Rd Aurora IN 47001 (Affected Party)										
3		Peter & Jody Franklin 9212 Hawksridge Dr. Covington KY 41017-9136 (Affected Party)										
4		Mrs. Melanie Bushorn 4172 E. Laughery Creek Rd Aurora IN 47001 (Affected Party)										
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