INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
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TITLE IV (ACID RAIN) PERMIT RENEWAL
OFFICE OF AIR QUALITY

Duke Energy Indiana, Inc.
480 North Hall Road, Wheatland, Indiana 47597

ORIS: 55224

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 083-31063-00041	
Issued by: Tripurari P. Sinha, Ph. D., Section Chief Permits Branch Office of Air Quality	Issuance Date: Expiration Date:

Title IV Operating Conditions

Title IV Source Description:

Four (4) simple cycle natural gas-fired combustion turbines, designated as units EU-01 through EU-04, constructed in 2000, with a maximum heat input capacity of 1,351 MMBtu/hr (Lower Heating Value, LHV) per turbine unit, with water-injection for NO_x emissions control and exhausting to stacks S-001 through S-004.

(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 EU-01 through EU-04 in compliance with this permit.

3. Monitoring Requirements [326 IAC 21]

(a) The Permittee and, to the extent applicable, the designated representative of units EU-01 through EU-04 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 EU-01 through EU-04 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 EU-01 through EU-04 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 EU-01 through EU-04, 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 EU-01 through EU-04; 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 EU-01 through EU-04 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 EU-01 through EU-04 were not allocated allowances by United States Environmental Protection Agency (U.S. EPA) under 40 CFR 73.10. However, units EU-01 through EU-04 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 EU-01 through EU-04 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 EU-01 through EU-04 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 EU-01 through EU-04 have 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 EU-01 through EU-04 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 EU-01 through EU-04 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 EU-01 through EU-04 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 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 EU-01 through EU-04 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 EU-01 through EU-04.

(f) The designated representative of units EU-01 through EU-04 shall provide the Permittee a copy of any submission or determination under paragraph (e) of this section, 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 EU-01 through EU-04 shall meet the requirements of the Acid Rain Program.

(e) Any provision of the Acid Rain Program that applies to units EU-01 through EU-04, including a provision applicable to the designated representative of units EU-01 through EU-04, shall also apply to the Permittee.

(f) Any provision of the Acid Rain Program that applies to units EU-01 through EU-04, 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, 76, 77, and 78 by units EU-01 through EU-04, 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 EU-01 through EU-04, 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 a Title IV (Acid Rain) Permit Renewal

Source Background and Description

Source Name:	Duke Energy Indiana, Inc.
Source Location:	480 North Hall Road, Wheatland, IN 47597
Mailing Address:	1000 East Main Street, Plainfield, IN 46168
County:	Knox
Operated By:	Duke Energy Shared Services, Inc.
Designated Representative:	Barry E. Pulskamp
ORIS Code:	55224
Previous Title IV (Acid Rain) Permit No.:	AR 083-23476-00041
Title IV (Acid Rain) Renewal Permit No.:	AR 083-31063-00041
Permit Reviewer:	James Mackenzie

The Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) has reviewed a Title IV (Acid Rain) permit renewal application submitted by Duke Energy Indiana on October 25, 2011. The application is for the operation of the following affected units at a station located at 480 North Hall Road, Wheatland, Indiana.

> Four (4) simple cycle natural gas-fired combustion turbines, designated as units EU-01 through EU-04, constructed in 2000, with a maximum heat input capacity of 1,351 MMBtu/hr (Lower Heating Value, LHV) per turbine unit, with water-injection for NO_x emissions controland exhausting to stacks S-001 through S-004.

This Title IV (Acid Rain) permit renewal AR 083-30361-00041, 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 083-11856-00041.

Existing Title IV (Acid Rain) Approvals

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

> AR 085-23476-00041, issued on May 1, 2007

Duke Energy Indiana was issued a Title IV permit for the 540 MW peak shaving power plant, effective from May 1, 2007 to May 1, 2012.

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 (SO_2) and nitrogen oxide (NO_x) on lakes, streams, forests, crops and, most important, the health of the public, by a nationwide allocation of SO_2 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 SO_2 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 SO_2 and NO_x limitations can be found on the Internet at http://nadp.sws.uiuc.edu/.

(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 (SO_2) Emission Allocations
Beginning in 2010, the Clean Air Act has placed a cap at 8.95 million on the number of allowances issued to units each 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
The emission limitations for NOx under this part apply to each affected coal-fired utility unit subject to section 404(d) or 409(b) of the Act on the date the unit is required to meet the Acid Rain emissions reduction requirements for SO2.

Specific Sulfur Dioxide (SO_2) Emission Allocations

The four (4) simple cycle natural gas-fired combustion turbines, Units EU-01 through EU-04, have no annual allocated sulfur dioxide emission allowances established in the Title IV Acid Rain Program. The four (4) simple cycle natural gas-fired combustion turbines, Units EU-01 through EU-04 will be required to seek sulfur dioxide emission allowances from other units, in order to account for all sulfur dioxide emissions, as required by 40 CFR 72.9(c).

Specific NO_X Compliance and Averaging Plan

The four (4) simple cycle natural gas-fired combustion turbines, Units EU-01 through EU-04, are not subject to the nitrogen oxides requirements of 40 CFR 76. The NO_X regulations only apply to units that burn coal for fuel.

Emissions Monitoring Requirements

The Permittee and, to the extent applicable, the designated representative of Units EU-01 through EU-04 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 sulfur dioxide emissions. 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 this Title IV (Acid Rain) Acid Rain permit renewal be approved.

IDEM Contact

(a) Permit
Questions regarding the proposed Title IV (Acid Rain) renewal permit can be directed to James Mackenzie 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) 233-2641 or toll free at 1-800-451-6027 extension 3-2641.

(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
100 North Senate Avenue
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