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: June 15, 2011

RE: The Duke Energy Vermillion II, LLC – Vermillion Energy Facility / 165 - 30613 - 00022

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

Notice of Decision – Approval

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 326 IAC 2, this approval was effective immediately upon submittal of the application.

If you wish to challenge this decision, IC 4-21.5-3-7 requires 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 from 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-AM.dot12/3/07

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June 15, 2011

Mr. Patrick Coughlin
Duke Energy Vermillion II, LLC
1000 East Main Street
Plainfield, IN 46168

Re: 165-30613-00022
First Administrative Amendment to
Acid Rain Renewal No.: 165-28699-00022

Dear Mr. Coughlin:

Duke Energy Ohio – Vermillion Energy Facility was issued an Acid Rain Permit Renewal on March 09, 2010 for a stationary 640 MW merchant power plant located at 2777 North State Road 63, Cayuga, in Indiana. A letter requesting changes to this permit was received on June 01, 2011. The source requested the permit be updated to change the owner to Duke Energy Vermillion II, LLC and the source name to The Duke Energy Vermillion II, LLC – Vermillion Energy Facility. Pursuant to 326 IAC 2-7-11(a)(2), the permit is hereby administratively amended as follows:

The source name has been changed throughout the permit from Duke Energy Ohio – Vermillion Energy Facility to The Duke Energy Vermillion II, LLC – Vermillion Energy Facility.

All other conditions of the permits shall remain unchanged and in effect.

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

Sincerely,

Tripurari Sinha

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

Attachments: Updated Permit

Gs

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

IDEM

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TITLE IV (ACID RAIN) PERMIT RENEWAL

OFFICE OF AIR QUALITY

The Duke Energy Vermillion II, LLC – Vermillion Energy Facility
2777 North State Road 63
Cayuga, Indiana, 47928
ORIS: 55111

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.

First Adminstrative Amendment No.: 165-30613-00022

Operation Permit No.: AR 165-28699-00022	
Issued by: Tripurari P. Sinha, Ph. D., Section Chief Permits Branch Office of Air Quality	Issuance Date: June 15, 2011 Expiration Date: June 15, 2016

Title IV Operating Conditions

Title IV Source Description:

Eight (8) simple cycle, natural gas-fired combustion turbines, identified as units CT#1 through CT#8, installed in 1999, equipped with low-NO_X combustors, exhausting to stacks designated as # 1 through # 8, with a maximum heat input capacity of 1,272 million British thermal units per hour for each turbine, and a nominal output of 80 MW, each.

(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 CT#1 through CT#8 in compliance with this permit.

3. Monitoring Requirements [326 IAC 21]

(a) The Permittee and, to the extent applicable, the designated representative of units CT#1 through CT#8 shall comply with the monitoring requirements as provided in 40 CFR 75.

(b) The emissions measurements recorded and reported in accordance with 40 CFR 75 shall be used to determine compliance by units CT#1 through CT#8 with the acid rain emissions limitations and emissions reduction requirements for sulfur dioxide under the Acid Rain Program.

(c) The requirements of 40 CFR 75 shall not affect the responsibility of the Permittee to monitor emissions of other pollutants or other emissions characteristics at units CT#1 through CT#8 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 CT#1 through CT#8, 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 CT#1 through CT#8; 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 CT#1 through CT#8 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) Units CT#1 through CT#8 were not allocated allowances by United States Environmental Protection Agency (U.S. EPA) under 40 CFR 73.10. However, units CT#1 through CT#8 must still comply with the requirement to hold allowances to account for sulfur dioxide emissions under paragraph 4(a) and 326 IAC 21.

(g) 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.

(h) An allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.

(i) 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)]

(j) 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]

Pursuant to 40 CFR 76, Acid Rain Nitrogen Oxides Emission Reduction Program, the natural gas fired simple cycle units CT#1 through CT#8 are not subject to the nitrogen oxide limitations set out in 40 CFR 76.

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

(a) If units CT#1 through CT#8 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, 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 units CT#1 through CT#8 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 CT#1 through CT#8 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 CT#1 through CT#8 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 CT#1 through CT#8 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, 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 CT#1 through CT#8 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 CT#1 through CT#8.

(f) The designated representative of units CT#1 through CT#8 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 CT#1 through CT#8 shall meet the requirements of the Acid Rain Program.

(e) Any provision of the Acid Rain Program that applies to units CT#1 through CT#8, including a provision applicable to the designated representative of units CT#1 through CT#8, shall also apply to the Permittee.

(f) Any provision of the Acid Rain Program that applies to units CT#1 through CT#8, including a provision applicable to the designated representative, shall also apply to the Permittee. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NOx averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the Permittee and the designated representative of one affected unit, shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(g) Each violation of a provision of 40 CFR parts 72, 73, 75, 77, and 78 by units CT#1 through CT#8, 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 CT#1 through CT#8, 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.

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

TO: Patrick Coughlin
The Duke Energy Vermillion II, LLC – Vermillion Energy Facility
1000 E Main St
Plainfield, IN 46168

DATE: June 15, 2011

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

SUBJECT: Final Decision
Acid Rain - Administrative Amendment
165 - 30613 - 00022

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:
Arnold Jenkins, Production Mgr
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

Mail Code 61-53

IDEM Staff	LPOGOST 6/15/2011 Duke Energy Vermillion II, LLC- Vermillion Energy Facility 165 - 30613 - 00022 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		Patrick Coughlin Duke Energy Vermillion II, LLC- Vermillion Energy 1000 E Main St Plainfield IN 46168 (Source CAATS) Via confirmed delivery									
2		Arnold Jenkins Production Mgr Duke Energy Vermillion II, LLC- Vermillion Energy 1000 E Main St Plainfield IN 46168 *(RO CAATS)*									
3		Mr. Terry Hennis 2934 North 50 East Cayuga IN 47928 *(Affected Party)*									
4		Mr. Ned Wright Wrights Ice Cream Highway 63 Cayuga IN 47928 *(Affected Party)*									
5		Cayuga Town Council PO Box 33 Cayuga IN 47928 *(Local Official)*									
6		Vermillion County Health Department 257 Walnut Street Clinton IN 47842-2342 *(Health Department)*									
7		Mr. Mario Wilson Laser, Inc. 654 Kentucky Street Gridley CA 95948-2118 *(Affected Party)*									
8		Vermillion County Commissioners P.O. Box 190 Newport IN 47966 *(Local Official)*									
9		J.P. Roehm PO Box 303 Clinton IN 47842 *(Affected Party)*									
10		Mark Zeltwanger 26545 CR 52 Nappanee IN 46550 *(Affected Party)*									
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